

15 November 2021

**Please note venue  
for meeting**

Dear Members

**Council Meeting**

I hereby give notice that a meeting of the Council will be held in **the Council Chamber, County Buildings, Martin Street** on **Tuesday 23 November 2021 at 7.00pm** to deal with the business as set out on the agenda.



Tim Clegg  
Chief Executive

## **COUNCIL MEETING - 23 NOVEMBER 2021**

**Mayor, Councillor Tony Nixon**

### **A G E N D A**

- 1 Approval of the Minutes of the meetings of Council held on 14 September 2021 as published on the Council's website.
- 2 Apologies for Absence
- 3 Declarations of Interest
- 4 Announcements (Paragraph 3.2(iii) of the Council Procedure Rules)
  - (a) Presentation of the Freedom Scroll to The Royal British Legion (Stafford Branch)
- 5 Public Question Time
  - (a) Susan Crookshank:

#### **Question 1**

The new stone leisure strategy is proposing that s106 Sports money is allocated to increase the available total funds. The main new elements of the proposal at Westbridge are parking and a kiosk, hardly sports. The only element that could be described as sport is the MUGA, but funding for that has already been provided by the sale of land at Westbridge park. Would the Council please explain why it is not using the s106 sports money to fund the new astro pitch at Alleyne's which was included in the original strategy and there is a clear need.

#### **Question 2**

The 2016 Stone Leisure Strategy was to improve sports provision with a new 3G astro pitch and the conversion of the swimming pool to a sports hall. The new strategy has wiped out these commitments removing funding for the new astro pitch and quietly dropping the words 'conversion to a sports centre' from the strategy. This will have a significant negative impact on sport locally.

Based on the Borough Councils own costings the conversion of the swimming pool will cost in excess of one million pounds, so the current strategy leaves the school nearly £600,000 short. This along with the removal of the £200,000 for the astro pitch will seriously financially damage the school. I would remind the council that a key principal of the original strategy was to "not impact adversely on the school either functionally or financially".

The school wants to work with the community to invest in the sports centre to develop a sporting hub for the town and local area. To do this we need the funding for the new astro pitch to be reinstated and the £430,000 swimming pool money to be guaranteed. Would the Borough Council please reinstate the funding or explain why they have changed the strategy to damage sport and the school?

(b) Richard Jones:

#### Question 1

With the uncertain future of Wellbeing Park, Yarnfield, Stone Old Alleynians Football Club have returned to its spiritual home at Alleyne's Academy investing a significant amount of time and money to create a thriving community club with over 25 teams playing at the site meaning over 95% of all community football related activity now takes place at the school.

The current floodlit astro pitch is not in good condition and will last for maybe a couple of years. The pitch's poor quality means it is quite rightly not licensed for matches and when it becomes unfit for practice hundreds of players will have nowhere to play mid week.

Both the Football Foundation's Stafford plan and Borough Councils own pitch strategy have identified the need for a new 3g astro pitch in the Stone area. As a club we want to offer the various local leagues the option to use the facility as a central venue for both junior and veteran's football, as well as bringing our first team, who have had to play 'outside of Stone' for over twenty years, back to the town facility.

Having seen and heard about the extremely positive community wide project, which has had very good press coverage, why is the Borough Council not actively supporting our thriving club to develop a football hub at Alleyne's for Stone Town and the surrounding area by investing in a new 3G astro pitch at Alleyne's?

#### Question 2

Stone Old Alleynians FC have hundreds of juniors based at Alleyne's Sports Centre which is hugely important to the social, mental and physical wellbeing of hundreds of junior players, particularly since emerging from lockdown. If the astro pitch is not replaced we will not be able to train in the winter as we will not have a floodlit pitch.

Given the impact on so many young people's wellbeing how can the council justify removing funding for the new pitch?

(c) Andy Osgathorpe:

Whilst the Council will be aware of my support for the new play areas intended for Westridge Park, she will also be aware of my planning concerns expressed at the last Stone Town Council meeting on Tuesday 2 November 2021, which she attended and presented on the same subject. My concern at the time included possible conflict with policies within the Stone Neighbourhood Plan and the harm done to

part of the current playing field in reducing its size, by building the play areas upon it. Given Sport England objections to the plan as emailed to Sally McDonald on Fri 22/10/2021, in particular not atoning to their playing field protection policies, how does the Council intend to mitigate against this.

6 Councillor Session - Nil

7 Notice of Motion

A Notice of Motion pursuant to Paragraph 12.3(a) of the Council Procedure Rules has been proposed by Councillors A T A Godfrey and A M Loughran as follows:-

“This Council is delighted with the support shown by Minister of State in the Department for Environment, Food and Rural Affairs The RT Hon The Lord Goldsmith of Richmond Park, in a letter to Stafford Borough Council Chief Executive Officer Tim Clegg dated 28 September 2021, for the decision to ban the giving of live animals as prizes on Stafford Borough Council land. This issue was brought to the Council’s attention in a motion, proposed by Labour member Councillor Ralph Cooke, concerning the welfare of goldfish given as prizes. This Council thanks Councillor Cooke and all the members of the Council who supported his original motion. Sadly, the vote to adopt this policy was not supported by all members of the Conservative group. This seems to be at odds with the Government’s position on this important animal welfare issue.”

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11	Any items referred from Scrutiny Committee(s)	-

**Chief Executive**

Civic Centre  
Riverside  
Stafford  
ST16 3AQ

**ITEM NO 8****ITEM NO 8**

<b>Report of:</b>	<b>Head of Finance</b>
<b>Contact Officer:</b>	<b>Emma Fullagar</b>
<b>Telephone No:</b>	<b>01543 464720</b>
<b>Ward Interest:</b>	<b>Nil</b>
<b>Report Track:</b>	<b>Council</b> <b>23/11/2021</b> <b>Community</b> <b>Wellbeing</b> <b>16/11/2021</b> <b>Resources</b> <b>11/11/2021</b> <b>Economic</b> <b>Development and</b> <b>Planning</b> <b>09/11/2021</b> <b>Cabinet</b> <b>04/11/2021</b>

**COUNCIL**  
**23 NOVEMBER 2021**  
**Fees and Charges Review 2022**

The following matter was considered by Cabinet at its meeting held on 4 November 2021 and is submitted to Council for approval.

**1 Purpose of Report**

- 1.1 The purpose of this report is to propose to the Council the Fees and Charges for 2022.

**2 Recommendation**

- 2.1 That the proposed Fees and Charges for 2022 be recommended for approval.

**3 Key Issues and Reasons for Recommendation**

- 3.1 The report sets out the proposed changes to Fees and Charges for 2022. In accordance with the revised financial regulations agreed by Council on the 16 September 2019 only the following items are included:
- Where a new charge has been introduced
  - The proposed increase is above the annual level of inflation

- Where the power to set fees and charges has been specifically reserved by the Council

#### 4 Relationship to Corporate Business Objectives

4.1 This report supports all of the Council's Corporate Priorities.

#### 5 Report Detail

- 5.1 The fees and charges process for the 1 January 2022 reflects the revised financial regulations as agreed by Council on the 16 September 2019. This set out the criteria for fees and charges which would be reported to Cabinet and Council for approval as follows:
- Where a new charge has been introduced
  - The proposed increase is above the annual level of inflation
  - Where the power to set fees and charges has been specifically reserved by the Council
- 5.2 The parameter for fees and charges inflation is determined as part of the Financial Plan. An inflation requirement of 3% is recommended. The proposed increases to Fees and Charges to take effect from 1 January 2022 above the 3% tolerance (excluding rounding to the nearest 5 or 10 pence) are contained within the **BOOKLET** as circulated with this agenda.
- 5.3 For Council run services the guidance that has been given is that inflation is currently running at 3%. However, the increases should be with regard to what the market can bear and set prices accordingly. This may involve charges being frozen or less than the 3% inflation which are not included within the exception report attached.
- 5.4 There are a number of fees that have been frozen which include Garden Waste, Land Charges, Parking Fees and Market Rents. Garden Waste has seen no increase as this is in line with market tolerance. Land Charges have been frozen due to significant service change which is expected to complete in 2021/22. Parking Charges continue to remain at 2021 levels and Market Rents have seen no increase due to the recent trading environment and the covid pandemic.
- 5.5 A full copy of the Fees and Charges are available on the Members' web page.

