



# GAMBLING COMMISSION

licensing authority bulletin

## In this bulletin

### News

- **New** Latest licensing authority statistics published
- **New** Latest data on gambling participation and problem gambling rates in Scotland and Wales
- **New** Two men charged with offences under the Gambling Act 2005
- **New** London Boroughs meeting

### Case studies

- **New** Test purchasing activities with East Lindsey, Chichester and Hastings
- **New** Unlawful lotteries run in public houses in Torbay

### Advice and guidance

- **New** Fundraising opportunity for local authorities
- **New** Pub machines tie in and maintenance
- **New** Machines in takeaways/taxi ranks
- **New** Correspondence to LAs about permit renewals
- Response to controlling where gaming machines can be played consultation
- Updated non-complex cat D gaming machines guidance
- Cranes being replaced by vending machines
- Licensing authority inspection outcome letters and inspection guidance

### Information sharing

- **New** Fixed odds betting terminals All Party Parliamentary Group
- **New** New licensing group for Scotland
- **New** Scottish Government programme for Government
- **New** New Chair of Gambling Commission
- **Updated** Gambling training modules for LAs – *new modules available*

### Reference materials

- **New** FAQ of the month
- **Updated** List of Primary Authority gambling agreements *and introductory courses for LAs*
- Print friendly quick guides
- Gambling Act statutory notices and forms
- Premises licence register
- Find operating licence holders
- Change of licensing personnel?
- Join our LinkedIn group

Providing up-to-date information and guidance on gambling licensing issues



Join our LinkedIn group *Licensing officers and licensing authorities*. It is aimed at helping licensing officers understand the key role LAs play in gambling regulation in Great Britain.

## News

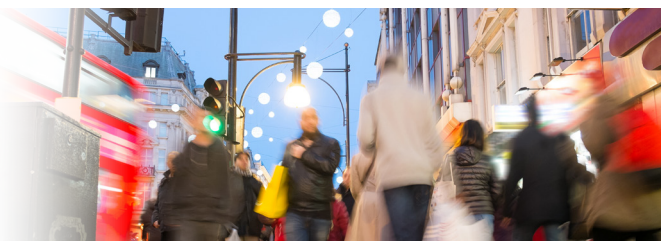
### Latest licensing authority statistics published

We have published *licensing authority statistics* for the year ending 31 March 2016. This latest edition provides a comparison on data covering the period 2011 to 2016. We have also published an Excel version of the statistics, to provide more transparency and an element of interactivity with the figures.

For the third year running, all 380 LAs submitted their returns. The report contains information about the number of permits, temporary use notices, and occasional use notices issued, as well as the number of gambling premises inspections conducted.

*continued...*





# GAMBLING COMMISSION

licensing authority bulletin

Between 1 April 2015 and 31 March 2016:

- 3,593 gambling-related permits were issued or notifications received
- 400 Occasional Use Notices (OUNs), allowing betting operators to take bets on tracks, were issued
- 14 Temporary Use Notices (TUNs), permitting the holder of a non-remote casino operating licence to offer gambling at a temporary venue for a limited time, were issued
- 5,627 premises were inspected or visited by licensing authorities.

LAs are reminded that compliance and enforcement work and the costs of dealing with illegal gambling is covered by fees from premises licences and permits. LAs in England and Wales will be aware that the Gambling Act (the Act) specifically states that local authorities shall: “aim to ensure that the income from fees as nearly as possible equates to the costs of providing the service to which the fees relates” (Gambling Act 2005 Section 212(2) (d))”

The Department for Culture Media and Sports’ (DCMS) guidance to LAs on setting premises licence fees (available on the LGA’s knowledge hub) states that the annual fee will cover the reasonable costs of compliance and enforcement work, including the cost of dealing with illegal gambling in a licensing authority’s area. Fee setting must be transparent and a licensing authority should closely track its costs, review them annually and be able to evidence how it arrived at the fee levels to demonstrate that they have been calculated on a cost recovery basis only.

In Scotland all fees for gambling licences and permits are set centrally by Scottish Ministers at a flat rate but again are designed to cover the costs of compliance and enforcement work.



## Latest data on gambling participation and problem gambling rates in Scotland and Wales

The Scottish Government’s recently published [Scottish Health Survey 2015](#) reveals that overall gambling participation has increased in Scotland from 65% in 2014 to 67.8% in 2015. The survey also shows that 0.7% of those surveyed were identified as problem gamblers – this compares with 0.8% in 2014.

