

De Minimis Assessment: Self-Certification Template



Department for
Digital, Culture
Media & Sport

Title of regulatory proposal	Consultation on the use of a Legislative Reform Order to reform the administration of the Horserace Betting Levy
Stage	Consultation
Lead Department/Agency	DCMS
Expected date of implementation	01/04/2019
Origin	Domestic
Date	27/11/2017
Lead Departmental Contact	James Perkins (james.perkins@culture.gov.uk , 020 7211 6920)
Departmental Triage Assessment	EANDCB (2014 prices) = £0.1m

Call in criteria checklist

Significant distributional impacts (e.g. significant transfers between different businesses or sectors)	No
Disproportionate burdens on small businesses	No
Significant gross effects despite small net impacts	No
Significant wider social, environmental, financial, or economic impacts	No
Significant, novel, or contentious elements	No

BRU (SGP) signoff: <i>Steven Dick</i>	Date: 05/12/2017
BRU (EAU) signoff: <i>Lawrie Morgan</i>	Date: 29/11/2017
Chief Economist signoff: <i>Paul Crawford</i>	Date: 08/12/2017

SUMMARY

Rationale for government intervention

The Horserace Betting Levy Board (HBLB) is a small arm's length body of DCMS. Reforms to the Horserace Betting Levy, implemented in April 2017, reduced the HBLB's role in administration of the Levy to two core functions relating to collection and distribution of Levy funds.

The Government therefore proposes to transfer the collection function to the Gambling Commission, the statutory regulator for gambling in Great Britain and an arm's length body of Government, and the distribution to a nominated body representing the racing industry. The purpose of this transfer is to generate efficiency savings and to reduce financial and administrative burdens on businesses affected by the Levy.

Policy options

Option 0: Do nothing

Keep the HBLB in place with no changes.

Option 1: Reform

Transfer responsibility for collection and enforcement of the Levy to the Gambling Commission; transfer responsibility for Levy distribution to a nominated body acting on behalf of the British racing industry; and, as a result, to close the HBLB.

The Government has identified a preferred option (Option 1) on which it is inviting views in a consultation.

Summary of business impact of Option 1

Transition costs to business (assumed to be in Year 1)

Transition costs are assumed to be incurred by businesses in year 1, as they familiarise themselves with the change in regulations. Betting operators will need to make provisions for their accounting systems to pay the levy to the Gambling Commission and the racing industry will need to establish the nominated body (the 'Racing Authority'). The total transition cost to business, in this case in the betting and racing industries, is estimated at £0.48 million. This is the gross annual transition cost to businesses in year 1 of the reforms, which is comprised of: £0.43 million for the Racing Authority (some of this amount will be incurred prior to year 1); £0.05 million for Gambling Operators; and <£0.01 million for Racing Industry Participants.

Annual (steady state) costs to business

Racing industry

The Racing Authority's annual costs for distributing the Levy, estimated to be in the region of £0.7 million, will be met from Levy funds. It is not anticipated that there will be any additional ongoing costs to businesses in the racing industry from the reforms under Option 1. Moreover, due to the anticipated annual savings from increased efficiencies, the Government envisages that there will be a financial benefit to the racing industry, with more money being available to support British horseracing. Additionally, there is an incentive for the Racing Authority to ensure administrative costs are kept to a minimum, to ensure that more Levy funding can be channelled to support the racing industry.

Betting industry

It is not anticipated that there will be any increase in costs for betting operators from the proposed reforms under Option 1.

Total cost to business

EANDCB: The total cost to business is £0.1 million NPV (Net Present Value) over 10 years.

SUPPORTING EVIDENCE

Rationale for government intervention

The Horserace Betting Levy Board (HBLB) is a small arm's length body of DCMS with 11.7 FTE staff in 2016/17. Following a series of consultations¹ on options for modernising the Levy, reforms to the Horserace Betting Levy were approved by Parliament on 29 March 2017 and took effect from 25th April 2017. The reforms implemented the first phase of changes to the Levy, including extending the Levy to offshore bookmakers and betting exchange providers offering bets on British horseracing to customers located in Great Britain. The reforms also fixed the rate of the Levy at 10% of gross profits on leviable bets. In addition, an 'exempt amount' of £500,000 was introduced, meaning that betting operators only pay the Levy on profits in excess of that amount.