#### 6 Implications

6.1	<b>Financial</b>	As set out in the report
	<b>Legal</b>	As set out in the report
	<b>Human Resources</b>	As set out in the report
	<b>Human Rights Act</b>	As set out in the report
	<b>Data Protection</b>	As set out in the report

<b>Risk Management</b>	<p>The risk issues contained in this report are not strategic and therefore should not be included in the Strategic Risk Register.</p> <p>The level if income generated by the Council from fees and charges is a key risk as a number of the Council's main income streams are sensitive to adverse economic conditions and can vary significantly as a result.</p>
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6.2 <b>Community Impact Assessment Recommendations</b>	<p><b>Impact on Public Sector Equality Duty:</b></p> <p>The Borough Council considers the effect of its actions on all sections of our community and has addressed all of the following Equality Strands in the production of this report, as appropriate:-</p> <p>Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.</p> <p><b>Recommendations Wider Community Impact:</b></p> <p>Detailed above.</p>
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**Previous Consideration** – Cabinet – 4 November 2021 – Minute No CAB32/21  
Economic Development and Planning Scrutiny Committee – 9 November 2021 – Minute No EDP16/21  
Resources Scrutiny Committee – 11 November 2021 – Minute No RSC18/21  
Community Wellbeing Scrutiny Committee – 16 November 2021

**Background Papers** - File available in Financial Services



**FEES AND CHARGES  
2022**

**COUNCIL  
23/11/2021**



**Stafford Borough Council**

			PROPOSED CHARGE			
<u>LICENCE FEES</u>	£ - p	VAT	Date Set	01-Jan-22 £ - p	Increase %	<u>Rationale for Increase/Decrease</u>
<b><u>Smoke and Carbon Monoxide Alarm (England) Regulations 2015 Penalty Charge</u></b>						<i>Penalty charge schemes are published online at <a href="http://www.staffordbc.gov.uk">www.staffordbc.gov.uk</a></i>
Failure to comply with an Improvement Notice						
(a) First offence	1,000.00	NB	01/01/21	DELETE	-	
(b) For each subsequent offence	5,000.00	NB	01/01/21	DELETE	-	
Maximum Penalty		NB		5,000.00	-	
<b><u>Letting Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014 Penalty Charge</u></b>						
Failure to belong to a recognised redress scheme						
(a) First offence	1,000.00	NB	01/01/21	DELETE	-	
(b) For each subsequent offence	5,000.00	NB	01/01/21	DELETE	-	
Maximum Penalty		NB		5,000.00	-	
<b><u>Housing Act 2004 Section 249a Penalty Charge</u></b>						
Maximum Penalty		NB		30,000.00	-	
<b><u>The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 penalty Charge</u></b>						
Maximum Penalty		NB		30,000.00	-	

**E** = exempt - no VAT to be applied  
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## Environment Portfolio

Stafford Borough Council

### Fees and Charges 2022 - Proposed Charges

				PROPOSED CHARGE		<u>Rationale for Increase/Decrease</u>	
<u>BEREAVEMENT SERVICES</u>	£ - p	VAT	Date Set	01-Jan-22 £ - p	Increase %		
<u>STAFFORD CREMATORIUM</u>							
<u>Cremation Fee</u>							
(c) Use of Organist for all services				DELETE	-		
(d) Child up to 16 years	no charge	-	01/04/97	DELETE	-		
(e) Stillborn child	no charge	-	01/04/89	DELETE	-		
Child up to 12 months of age	no charge	-		251.00	New		
Child 12 months to 16 years	no charge	-		502.00	New		
(g) Basic Cremation Charge (The fee is inclusive of the current environment fee. Services must be booked on or before 9.30am, no mourners in attendance, no organist is supplied and an option to 'hold over' must be granted)	535.00	E	01/01/20	325.00	- 39.3		

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## Environment Portfolio

Stafford Borough Council

### Fees and Charges 2022 - Proposed Charges

<u>BEREAVEMENT SERVICES continued...</u>	£ - p	VAT	Date Set	PROPOSED CHARGE		<u>Rationale for Increase/Decrease</u>
				01-Jan-22 £ - p	Increase %	
<u>STAFFORD CREMATORIUM continued..</u>						
<u>Memorial Seats - Existing Seats Only</u>						
Bench Style						
(a) For a 10 year period	1,061.00	S	01/01/21	1,150.00	8.4	<i>There is very limited space for this type of memorial and there are a wide range of other memorials available.</i>
(b) Renewal fee for a further 10 years	530.00	S	01/01/21	575.00	8.5	<i>The increase in charge will provide more availability of benches for families.</i>
<u>Memorial Trees - Existing Trees Only</u>						
(b) Renewal fee for further 25 years	509.00	S	01/01/21	565.00	11.0	<i>The revised costs better reflect SBC's on-going maintenance liability for the trees.</i>
(c) Renewal fee for a further 10 years	254.00	S	01/01/21	325.00	28.0	

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## Environment Portfolio

Stafford Borough Council

### Fees and Charges 2022 - Proposed Charges

<u>BEREAVEMENT SERVICES continued...</u>	£ - p	VAT	Date Set	PROPOSED CHARGE		<u>Rationale for Increase/Decrease</u>
				01-Jan-22 £ - p	Increase %	
<u>STAFFORD AND STONE CEMETERIES</u> <u>continued...</u>						
<u>INTERMENT FEES</u>						
<u>Graves with Exclusive Burial Rights</u> <u>Granted (private grave spaces)</u>						
At a depth not exceeding 5ft.						
(b) Child up to 16 years	no charge	-	01/04/97	DELETE	-	
(c) Stillborn child	no charge	-	01/04/96	DELETE	-	
Child 24 weeks to 9 years (Rainbow Garden)		NB		515.00	New	
Child 9 years to 18 years		NB		1,060.00	New	
At a depth not exceeding 7ft.						
(b) Child up to 16 years	no charge	-	01/04/97	DELETE	-	
(c) Stillborn child	no charge	-	01/04/89	DELETE	-	
Child 24 weeks to 9 years (Rainbow Garden)		NB		550.00	New	
Child 9 years to 18 years		NB		1,130.00	New	

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## Environment Portfolio

Stafford Borough Council

### Fees and Charges 2022 - Proposed Charges

<u>BEREAVEMENT SERVICES continued...</u>	£ - p	VAT	Date Set	PROPOSED CHARGE		<u>Rationale for Increase/Decrease</u>
				01-Jan-22 £ - p	Increase %	
<u>STAFFORD AND STONE CEMETERIES continued...</u>						
<u>INTERMENT FEES continued...</u>						
<u>Graves with no Exclusive Burial Rights</u>						
<u>Granted (common unpurchased grave spaces)</u>						
(b) Child up to 16 years	no charge	-	01/04/96	DELETE	-	
(c) Stillborn child	no charge	-	01/04/89	DELETE	-	
Child 24 weeks to 9 years (Rainbow Garden)		NB		890.00	New	
Child 9 years to 18 years		NB		1,130.00	New	

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# Leisure Portfolio - CLIENT

Stafford Borough Council

## Fees and Charges 2022 - Proposed Charges

### PROPOSED CHARGE

<u>OUTDOOR SPORT AND RECREATION</u>	£ - p	VAT	Date Set	01-Jan-22 £ - p	Increase %	<u>Rationale for Increase/Decrease</u> <i>All charges represent the maximum amount chargeable</i>
<b><u>VICTORIA PARK, STAFFORD</u></b>						
<b><u>Hire of Facilities</u></b>	<b>subject</b>					
Including training/meeting room, bandstand and event spaces	<b>to</b>	E		<b>DELETE</b>	-	
	<b>negotiation</b>					
<b><u>Education Room/Bowls Pavilion</u></b>						
<b><u>Commercial Hire</u></b>						
Weekday (Mon to Friday)						
One Hour		E or S		20.00	New	
Half Day (4 Hours)		E or S		40.00	New	
Full Day (8 Hours)		E or S		75.00	New	
Weekend/Bank Holiday (Sat/Sun)						
One Hour		E or S		30.00	New	
Half Day (4 Hours)		E or S		60.00	New	
Full Day (8 Hours)		E or S		90.00	New	
<b><u>Charity/Not for Profit</u></b>						
Weekday (Mon to Friday)						
One Hour		E or S		10.00	New	
Half Day (4 Hours)		E or S		20.00	New	
Full Day (8 Hours)		E or S		40.00	New	
Weekend/Bank Holiday (Sat/Sun)						
One Hour		E or S		15.00	New	
Half Day (4 Hours)		E or S		30.00	New	
Full Day (8 Hours)		E or S		45.00	New	

### VAT

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## Leisure Portfolio - CLIENT

Stafford Borough Council

### Fees and Charges 2022 - Proposed Charges

#### PROPOSED CHARGE

<u>OUTDOOR SPORT AND RECREATION</u>	£ - p	VAT	Date Set	01-Jan-22 £ - p	Increase %	<u>Rationale for Increase/Decrease</u>
<u>continued...</u>						<u>All charges represent the maximum amount chargeable</u>
<u>VICTORIA PARK, STAFFORD continued...</u>						
<u>Events Space</u>						
Weekday (Mon to Friday)						
Per day		E or S		200.00	New	
Weekend/Bank Holiday (Sat/Sun)						
Per day		E or S		400.00	New	
<u>Charity/Not for Profit</u>						
Weekday (Mon to Friday)						
Per day		E or S		100.00	New	
Weekend/Bank Holiday (Sat/Sun)						
Per day		E or S		200.00	New	
<u>Set up and close down days before and after event if required</u>		E or S		*	New	* 50% of daily hire charge
<u>Repairs/Cleansing</u>						
Repairing any damage to buildings/grounds resulting from event		E or S		at cost	New	
Cleansing litter/debris resulting from event		E or S		at cost	New	
<u>Other Facilities including use of horticultural green house</u>		E or S		subject to negotiation	New	

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# Planning and Regeneration Portfolio

Stafford Borough Council

## Fees and Charges 2022 - Proposed Charges

<u>TOWN CENTRE SERVICES</u>	£ - p	VAT	Date Set	PROPOSED CHARGE		<u>Rationale for Increase/Decrease</u>
				01-Jan-22 £ - p	Increase %	
<u>MARKET SQUARE, STAFFORD</u>						
<u>Hire of Area in Front of Santander Bank</u>		E		112.27	New	
<u>FARMERS MARKET</u>						
(a) Rent of one stall	44.30	E	01/01/20	DELETE	-	

