



Gambling Act 2005: What it means for licensing authorities

July 2005

The Gambling Act 2005 will elicit a wholesale change in how gambling is licensed in Great Britain, bringing with it new responsibilities for Licensing Authorities.

The Act made simple:

- Gambling operators will require an operating licence and any relevant personal licences from the Gambling Commission, the new national gambling regulator
- They can then obtain a premises licence from their relevant Licensing Authority (which is the unitary, district or county council in England and Wales or the licensing board in Scotland)
- Decisions by both bodies will be made in accordance with the three licensing objectives, which are;
 - Preventing gambling being a source of crime or disorder
 - Ensuring that gambling is conducted in a fair and open way
 - Protecting children and the vulnerable from being harmed or exploited by gambling

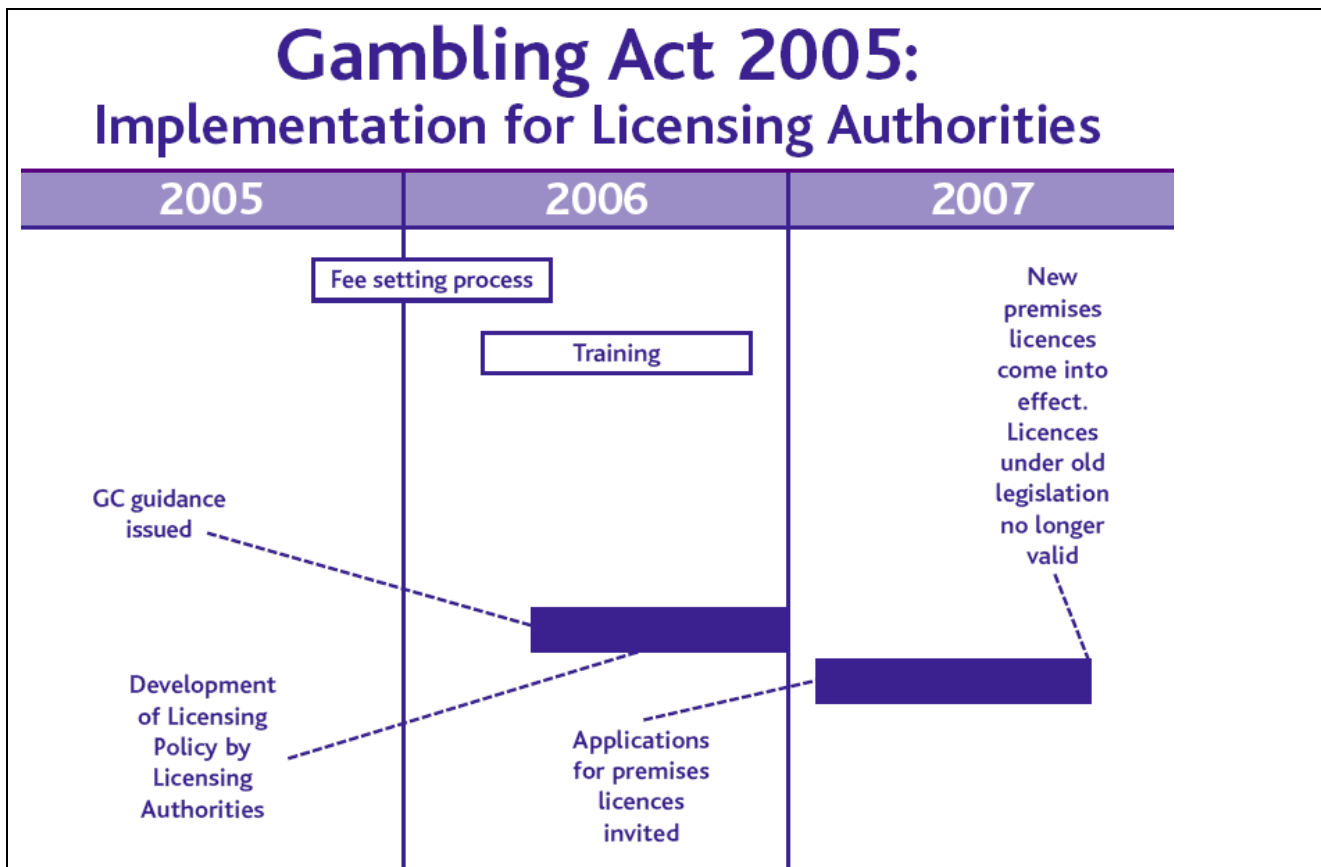
The Gambling Commission

The Gambling Act 2005 provides for the Gambling Commission to take over from the Gaming Board for Great Britain and to take on wider functions. The Commission is expected to come into existence formally in October 2005 and will be based in Birmingham from mid-2006.