The implementation of a fixed-rate Levy replaced the previous system whereby the Levy was agreed annually by the Levy Board on the basis of recommendations made by the Bookmakers' Committee - therefore the Bookmakers' Committee was abolished. This reduced the HBLB's role to two core functions: collecting the Levy; and distributing Levy funds.

The aim of the second phase of changes is to reduce financial and administrative burdens on the betting and horseracing industries by reforming the administration of the Levy. The Government considers that this will result in efficiency savings and reduced administrative and financial burdens to business, and therefore proposes to enact these changes by way of a Legislative Reform Order (LRO) under section 1 of the Legislative and Regulatory Reform Act 2006. The principal policy objectives for these reforms are to:

- **reduce administrative inconveniences, both for betting operators and the horseracing industry.** It is envisaged that the legislative reforms will streamline compliance processes for betting operators, thereby reducing administrative burdens. It is also envisaged that the reforms will simplify the process for distributing Levy funds for the benefit of British horseracing, thereby reducing administrative inconveniences for the racing industry;
- **reduce the cost of administering the Levy.** It is envisaged that the legislative reforms will result in a reduction in costs associated with administering the Levy. As the costs of collecting and distributing the Levy are met by Levy funds, this will increase the amount of funding available to be spent for the benefit of British horseracing. This will

¹ Extending the Horserace Betting Levy - a consultation on implementation, 2014, <https://www.gov.uk/government/consultations/extending-the-horserace-betting-levy-a-consultation-on-implementation>

also be of indirect financial benefit to the betting industry.²

Policy options

The Government has identified a preferred option (Option 1) on which it is inviting views in a consultation.

Option 0: Do nothing

Keep the HBLB in place with no changes. The HBLB's administration costs averaged £2.11 million per annum for the five year period from 2012/13 to 2016/17. The HBLB estimate that administration costs will reduce to £1.47 million per annum from 2019/20.

Option 1: Reform

Reform the administration of the Horserace Betting Levy to reduce administrative and financial burdens on business using a Legislative Reform Order and abolish the HBLB. The key elements of the Government's proposals are:

1. to transfer responsibility for collection and enforcement of the levy from the HBLB to the Gambling Commission, a non-departmental public body responsible for gambling regulation. The Gambling Commission's annual costs to collect and enforce the levy are estimated to be £0.2 million per annum³;
2. to transfer the responsibility for expenditure decisions and the distribution of the Levy to the beneficiaries of Levy funds - the racing industry. Levy funds will be passed to a nominated body which is representative of the British racing industry. The Racing Authority's annual costs to distribute the levy (met by Levy funds) are estimated to be £0.7 million per annum⁴;
3. as a result of transferring these functions, to close the HBLB and abolish the Horserace Betting Levy Appeal tribunals.

² The common interest between the racing and betting sectors arises from horseracing activities providing benefits to the betting sector by creating betting opportunities. A detailed economic analysis of the common interest between the racing and betting sectors, including common interest cost estimates, is provided in the Frontier Economics report "An economic analysis of the the funding of horseracing" (June 2016).

<https://www.gov.uk/government/publications/an-economic-analysis-of-the-funding-of-horseracing>

³ The Gambling Commission provided a range of estimates for annual costs (£123,000 - £280,000) reflecting the two options for Levy collection set out in the accompanying consultation document. We have used the median for the purposes of this assessment.

⁴ Based on estimates provided by the British Horseracing Authority on behalf of the Racing Authority.

The Government considers there are a number of opportunities to reduce financial and administrative burdens to businesses affected by the Levy. Reducing the cost of administering the Levy will benefit businesses in the racing industry as more Levy funds will be available for distribution.

It is envisaged that the legislative reforms will streamline compliance processes for betting operators, thereby reducing administrative burdens. We consider the reforms will also simplify the process for distributing Levy funds for the benefit of British horseracing, thereby reducing administrative inconveniences for the racing industry.

Transferring the collection of the Levy to the Gambling Commission - an existing arm's length body - which carries out an analogous function in collecting licence fees from bookmakers - provides opportunities for savings from economies of scale.

The changes will result in a reduction in costs at Board level. Under these reforms it is expected that the vast majority of the governance and oversight functions will be absorbed within existing roles of the Gambling Commission and the Racing Authority, leading to the costs associated with governance being significantly reduced.

In addition to increasing the amount of funding available to the horseracing industry, it is envisaged that transferring the collection function to the Gambling Commission will also provide opportunities to streamline processes for betting operators, thereby reducing the administrative inconveniences and financial costs for businesses of complying with the Levy.