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## Resources Portfolio

Stafford Borough Council

### Fees and Charges 2022 - Proposed Charges

<u>LEGAL FEES</u>	£ - p	VAT	Date Set	PROPOSED CHARGE		<u>Rationale for Increase/Decrease</u>
				01-Jan-22 £ - p	Increase %	
<b><u>Disposals</u></b>						
Freehold		NB		440.00	New	
Long Leases		NB		560.00	New	
<b><u>New Leases</u></b>						
Land		NB		650.00	New	
Other Premises		NB		650.00	New	
Renewal of Leases		NB		400.00	New	
<b><u>Miscellaneous</u></b>						
Licences to Occupy		NB		450.00	New	
Right of Way Easements and Deeds of Grant		NB		350.00	New	
Other Licences		NB		450.00	New	
Public Footpath Diversion Orders		NB		1,600.00	New	

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## Resources Portfolio

Stafford Borough Council

## Fees and Charges 2022 - Proposed Charges

				PROPOSED CHARGE		
£ - p	VAT	Date Set	01-Jan-22 £ - p	Increase %	<u>Rationale for Increase/Decrease</u>	
<u>THE SALTINGS MOBILE HOMES SITE</u>						
Weekly licence fee						
Single plot	28.21	E	01/01/21	29.57 4.81	Rents on Mobile Home Sites are increased in accordance with any increase in RPI. RPI as at August 2021 = 4.81%	
Double plot	37.24	E	01/01/21	39.03 4.81		

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**ITEM NO 9****ITEM NO 9**

<b>Report of:</b>	<b>Head of Operations</b>
<b>Contact Officer:</b>	<b>Julie Wallace</b>
<b>Telephone No:</b>	<b>01785 619605</b>
<b>Ward Interest:</b>	<b>Nil</b>
<b>Report Track:</b>	<b>Council 23/11/21 Cabinet 04/11/21</b>

**COUNCIL**  
**23 NOVEMBER 2021**  
**Gambling Act 2005 - Statement of Principles 2022 - 2025**

The following matter was considered at the Cabinet meeting of 4 November 2021, when Cabinet recommended that Full Council approve the proposed Statement of Principles for the Gambling Act 2005.

**1 Purpose of Report**

- 1.1 The Council is required to prepare and publish a revised and updated Statement of Principles relating to the Gambling Act 2005, as per section 349 of the Gambling Act 2005.
- 1.2 This report seeks Council approval for the publication of the new Statement of Principles.

**2 Recommendation**

- 2.1 That Council:
- (i) approves the revised Statement of Principles attached as an **APPENDIX**;;
  - (ii) Agrees that the Statement of Principles shall be published on the Council's website on or before 3 January 2022
  - (iii) Agrees that the Statement of Principles shall come into force on 10th January 2022.

**3 Key Issues and Reasons for Recommendation**

- 3.1 The Council is required to prepare and publish a revised and updated Statement of Principles relating to the Gambling Act 2005, as per section 349 of the Gambling Act 2005.
- 3.2 In preparing a statement of principles the Council consulted widely, externally and internally from 13 September 2021 – 22 October 2021

- 3.3 The new Statement of Licensing Principles needs to be published in its final form by 3 January 2022 and must be in force by 31 January 2022.

#### **4 Relationship to Corporate Business Objectives**

- 4.1 The new Statement of Licensing Principles takes account of and seeks to promote the following Corporate Business Objectives of the Council –
- **Corporate Business Objective 2**  
To improve the quality of life of local people by providing a safe, clean, attractive place to live and work and encouraging people to be engaged in developing strong communities that promote health and wellbeing.
  - **Corporate Business Objective 4**  
To be a well-run, financially sustainable and ambitious organisation, responsive to the needs of our customers and communities and focussed on delivering our objectives

#### **5 Report Detail**

- 5.1 The Act requires the Council to review the Statement of Principles from time to time, and at least every three years, in order to review its effectiveness and to take into account any changes in legislation or guidance.
- 5.2 In preparing a statement of principles the Council must consult–
- (a) the chief officer of Police for the area.
  - (b) one or more persons who appear to represent the interests of persons carrying on gambling businesses in the area, and
  - (c) one or more persons who appear to represent the interests of persons who are likely to be affected by the exercise of the Council's functions under the Act.
- 5.3 The consultation period for responses on the proposed statement of principles ran from 13 September - 22 October 2021. The list of persons and agencies consulted were–
- The Gambling Commission
  - Staffordshire Police
  - Staffordshire Safeguarding Children Board
  - Staffordshire County Council Social Services
  - Staffordshire Fire and Rescue Service
  - Staffordshire Youth Services
  - Director of Public Health
  - Community Wellbeing Partnership

- British Beer and Pub Association
- Association of British Bookmakers
- Stafford Borough Council elected members
- Stafford Borough Council's Corporate Business and Partnership Team
- All parish and town councils in Stafford Borough Council
- Stafford Chamber of Trade
- Neighbouring local authorities
- Existing licence holders
- Growth, Regeneration and Infrastructure Partnership

- 5.4 The draft statement of principles is attached as an **APPENDIX**. The important changes that are proposed to the current statement of principles are highlighted in red text. These key changes are proposed in response to the updated "Guidance to Licensing Authorities" and Codes of Practice published by the Gambling Commission. The Gambling Commission has emphasised that it is important for Licensing Authorities to set out their expectations for Local Risk Assessments (LRAs), and section 8 of the revised draft policy covers these matters. Section 7 of the revised draft policy details updates to the local information to be considered by applicants for drafting LRAs.
- 5.5 There were no consultation responses received from the consultees.
- 5.6 The new Statement of Licensing Principles needs to be published in its final form by 3 January 2022, and must be in force by 31 January 2022.
- 5.7 Council is therefore asked to approve the revised Statement of Principles in its revised form.

<b>6</b>	<b>Implications</b>
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6.1	<b>Financial</b>	Nil
	<b>Legal</b>	The Legal implications are set out in the body of the report.
	<b>Human Resources</b>	Nil
	<b>Human Rights Act</b>	Nil
	<b>Data Protection</b>	Nil
	<b>Risk Management</b>	Nil

6.2	<b>Community Impact Assessment Recommendations</b>	<p><b>Impact on Public Sector Equality Duty:</b></p> <p>The Borough Council considers the effect of its actions on all sections of our community and has addressed all of the following Equality Strands in the production of this report, as appropriate:-</p> <p>Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.</p>
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	<b>Recommendations Wider Community Impact:</b>  Detailed above.
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**Previous Consideration** - Cabinet - 4 November 2021 - Minute No CAB33/21

**Background Papers** - File available in Licensing

# **Gambling Act 2005**

## **Draft Statement of Principles**

### **2022 - 2025**

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# Part A – The Gambling Act 2005

## 1 The Licensing Objectives

- 1.1 Under the Gambling Act 2005 (the Act), Stafford Borough Council is the Licensing Authority. The Council licenses premises for gambling activities as well as granting various other gambling permits. In this document, unless otherwise stated, any references to the Council are to Stafford Borough Council.
- 1.2 The Gambling Commission issues operators' licences and personal licences. Any operator wishing to provide gambling at certain premises must have applied for the requisite operators licence and personal licence from the Gambling Commission before they approach the Council for a premises licence.
- 1.3 The Council is responsible for licensing premises where gambling activities are to take place. The Council is also responsible for a number of other matters which are listed in paragraph 12.1 below.
- 1.4 The Council will carry out its functions under the Act and will aim to permit gambling in accordance with the three licensing objectives set out at Section 1 of the Act. The expectation is that gambling premises will ensure that the licensing objectives are met. The three licensing objectives are:
  - Preventing gambling from being a source of crime or disorder, being associated with crime or being used to support crime;
  - Ensuring that gambling is conducted in a fair and open way;
  - Protecting children and other vulnerable persons from being harmed or exploited by gambling.
- 1.5 More information on the licensing objectives can be found later in this document. It should be noted that the licensing objectives do not include ensuring public safety or the prevention of public nuisance.
- 1.6 When making decisions about applications for premises licences, the Council is bound by, and committed to, a statutory aim to permit gambling insofar as it considers that any application made:
  - Is in accordance with any relevant Code of Practice issued by the Gambling Commission;
  - Is in accordance with any relevant guidance issued by the Gambling Commission;

- Is reasonably consistent with the licensing objectives; and
  - Is in accordance with the Council's Statement of Principles.
- 1.7 The Licensing Authority would emphasise that moral or ethical objections to gambling are not valid reasons for the rejection of premises licences applications.

## **2 Introduction and consultation process**

- 2.1 Licensing authorities are required by the Gambling Act 2005 to publish a statement of the principles which they propose to apply when exercising their functions under the Act.
- 2.2 The Council consulted widely on this Statement of Principles. The list of those consulted during the 2021 consultation exercise is provided within paragraph 2.4 below.
- 2.3 The Council will continue to monitor the effectiveness of this policy and will consider changes to the policy in the light of any new legislation and/or developments affecting the local area. It will consult with stakeholders at the time it is considering any such changes. The Council must review and publish this statement of principles at least every three years.
- 2.4 List of persons and agencies consulted by this authority:
- The Gambling Commission
  - Staffordshire Police
  - Staffordshire Safeguarding Children Board
  - Staffordshire County Council Social Services
  - Staffordshire Fire and Rescue Service
  - Staffordshire Youth Services
  - Director of Public Health
  - Community Wellbeing Partnership
  - British Beer and Pub Association
  - Association of British Bookmakers
  - Stafford Borough Council elected members
  - Stafford Borough Council's Corporate Business and Partnership Team

- All parish and town councils in Stafford Borough Council
- Stafford Chamber of Trade
- Neighbouring local authorities
- Existing licence holders
- Growth, Regeneration and Infrastructure Partnership

2.5 The consultation took place between 13 September and 22 October 2021.

### **3 Exchange of Information and Data Protection**

3.1 Licensing authorities are required to include, in their policy, the principles which are to be applied to the exchange of information between it and the Gambling Commission, as well as other persons listed in Schedule 6 to the Act. It may also share information with other bodies responsible for auditing or administering public funds for these purposes, e.g. UK National Fraud Initiative.

