

licensing authority bulletin

February 2018

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News

Citizens Advice report calls for mandatory levy on gambling companies to fund support

Citizens Advice is calling on the government to take advantage of unused powers to require betting companies to pay more towards tackling gambling-related harm, instead of allowing the industry to decide how much they contribute. The national charity wants the government to ensure firms contribute more to addressing the issues caused by problem gambling by enforcing s123 of the Gambling Act, which gives the Secretary of State the power to set how much gambling companies must pay.

The [Out of Luck](#) report reveals the knock-on effects of problem gambling, finding that up to 4.3 million family members, friends and work colleagues of the estimated 430,000 problem gamblers in Great Britain often suffer serious issues such as problem debt and relationship breakdown.

Other findings:

- More than a third of households with children where there was a problem gambler experienced family breakdown
- Almost one in five people who had a problem gambler in their life said there were times they could not afford food

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- More than half of people affected by a problem gambler suffered mental ill health as a result of their behaviour
- The research found the harm created by gambling includes detrimental effect on health, increased debt, housing and employment issues, family and relationship problems and social exclusion.

CMO for Wales - “Gambling with our health” annual report

The Chief Medical Officer (CMO) for Wales recently [published his report](#) *Gambling with our Health*, it provides an overview of the general health of the population of Wales; recognises the work undertaken to manage and contain risks to health posed by infectious diseases, environmental factors and major incidents; as well as highlighting areas of emerging or underestimated public health importance.

The second chapter focuses on the emerging public health issue in Wales of gambling related harm. The CMO calls for better research and monitoring of the impact of gambling on health, and for greater regulatory control in Wales and the UK.

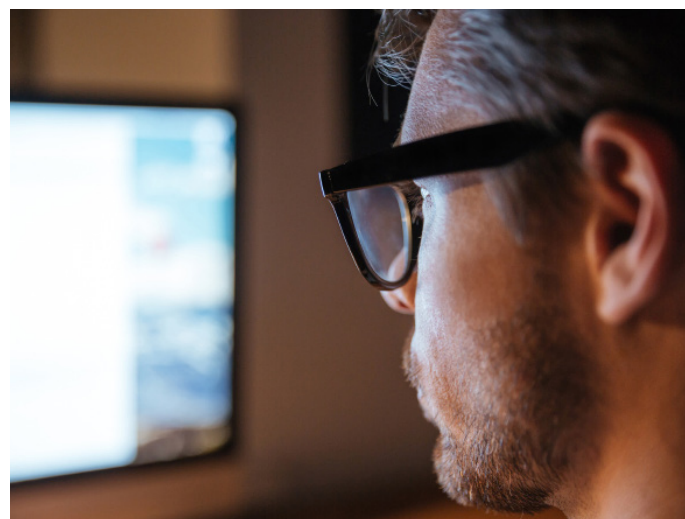
Young People and gambling survey

This [Ipos Mori report](#) for the Commission explores the gambling behaviours of young people aged between 11-16 years old in England, Scotland and Wales. It raises concerns that children are experiencing gambling in situations where the risks are not always explained. The data raises questions about the long term impact for children whose early experiences of gambling are in a consequence-free environment.

The figures show that new technology is providing children with opportunities to experience gambling behaviours through products, such as free-to-play casino games, social media or within some computer games, which do not have the same level of protections or responsible gambling messages as regulated gambling products.

Whilst the report shows that one of the most common forms of gambling amongst children is

between friends, which is not subject to regulation, other locations are regulated for gambling, such as buying a National Lottery scratchcard and playing fruit machines in pubs and clubs.



Some of the findings:

- 12% of 11-16 year olds spent their own money on gambling in the past week (16% in 2016)
- This compares to 16% who had drunk alcohol 5% smoked cigarettes and 3% who had used drugs (in past week)
- 11% of 11-16 year olds have played free gambling-style social games online
- 11% of 11-16 year olds have bet with in-game items when playing computer or app-based games
- 11-16 year olds who have gambled in the past week spent an average of £10
- 80% have seen gambling adverts on TV, 70% on social media and 66% on other websites
- Most common forms of gambling (overall) include fruit machines (4%), private bets with friends (3%) and National Lottery scratchcards (3%)
- 9% of 11-16 year olds had spent their own money on licensed gambling (ie where either the operator or the premises requires a licence) in the past week
- 0.9% of 11-16 year olds are classified as ‘problem’ gamblers, 1.3% as ‘at risk’
- 39% of young people stated that their parents had discussed the problems that gambling can lead to with them.