- Overall gambling participation rate in Scotland is 67.8% based on participation in the past 12 months. This compares with 65% in 2014, 66.3% in 2013 and 63% in 2012.
- Participation in any activity excluding National Lottery draw only is 49.3%.
- 0.7% of those surveyed were identified as problem gamblers, compared with 0.8% in 2014, 0.4% in 2013 and 0.8% in 2012.
- 4% of all respondents were identified as low or moderate risk gamblers. This compared with 4.4% in 2014, 4% in 2013 and 4% in 2011/2.

For the first time ever the Commission has also commissioned and published gambling [participation and problem gambling rates in Wales](#). More than 4,000 people were interviewed for the Welsh Problem Gambling Survey 2015.

- Overall gambling participation in Wales is 61%, with 63% of men and 59% of women reporting that they gambled in the previous 12 months



# GAMBLING COMMISSION

licensing authority bulletin

- The National Lottery is the most popular form of gambling in Wales with 49% of men and 46% of women taking part in the last 12 months
- Participation in any activity excluding players of the National Lottery draw only is 44.2%
- 1.1% of those surveyed were identified as problem gamblers
- 3.8% of all respondents were identified as at low or moderate risk of problem gambling.

A combined report containing results from the Health Survey for England, the Scottish Health Survey and the Welsh Problem Gambling Survey is scheduled to be published next spring.

## Two men charged with offences under the Gambling Act 2005

Following our investigation into the website futgalaxy.com, summonses were obtained and served on Dylan Rigby and Craig Douglas for alleged offences contrary to the Gambling Act 2005, including the provision of facilities for gambling (Mr Rigby), advertising unlawful gambling (both defendants) and inviting children to gamble (Mr Douglas). The alleged conduct involved the use of a virtual currency. They will next appear before Birmingham Magistrates' Court in October.

## London Boroughs meeting

We are holding the second meeting of the year for licensing officers from London Boroughs on Thursday 13 October 2016 in Camden town hall. Updates will be provided on topics such as social responsibility, local risk assessments and dealing with illegal poker. London licensing authorities should contact [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk) if you haven't already received your invitation.

## Case studies

### Test purchasing activities with East Lindsey, Chichester and Hastings

We supported three local authorities carrying out age verification test purchase exercises over the summer.

During an operation in July in [East Lindsey](#), ten arcade premises were tested and all ten passed. This result follows extensive and regular testing of premises in this area. The work that East Lindsey has done working with the Commission and the local operators to improve compliance with age verification requirements was also praised in a recent edition of Coinslot.

Later that month we worked with [Chichester District Council](#) to test on-course bookmakers at the Goodwood racecourse. Twenty tests were carried out, but on thirteen occasions the operator failed to challenge the underage tester for ID. We have written to all operators involved in that test and those that failed have been warned about their future conduct.

In August we supported Hastings in testing 4 arcades and a medium sized betting shop and for the first time since the LA has been carrying out tests in recent years, all premises challenged the young persons used in the exercises. The LA has written to the premises congratulating them on their improvements.

We would like to hear from any local authorities that would like to work with us in this area. Please contact your compliance manager in the first instance if you are interested in taking part.

LAs are encouraged to send case studies for inclusion in future bulletins. Please supply details to [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk)





# GAMBLING COMMISSION

## licensing authority bulletin

### Chase the Ace – unlawful lotteries run in public houses in Torbay

There have been a number of reports recently of unlawful lotteries being run in public houses in South Devon. The scheme operates by customers purchasing a raffle ticket at £1.00 each. A draw takes place each Saturday with the winning customer invited to choose one of the envelopes pinned to the wall behind the bar. Each of these envelopes contains a playing card with any card other than the joker resulting in the customer winning £30.00. Should the card picked be the joker, the customer wins the jackpot. The jackpot is comprised of the amounts above the £30.00 paid out weekly (in effect a rollover).

Based on the fact that the company was deriving no financial profit from the scheme it was decided that the promotion may be operated as a customer lottery subject to a meeting the requirements for that type of exempt lottery:

- There can be no rollover 'jackpot'.
- No ticket may result in the winning customer winning more than £50.00.
- A draw cannot take place with seven days of the previous draw.
- Tickets must display the required information (the name and address of the promoter, price of the ticket, those who can buy the tickets and the fact that tickets are not transferable). They cannot be a cloakroom ticket.
- The lottery may only be advertised on the premises where tickets are sold.
- No profit can be made (customers lotteries are not suitable for fundraising).