3.2 The information that you have provided will be used by Stafford Borough Council, as data controller, to allow it to carry out its statutory obligations in relation to the administration, compliance and enforcement of the licensing function within the Borough. The Council will only share your information with agencies involved in licence processing or licensing enforcement where the law requires or permits it to do so. For further information, please see:

<https://www.staffordbc.gov.uk/PrivacyNotices>

### **4 Equality and Diversity**

4.1 The Council is committed to promoting diversity and equality of opportunity to everyone it comes into contact with. This is an essential part of improving services for everyone. This can only be achieved by promoting equality for all groups of people and removing discrimination and harassment.

Through policies and service delivery, the Council's main aims for ensuring equality and diversity are to:

- Eliminate unlawful discrimination ;
- Advance equality of opportunity between those who share a protected characteristic and people who do not ;
- Foster good relations between those who share a protected characteristic and people who do not.

4.2 The Council refreshed its Equalities Policy during 2021 and the overarching aim of this policy is that consideration to equality becomes an intrinsic part of daily working, the organisation culture and service delivery.

4.3 There are two main objectives that support the aim and objectives in the Corporate Business Plan and these relate to :

Organisational commitment

Delivering the best outcomes for residents, businesses and visitors in our borough

A copy of the policy can be found at:

<https://www.staffordbc.gov.uk/equality-and-inclusion-policy>

## **5 Crime and Disorder Act 1998**

5.1 Under section 17 of the Crime and Disorder Act 1998 the Council is under a statutory duty to do all that it can to prevent crime and disorder within its area and is mindful of concerns over the use of licensed premises for criminal activity, for example money laundering and drug dealing.

5.2 The Council will work in partnership with licence holders, local businesses, responsible authorities, councillors and local people with the aim of promoting the licensing objectives.

## **6 The Licensing Framework**

6.1 The Gambling Act 2005 changed the way that gambling is administered in the United Kingdom. The Gambling Commission is the national gambling regulator and has a lead role in working with Central Government and local authorities to regulate gambling activity.

6.2 The Gambling Commission issues operators' licences and personal licences. Any operator wishing to provide gambling at certain premises must have applied for the requisite operator's licence and personal licence from the Gambling Commission before they approach the Council for a premises licence. In this way, the Gambling Commission is able to ensure that applicants have the correct credentials to operate gambling premises.

6.3 The Council's role is to ensure premises are suitable for providing gambling in accordance with the three licensing objectives and any Codes of Practice issued by the Gambling Commission. The Council also issues various permits and notices for smaller scale gambling.

6.4 The Council does not license large society lotteries or remote gambling through websites. These are regulated by the Gambling Commission. The

National Lottery is not regulated by the Gambling Act 2005 but continues to be regulated by the National Lottery Commission under the National Lottery Act 1983.

## **7 Local Area Profile**

- 7.1 Applicants are referred to the web links given in paragraphs 8.9 to 8.13 below. These web pages give wide ranging information on the Council's local area which should be taken into account by applicants who are preparing local risk assessments. These web links are reviewed and updated on a regular basis so as to reflect changes to local characteristics, trends and conditions.
- 7.2 Stafford Borough is one of eight District and Borough Councils that make up Staffordshire in the West Midlands. Stafford is the county town and the Borough is the largest Staffordshire district, stretching across 59,187 hectares equating to approximately 230 miles. Predominately rural, with 32% of the population living in these areas, its economic scale score of 84.71 ranks it as medium size by British standards.
- 7.3 Stafford Borough currently has more than 135,880 residents and this figure is expected to increase to approximately 142,900 by 2033. The Borough has an ageing population, with more people living here who are over 65 years; there is a lower proportion of children and young people aged under 24 years of age with average proportions of adults aged 35 – 50 years.
- 7.4 The ethnicity of the population is approximately 94% White British, which is comparable to the population of Staffordshire.
- 7.5 According to the most recent figures, the Gross Value Added (GVA) of Stafford is £3,200,000 representing 18% of the whole county of Staffordshire GVA. Median weekly earnings for full-time employees reached £585 in April 2019.
- 7.6 Between April 2018 and April 2019, 35.7% of full-time employees experienced a real term pay decrease or pay freeze, a reduction from 43.3% in 2018. Stafford's full-time workers continued to see an increase in weekly pay to £606.70 compared to £550.8 in the West Midlands and £587 across Great Britain.
- 7.7 The ward indicator matrix demonstrates that there are six ward areas that are more deprived and experience poorer outcomes. The wards with the highest levels of need in terms of families and communities facing multiple issues are: Common, Coton, Doxey and Castletown, Forebridge, Highfields and Western Downs, and Penkside.
- 7.8 There are approximately 60,000 households in the borough which are predominantly owner-occupied

- 7.9 The average price of a house in Stafford Borough is £184,156. This is above the Staffordshire average price, but below the national and regional average.
- 7.10 Residents of Stafford Borough generally live longer, with the healthy life expectancy in the district better than the national average for both males (81 years) and females (83 years). However, the life expectancy for both men and women living in deprived areas is six years less.
- 7.11 The new Corporate Business Plan sets out the council's vision and objectives for the next three years and details a shared vision for economic and housing growth, community health and wellbeing and financial sustainability.

<https://www.staffordbc.gov.uk/corporate-business-plan>

- 7.12 All of our outcomes for our residents, families and communities are affected by a wide range of social, demographic, environmental and economic factors which are inextricably linked. It is often the same families and communities that have poor outcomes and who more likely to be the victims and also perpetrators of crime and anti-social behaviour. There is increasing focus upon public sector organisations working in partnership with each other, the voluntary, business sectors and communities to plan, design, resource, build and deliver services around people, families and communities in the most disadvantaged communities to support them to improve their life opportunities.
- 7.13 The Council will proactively engage with all responsible authorities as well as other organisations to ensure any new applications or applications to vary existing licences are assessed by taking the local area profile risks into account. Applicants should therefore consider how they will address these risks and address these matters in any applications.

## **8 Local Risk Assessment**

- 8.1 The Gambling Commission's Licence Conditions and Code of Practice (LCCP) which were revised and published in October 2020 require operators to consider local risks from the provision of gambling at their premises. Please see Code of Practice provisions, section 10 :

<https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp>

- 8.2 The Social Responsibility (SR) code requires applicants to assess the local risk to the licensing objectives posed by the provision of gambling facilities at each of their premises. It also requires them to have policies, procedures and control measures to mitigate those risks. In undertaking their risk assessments, applicants must take into account any relevant matters identified within this statement of principles.

- 8.3 Applicants are required to undertake a local risk assessment (LRA) when applying for a new premises licence. Further, their risk assessment must also be updated:
- When applying for a variation of a premises licence.
  - To take account of significant changes in local circumstances, including any identified within this policy statement.
  - Where there are significant changes at premises that may affect the mitigation of local risks.
- 8.4 The Council encourages operators to keep a copy of the LRA at the premises at all times. The LRA must be provided to the Council when applying for a new premises licence or for a variation to the existing premises licence. **Upon such application, the Council will consider the need to condition premises licences to require operators, to keep a copy of the LRA on the premises at all times.**
- 8.5 The LRA should set out measures the applicant has in place to address areas of local concern. In broad terms, the LRA should include reference to any specified local risk, how the operator intends to mitigate any risks identified and how the operator will monitor those risks.
- 8.6 **The Council will expect the LRA to consider as a minimum:**
- **the location of services for children such as schools, playgrounds, leisure/community centres and other areas where children will gather.**
  - **the demographics of the area in relation to vulnerable groups;**
  - **whether the premises is in an area subject to high levels of crime and/or disorder.**
  - **LRAs should show how vulnerable people, including people with gambling dependencies are protected.**
- 8.7 **Applicants will need to consider socio-economic, demographic and health and wellbeing factors** when drafting their LRA. These factors are referred to within the paragraphs 8.9 to 8.13 below.
- 8.8 The Council will expect applicants to have an understanding of the local profile and address the Council's concerns in respect of protecting children and other vulnerable people by ensuring that the licensing objectives are met. This should be demonstrated via the LRA.
- 8.9 The web links below are links to external documents which are intended to assist applicants in obtaining a greater understanding of the local area. Applicants should take this information into account when drafting any LRA.