The Commission will issue personal and operating licences and ensure compliance with these and the associated codes of practice. It will investigate and prosecute illegal gambling providers and give guidance to licensing authorities on how they should carry out their functions under the Act. The Gambling Commission will also give advice to the Government about the incidence of gambling in the United Kingdom. The Commission will need input from Licensing Authorities both

when it is being established and when the new regime is in place in order to become an effective regulator. It is already working both with LACORS and COSLA.

<http://www.gamblingcommission.org.uk/> has more information about the Gambling Commission.



Casinos

The Gambling Act 2005 gives licensing authorities new powers to:

- issue premises licences for casinos;
- resolve not to issue any further casino premises licences in their area.

The Act creates three new categories of casino, and initially allows premises licences to be issued for a total of 17 new casinos: 1 regional, 8 large, and 8 small casinos. There is provision for the number of premises licences to be increased, but there are currently no plans to do so. An independent panel will advise the Government where the new casinos should be located, based on the need to obtain a proper assessment of their social impact, and on the likely regeneration benefits. Any area will be able to make its case to the Panel for a new casino – the new Act revokes the law that allows only certain permitted areas to have casinos. Once Parliament has confirmed the locations, operators will be able to apply to the relevant licensing authorities for the premises licences.

Casinos licensed under the existing legislation will continue to be allowed to operate, as their licences will be transferred to the new regime.

What's the licensing policy?

Each Licensing Authority will need to produce a Statement of Licensing Policy that will set out how the authority intends to exercise its functions under the Act and the principles it intends to apply. The Gambling Commission guidance will contain some information about what to include in

the policy but its final content will be the responsibility of the individual Authority. The policy will last three years but should be reviewed from time to time.

When will Licensing Authorities get the guidance and when will the new regime start?

It is currently envisaged that the Gambling Commission will publish this guidance by 1 May 2006. We have then allowed, based on advice from LGA and LACORS, seven months for Licensing Authorities to produce and publish their policies. We therefore envisage that Authorities will be able to invite applications in early 2007 and that the new regime will be fully in force by Autumn 2007.

What will Licensing Authorities issue?

Licensing Authorities will issue **premises licenses** for:

Casinos, Betting Offices and Race Tracks, Bingo Clubs, Adult Gaming Centres, Family Entertainment Centres.

They will issue **permits** for:

Gaming machines in members' clubs and licensed premises, gaming in members' clubs, prize gaming and Unlicensed Family Entertainment Centres.

In addition they will also endorse Temporary Use Notices and issue Provisional Statements

In general the Licensing Authority that issued the premises licence or permit will be responsible for monitoring it and taking any appropriate enforcement action.

Fees

The Government has decided that premises licence fees will be set via a series of bands, with a prescribed maximum. Licensing Authorities will be able to select precise fees from within the bands, limited to cost recovery. This will allow Authorities flexibility and the industry a degree of certainty.

In addition, those Authorities rated excellent by the CPA will be able to set premises licence fees outside the bands, limited to cost recovery.

The Secretary of State will set the fees for permits and other services. In Scotland, Scottish Ministers will set all fees.

DCMS, LGA and LACORS have already started consultation about the calculation of the bands to ensure cost recovery. However, there will be ample opportunity for all to contribute to the debate before the fee bands are finalised during 2006 and you are encouraged to do so.

If you would like to take part in any of the fees exercises, please contact DCMS using the details overleaf.

Training

Training for Authority officers and members in how to deal with the new responsibilities under the Gambling Act 2005 will be integral to successful implementation. To this end, the Government is working closely with a wide range of organisations in order to assess training needs.

It is currently envisaged that the Government will produce a comprehensive package of training materials with input from the Gambling Commission, groups from Local Government (including the LGA, LACORS and IoL), and many others. This shall ensure a consistent quality of training is available to all Authority personnel.