Betting operators are required under the terms of their licence to provide regulatory returns to the Gambling Commission, including in relation to their horseracing business. The returns must include details of the operator's gross profits. Under the current system operators must also provide information separately to the HBLB in order for their Levy liability to be assessed. The proposed legislative reforms therefore create opportunities to eliminate duplication in this and other such processes.

In addition to the reduced burden as a result of dealing with one rather than two organisations, we consider that the proposed legislative reforms will create further opportunities for the Gambling Commission to reduce administrative and compliance burdens on betting operators. As an example, by cross-referring between information submitted as part of the licensing process, the Gambling Commission could 'rule out' operators who have very low profits on horseracing overall and who would therefore clearly fall below the threshold of bets taken on British horseracing – thereby reducing unnecessary reporting by smaller operators over time and, if appropriate, amend regulatory returns so as to further rule out operators who have very low profits on bets that are within scope of the Levy.

Transferring responsibility for Levy expenditure to a body representative of the horseracing industry also creates opportunities to eliminate duplicate processes and enable more

efficient processes for allocating and delivering funds for the benefit of the British horseracing industry.

Assessment of business impact

Year 1 cost to business is £0.48 million (in transition costs). The gross annual cost to business over ten years is estimated at £0.1 million. This qualifies the policy proposal for self-certification on the basis of Business Impact, as the measure has a gross annual impact less than £5 million (in all years).

Transitional costs

Table 1: Option 1 Transitional Costs

	Transitional costs (£)
<u>Cost to business</u>	
Racing industry participants	<10,000
Racing Authority	430,000
Gambling operators	50,000
<u>Cost to public bodies</u>	
Gambling Commission	210,000 ⁵
HBLB	830,000
Total	1,520,000

Costs rounded to the nearest £10,000.

Racing industry participants

The British Horseracing Authority, acting on behalf of the Racing Authority, has said there will be a full programme of communication with racecourses (and other potential grant recipients) from the Racing Authority, allowing all recipients to familiarise themselves with the distribution functions and processes of the new body in advance of the transfer of functions from the HBLB. The Racing Authority is likely to produce guidance to inform stakeholders of new processes or requirements.

We have identified three key racing industry bodies (Horsemen’s Group, Racecourse Association and British Horseracing Authority) and 60 racecourses⁶ in Britain which will be

⁵ The Gambling Commission provided a range of £199,000 - £229,000, we have used the median for the purposes of the costing.

⁶ British Horseracing Authority, <https://www.britishhorseracing.com/racing/racecourses/>

affected by the legislation. We estimate that it will take a financial account manager in each organisation two hours to read the new legislation and inform other members of staff. Data from the Annual Survey of Hours and Earnings 2016⁷ shows that the median hourly wage for financial account managers is £18.99 uplifted by 30 per cent⁸ to cover non-labour costs £24.69. Transitional costs for racing industry participants are therefore estimated at £3,110.94 (based on a total of 63 racing participants).

The Racing Authority

The British Horseracing Authority, acting on behalf of the Racing Authority, estimate transitional costs (including legal fees, Chairman recruitment costs, setup costs, and website and system development) totalling £430,000 associated with the establishment of the Racing Authority.

Gambling operators

Affected stakeholders in the betting industry will need time to read and understand the legislative changes and how it will affect their businesses. Operators will be required to make payments to the Gambling Commission as opposed to the HBLB. It is envisaged that the Gambling Commission will issue guidance to assist operators in understanding the requirements.

We assume that it will take one day for a manager to familiarise themselves with the new legislation and oversee any changes to payment processes required (as a result of being required to make Levy payments to the Gambling Commission, for which operators have an existing relationship in relation to payment of licence fees, as opposed to the HBLB) and two hours for a financial account manager to make the required changes.

Data from the Annual Survey of Hours and Earnings 2016⁹ shows that the median hourly wage for a corporate manager and director is £22.36 uplifted by 30 percent to cover non-labour costs £29.07. If we assume one working day is eight hours, this cost is therefore £232.54. The median hourly wage for a financial account manager, uplifted by 30 percent to cover non-labour costs is £24.69 (£49.38 for two hours). The total costs incurred per operator are therefore estimated at £281.92.