- 8.10 The Public Health England Stafford Borough Health Profile can be viewed at:  
<https://fingertips.phe.org.uk/profile/health-profiles/data#page/1/gid/1938132696/pat/6/par/E12000005/ati/101/are/E07000197>
- 8.11 Staffordshire County Council and the Staffordshire Observatory Locality Profile for the Stafford Borough can be found at:  
[Stafford Data Pack 2018 \(staffordshireobservatory.org.uk\)](http://staffordshireobservatory.org.uk)
- 8.12 The Stafford and Surrounds Health and Wellbeing Strategy 2020-2024 can be found at:  
<https://www.staffordbc.gov.uk/Community-Safety-and-Wellbeing-Strategy-2020-2024>
- 8.13 The Stafford Borough Community Safety Strategic Assessment:  
<https://www.staffordbc.gov.uk/Community-Safety-Strategic-Assessment>
- 8.14 Having considered the information provided above, applicants should provide the licensing authority with the policies and procedures they have in place, which are designed to prevent underage gambling. These policies and procedures should also take account of the structure and layout of the particular premises as well as any training provided to staff.
- 8.15 In the event of any application to vary a premises licence, operators will be required to provide the licensing authority with any age-related compliance test results which relate to the premises concerned **and the following information**
- Self-exclusion details
  - Attempts to gamble by under 18s
  - Test Purchase results
  - Anti social behaviour issues on the incident log
  - Police reports and call outs
  - Sharing information with nearby agencies e.g. treatment centres
  - Protections in place when footfall is highest
  - Betwatch or similar

8.16 With respect to preventing vulnerable people from gambling, applicants must demonstrate how they intend to ensure that the licensing objective is met. This might include providing details about their own self exclusion schemes and their intentions towards the Multi Operator Self Exclusion Scheme (MOSES).

8.17 In LRAs applicants should provide details of the responsible gambling information that they make available to customers. This should include information from organisations such as Gambleaware <https://about.gambleaware.org/>

and GamCare <http://www.gamcare.org.uk/>

8.18 Local Risk Assessments (LRAs) should detail what controls are in place for challenging excluded persons from entering into the premises and what arrangements are in place for monitoring the use of fixed odds betting terminals (FOBT).

## 9 Declaration

9.1 This Policy Statement will not override the right of any person to make an application, make representations about an application or apply for a review of a licence; these applications will be considered on their own merits and according to the statutory requirements of the Gambling Act 2005.

9.2 In producing the finalised Statement of Principles, the Council declares that it will have regard to the licensing objectives of the Gambling Act 2005, the guidance issued by the Gambling Commission and any responses from those consulted on the Policy Statement.

## 10 Responsible Authorities

10.1 The Act allows certain agencies to act as responsible authorities. Responsible authorities are able to make representations about licence applications or apply for a review of an existing licence. Responsible authorities may also offer advice and guidance to applicants.

10.2 The Council is required by regulations to state the principles it will apply to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:

- The need for the body to be responsible for an area covering the whole of the licensing authority's area;
- The need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

- 10.3 In accordance with the regulations, the Council designates the Staffordshire County Council, Local Safeguarding Children Board for this purpose.
- 10.4 The contact details of all the responsible authorities under the Gambling Act 2005 can be found on the Council's website at:

<https://www.staffordbc.gov.uk/responsible-authorities>

## 11 Interested Parties

- 11.1 Interested parties are people or organisations that have the right to make representations about licence applications or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as set out below.
- 11.2 For the purposes of this part, a person is an interested party if, in the opinion of the licensing authority which issued the licence or to which the application is made, the person:
- (a) lives sufficiently close to the premises to be likely to be affected by the authorised activities;
  - (b) has business interests that might be affected by the authorised activities, or
  - (c) represents persons who satisfy paragraphs (a) or (b).
- 11.3 The Council is required by regulations to state the principles it will apply to determine whether a person is an interested party. The principles are:
- Each case will be decided upon its merits. The Council will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Gambling Commission: Guidance to Local Authorities.
  - In order to determine if an interested party lives or has business interests sufficiently close to the premises to be likely to be affected by the gambling activities, the Council will consider factors such as the size of the premises and the nature of the activities taking place.
- 11.4 **The Council will consult with the Director of Public Health on all Premises Licence applications.**

## 12 Licensing Authority Functions

- 12.1 Licensing authorities are responsible under the Act for:
- Licensing premises where gambling activities are to take place by issuing premises licences

- Issuing provisional statements
- Regulating members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issuing Club Machine Permits to commercial clubs
- Granting permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres
- Receiving notifications from alcohol licensed premises (under the Licensing Act 2003) of the use of up to two gaming machines
- Granting Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises under the Licensing Act 2003, where more than two machines are required
- Registering small society lotteries below prescribed thresholds
- Issuing Prize Gaming Permits
- Receiving and endorsing Temporary Use Notices
- Receiving Occasional Use Notices (for tracks)
- Providing information to the Gambling Commission regarding details of licences issued (see section above on information exchange)
- Maintaining registers of the permits and licences that are issued under these functions

12.2 The Council does not license remote gambling. This matter falls to the Gambling Commission.

## **Part B –The Licensing Objectives**

### **13 Preventing Gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime**

- 13.1 The Gambling Commission takes the lead role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does however encourage licensing authorities to pay particular attention to the proposed location of gambling premises in terms of this licensing objective.
- 13.2 Such association with crime may include: money laundering; counterfeiting; drug dealing or any similar involvement in organised crime.
- 13.3 Operators are also required to consider child protection issues such as the risk of child sexual exploitation, as part of this Licensing Objective.

### **14 Ensuring that Gambling is conducted in a fair and open way**

- 14.1 The Gambling Commission takes the lead role in ensuring that gambling is conducted in a fair and open way and addresses this via operating and personal licences.
- 14.2 The Council will take operator licence conditions into account and will communicate any concerns to the Gambling Commission about misleading advertising or any absence of required game rules or other information.
- 14.3 Examples of the specific steps the Council may take to address this area can be found in the various sections covering specific premises types in Part C of this document, and also in Part D which covers permits and notices.

### **15 Protecting children and other vulnerable persons from being harmed or exploited by gambling.**

- 15.1 This licensing objective seeks to prevent children from taking part in most types of gambling and where appropriate, the Council may require specific measures at particular premises which are designed to ensure that the licensing objectives are met.
- 15.2 Preventative measures may include the supervision of premises and machines and appropriate training for staff with regard to suspected truanting school children and how staff should deal in general with unsupervised children.
- 15.3 The Council will pay particular attention to any Codes of Practice which the Gambling Commission issues with respect to this licensing objective.

- 15.4 The Council does not seek to offer a definition for the term “vulnerable people” but for regulatory purposes it will assume that this group includes elderly people, people who gamble more than they want to; people who gamble beyond their means and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, or because of the influence of alcohol or drugs.

## **Part C - Premises Licences**

### **16 Introduction to Premises Licensing**

- 16.1 The Council will issue premises licences to allow those premises to be used for certain types of gambling. Premises licences may, for example, be issued to amusement arcades, bingo halls and bookmakers.
- 16.2 Premises licences will be subject to the permissions/restrictions set out in the Gambling Act 2005 and regulations as well as specific mandatory and default conditions which will be detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach other conditions, where it is believed to be necessary and proportionate.

#### **Definition of ‘Premises’**

- 16.3 Premises are defined in the Act as ‘any place’. Different premises licences cannot apply in respect of single premises at different times. However, it is possible for a single building to be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. Whether different parts of a building can properly be regarded as being separate premises will always be a question of fact within any given circumstances.
- 16.4 The Council will take particular care when considering applications for multiple licences for a building and those relating to a discrete part of a building used for other non-gambling purposes. In particular, the Council will assess entrances and exits from parts of a building covered by one or more licences to satisfy itself that they are separate and identifiable so that the separation of different premises is not compromised and that people do not ‘drift’ into a gambling area.
- 16.5 The Council will pay particular attention to applications where access to the licensed premises is through other premises (which themselves may be licensed or unlicensed). Issues that the Council will consider before granting such applications include whether children can gain access; compatibility of the two establishments and the ability to comply with the requirements of the

Act. In addition, an overriding consideration will be whether, taken as a whole, the co-location of the licensed premises with other facilities has the effect of creating an arrangement that otherwise would, or should, be prohibited under the Act.

### **Location**

- 16.6 The Council is aware that demand issues (e.g. the likely demand or need for gambling facilities in the area) cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives can. The Council will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder.
- 16.7 When considering the licensing objectives, the Council's may, upon receipt of any relevant representations, look at location as a specific issue. Location issues might include, but are not be limited to:
- The proximity of the premises to schools and vulnerable adult centres.
  - The proximity of the premises to residential areas where there may be a high concentration of families with children.
  - The size of the premises and the nature of the activities taking place.
  - The level of organised crime in the area.
- 16.8 Such information may be used to inform the decision the Council makes about whether to grant the licence, to grant the licence with special conditions or to refuse the application.
- 16.9 This policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant to show how any concerns can be overcome.

### **Duplication with other regulatory regimes**

- 16.10 The Council will seek to avoid any duplication with other statutory/regulatory systems such as planning. The Council will not consider whether a licence application is likely to be awarded planning permission or building regulations approval in its consideration of it. It will listen to and consider carefully any concerns about conditions which the licence holder cannot meet because of planning restrictions.

## **Conditions**

16.11 Applications will be granted subject only to the mandatory and default conditions. Such conditions are usually sufficient to ensure operation that is reasonably consistent with the licensing objectives. Additional conditions will only be imposed where there is evidence of a risk to the licensing objectives that requires that the mandatory and default conditions be supplemented. Conditions will only be attached to premises licences where there is evidence of a need to do so.

16.12 Any conditions attached to licences will be proportionate and will be:

- Relevant to the need to make the proposed building suitable as a gambling facility.
- Directly related to the premises and the type of licence applied for, and/or related to the area where the premises are based.
- Fairly and reasonably related to the scale and type of premises; and,
- Reasonable in all other respects.

16.13 Decisions about individual conditions will be made on a case by case basis, although there will be a number of control measures which the Council may consider. These include the use of door supervisors, supervision of adult gaming machines and appropriate signage for adult only areas. The Council will also expect the applicants to ensure that the licensing objectives are effectively met.