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Annual meeting with London Boroughs

We are holding the first meeting of the year with London Boroughs on Tuesday 13 March 2018 in Camden Town Hall, London. Updates will be provided on topics such as Statement of Policies, public health and marketing and advertising. London licensing officers/police should contact info@gamblingcommission.gov.uk if you haven't already received your invitation.

William Hill pay £6.2m for licence breaches

A Commission investigation revealed that between November 2014 and August 2016 the William Hill Group (WHG) [breached anti-money laundering and social responsibility regulations](#).

Senior management failed to mitigate risks and have sufficient numbers of staff to ensure their anti-money laundering and social responsibility processes were effective. This resulted in ten customers being allowed to deposit large sums of money linked to criminal offences which resulted in gains for WHG of around £1.2m. WHG did not adequately seek information about the source of their funds or establish whether they were problem gamblers.



WHG will pay more than £5m for breaching regulations and divest themselves of the £1.2m they earned from transactions with the ten customers. Where victims of the ten customers are identified, they will be reimbursed. If further incidents of failures relating to this case emerge, WHG will divest any money made from these transactions.

Hills pay council following fraud conviction

[William Hill has paid Dundee City Council £500,000](#) after a betting-addict former council worker was convicted of fraud. The man committed more than £1million fraud against the council over 10 years, re-routing payments to his own accounts between August 2009 and May 2016 to fund his gambling addiction. The man was jailed for more than 5 years last summer.

Consultation on proposals to make gambling more fair and open

We have published proposed changes to the [Licence conditions and codes of practice](#) which are aimed at ensuring operators are being fair and open with consumers. The proposals are based on evidence of potential harm or unfair treatment to consumers, concerns about lack of compliance with consumer protection legislation, declining public trust in gambling, and concerns about the impact of gambling on children and young or vulnerable people.

The proposals support the priorities in our [three-year strategy](#), in which we set out how we will work with our partners to deliver a gambling market that works for consumers. They include:

- a focus on compliance with the UK Advertising Codes
- making sure operators comply with all relevant consumer protection legislation,
- and improvements to consumer complaints handling including the introduction of an eight-week time limit for licensees to deal with gambling complaints.

The consultation closing date is 22 April 2018.

Action taken against online gambling unfair terms and conditions

As part of a joint programme of work with the Commission, the Competition and Markets Authority (CMA) has [published the outcome of its own activity](#) against three operators in relation to the promotions and sign up deals they offer customers.

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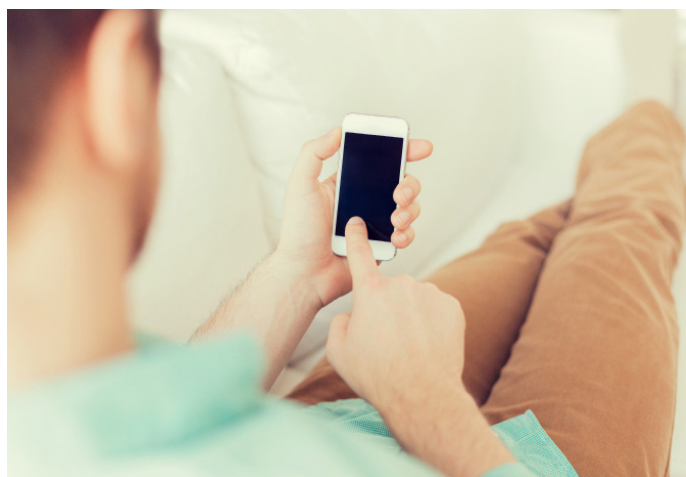
Ladbrokes, William Hill, and PT Entertainment have formally committed to change the way they offer bonus promotions to ensure players can always access and release their own money, and have agreed to be more upfront and clear in the terms and conditions of their bonus promotions, or they will face enforcement action by the Commission.

We will continue to work with the CMA to tackle other shared concerns about unfair terms and practices within the gambling sector and we will publish advice once any further investigation and enforcement action by the CMA is completed.

Gambling business fined £350,000 for advertising failures

Online gambling business [ElectraWorks has been fined £350,000](#) by the Commission for repeatedly misleading consumers with adverts relating to free bonuses.

The operator has also received a formal warning from the Commission for failing to ensure that the person responsible for marketing at the business holds a personal management licence.



Breaches were found in 2016 and 2017 of the Commission's codes which stipulate that all licensees must abide by any relevant provisions of the Committee of Advertising Practice (CAP) code and the Broadcast Committee of Advertising Practice (BCAP) code, which relates to 'free bet', 'bonus' or similar offers.

CEO's speech on the importance of diversity

CEO Sarah Harrison recently [spoke](#) at Global Gaming Women, part of the ICE Totally Gaming Conference 2018, about the importance of diversity and inclusion. Global Gaming Women is a peer network that aims to support, inspire and influence the development of women in the sector.

