

REGULATORY IMPACT ASSESSMENT
NATIONAL LOTTERY (LICENCE FEES) (AMENDMENT) ORDER 2002
THE NATIONAL LOTTERY
CLASS LICENCE FEES

1 – The Issue and objective

This order is made under the National Lottery etc. Act 1993. It prescribes the sums payable by the licensee to the National Lottery Commission (NLC) by way of fees on the granting of licences under section 5 or 6 of the National Lottery etc. Act 1993.

The amendment to this order provides for a new fee in order to achieve full cost recovery for the granting of a class licence based on the NLC's calculations of the cost of developing the new licence. The class licence is a new concept not catered for in the existing fees order.

2 – Risk Assessment

The Government's aim in setting these fees is to meet the cost of administering the licensing process. The Secretary of State is required to set fees in a way that reflects the costs incurred. This is based on information provided by the NLC as to the costs incurred in granting the licence. The fee presently chargeable for any new licence granted under section 6 of the Act is £20,000, which covers the cost to NLC of administering licences for single games. This will not cover the costs of the new class licence.

The NLC have calculated that in order to recover costs incurred in the development of the new licence, the cost of the class licence should be £100,000.

3 – Identifying the benefits

The new class licence does not restrict Camelot in terms of the number of games it may launch within a twelve month period, providing that the style and content of each game accords with set parameters. This is in line with the Review of Lottery Licensing and Regulation, which aims to identify ways of streamlining the day to day regulation of the Lottery. This will allow the operator a larger measure of discretion, potentially reducing regulatory costs, and helping the Lottery keep pace with a fast changing market.

4 – Business sectors affected

Camelot, the current National Lottery operator.

Any other companies that may apply for a licence under section 6 of the National Lottery etc. Act 1993.

Indirectly: Charities – Increased revenue to the National Lottery will result in an increase in the returns to good causes.

5 – Impact on small businesses

We do not expect the new licence fee to affect small businesses.

Indirectly: Any changes that may potentially lead to increased National Lottery ticket sales will have a positive effect on the many small businesses that operate as lottery retailers.

6 – Compliance costs

The compliance cost to the National Lottery operator is the fee itself. Details of the fees are set out in the relevant order.

7 – Policy and implementation costs

There will be no additional cost to the NLC in administering these fee increases.

8 - Costs to businesses, charities, and voluntary organisations

See section 4 & 5 above.

9 – Consultation

The National Lottery Commission has recommended the proposed changes. The National Lottery operator, Camelot, has confirmed that they are content with the proposed changes to allow a class licence, and with the proposed fee level.

Declaration:

I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.

Signed by the responsible Minister _____

Date _____

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