

**Meeting:** LICENSING COMMITTEE  
**Portfolio Area:** ENVIRONMENT & E-GOVERNMENT  
**Date:** Wednesday 16<sup>th</sup> August 2006 18:00hrs

**GAMBLING ACT 2005 – STATEMENT OF PRINCIPLES**

(Environmental Health & Licensing)

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**1 PURPOSE**

To seek approval of the first draft of Stevenage Borough Council's Statement of Principles for the Gambling Act 2005. (appendix 1)

**2 RECOMMENDATIONS**

That, subject to amendments by the Committee, officers conduct a public consultation exercise on the Gambling Act 2005 Statement of Principles with a view to reporting back to the Committee's next meeting.

That the Committee decide whether to include as part of the consultation, the option of the Council making a resolution not to licence Casinos within Stevenage.

That the Committee approves the table of delegated functions as permitted under the Gambling Act 2005, and contained within the main Gambling Act 2005 – Statement of Principles as appendix 5.

That the Committee approves the Statement of Principles in relation to Permits on unlicensed FECs contained within the main Gambling Act 2005 - Statement of Principles (Part C, section 1).

That the Committee approves the Statement of Principles in relation to Prize Gaming Permits contained within the main Gambling Act 2005 – Statement of Principles (Part C, section 3).

That the Committee approves the Door Supervisor requirements for Casinos and Bingo premises as contained within the main Gambling Act 2005 – Statement of Principles (section 10).

### **3 BACKGROUND**

The Gambling Act 2005 will mark a significant change in the way that gambling (betting, gaming and lotteries) will be regulated throughout the United Kingdom. It replaces the Betting, Gaming and Lotteries Act 1963; the Gaming Act 1968; and the Lotteries and Amusements Act 1976. The Council exercises some duties under these Acts, and the Gambling Act will bring new responsibilities to the Council as the local licensing authority. The Council is required to prepare a statement of principles for the exercise of its' functions under the Act.

### **4 DISCUSSION**

4.1 A new regime for gaming, betting and lotteries is due to be implemented from 1 September 2007. The Gambling Act 2005 introduces a new system of regulation with the creation of a powerful new regulator in the form of the Gambling Commission to replace the former Gaming Board of Great Britain, and for many of the licensing functions exercised by magistrates' courts to be passed to local authorities.

4.2 Under the Act, the Gambling Commission is responsible for issuing premises licenses and personal licenses. The Council in its' capacity as a licensing authority will:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing premises licenses;
- Issue provisional statements;
- Regulate members' clubs who wish to undertake certain gaming activities via issuing club gaming permits and/or club machine permits;
- Issue club machine permits to commercial clubs;
- Grant permits for the use of certain lower stake gaming machines at unlicensed family entertainment centers;
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) of the use of two or less gaming machines;
- Grant 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;
- Register small society lotteries below prescribed thresholds;
- Issue prize gaming permits;
- Receive and endorse temporary use notices;
- Receive occasional use notices;
- Provide information to the Gambling Commission regarding details of licenses issued (see section above on 'information exchange');
- Maintain registers of the permits and licenses that are issued under these functions;
- Exercise its' powers of compliance and enforcement under the Act in partnership with the Gambling Commission and other responsible authorities;

- 4.3 In carrying out its' functions, the Council is under a statutory duty to aim to permit the use of premises for gambling as long as it is considered to be:
- In accordance with any relevant Codes of Practice issued by the Gambling Commission;
  - In accordance with any Guidance issued by the Gambling Commission. The Commission has issued specific Guidance to licensing authorities as to the exercise of their functions;
  - In accordance with its' Statement of Principles;
  - Reasonably consistent with the licensing objectives.

- 4.4 The licensing objectives (which are different from those under the Licensing Act 2003) are:
- preventing gambling from being a source of crime or disorder, being associated with crime and disorder 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.

- 4.5 The Act provides that the Committee established to administer the Licensing Act 2003 shall exercise the relevant responsibilities under the Gambling Act, with the exception of:
- The adoption of the licensing statement of principles; and
  - Any resolution relating to casinos

The above are decisions for the Council as a whole.

It is therefore expected that the procedures for the Licensing Committee dealing with Gambling Act applications will be broadly similar to those for the Licensing Act. The terms of reference for the Licensing Committee may need amendment to ensure that the Gambling Act 2005 is covered.