Torbay council advised licensees to ensure that the changes required to the scheme were implemented with immediate effect. Any monies in the jackpot above the prescribed limit of £50.00 maximum prize per draw being returned to customers who have paid for the tickets during the time the scheme has been operating. Further information may be found our guidance note [Organising Small Lotteries](#).

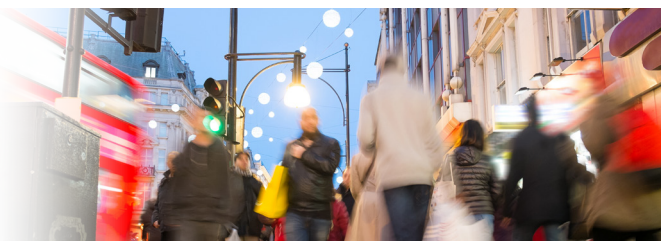


## Advice and guidance updates

### Fundraising opportunity for local authorities

The Gambling Act (the Act) permits local authorities to run lotteries to raise funds to support any purpose for which they have power to incur expenditure. Local authority lotteries are subject to the monetary limits for lotteries set out in the Act which limits annual ticket sales (proceeds) to £10 million in a calendar year and ticket sales in each lottery to £4 million. A minimum of 20% of the gross proceeds must be applied to the purposes for which the lottery was promoted.

Any local authority intending to promote a lottery must first hold a lottery operating licence issued by the Commission. A local authority licensed by the Commission is also required to appoint a person to have overall management responsibility for the promotion and proper management of the lottery and for compliance with the regulatory regime as a whole. That person should be a senior manager who holds the relevant delegated authority from the licensing authority. Depending on whether the applicant authority is a small or large scale operator that person will be required to hold either a Personal Management Licence (PML) or complete an 'Annex A', at the time the operating licence is applied for our licensing department will be able to advise on which permission is required.



# GAMBLING COMMISSION

## licensing authority bulletin

Under the previous lottery legislation (the 1976 Lotteries and Amusements Act) a significant number of local authorities held registrations with the Gaming Board of Great Britain to promote lotteries to raise income. Until recently no local authorities had applied for or held lottery licences under the Gambling Act. The Commission has now issued lottery operating licences to the following local authorities:

- Eastbourne Borough Council
- Aylesbury Vale District Council
- Tonbridge and Malling Borough Council

A further application from another local authority is currently being processed.

Some of these local authorities have appointed a licensed External Lottery Manager (ELM) to make the arrangements for their lottery on their behalf. A full list of ELMs licensed by the Commission is available on the [register of licence holders](#) on our website.

If you require further information about any of these lotteries contact the relevant local authority directly.

Further details of the regulatory requirements for local authority lotteries are set out in [Promoting society and local authority lotteries](#). Or telephone our Contact Centre on: 0121 230 6666.

### **Pub machines tie in and maintenance**

Following the enactment of the Pubs Code etc. Regulations 2016 (SI 2016 / 790) on 21 July 2016; we would like to remind gaming machine operators in the pub sector that although they may purchase a category C or D gaming machine for use in the premises (subject to the appropriate premises permits being in place) without need for a Gambling Commission technical operating licence, activities associated with supply, maintenance or repair cannot be conducted by anybody unless they are the holder of the aforementioned.

It is therefore important that anybody either purchasing a gaming machine or using the services of a third party for maintenance or repair first check the licence status of the supplier or service provider to ensure they hold the correct technical operating licence from the Commission.

If the gaming machine is to be maintained and/or repaired by the owner then they must either hold the appropriate Commission technical operating licence or single machine permit depending on the circumstances.

[Further details can be found on the Commission's website.](#)

### **Machines in takeaways/taxi ranks**

We have become aware of the reappearance of gaming machines in taxi ranks, cafes and takeaways in some parts of the country. LAs are reminded of our [quick guide for small business on the illegal siting of machines](#) which may be of use to give to any such premises where you encounter these machines.

Anyone allowing gaming machines to be used on these premises may be prosecuted under the Act with a maximum fine of £5,000 and/or 51 weeks imprisonment (six months in Scotland).

### **Correspondence to LAs about permit renewals**

We have recently written to LA heads of service advising that from 2017 club gaming and club gaming machine permits along with unlicensed family entertainment permits will start to come up for their 10 year renewal. To assist LAs we will be producing a special LA bulletin, template letters and other documents which will be made available in October/November. In the meantime LAs may want to start to review their records so that they know when to expect to start receiving renewal applications.