Case studies

Illegal siting of machines in Neath & Port Talbot

An illegally sited machine was seized by Neath and Port Talbot licensing officers late last year. The Category C Doctors and Nurses machine was sited in a chip shop. The premises owner was cautioned and the machine removed by the Council. Neil Chapple, Licensing Manager said "Neath Port Talbot Council has been pro-active in seeking out illegally sited gaming machines and will not tolerate anyone making gaming machines available to use without having the necessary authorisations in place. Council officers will seize any illegally sited gaming machines at the first opportunity to ensure that the supply is disrupted and that the machines are removed from circulation".

Our [illegal siting of machines quick guide for businesses](#), reminds premises owners that gaming machines cannot be sited in take aways, cafes and taxi ranks.

LAs and police are encouraged to send case studies for inclusion in future bulletins. Please supply details to info@gamblingcommission.gov.uk.

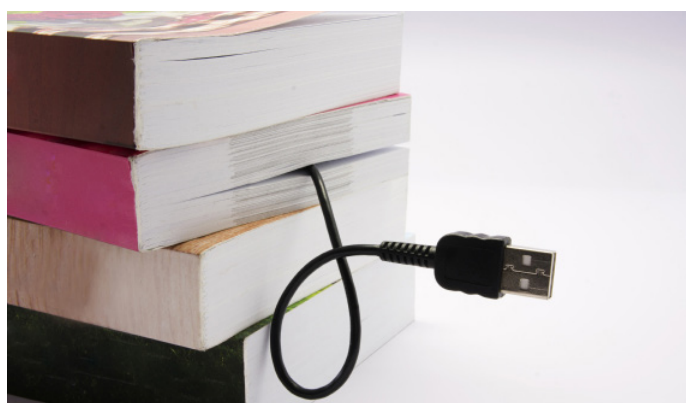


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Advice and guidance updates

Gambling, safeguarding and public health toolkit

We have developed a [new toolkit](#) for licensing authorities for sharing information and resources related to public health, safeguarding and gambling. This includes a briefing paper for local authorities and local public health providers (in England and Wales) setting out a rationale for gambling harm being treated as a public health issue, letters which were recently sent to Directors of Public Health in England and Wales. We are working with colleagues in Public Health Scotland on a similar letter for Public Health colleagues in Scotland.



We will continue to add materials and case studies to this section, and welcome examples of where and how you are working with your public health and safeguarding teams.

Be aware of OUNs!

With horse racing's Cheltenham Festival taking place between 13 to 16 March this kick starts a sequence of high profile race meetings running through the Spring and Summer months – Grand National meeting 12-14 April, Epsom Derby 1-2 June and Royal Ascot 19-23 June. LAs should be on the alert for Occasional Use Notices (OUNs) being

used in a manner contrary to the legislative intention of the Act.

OUNs are designed to permit licensed betting operators to provide facilities at 'genuine' sporting events, within the boundaries of the identified venue on a specific date (on no more than eight occasions in a calendar year). Traditionally OUNs are in use at point-to-point meetings, cricket grounds or golf courses hosting genuine competitions.

Each year we have become aware of betting taking place under OUNs which are reliant upon 'contrived' sporting events taking place at the location but driven by events taking place elsewhere. We are concerned that such attempts to abuse the occasional use process are becoming more prevalent.

They cannot be used for a contrived sporting event at a premises, for example at venues hosting corporate or social events in pubs, clubs or hotels solely in order to apply for an OUN to permit betting on a premises where it would not normally be allowed. By way of an example, a local hotel or club seeks to host a themed event coinciding with the Grand National meeting, claiming that a darts competition will be taking place at the venue thus permitting that a bookmaker could attend and accept bets on the darts event when in reality they will primarily be there to take bets on the Grand National.

Please ensure that you contact your local compliance manager for advice if you should receive an OUN that does not relate to a genuine recognised sporting event. More [information about OUNs](#) is available on our website.

Caregory B3A lottery machines

Following some recent queries about these types of machine, LAs are reminded that Category B3A lottery machines offer lottery style games and the machine determines the result as in the same way as any other gaming machine. These machines may only be sited in private members' clubs (not commercial clubs).

These are different to lottery ticket vending machines which usually dispense a scratchcard or pull-tab lottery ticket following the insertion of the cost of the ticket into the machine.

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Further guidance on the differences is available for LAs in [Comparing lottery ticket dispensers and category B3a gaming machines](#). There is also further information on our website about [lottery ticket vending machines](#).

Where the premises has changed from having a Club Premises Certificate in place to having an alcohol licence, when granting the application care should be taken that the club is still operating in accordance with the characteristics of a club as set out in part 25 of the [Guidance to Licensing Authorities](#).