However, we are keen to ensure that our approach to training is the most effective one, and as a result, we will continue to consult as proposals develop on the best approach to training provision.

If you would like to share your views regarding approaches to training, please contact DCMS using the details overleaf.

Further Information

General

Website: www.culture.gov.uk/gambling_and_racing/premises_licensing.htm

Email updates: just send an e-mail to premiseslicensing@culture.gov.uk to subscribe to regular e-mail updates on Gambling premises licensing.



Department for Culture Media and Sport

Jill McKenzie (020 7211 6420)
jill.mckenzie@culture.gsi.gov.uk



Gaming Board for Great Britain Transition Team

Sue Rossiter (020 7306 6225)
suerossiter@gbgb.org.uk



Local Authorities Coordinators of Regulatory Services

Katherine Smith (020 7840 7238)
katherine.smith@lacors.gov.uk



Local Government Association

LGconnect (020 7664 3131)
Info@lga.gov.uk



Welsh Local Government Association

Susan Perkins (029 2046 8609)
susan.perkins@wlga.gov.uk



Convention of Scottish Local Authorities

Robert Millar (0131 529 4150)
robert.millar@edinburgh.gov.uk



Institute of Licensing

Prab Sahota (0121 414 6289)
www.instituteoflicensing.org



Association of London Government

Valerie Solomon (020 7934 9915)
valerie.solomon@alg.gov.uk

The Gambling Act 2005

The following outlines information contained in the Draft Guidance (Consultation Document) to Licensing Authorities in December 2005, issued by the Gambling Commission.

BACKGROUND

1. The Gambling Act 2005 gives effect to the Government's proposals for reform of the law on gambling. The Act contains a new regulatory system to govern the provision of all gambling in Great Britain, other than the National Lottery and spread betting. It received Royal Assent on 7 April 2005.
2. The Act contains three licensing objectives which underpin the functions that the Commission and licensing authorities will perform. These objectives are central to the new regulatory regime created by the Act. They are:
 - preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;
 - ensuring that gambling is conducted in a fair and open way; and
 - protecting children and other vulnerable persons from being harmed or exploited by gambling;
3. The Gambling Act 2005 provides for three categories of licence:
 - operating licences;
 - personal licences; and
 - premises licences.
4. Within these categories, a number of different types may be issued.
5. Each type of licence may have conditions attached to it. Conditions may be attached in a number of ways:
 - they may attach automatically, having been set out on the face of the Act;
 - they may attach through regulations made by the Secretary of State or Scottish Ministers;
 - they may be attached to operating and personal licences by the Commission; or
 - they may be attached to premises licences by licensing authorities.
6. Conditions may sometimes be general in nature (i.e. they attach to all licenses or all Licenses of a particular class) or they may be specific to a particular licence.
7. Premises licences will be granted by licensing authorities and may authorise the provision of facilities on:
 - casino premises;
 - bingo premises;
 - betting premises, including tracks;
 - adult gaming centres; and
 - family entertainment centres.
8. Except in the case of tracks (where the occupier of the track who gets the premises licence may not be the person who actually offers the gambling) premises licences may only be issued to people with a relevant gambling operating licence: for example, to obtain a bingo premises

licence the applicant must hold a bingo operating licence. Premises licences are transferable to someone else holding a valid operating licence.

9. The Act provides that licensing authorities may attach conditions to premises licences.
10. In addition to licences, there are other forms of authorisation that a licensing authority may grant, for example, authorisations for the temporary use of premises, occasional use notices and five different sorts of permit for unlicensed family entertainment centres, prize gaming, gaming machines on alcohol-licensed premises and club gaming and club gaming machines, respectively.

FUNCTIONS OF LICENSING AUTHORITIES

- The Act gives licensing authorities a number of important regulatory functions in relation to gambling. Their main functions are to:
 - license premises for gambling activities;
 - consider notices given for the temporary use of premises for gambling;
 - grant permits for gaming and gaming machines in clubs and miners' welfare institutes;
 - regulate gaming and gaming machines in alcohol licensed premises;
 - grant permits to family entertainment centres for the use of certain lower stake gaming machines;
 - grant permits for prize gaming;
 - consider occasional use notices for betting at tracks; and
 - register small societies' lotteries.
- 11. Licensing authorities have an obligation to provide information to the Gambling Commission, including details of licences, permits and registrations issued
- 12. In addition, licensing authorities are required to prepare, every three years, a statement of the principles which they propose to apply when exercising their functions, and they must publish the statement. The statement, which may also be referred to as a 'policy', can be reviewed and re-published during the three-year period in which it has effect. In preparing the statement, licensing authorities must follow the procedure set out in the Act, including whom they should consult.
- 13. Some existing functions of local authorities and licensing boards are abolished and reintroduced as functions of licensing authorities under the 2005 Act:

Betting and Gaming Act 1963

- track licences will become betting premises licences (see Part 20 of this guidance).