# GAMBLING COMMISSION

licensing authority bulletin

## Response to controlling where gaming machines can be played consultation

On 11 July we published *Controlling where gaming machines may be played: Amendments to licence conditions and codes of practice (LCCP) and Guidance to Licensing Authorities (GLA)*.

LAs are reminded that the new LCCP provisions and associated changes to the GLA (parts 17, 18, 19) will come into effect in October 2016, and we will advise LAs nearer the time when the changes take effect, but for now the current GLA information should be followed.

Where local authority officers have concerns regarding a novel or contentious business model, they should contact their compliance manager at the earliest opportunity and we will be happy provide support.

## Updated non-complex cat D gaming machines guidance

LAs are advised that this [advice note has been updated](#) following a series of cases in which crane grab non-complex category D gaming machines were discovered to be breaching regulations, and were purporting to be skill machines.

Machines utilising a mechanical arm, or similar device to select a prize and which employ a compensator unit to determine the percentage pay-out of the machine, need to be clearly marked as a gaming machine (skill and chance combined). They have a maximum stake of £1 and a maximum £50 non-monetary prize. In addition they may only be operated in premises where the necessary permissions are in force.

The note has been updated to include machines supplied by Elaut and Instance Automatics, which should be labelled as a category D gaming machine. These suppliers have also contacted customers who have purchased crane machines from them.

## Cranes being replaced by vending machines

LAs are advised that following discussions with the Commission, the operator Clearhill has advised that it intends to replace (or modify) their existing category D gaming machines with commercially viable vending machines.

A device described as a vending machine must comply with one of these two conditions:

- comply with section 249 of the Act, whereby the prize(s) offered do not exceed the value of the stake to play the machine once. In which case there will be no offence under section 242 of the Act in making the machine available
- the products vended are of an equal/ comparable value. The object of the machine is simply to vend a product of a type (eg vending chocolate bars). Where the prize(s) vary in value and chance determines which is won then it would be considered gaming and would need to comply accordingly (subject to section 249).

LAs with any queries should contact their local compliance manager in the first instance.





# GAMBLING COMMISSION

## licensing authority bulletin

### Case studies, templates and case law

To assist LAs with their responsibilities under the Act, we have updated and expanded the [LA compliance and enforcement information](#) on the website.

We have recently added [links to relevant reading materials](#) and sources of information in relation to various topics namely:

- Gambling in pubs/clubs
- Poker in pubs/clubs
- Small society lotteries.

Which should make it easier for LAs to see at a glance the range of materials available to them on a particular topic.

In addition to [case law](#) that we consider would be of assistance to licensing authorities in the interpretation and application of the Act, we have a range of [case studies](#) exemplifying how some LAs have made effective use of their powers when regulating gambling locally including illegal betting, illegal poker, illegal machines and under age sales along with details of schemes such as Gamblewatch and Betwatch.

[Example letter templates](#) are also available, which LAs may wish to when dealing with issues such as illegal machines, poker or betting in pubs.

We also have compiled a [list of sample conditions](#) that LA have attached to premises licences. These are provided for illustrative purposes only and are to exemplify the sorts of conditions a licensing authority may wish to think about when addressing similar evidence-based concerns within a local area.

[Examples of non-complex category D](#) gaming machines and information about how they should be correctly labelled as category D non-complex crane grab machines is also available in this section of the website.

### Licensing authority inspection outcome letters and inspection guidance

In 2013, we worked together with the Leicester, Leicestershire and Rutland Licensing Forum and the Leicester and Leicestershire Enterprise Partnership (LEEP) to create templates for assessments at gambling premises. The templates included reference to the social responsibility code provisions issued by the Commission under s153 of the Act.

We also jointly created a suite of letters to assist LAs in communicating the assessment outcome to operators. These documents have just been updated to reflect the new social responsibility codes that came into force in May 2015.

You can find the [assessment templates at the LEEP website](#).

## Information sharing

### Fixed odds betting terminals All Party Parliamentary Group

This group has launched an inquiry *Fixed Odds Betting Terminals (FOBT) – Assessing the Impact* and in a series of hearings, the inquiry will be taking oral evidence from the range of stakeholders in the FOBT debate from gambling addiction experts and FOBT users, to regulators, bookmaker Chief Executives and their representatives. Further details of the Group and the forthcoming inquiry sessions are [available on its website](#). The Group will publish its findings in early 2017.