In addition, it is possible there may be further transitional costs in year one for gambling operators if the proposal to base the Levy on the previous year's trading is adopted. We estimate potential costs of £627.60 per operator, based on one day for a corporate manager to familiarise themselves with the legislation (at a cost of £232.54) and two days for a financial account manager to make any necessary changes to calculating operator

⁷ Office for National Statistics, 2006 revised, table 14

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/dataset/occupation4digitsoc2010ashtable14>

⁸ CM Network, International Standard Cost Model, page 19,

<http://www.oecd.org/gov/regulatory-policy/34227698.pdf>

⁹ Ibid.

liability and processing payments (at a cost of £395.04 based on a median hourly wage of £24.69 x 16 hours).

The number of gambling operators required to pay the levy is expected to be around 50 and we estimate there are 3 spread betting firms authorised to offer sports spread betting.

Transitional costs for gambling operators are therefore estimated at £48,204.45 (the sum of £627.60 x 53 and £281.94 x 53). This equates to under £1,000 per operator.

Gambling Commission

The Gambling Commission have estimated transitional costs relating to the preparation required to take on the collection and enforcement functions of the Horserace Betting Levy to be between £199,316 to £228,838. The range of costs reflects the fact that some elements of the reforms, in relation to Levy period and collection processes, are subject to a final decision following the conclusion of the consultation. The Gambling Commission have therefore provided estimates based on the different options set out in the consultation regarding Levy periods and collection processes. The Commission estimate set up costs of £199,316 in relation to a system whereby Levy collection is based on the previous year's trading; and £228,838 on the basis that the Levy continues to be assessed based on the current trading year.

Cost estimates include recruitment or transfer of staff costs, creation of finance processes and ledger, creation of compliance and enforcement policies and procedures, development of guidance and governance documents, communications, and the cost of assessing the legal risks associated with adoption of new functions by the Gambling Commission. The upper estimated transitional costs include additional resources, such as systems, governance and project team time, to facilitate a process with collections based on the current years leviable bets as opposed to historic data

The Government intends to use the median value of the Commission's cost estimates for the purposes of this assessment. The median estimate for the Gambling Commission's transitional costs is £214,077.

HBLB

The HBLB have estimated total closure costs in relation to wind up of the organisation to be between £488,000 to £1.59 million. This range reflects the potential liability regarding the HBLB's rental lease which runs until November 2022 (3.25 years after the target date of 1 April 2019 for implementation of these reforms). The HBLB are working with Government to mitigate this liability.

For the purpose of this assessment, we consider it reasonable to estimate that HBLB will be liable for one year of costs in relation to the rental lease (post-closure) when providing an estimate of HBLB's closure costs. We therefore estimate HBLB's total closure costs to be £827,000. This includes property rent, rates and services charges (for one year), general

legal fees, provision for contract terminations and staff contractual redundancy and termination costs.

Total transitional costs

We estimate total transition costs of £1.52 million. This includes an estimated £0.48 million in transition costs to business, including the betting and racing industries and £1.04 million estimated transition costs to public bodies (Gambling Commission and HBLB).

A more detailed assessment of expected transitional costs will be available in the final stage assessment.

Annual costs (ongoing)

Table 2: Annual Costs of Option 1 compared to the Do Nothing Option

(£)	Option 0: Do Nothing	Option 1: Reform
HBLB	1,470,000	0
Gambling Commission	0	200,000 ¹⁰
Gambling operators	0	0
Racing Authority	0	700,000
Racing industry participants	0	0
Total Annual Cost	1,470,000	900,000
Net Annual Saving Option 1:		570,000

*Figures rounded to the nearest £10,000

To compare annual ongoing costs we worked with the HBLB to develop a template to capture the headline costs each body estimate would be necessary to administer the Levy. The HBLB was considered best-placed to assist the Government in developing the template, owing to their experience in administering the Levy.

The template was distributed to all three bodies to complete, including stating any relevant assumptions against costs. The HBLB completed the template on the basis of administering the Levy in full, as is the case presently. This estimate is used as a benchmark to compare the estimated costs of the other bodies.

¹⁰ The Gambling Commission provided a range of estimates (£123,000 - £280,000). We have used the median for the purposes of this assessment.

The Gambling Commission completed the template on the basis of administering the collection and enforcement functions of the Levy. The Commission provided a range of estimated costs, reflecting that some elements of the reforms, in relation to Levy period and collection processes, are subject to a final decision following the conclusion of the consultation. The Gambling Commission have therefore provided estimates based on the different options set out in the consultation regarding Levy periods and collection processes. The Racing Authority provided estimates based on the administration of the distribution function of the Levy.