Gaming Act 1968

- section 6 orders for alcohol licensed premises (transferred in England and Wales as a result of the Licensing Act 2003) translate to exempt gaming permissions with associated order-making powers;
- section 34(1)(a) permits for amusement arcades with only the lowest category of machine (coin or token AWP) translate to family entertainment centre (FEC) permits for category D machines (see Part 24 of this guidance); and
- section 34(5E) permits for alcohol-licensed premises (transferred in England and Wales as a result of the Licensing Act 2003) translate to notifications and/or licensed premises gaming machine permits (see Part 26 of this guidance);

Lotteries and Amusements Act 1976

- section 16 1976 Act amusements with prizes permits translate to prize gaming permits (see part 27 of this guidance); and
- small society lottery registrations – remain registrations but with new procedures.

14. Summary of licensing authority delegations permitted under the Gambling Act.

MATTER TO BE DEALT WITH	FULL COUNCIL	LICENSING COMMITTEE OR PANEL	OFFICERS
Three year Statement of Gambling Policy	X		
Policy not to permit casinos	X		
Fee setting (when appropriate)			X
Application for premises licence		Where representations have been received and not withdrawn	Where no representations have been received / representations withdrawn
Application for variation to a licence		Where representations have been received and not withdrawn	Where no representations have been received / representations withdrawn
Application for transfer of a licence		Where representations have been received from the Commission	Where no representations have been received from the Commission
Application for provisional statement		Where representations have been received from the Commission	Where no representations have been received from the Commission
Review of licence		X	
Application for club gaming/club machine permits		Where Objections have been made and not withdrawn	Where no objections have been made / objections withdrawn
Cancellation of club gaming/ club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X

MATTER TO BE DEALT WITH	FULL COUNCIL	LICENSING COMMITTEE OR PANEL	OFFICERS
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	

15. There are some inter-dependencies between the Licensing Act 2003 and the Gambling Act 2005 in terms of the framework for decision-making and the procedures that must be followed. But licensing authorities must take care to ensure that in dealing with applications under the Gambling Act they follow the procedures that this Act requires and only take into account issues that are relevant to this Act. Particular care must be taken not to confuse Gambling Act considerations with those relevant to alcohol licensing or planning.

FINANCE

16. Money has been made available through the Revenue Support Grant (RSG) distributed by ODPM for the start-up costs associated with gambling premises licensing. This money was available in 04/05 and 05/06. The Government envisages that the following should be considered as start-up costs:

- training for existing licensing officers, councillors and administrative staff;
- staff/recruitment costs (where additional staff are required to fulfil gambling premises licensing responsibilities);
- additional software/hardware requirements;
- transfer of records from licensing justices to licensing authorities; and
- production of the licensing authority's three year licensing policy statement, and consultation on it.

17. The ongoing costs of authorities' new responsibilities under the Act will be met through initial application and annual fees (for premises licences) and fees for permits and other permissions.

18. Premises licence fees in England and Wales will be set via a series of bands, with a prescribed maximum in each band. Licensing authorities will be able to select precise fees from within the bands, limited to cost recovery. This is intended to allow authorities to fully recover the costs of their new responsibilities whilst providing consistency of approach across England and Wales and providing the gambling industry with a degree of certainty over the fees that may be charged.

19. In addition, certain high performing authorities will be free to set their own fees, again limited to cost recovery. This will give those selected authorities the freedom to consider other types of fee structure, such as higher fees for an expedited service. It is currently envisaged that this freedom will apply to those authorities rated excellent³ under the Audit Commission's Comprehensive Performance Assessment.

20. The Secretary of State will set the fees for permits and other services. In Scotland, all the equivalent fees will be set centrally by Scottish Ministers, limited to cost recovery.

21. The fee bands are due to be finalised during 2006.