A scheme of delegations is included in the attached Statement of Principles.

- 4.6 The Council has not made an application to the Casino Advisory Panel, which will be advising the Secretary of State on the location of the one new regional, and eight large and eight new small casinos. Under section 166 the Council is entitled to pass a resolution not to issue any casino premises licenses in the event that it subsequently obtains the power to do so.
- 4.7 If the Council decides to have a 'no-casino resolution', it has effect for three years during which period it may be revoked by further resolution or a new resolution passed on expiry. In passing a resolution the authority may have regard to any matter or principle.
- 4.8 The authority is under a duty to produce a statement of principles, which sets out its' approach to certain matters where it has some discretion, such as the setting of conditions, conducting licence reviews and the issuing of some permits. The mandatory elements of this statement were prescribed by regulations in January 2006. Their detail is included as appendix 2.

4.9 Within the Draft Statement of Principles there are policies on:

Door Supervisors at casinos and Bingo Premises; The Gambling Commission advises in its Guidance for local authorities that licensing authorities may consider whether there is a need for door supervisors in terms of the licensing objectives of protection of children and vulnerable persons from being harmed or exploited by gambling, and also in terms of preventing premises becoming a source of crime. It is noted though that the Security Industry Authority (SIA) cannot license the door supervisors at casinos or bingo premises.

Permits on unlicensed FECs; The Gambling Commission advises that licensing authorities may include a statement of principles in their three year licensing policy statement in respect of unlicensed FECs. Then those policies can be applied when considering applications for permits.

Prize Gaming Permits; The Gambling Act 2005 states that a licensing authority may “prepare a statement of principles that they propose to apply in exercising their functions under this Schedule” which “may, in particular, specify matters that the licensing authority propose to consider in determining the suitability of the applicant for a permit”.

The Committee is invited to comment on these points within the Statement of Principles.

4.10 The Gambling Act requires that the following parties are consulted by Licensing Authorities:

- One or more persons who appear to the authority represent the interests of persons carrying on gambling businesses in the authority’s area.
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority’s functions under the Gambling Act 2005:

The full list of consultees is contained within the Statement of Principles attached as appendix 1.

4.11 Copies of the draft statement of principles will be sent to each of the consultees, and placed on the Stevenage Borough Council website. In line with recommendations from the Cabinet Office, the consultation period will run for twelve weeks. The Licensing Authority must publish their Statement of Principles by 3<sup>rd</sup> January 2007

4.12 It is anticipated that the workload under the Gambling Act will be significantly less than under the Licensing Act 2003. Officers estimate the overall number of permissions to be processed will be:

- 5 betting shops;
- 1 bingo club;
- 2 adult or family entertainment centres;
- 73 alcohol-licensed premises with machines (most of which will only be subject to the automatic notification procedure and/or benefit from the automatic conversion of their section 34 permit);
- 80 small society lotteries.

The transitional arrangements for the Act are attached as appendix 3, and the timescale for implementation of the Gambling Act 2005 is attached as appendix 4.

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

As most of the applications will be dealt with administratively, there is not expected to be a large increase in workload. Applications will have to be accompanied with the statutory application fee in each case. The government will set a maximum band of fees to be charged, the details of which have yet to be published. A small and unidentified amount of money has been provided by the government in the revenue support grant for the implementation of and training for the Act.

### **5.2 Legal Implications**

The Licensing Authority has a statutory duty to produce a Statement of Principles under the Gambling Act 2005. This must be published by 3<sup>rd</sup> January 2007.

### **5.3 Community Safety Implications**

The Act has a community safety implication arising from the licensing objectives. There are currently no local concerns about the impact of gambling safety on community safety, and it does not appear within the Council's community safety plan.

## **BACKGROUND DOCUMENTS**

- Gambling Act 2005
- Gambling Act 2005 (Licensing Authorities Policy Statement) (England and Wales) Regulations 2005
- Guidance for Local Authorities (Gambling Commission, April 2006)
- LACORS template Statement of Principles (April 2006)

## **APPENDICES**

- Appendix 1 - Stevenage Borough Council Draft Statement of Principles
- Appendix 2 - The mandatory elements of a Statement of Principles
- Appendix 3 - Transitional Arrangements
- Appendix 4 - Timescale for implementation of the Gambling Act 2005