Further detail of the cost estimates and assumptions provided are provided at Annex A.

Conclusion

Table 3: Net Impact of Option 1

(£)	Transitional Costs	Annual Costs/Benefit	NPV (10 Year)
Option 0: Do Nothing	0.0m	-1.47m	
Option 1: Reform	-1.52m	-0.90m	
Net Impact of Option 1	-1.52m	0.57m	3.35m

*Costs/Benefits have been rounded to the nearest £10,000

Table 4: NPV, BNPV and EANDCB of Option 1

Option 1	(£m)
Net Present Value (10 year) (£m)	3.35
Business NPV (BNPV) (£m)	-0.48
EANDCB (10 year) (£m)	0.10

The HBLB's running costs to administer the Levy averaged £2.11 million per annum, during the five year period from 2012/13 to 2016/17. Following reforms to the Horserace Betting Levy in April 2017, HBLB anticipate further reductions in running costs and have provided an estimate of £1.47 million per annum from 2019/20.

In comparison, the Gambling Commission's annual costs to collect and enforce the levy are estimated to be £0.2 million per annum (paid for by Levy funding) and the Racing

Authority's costs to distribute the levy are estimated to be £0.7 million per annum (paid for by Levy funding).

This represents a total saving of £3.35 million NPV over 10 years.

The reduction in administration costs, which are met by Levy funds, will result in more funding for the benefit of the British horseracing. This administrative saving under Option 1 will therefore benefit businesses in the British horseracing sector.

It is anticipated that the administrative saving under Option 1 will also be of indirect financial benefit to betting businesses, due to the common interest between the racing and betting sectors. This common interest arises because horseracing activities provide benefits to the betting sector by creating betting opportunities¹¹. It is not possible to quantify the total economic benefit to betting businesses.

In addition it is anticipated that Option 1 will reduce administrative burdens for businesses in both the betting and horseracing sectors. It is envisaged that the legislative reforms will streamline compliance processes for betting operators, thereby reducing administrative burdens. It is also envisaged that the reforms will simplify the process for distributing Levy funds for the benefit of British horseracing, thereby reducing administrative inconveniences for the racing industry.

¹¹ A detailed economic analysis of the common interest between the racing and betting sectors, including common interest cost estimates, is provided in the Frontier Economics report "An economic analysis of the the funding of horseracing" (June 2016)

Risks and assumptions

The following risks and assumptions are associated with Option 1:

- Assumptions were made on the transitional costs to business and the time required for parties affected to familiarise themselves with the new legislation;
- Gambling Commission costs to check who has paid the levy and to send reminders to those operators who haven't paid has been included in the Commission's estimate of annual costs. If any enforcement action is needed to pursue operators for non-payment of levy, the Gambling Commission may incur additional legal costs and costs for senior management consideration and sign-off of any such action. However, it is anticipated that, with only c. 50 operators required to pay the Levy, that such enforcement would be exceptional and the associated financial risk is low;
- The Gambling Commission have assumed a higher level of costs if the levy was based on the current year as opposed to the previous year. For example, an assumption has been made that ongoing non-compliance costs, such as salaries and legal costs, would increase, as there is potential for more appeals / disputes. This is reflected in the figures used in this assessment - which use the median of the Commission's estimates.

Call-in checklist explanations

Distributional Impacts

There are no significant distributional impacts.

Small and Micro Business Assessment (SaMBA)

There are no disproportionate effects on small businesses.

Gross Effects

There are no significant gross effects.

Wider Impacts

There are no significant wider impacts.

Significant, Novel, or Contentious

There are no significant, novel or contentious effects.

Annex A - Methodology

To compare annual costs for the administrative bodies we worked with the HBLB to develop a template to capture the headline annual costs. The template was then distributed to all three bodies to complete, including stating any relevant assumptions against costs. The costs shown represent estimates of administration for 2019/20 (which is the first year the administrative changes would take effect in line with the target implementation date).

The Horserace Betting Levy Board (HBLB)

The HBLB completed the template on the basis of administering the Levy in full. This estimate is used as a benchmark to compare the estimated costs of the other bodies.