16.14 There are conditions which the Council cannot attach to premises licences which are:

- Any condition on the premises licence which makes it impossible for the applicant to comply with an operating licence condition;
- Conditions relating to gaming machine categories, numbers or method of operation;
- Conditions which provide that membership of a club or body be required; and,
- Conditions in relation to stakes, fees, winnings or prizes.



## Door supervision

The Council may consider whether there is a need for door supervision in terms of the licensing objectives. Where door supervisors are required, it is the operator's responsibility to ensure that any persons employed in this capacity are fit and proper to carry out such duties.

## 17 Adult Gaming Centres and Licensed Family Entertainment Centres

- 17.1 Adult Gaming Centres (AGC's) are commonly found within town centre environments and are able to make category B, C and D gaming machines available to adults. Nobody under the age of 18 is permitted to enter an AGC.
- 17.2 Licensed Family Entertainment Centres (LFECs) are those premises which usually provide a range of amusements such as computer games and penny pushers. They may have a separate section set aside for adult only gaming machines with higher stakes and prizes and are able to make available a certain number of category C and D machines. Clear segregation must be in place so children do not access the areas where the category C machines are located.
- 17.3 The Council will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling in the above premises. The Council will expect applicants to satisfy the Authority that there will be sufficient measures to ensure that under 18 year olds do not have access to adult gaming centres or adult only gaming machine areas within the LFEC.
- 17.4 The Council will expect applicants to offer their own measures to meet the licensing objectives.
- 17.5 Appropriate measures/licence conditions may cover:
- Proof of age schemes (e.g. PASS schemes)
  - The use of Challenge 25 policy
  - The use of 'No ID No Entry' policy
  - CCTV
  - Staff supervision and training
  - Detailed plan
  - Social responsibility policies

- **Staff easily identifiable**
- Door supervision
- Supervision of machine areas
- Physical separation of areas
- Location of entry
- **Clear** Notices/signage
- Specific opening hours
- Staff training in the law and the provision of a named point of contact to help ensure compliance.
- Measures/training for staff on how to deal with suspected truanting school children and how to recognise signs of potential child sexual exploitation
- Clear policies that outline the steps to be taken to protect children from harm
- Self-exclusion schemes and the provision of leaflets/helpline numbers to organisations such as GamCare, the Responsible Gambling Trust or GambleAware etc.
- Ensure that there is a policy in place which addresses the Multi operator self exclusion scheme (MOSES)

This list is not mandatory nor exhaustive and is merely indicative.

## **18 Casinos**

- 18.1 The Council has not passed a 'no casino' resolution under Section 166 of the Gambling Act 2005, but is aware that it has the power to do so. Should this licensing authority decide in the future to pass such a resolution, it will update this policy statement with details of that resolution. Any such decision will be made by the Full Council.

## **19 Bingo Premises**

- 19.1 Bingo is not statutorily defined within the Gambling Act 2005. Such premises may however, provide cash and prize bingo. In addition, bingo premises are also able to provide a limited number of gaming machines in line with the provisions of the Act.

- 19.2 It is important that where children are allowed to enter Bingo premises, that they do not participate in gambling, other than on category D machines. Where category C or above machines are available in premises to which children are admitted then the operator must ensure that:
- All such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance
  - Only adults are admitted to the area where the machines are located
  - Access to the area where the machines are located is supervised
  - The area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder, and
  - At the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.
- 19.3 Other measures which applicants will need to consider in meeting the licensing objectives are outlined in paragraph 17.5 above.

## **20 Betting Premises**

- 20.1 Betting premises are premises such as bookmakers where various types of gambling are authorised to take place. The Act contains a single class of licence for betting premises.
- 20.2 The Council is aware that Section 181 of the Act contains an express power for licensing authorities to restrict the number of betting machines and the nature and circumstances in which they are made available by attaching a licence condition to a betting premises licence. The Council is also aware that it is not possible to restrict the number of gaming machines which may be made available within betting premises.
- 20.3 When considering whether to impose a condition to restrict the number of betting machines in particular premises the Council, amongst other things, will take into account the size of the premises, the number of counter positions available for person to person transactions and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people.
- 20.4 Measures which applicants will need to consider in meeting the licensing objectives are outlined in paragraph 17.5 above.

## **21 Tracks**

- 21.1 Currently the licensing authority does not licence any tracks which permit on-course betting. Where an application for a track premises licence is proposed, the applicant should contact the Council's Licensing Unit at the earliest opportunity. The Council's focus will be on the need to protect children and vulnerable persons from being harmed or exploited by gambling and the need to ensure that entrances to premises are distinct. Children must be excluded from gambling areas where they are not permitted to enter.

## **22 Travelling Fairs**

- 22.1 Travelling fairs have the right to provide an unlimited number of category D gaming machines and/or equal chance prize gaming (without the need for a permit) as long as the gambling amounts to no more than an ancillary amusement at the fair.
- 22.2 The 27-day statutory maximum for the land being used as a fair is per calendar year. This applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. Where appropriate, the Council will liaise with neighbouring authorities to ensure that land which crosses its boundaries is monitored so that the statutory limits are not exceeded.

## **23 Provisional Statements**

- 23.1 The provisional statement process provides an alternative to making a premises licence application. The process permits an applicant to examine the likelihood of whether a building which has yet to be constructed or is about to be altered for the purpose of gambling would be granted a premises licence when the building work is complete.
- 23.2 A provisional statement is not a licence and merely gives the holder some form of assurance that a premises licence would be granted so the project can be started. Once works are complete a full premises licence would still be required.
- 23.3 In terms of representations about premises licence applications, following the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless they concern matters which could not have been addressed at the provisional statement stage or they reflect a change in the applicant's circumstances. In addition, the Council may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:
- (a) which could not have been raised by objectors at the provisional licence stage; or

- (b) which in the Authority's opinion reflect a change in the operator's circumstances

23.4 When determining a provisional statement application the Council will operate in accordance with the Act and will not have regard to any issues related to planning consent or building regulations, e.g. the likelihood that planning consent will be granted.

## **Part D - Permits, Temporary / Occasional Use Notices And Small Society Lottery Registrations**

### **24. Unlicensed Family Entertainment Centre Gaming Machine Permits**

24.1 The term 'Unlicensed Family Entertainment Centre' is one defined in the Act and refers to premises which provide category D gaming machines along with various other amusements such as computer games and penny pushers. The premises are 'unlicensed' in that they do not require a premises licence but do require a permit to be able to provide category D machines. It should not be confused with a 'Licensed Family Entertainment Centre' which does require a premises licence because it contains both category C and D gaming machines.

24.2 In accordance with Gambling Commission guidance, the Council will carefully consider child protection issues when considering applications for permits. This consideration will generally engage two of the three licensing objectives: These are:

- Preventing Gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

24.3 The Council will expect applicants to show that there are policies and procedures in place to protect children from harm from gambling and to promote wider child protection issues as part of the crime prevention objective. Policies must include appropriate measures/training for staff regarding how staff would deal with unsupervised children being on the premises, or children causing problems on or around the premises.

24.4 The Council will also expect applicants to demonstrate a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs, that the applicant has no relevant convictions (those that

are set out in Schedule 7 of the Act), and that staff are trained to have a full understanding of the maximum stakes and prizes.

24.5 The Council is aware that an application for a permit may only be granted if the Chief Officer of Police has been consulted on the application.

24.6 In line with the Act the Council cannot attach conditions to this type of permit and the statement of principles only applies to initial applications and not to renewals.

## **25 Gaming Machine Permits in premises licensed for the sale of alcohol**

25.1 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have two gaming machines of categories C and/or D. The premises merely need to notify the Council. The Council can remove the automatic authorisation in respect of any particular premises if:

- Provision of the machines is not reasonably consistent with the pursuit of the licensing objectives
- Gaming has taken place on the premises that breaches a condition of Section 282 of the Gambling Act (ie that written notice has been provided to the licensing authority, that a fee has been provided and that any relevant Code of Practice issued by the Gambling Commission about the location and operation of the machine has been complied with)
- The premises are mainly used for gaming; or
- An offence under the Gambling Act has been committed on the premises.

25.2 If a premises wishes to have more than two machines, then application must be made for a permit. The Council must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission under Section 25 of the Gambling Act 2005, and 'such matters as it thinks relevant'. The Council considers that 'such matters' will be decided on a case by case basis, but generally regard will be given to the need to protect children and vulnerable persons from harm or being exploited by gambling. The Council will also expect the applicant to satisfy the Authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines

- 25.3 Measures which may satisfy the Council that there will be no access could include the adult machines being situated in close proximity to the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18 years of age. Notices and signage may also help. Regarding the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as Gam Care.
- 25.4 It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would need to be dealt with under the relevant provisions of the Act.
- 25.5 The Council can decide to grant the application with a smaller number of machines and/or a different category of machines from that applied for. Conditions (other than these) cannot be attached
- 25.6 The holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.
- 25.7 A summary of gaming machine categories and entitlements can be found at Appendix B of the Guidance issued to licensing authorities by the Gambling Commission.

<http://www.gamblingcommission.gov.uk/Licensing-authorities/Information-for-licensing-authorities/Guidance-to-licensing-authorities-5th-edition.aspx>

## **26 Prize Gaming Permits**

- 26.1 The Council will expect the applicant to set out the types of gaming that he or she is intending to offer and be able to demonstrate:
- That they understand the limits to stakes and prizes that are set out in regulations;
  - That the gaming offered is within the law.
- 26.2 In making its decision on an application for prize gaming permits, the Council does not need to have regard to the licensing objectives but must have regard to any Gambling Commission guidance.
- 26.3 There are conditions in the Gambling Act 2005 with which the permit holder must comply, but the Council cannot attach conditions. The conditions in the Act are:
- The limits on participation fees, as set out in regulations, must be complied with

- All chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated, and the result of the game must be made public in the premises on the day that it is played
- The prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- Participation in the gaming must not entitle the player to take part in any other gambling.