# GAMBLING COMMISSION

licensing authority bulletin

## New licensing group for Scotland

We attended a meeting in Glasgow in September 2016 along with a wide range of other licensing stakeholders to discuss the possibility of helping establish a new Scottish Region of the Institute of Licensing (IOL). The meeting, which was attended by representatives of Police Scotland, licensing standards officers, licensing lawyers and officials, agreed that it would be useful to try and set up the new group which would provide a networking and training forum for all licensing practitioners from across Scotland.

The meeting was addressed by the IOL's Chairman, Dan Davies and by James Cunningham from Belfast City Council, who is the Chair of the IOL's Northern Ireland Region. The IOL's Board will now consider how best to progress the initiative. Further details about the new group can be obtained by contacting Clare McMillan, one of the IOL's Training Officers, [clare@instituteoflicensing.org](mailto:clare@instituteoflicensing.org).

## Scottish Government programme for Government

On 6 September 2016, the Scottish Government's First Minister, Nicola Sturgeon MSP, **announced the detail** of the devolved administration's **Programme for Government** for the coming year. The First Minister did not give any indication as to when the Scottish Government intends to seek to enact its new gambling powers in Scotland over Fixed Odds Betting Terminals as included in the Scotland Act 2016. However, the Scottish Government indicated that it would press *"... the UK Government to strengthen the Proceeds of Crime legislation to make it more difficult for criminals to avoid paying up. We will argue for changes in the law at Westminster to enable the police to seize items of monetary value from criminals, such as high value betting slips and casino chips."*



## New Chair of Gambling Commission

The Culture Secretary, The Rt Hon Karen Bradley MP, has **appointed Bill Moyes** as the new Chair of the Gambling Commission for a term of five years, commencing in September 2016, taking over from Philip Graf.

## Gambling training modules for LAs

We have a number of refresher modules for licensing officers on topics which compliance managers can deliver at these at regional/IOL licensing meetings. These have been recently updated to reflect the changes in GLA5, new case studies and materials. Modules available are:

- Illegal betting in pubs
- Poker in pubs
- Small society lotteries
- Club gaming and club machine permits
- Test purchasing in England and Wales
- Gaming machines
- Betting at tracks
- **New** money laundering (for police/LAs)
- **New** police powers on conducting gambling premises inspections (in gambling premises and alcohol licensed premises in England and Wales).

If you are interested in receiving training, please contact your local compliance manager.





# GAMBLING COMMISSION

licensing authority bulletin

## FAQ of the month

This month's featured frequently asked question is: [Can I hold a race night to raise funds for charity?](#)

Race nights are permitted for charitable purposes. However, in some circumstances, they can only be undertaken by a licensed betting operator and after the premises owner has notified the local authority. The answer goes on to detail the different categories whereby race nights can be offered, namely [non-commercial gaming](#) and [Occasional Use Notices \(OUN\)](#) which can be used for charitable purposes whilst [private gaming](#) cannot.

The [FAQ section](#) hosts a range of questions on different topics including [gaming machines](#), [poker](#), [lotteries](#), [betting](#), [bingo](#) and [casinos](#). There are FAQs about the [size of the gambling market](#), information about [problem gambling](#) and [online gaming](#).

LAs are encouraged to signpost applicants and their local residents to this section as well as use it as a source of reference themselves.

## List of Primary Authority gambling agreements

Gambling Primary Authorities (PA) agreements signed to date. LAs are reminded that there is no restriction on any LAs wishing to undertake proactive test purchasing activity where the PA has not developed a National Inspection Strategy. Regulatory Delivery is currently offering a number of free introductory sessions on Primary Authority for local authority officers. Further details on the [PA website](#).

Milton Keynes - Ladbrokes  
(with National Inspection Strategy)  
London Borough of Newham - Corals  
(with National Inspection Strategy)  
Reading - Paddy Power  
(with National Inspection Strategy )  
Reading - BACTA  
Reading - ABB  
Reading - Welcome Break  
Westminster - William Hill

LAs should check the [Primary Authority register](#) to see which trade association members have signed up to the BACTA and ABB agreements. (Note: you need to search for Reading or for the name of the operator itself.)