Item	Includes	Annual cost (£)
Staffing costs	Salaries, cross-charged time (e.g. senior executive time), temporary staff, national insurance, pensions, staff recruitment, staff welfare, death benefit insurance, private health care, permanent health insurance, staff training and staff medicals.	£943,200
Non-executive costs	Board members' salaries/fees and committee costs (e.g. Veterinary Advisory, Betting Patterns Working Party or equivalents).	£160,253
Accommodation costs	Rent, rates, service charge and repairs & maintenance.	£170,354
IT development & maintenance costs	Licences and IT maintenance.	£48,000
Travel & subsistence costs	Board members' expenses, staff expenses and meeting & conferences.	£26,000
Audit & tax costs	Audit, tax and internal audit costs.	£36,800
Legal & professional costs	Debt recovery, capital projects, HR consultancy, benefits advice and legal costs.	£28,000
Printing, postage & stationery costs	Printing & stationery, postage, couriers and newspapers.	£22,000
Capital expenditure costs	Computers and fixture and fittings.	nil

Depreciation costs	Short leasehold, computers and fixtures & fittings.	nil
Other costs	Insurance, communications and other (including bank charges).	£34,500
Total		£1,469,107 per annum

Gambling Commission

To fulfil their duty to collect and enforce the Horserace Betting Levy, the Gambling Commission estimate that in a steady state the following ongoing costs would be incurred. Gambling Commission estimates have been provided for two scenarios. The first scenario provides for collections based on historic data to determine leviable bets whereas, the second scenario is based on current year data to determine leviable bets. This reflects the two options for Levy collection set out in the accompanying consultation document.

Item	Includes	Annual cost (£)	
		Scenario 1 Collections based on historic data to determine leviable bets (levy year -1)	Scenario 2 Collections based on current year data to determine leviable bets
Staffing costs ¹²	Salaries, cross-charged time (e.g. senior executive time), legal costs, national insurance and pensions.	£99,649	£257,284
Non-executive costs	Board members' salaries/fees and committee costs (e.g. Veterinary Advisory, Betting Patterns Working Party or equivalents).	N/A	N/A
Accommodation costs	Rent, rates, service charge, office cleaning, printing, stationery, postage, couriers, repairs, maintenance, communication and	£11,349	£11,349

¹² The Gambling Commission has assumed a higher level of costs associated with compliance under scenario 1. This is reflected in the figures used in this assessment - which use the median of the Commission's estimates.

	other (including bank charges)		
IT development & maintenance costs	Licences and IT maintenance.	£2,931	£2,931
Travel & subsistence costs	Board members' expenses, staff expenses and meeting & conferences.	N/A	N/A
Audit & tax costs	Audit and internal audit costs.	£3,167	£3,167
Legal & professional costs	Debt recovery, capital projects, HR consultancy and legal costs.	N/A	N/A
Printing, postage & stationery costs	Printing & stationery and postage, couriers.	Inc. in 'Accommodation costs'	Inc. in 'Accommodation costs'
Capital expenditure costs	Computers and fixture and fittings.	N/A	N/A
Depreciation costs	Short leasehold, computers and fixtures & fittings.	N/A	N/A
Other costs	Communications and other (inc. bank charges).	£5,719	£5,719
Total		£122,815 per annum	£280,450 per annum

Racing Authority

To fulfil their duty to distribute the Horserace Betting Levy, the British Horseracing Authority, acting on behalf of the Racing Authority, estimate that the Racing Authority would incur the following ongoing costs in a steady state.

Item	Includes	Annual cost (£)
Staffing costs	Salaries, cross-charged time (e.g. senior executive time), temporary staff, national insurance, pensions, staff recruitment, staff welfare, death benefit insurance, private health care, permanent health insurance, staff training and staff medicals.	£292,800
Non-executive costs	Board members' salaries/fees and committee costs (e.g. Veterinary Advisory, Betting Patterns Working Party and equivalents).	£73,280
Accommodation costs	Rent, rates, service charge, office cleaning and repairs & maintenance.	£86,370
IT development & maintenance costs	Licences and IT maintenance.	£50,000
Travel & subsistence costs	Board members' expenses, staff expenses and meeting & conferences.	£23,000
Audit & tax costs	Audit, tax and internal audit costs.	£45,000
Legal & professional costs	Capital projects, HR consultancy and legal costs.	£50,000
Printing, postage & stationery costs	Printing & stationery, postage, couriers and newspapers.	£23,000
Capital expenditure costs	Computers and fixture and fittings.	nil
Depreciation costs	Short leasehold, computers and fixtures & fittings.	£12,500
Other costs	Insurance, communications, others (inc. bank charges) and overheads recharges.	£46,000
Total		£701,950 per annum