## **27 Club Gaming and Club Machines Permits**

- 27.1 Members' clubs and miners' welfare institutes (but not commercial clubs) may apply for a club gaming permit or a club gaming machines permit. The club gaming permit will enable the premises to provide gaming machines (three machines of categories B, C or D), equal chance gaming and games of chance as set out in forthcoming regulations. A club gaming machine permit will enable the premises to provide gaming machines (three machines of categories B, C or D).
- 27.2 To qualify for these special club permits, a members' club must have at least 25 members and be established and conducted wholly or mainly for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of the Royal British Legion and clubs with political affiliations.
- 27.3 Before granting the permit, the Council will need to satisfy itself that the premises meet the requirements of a members' club and that the majority of members are over 18 years of age.
- 27.4 The Council may only refuse an application on the grounds that:
- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which they have applied
  - (b) the applicant's premises are used wholly or mainly by children and/or young persons
  - (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities



- (d) a permit held by the applicant has been cancelled in the previous ten years; or
- (e) an objection has been lodged by the Gambling Commission or the Police.

## **28 Temporary Use Notices**

- 28.1 Temporary use notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be useful for a temporary use notice would include hotels, conference centres and sporting venues.
- 28.2 The Act makes a special reference, in the context of temporary use notices, to a 'set of premises' to try and ensure that large premises which cannot reasonably be reviewed as separate are not used for more temporary use notices than permitted under the Act. The Council considers that the determination of what constitutes a 'set of premises' will be a question of fact in the particular circumstances of each notice that is given. In considering whether a place falls within the definition of a 'set of premises', the Council will look at, amongst other things, the ownership/occupation and control of the premises.
- 28.3 The Council will be ready to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises.

## **29 Occasional Use Notices (for Tracks)**

- 29.1 There is a special provision in the Act which provides that where there is betting on a track on eight days or less in a calendar year, betting may be permitted by an occasional use notice without the need for a full premises licence. Track operators and occupiers need to be aware that the procedure for applying for an occasional use notice is different to that for a temporary use notice.
- 29.2 The Council has very little discretion regarding these notices apart from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The Council will however consider the definition of a 'track' and whether the applicant is entitled to benefit from such notice.

## 30 Small Society Lottery Registrations

- 30.1 The Act creates two principal classes of lotteries - licensed lotteries and exempt lotteries. Licensed lotteries are large society lotteries and lotteries run for the benefit of local authorities. These will be regulated by the Gambling Commission. Within the class of exempt lotteries, there are four sub classes, one of which is small society lotteries.
- 30.2 A small society lottery is a lottery promoted on behalf of a non-commercial society as defined in the Act which also meets specific financial requirements set out in the Act. These may be administered by the Council for small societies who have a principal office in the area and wish to run such a lottery.
- 30.3 To be 'non-commercial', a society must be established and conducted:
- For charitable purposes
  - For the purpose of enabling participation in, or supporting, sport, athletics or a cultural activity; or
  - For any other non-commercial purpose other than that of private gain.
- 30.4 The other types of exempt lotteries are 'incidental non-commercial lotteries', 'private lotteries' and 'customer lotteries'

## Part E - Enforcement

### 31 Enforcement Principles

- 31.1 The Council will work closely with other agencies in targeting known high risk premises. In doing so, the Council will follow Government guidance on better regulation.
- 31.2 The Council recognises that the Regulators Code applies to all activities under the Act. This will however, be most obvious in respect of the Councils inspection and enforcement duties and the powers to institute criminal proceedings. The Regulators' Code can be found at:  
<https://www.gov.uk/government/publications/regulators-code>
- 31.3 The Council will aim to be:

#### **Proportionate:**

Regulators should only intervene when necessary. Remedies should be appropriate to the risk posed, and costs identified and minimised.

**Accountable:**

Regulators must be able to justify decisions and be subject to public scrutiny.

**Consistent:**

Rules and standards must be joined up and implemented fairly.

**Transparent:**

Regulators should be open and keep regulations simple and user friendly.

**Targeted:**

Regulation should be focused on the problem and minimise side effects.

- 31.4 The Council's Enforcement Policy, which explains how the Council deals with non-compliance and unlawful gambling activity, can be found at:

<https://www.staffordbc.gov.uk/enforcement-policy>

- 31.5 Known enforcement issues which the Council's Licensing Unit will address include illegal gambling machines in takeaways and poker in pubs.
- 31.6 The Council will endeavour to avoid duplication with other regulatory regimes.
- 31.7 The main enforcement and compliance role for the Council in terms of the Gambling Act 2005 will be to ensure compliance with the premises licence conditions and other permissions. The Gambling Commission will be the enforcement body for the operator and personal licences. Concerns about the manufacture, supply or repair of gaming machines will not be dealt with by the Council but will be notified to the Gambling Commission. In circumstances where the Council believes a premises requires a premises licence for gambling activities and no such licence is in force, the Council will notify the Gambling Commission.
- 31.8 The Council will also have regard to any guidance issued and keep itself informed of developments regarding the work of the Regulatory Delivery Division of the Department of Business Innovation and Skills in its consideration of the regulatory functions of local authorities.

## **32 Reviews**

- 32.1 A review is a process defined in the legislation which ultimately leads to a licence being reassessed by the Licensing Committee with the possibility that the licence may be revoked or suspended or that conditions may be amended or new conditions added.

32.2 Requests for a review of a premises licence can be made by interested parties or responsible authorities. However, it is for the Council to decide whether the review is to be carried out. This will be on the basis of whether the request for the review is:

- In accordance with any relevant Code of Practice issued by the Gambling Commission
- Reasonably consistent with the licensing objectives; and
- In accordance with this Authority's Statement of Gambling Policy.
- In accordance with any relevant guidance issued by the Gambling Commission

<http://www.gamblingcommission.gov.uk/Licensing-authorities/Information-for-licensing-authorities/Guidance-to-licensing-authorities-5th-edition.aspx>

32.3 In addition the Council may also reject the application on the grounds that the request is frivolous, vexatious, will not cause the authority to wish to alter, revoke or suspend the licence, or is substantially the same as previous representations or requests for review.

32.4 The Council can also initiate a review of a licence on the basis of any reason which it thinks appropriate. This may for instance follow a second failed compliance test at the premises.

32.5 Before sitting as a member of the Licensing Sub Committee, members will need to attend a Gambling Act 2005 training session with officers from Legal Services and Licensing. Members will need to attend refresher training every year that they remain a member of the Licensing & Public Protection Committee.

### **33 Functions and Delegations**

A table showing the delegation of functions within the Council can be found at Appendix G of the Gambling Commission Guidance:

<http://www.gamblingcommission.gov.uk/Licensing-authorities/Information-for-licensing-authorities/Guidance-to-licensing-authorities-5th-edition.aspx>



**ITEM NO 10****ITEM NO 10**

<b>Report of:</b>	<b>Head of Governance</b>
<b>Contact Officer:</b>	<b>Judith Aupers</b>
<b>Telephone No:</b>	<b>01543 464411</b>
<b>Ward Interest:</b>	<b>Nil</b>
<b>Report Track:</b>	<b>Council 23/11/21 Audit and Accounts 10/11/21</b>

**COUNCIL**  
**23 NOVEMBER 2021**  
**Appointment of External Auditors**

The following matter was considered by Audit and Accounts Committee at its meeting held on 10 November 2021 and is submitted to Council for approval.

**1 Purpose of Report**

- 1.1 To determine whether to opt into the national scheme for external auditor appointments from April 2023.

**2 Recommendation**

- 2.1 That Council approves the opting-in to the national scheme for external auditor appointments from April 2023.

**3 Key Issues and Reasons for Recommendation**

- 3.1 Since the abolition of the Audit Commission on 31 March 2015, Councils have had the choice of procuring and appointing their own External Auditors or opting into a national scheme. Following the ending of transitional arrangements, the Council elected to opt-in to the national scheme operated by Public Sector Audit Appointments (PSAA).
- 3.2 The current contract and arrangements will end in March 2023 and a decision on whether to opt-in to the national scheme again needs to be made by 11 March 2022.
- 3.3 If the Council determines not to opt-into the national scheme, alternative arrangements will need to be made for the procurement and appointment of an external auditor. Two options exist to the Council as follows:
- Establishing a stand-alone Auditor Panel to make the appointment on behalf of the Council;
  - To commence work on exploring the establishment of local joint procurement arrangements with neighbouring authorities.

- 3.4 The preferred option is to opt-in to the National Scheme as it is considered that this offers best value for money and assures the appointment of a suitably qualified and independent auditor.

<b>4 Relationship to Corporate Business Objectives</b>
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- 4.1 The appointment of External Auditors is a Statutory Requirement and contributes to the corporate priority of “To be a well-run, financially sustainable and ambitious organisation, responsive to the needs of our customers and communities and focussed on delivering our objectives”.