## Quick guides: now more print friendly

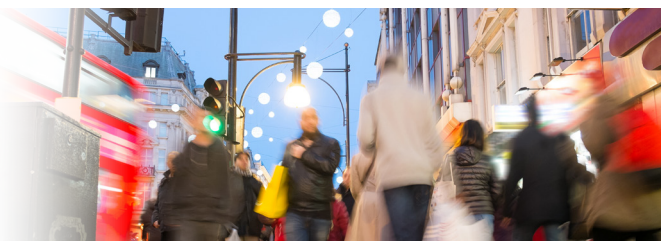
LAs are reminded that we have a number of quick guides. Some are designed to give to operators when undertaking visits; others provide an accessible 'how to' for licensing staff.

Following feedback from LAs, print friendly versions of these quick guides are now available: just click on the line at the front of each quick guide 'Click here for printable version' and make sure you set to print on both sides of the paper...

- [Money laundering](#)
- [Gaming machines in pubs](#)
- [Race night, casino night or poker night](#)
- [Members club or commercial club](#)
- [Poker in clubs](#)
- [Poker in pubs](#)
- [Facilitating betting in pubs is illegal](#)
- [Skills with prizes](#)
- [Illegal gaming machines](#)
- [Lottery ticket dispensers and B3A machines](#)
- [Illegal siting of gaming machines](#)
- [Fairs and fairgrounds](#)
- [Society lotteries, ELMs & service providers](#)
- [Running a lottery](#)
- [Running prize competitions and free draws](#)
- [Multi-activity sites](#)

We have also published a couple of quick guides for consumers which LAs may wish to promote on their own websites:

- [Gambling safely – a quick guide for parents and others](#)
- [What to look out for before gambling](#)



# GAMBLING COMMISSION

## licensing authority bulletin

### Gambling Act statutory notices and forms

Licensing authorities are advised that DCMS has asked the Commission to host all the **statutory notices and application forms** on the Commission's website as they are no longer available on the DCMS website.

### Using the right forms

It is a statutory requirement that you use the correct forms to give proper notice of applications, variations etc to all responsible authorities (part 3, s 12 and 13 of the Gambling Act 2005 (Premises Licences and Provisional Statements) Regulations 2007).

Licensing authorities also have statutory duties to notify the Commission as well as the applicant and other responsible authorities, of the grant/rejection of applications (new, variations, transfers etc) as well as the revocation, surrender or lapse of a premises licence using the correct statutory forms.

Having all the statutory forms (both in English and in Welsh) in one place should help you to comply with those statutory processes.

Additionally we are aware that the gambling pages on many LA websites signpost applicants to the DCMS website for more information.

As you will know the separate government departments now all use the [www.gov.uk](http://www.gov.uk) website and much of the historic gambling material is no longer available. LAs may wish to review and update their websites, signposting to the Commission's website where appropriate.

### Premises licence register

Licensing authorities are reminded that the information on the publicly available **premises register** is based on the statutory notifications received from LAs regarding grants, variations, revocations, lapses etc, and is updated monthly. LAs are encouraged to use email to submit details of grants, transfers, notices, revocations, permits sending **all** necessary correspondence to [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk).

In relation to gaming machines, please only share notices of grant/rejection of Club Machines Permits and Gaming Machine Permits, as there is no requirement to advise us when an alcohol licence holder submits their notification for an automatic entitlement to two gaming machines.

However LAs must keep a record of how many automatic entitlement notifications it receives each year, as that information is requested in the annual LA returns.

### Find operating licence holders

We also **publish** the names of all companies and individuals who hold, or have applied for, operating licences in Great Britain along with the names of companies or individuals whose licences have lapsed, been revoked, forfeited, expired, suspended or surrendered in the last six months. LAs are reminded to check the operator licence quoted on premises applications with the register before granting a premises licence.

An application for premises licence may only be made by persons who have an operating licence which allows them to carry out the proposed activity, for example a bingo operating licence for a bingo premises, or have applied for an operating licence (although the premises licence cannot be determined until an operating licence has been issued).

### Change of licensing personnel?

We try to ensure our contact records are up-to-date, but please help us out by letting us know when there are any changes of gambling contacts in your LA so that our communications reach the correct person.

### Join our LinkedIn group

The Gambling Commission, **licensing officers and LA group** is aimed at helping licensing officers understand the key role LAs play in gambling regulation in Great Britain.

Members can share good practice and find out how LAs have a number of regulatory functions including issuing premises licences, regulating gaming and gaming machines in clubs and pubs, inspection and enforcement of licences and lots more.