

**CASINO CONTRIBUTIONS POSITION***Purpose*

This Annex sets out the position regarding the financial contributions received from the Aspers casino.

Future reporting on these financial matters will be through annual Budget and Outturn reports to Cabinet.

*Background*

A casino licence was awarded to Aspers in March 2012 following a competitive process. One of the aims of the process was to secure a financial benefit to the council from the award of the licence.

Following award of the licence, Corporate Leadership Team considered a report in August 2012 on how to allocate the monies received, which has been through budgetary approval by Cabinet since February 2013.

Though allocation of the funds is an Executive function, the Licensing Committee has previously received reports in March, July, and September 2015, December 2016, December 2017 and March 2019.

As an Executive matter, reporting on the financial contributions will henceforth be included in Budget and Outturn reports to Cabinet, and subject to scrutiny through the Budget & Resources Scrutiny Committee, other relevant Scrutiny committees, and the Audit Committee. The Health and Adult Social Care Scrutiny Committee received a briefing note in February 2019.

*Income Received from the Casino*

As detailed in previous reports there are a number of income streams from the Casino as a result of the licence granted and the contractual arrangement in place as a result. These are shown in the table on the following page and described in the following paragraphs.

Financial Year	Annual Licence Fee £'000	Minimum Guaranteed Income £'000	Top up on Minimum £'000	Vulnerable Gamblers Contribution £'000	One-off Job Creation £'000	Year £'000
2012/13	0	1,500	0	250	0	1,750
2013/14	0	0	0	175	50	225
2014/15	10	0	0	179	0	189
2015/16	10	0	236	182	0	428
2016/17	10	0	336	185	0	531
2017/18	10	500	297	193	0	1,000
2018/19	10	500	325	199	0	1,034
2019/20	2.5	500	275	204	0	981
<b>Total</b>	<b>52.5</b>	<b>3,000</b>	<b>1,469</b>	<b>1,567</b>	<b>50</b>	<b>6,138</b>

The annual licence fee is as specified under the Gambling Act 2005 and set at level decided by Parliament within specified parameters. The Council has previously charged the maximum amount allowed under the legislation of £10k per annum and this is received into the Licensing budget of Regulatory Services. The license fee for 2019/20 was £2.5k, having been reduced to a level recovering the council's costs based on the previous year's activity, in accordance with case law. The overall Licensing budget is ring fenced but the fee from the casino is not then ring fenced within it. The licence fee is used to support the licensing service in general and funds staff time in dealing with matters arising at the Casino, including committee work and programmed inspections etc.

The £500k minimum income revenue is for each year the Casino operates, payable in arrears. An advance sum was paid in 2012/13 covering the first three years' operation commencing in 2014/15.

The top up payment is in addition to the annual minimum £500k amount, if a set percentage of the gross gambling revenue at the Casino exceeds £500k. It is not possible to forecast what future payments will be, since this depends on the casino's turnover, and hence these are treated as one-off corporate receipts, since the variability would make it imprudent to incorporate them into the base budget. An annual "vulnerable gamblers contribution" with an initial start-up amount of £250k in 2012 and an annual amount of £175k payable from 2013 and index linked from then.

A one-off payment of £50k prior to September 2013 towards job creation. This was to be paid to Job Centre Plus but was agreed to be received by the Council at the time with agreement of all parties as part of Neighbourhood Employment Programme.

### *How the income received has been spent*

The £2.5k annual fee is set on a cost recovery basis within set parameters contained within the Gambling Act 2005. In the last 12 months Regulatory Services have participated in an Aspers initiative known as Community Action for Responsible Gaming and the Licensing Team have undertaken routine and proactive visits to the Casino to ensure compliance with the licence in place including a check on gaming machines following legislative changes introduced by the Government last year. The annual fee will continue to fund the work we do with the Casino although it is not directly ring fenced in the overall Licensing budget.

The annual £500k contribution, and additional top up payments, has been applied through the budget process to:

- a) provide funding to the Neighbourhood Employment Programme;
- b) provide funding to support the management and delivery of the RegenerationMK Strategy; and
- c) contribute to the overall general fund of the Council. It is not possible to provide a breakdown of what this has been used for specifically.

Support of vulnerable gamblers is overseen by Adult Social Care. Support was previously provided through a contract with MIND which expired on 31 March 2019. Public Health have recently recommissioned the drug and alcohol treatment and recovery contract which is scheduled to commence from 1 April 2020. Incorporated within the contract, is the funding for vulnerable gamblers. This is following the work with Public Health England which highlighted the potential for both treatment and recovery services to include effective support of problem gamblers, given overlapping needs and similarities of approaches to addiction.

### *Other benefits provided by the Casino*

Information from Aspers is that in the 12 months to 30 June 2019, 195 employment positions were available to MK residents. - There remains an ongoing commitment to recruit locally as vacancies arise.

A further benefit is that Aspers have contracts with 20 local businesses covering a number of services including marketing and promotions, taxis, facilities management and entertainment, spending in excess of £70k in the year to 30 September 2019.