<b>5 Report Detail</b>
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- 5.1 External auditors were traditionally appointed by the Audit Commission, under the Audit Commission Act 1998. However, the Audit Commission was abolished on 31 March 2015 and the existing External Audit contracts transferred to Public Sector Audit Appointments Limited (PSAA).
- 5.2 PSAA is an independent, not-for-profit company limited by guarantee and established by the Local Government Association. It was originally established, under powers delegated by the Secretary of State, to operate the transitional arrangements of existing contracts that were scheduled to terminate in March 2017 and were subsequently extended for a further year.
- 5.3 In July 2016 PSAA were specified by the Secretary of State as an ‘appointing person’ under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. This allowed PSAA to make auditor appointments to relevant principal local government bodies that chose to opt-in to the national appointment arrangements for external auditors from 2018/19.
- 5.4 In February 2017 the Council agreed to opt-in to the national appointment scheme.
- 5.5 The current contract and arrangements will end in March 2023 and a decision on whether to opt-in to the national scheme again needs to be made by 11 March 2022. The Council has a duty to appoint new external auditors before the end of December 2022 in readiness for the 2023/24 audit of the accounts.
- 5.6 If the Council determines not to opt-into the national scheme, alternative arrangements will need to be made for the procurement and appointment of an external auditor. Two alternative options exist to the Council as follows:
- Establishing a stand-alone Auditor Panel to make the appointment on behalf of the Council;
  - To commence work on exploring the establishment of local joint procurement arrangements with neighbouring authorities.

5.7 There are benefits and disadvantages for each of the options. The main benefit of opting-in to the national scheme is that it offers value for money and assures the appointment of a suitably qualified and independent auditor. The two alternative options will be considerably more resource intensive for the Council and potentially more expensive due to:

- the requirement to establish an Audit Panel and undertake a procurement exercise; and
- the lack of the ability to offer a suitably large contract value to the market place.

Furthermore, it is anticipated that there will be little if any interest in undertaking a joint procurement locally.

5.8 The Council's procurement regulations support the use of framework agreements reflecting the increased contract value available to the market.

5.9 In the context of procuring a service the Council's influence in determining service provision is severely limited. The specification or scope of the audit will still be specified nationally, the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Council's audit must follow. Not all accounting firms will be eligible to compete for the work, the scope of public audit is wider than for private sector organisations with as an example the external auditor being required to form a conclusion on the body's arrangements for securing value for money.

Potential providers will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council.

5.10 The preferred option is to opt-in to the national sector led scheme, as supported by the Local Government Association in its letter attached as an **APPENDIX**.

6 Implications	
6.1 Financial	There are no direct Financial Implications of the recommendation to opt-in to the National led scheme and this provides the best opportunity to ensure value for money in the appointment process. There will be no fee to join the sector led arrangements. The other options available for consideration would include the cost of establishing an Audit Panel and procuring an External Auditor via Tender process for which there is no budget provision. Provision is made within the budget for the cost of the External Auditors fees.



<b>Legal</b>	<p>Local Audit and Accountability Act 2014 states a relevant authority must appoint an auditor (a “local auditor”) to audit its accounts for a financial year not later than 31 December in the preceding financial year and that a relevant authority must consult and take into account the advice of its auditor panel on the selection and appointment of a local auditor.</p> <p>Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 enables the appointment of an External auditor to be made by a person specified by the Secretary of State (“an appointing person”) to audit the accounts of those authorities that choose to opt-in to such arrangements. The decision to opt-in to the sector led procurement process, instead of an Audit Panel, must be made by a meeting of the full Council.</p>
<b>Human Resources</b>	Nil
<b>Human Rights Act</b>	Nil
<b>Data Protection</b>	Nil
<b>Risk Management</b>	The opt-in proposal minimises the risk of the appointment process. This includes both the appointment by the due date and ensuring value for money in the procurement exercise.

6.2 <b>Community Impact Assessment Recommendations</b>	<p><b>Impact on Public Sector Equality Duty:</b></p> <p>The Borough Council considers the effect of its actions on all sections of our community and has addressed all of the following Equality Strands in the production of this report, as appropriate:-</p> <p>Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.</p> <p><b>Recommendations Wider Community Impact:</b></p> <p>Detailed above.</p>
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**Previous Consideration** – Audit and Accounts Committee – 10 November 2021 - Minute No AAC14/21

**Background Papers** - Report to Council - 21 February 2017 (Minute No C60/17)

From the Chairman of the Association  
Cllr James Jamieson



**To: Mayors/Leaders/Chief Executives/Chief Finance Officers  
of English Principal Councils**

23 September 2021

Dear Tim Clegg,

**Retender of External Audit Contracts**

I am writing because your council must shortly make a decision whether to opt into the national arrangement for the procurement of external audit or procure external audit for itself, and to set out the LGA's view on that decision.

In most councils this matter will be considered first in detail by the Audit Committee. You will therefore no doubt wish to pass on a copy of this letter and the more detailed attachment to the colleague who chairs the relevant committee.

Legislation requires a resolution of Full Council if a local authority wishes to opt into the national arrangement. The practical deadline for this decision is 11<sup>th</sup> March 2022. As this is a decision for the Full Council, I wanted to ensure that you had sight of the letter that has been sent to audit and finance colleagues and that you are aware of the crucial issues to be considered.

The way external audit has operated over the last couple of years has been extremely disappointing. This has led to many audits being delayed and dozens of audits remain uncompleted from 2019/20. Dealing with these issues is not a quick or easy fix.

Nevertheless, the LGA's view is that the national framework remains the best option for councils. There are many reasons for favouring the national arrangements and we think those reasons have become more compelling since 2016/17 when councils were last asked to make this choice.

We believe that in a suppliers' market it is imperative that councils act together to have the best chance of influencing the market and for nationally coordinated efforts to improve the supply side of the market to be effective.

The information attached goes into more detail about the background to this decision. My officers will be happy to answer any questions you may have. Please contact Alan Finch ([alan.finch@local.gov.uk](mailto:alan.finch@local.gov.uk)) if you have any issues you would like to raise.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Jamieson'.

Cllr James Jamieson  
Chairman

cc: Chief Executive  
Chief Finance Officer

### **RETENDER OF EXTERNAL AUDIT CONTRACTS**

#### **Information from the LGA for those charged with governance**

The process for retendering for external audit in local authorities in England, for contracts due to start from 2023/24, is now underway and shortly the council will need to decide whether to procure its own external auditor or opt into the national procurement framework.

Legislation requires a resolution of Full Council if a local authority wishes to opt into the national arrangement. The deadline for this decision is the 11<sup>th</sup> March 2022. If the council doesn't make such a decision, the legislation assumes that the council will procure its own external audit, with all the extra work and administration that comes with it.

The national framework remains the best option councils can choose. There are many reasons for favouring the national arrangements and we think those reasons have become more compelling since 2016/17 when councils were last asked to make this choice.

The way external audit has operated over the last couple of years has been extremely disappointing. A lack of capacity in the audit market has been exacerbated by increased requirements placed on external auditors by the audit regulator. There is also a limited number of firms in the market and too few qualified auditors employed by those firms. This has led to a situation where many audits have been delayed and dozens of audit opinions remain outstanding from 2019/20 and 2020/21. Auditors have also been asking for additional fees to pay for extra work.

As the client in the contract, a council has little influence over what it is procuring. The nature and scope of the audit is determined by codes of practice and guidance and the regulation of the audit market is undertaken by a third party, currently the Financial Reporting Council. Essentially, councils find themselves operating in what amounts to a suppliers' market and the client's interest is at risk of being ignored unless we act together.

Everyone, even existing suppliers, agrees that the supply side of the market needs to be expanded, which includes encouraging bids from challenger firms. Public Sector Audit Appointments Ltd (PSAA), the body nominated by the Government to run the national arrangements, has suggested various ways this could be done, but these initiatives are much more likely to be successful if a large number councils sign up to the national scheme.

It is therefore vital that councils coordinate their efforts to ensure that the client voice is heard loud and clear. The best way of doing this across the country is to sign up to the national arrangement.

To summarise, the same arguments apply as at the time of the last procurement:

- A council procuring its own auditor or procuring through a joint arrangement means setting up an Audit Panel with an independent chair to oversee the procurement and running of the contract.
- The procurement process is an administrative burden on council staff already struggling for capacity. Contract management is an ongoing burden.
- Procuring through the appointing person (PSAA) makes it easier for councils to demonstrate independence of process.
- Procuring for yourself provides no obvious benefits:

- The service being procured is defined by statute and by accounting and auditing codes
- Possible suppliers are limited to the small pool of registered firms with accredited Key Audit Partners (KAP).
- Since the last procurement it is now more obvious than ever that we are in a 'suppliers' market' in which the audit firms hold most of the levers.
- PSAA has now built up considerable expertise and has been working hard to address the issue that have arisen with the contracts over the last couple of years:
  - PSAA has the experience of the first national contract. The Government's selection of PSAA as the appointing person for a second cycle reflects MHCLG's confidence in them as an organisation.
  - PSAA has commissioned high quality research to understand the nature of the audit market.
  - It has worked very closely with MHCLG to enable the government to consult on changes to the fees setting arrangements to deal better with variations at national and local level, hopefully resulting in more flexible and appropriate Regulations later this year

Councils need to consider their options. we have therefore attached a list of Frequently Asked Questions relating to this issue which we hope will be useful to you in reaching this important decision.

When the LGA set up PSAA in 2015, we did so with the interests of the local government sector in mind. We continue to believe that the national arrangement is the best way for councils to influence a particularly difficult market.

If you have any questions on these issues please contact Alan Finch, Principal Adviser (Finance) ([alan.finch@local.gov.uk](mailto:alan.finch@local.gov.uk)).