If by virtue of the application for an alcohol licence, the premises has in fact ceased to be a genuine member's club, then the category B3A machine must also be removed as part of that change.

Machines in barber shops

We have recently become aware of a number of instances whereby mens' barbers shops are providing alcoholic drinks in order to 'enhance the customer experience' – effectively a pint whilst you wait for a trim.

We know of at least two premises that have been granted alcohol premises licences to facilitate this, one of the premises having a fully-fledged bar situated to the rear of the shop.



As you will be aware, s282 of the Gambling Act provides an automatic entitlement to holders of such licences to make available two category C or D gaming machines (with notification).

Whilst LAs have no discretion to consider or turn down such an application, they can remove the automatic authorisation in respect of a particular premises by making an order under Section 284 of the Act.

The grounds for this include:

- The provision of the machines is not reasonably consistent with the pursuit of the licensing objectives – an important consideration given that children or young persons will have ready access to a barbers premises.
- Gaming machines may have already been made available in a way that does not comply with the requirements and location of gaming machines. Gaming machines are also readily available via computer tablets so this needs to be taken into consideration.

We would ask LAs to closely review any applications for alcohol licences from barbers or similar premises and seek reassurance that the premises has not applied for an alcohol licence with the sole aim of benefitting from the associated machine and exempt gaming entitlements. [Part 26 of the GLA](#) provides further information. If you have any concerns please contact your compliance manager for further advice.

Gambling statement of policy 2019-2022 - presentation offer

We are delighted by the take up of our offer to present on the review of gambling policies at your IOL/ regional licensing groups. If you have yet to book us for one of your meetings then please contact your local compliance manager.

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Lottery advice

A range of new lottery advice is now available on our website:

- [private companies running lotteries](#), which sets out the ways that commercial private sector businesses can become involved in fundraising by promoting their own lotteries or by supporting lotteries promoted by charities and other good causes
- [societies running lotteries to support other good causes](#) a reminder that society lotteries are lotteries promoted by non-commercial societies, they cannot be run for private or commercial gain
- [society lotteries using SMS short codes](#) sets out how to be compliant if using mobile phone SMS 'short codes' in the promotion of lotteries.

Information sharing

Don't Gamble with Health: a successful pilot programme in Islington, North London

[Betknowmore UK](#) is a social enterprise, supporting those affected by gambling-related harm. Based in Islington, it recently carried out an 18 month programme in betting shops across the borough, financed by the Association of British Bookmakers. The project aimed to improve access to, and take-up of support amongst people who experience harm associated with their gambling.

Research suggests that only around 10% of people with gambling problems undergo treatment, and the majority of gamblers at risk of addiction do not access any support. The main barriers preventing gamblers from coming forward include:

- lack of awareness of support mechanisms
- complexity of referral to existing services
- stigma associated with gambling.

This project addressed these barriers in a new and innovative way, by having information and response cards available in every betting shop across Islington, supported by a comprehensive training programme for betting shop staff.

The Betknowmore team had 95 clients referred to the service or approach it independently, drawing on the information available in the local betting shops and other community organisations. In addition, the team trained over 100 frontline betting shop staff.

[The programme has been reviewed](#) by an independent research and evaluation agency, confirming its extremely positive outcomes. This success is based around the unique plan created for each client, highly bespoke to their needs and experiences. To implement the client plans, the Betknowmore team worked closely with local support services to provide an all-round solution to client issues and concerns.

Overall, the service aims to empower each of their clients with tools that they can use independently, helping them control their gambling behaviour and achieve their own personal goals. The vast majority of the clients who engaged fully with the service considerably improved their ability to successfully manage their gambling behaviour.

In addition, the shop staff training, using case studies and real-life accounts of people experiencing gambling-related harm, proved to be engaging and effective. Virtually all participants of the training delivered by the project team observed improvements in their understanding of gambling-related harm and their ability to recognise 'red flags' in customer behaviour. They also reported feeling more confident in assisting people with gambling problems. This confidence meant that more clients were referred to the Betknowmore service in order to access the support they required.



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Citizens Advice - gambling problems a financial capability toolkit

Newport Citizens Advice runs the Gambling Support Service, which provides problem gambling identification and intervention. They have used their expertise to develop a [financial capability toolkit](#) and share their best practise with the rest of the Citizens Advice network and the third sector as a whole.



The toolkit contains a series of factsheets to help advisers and volunteers provide guidance and information to clients who are suffering from – or know someone who is suffering from – a gambling problem or related issue. The objective of these factsheets is to inform and support clients when trying to tackle their own problems, or when trying to get further support from other agencies.

Newport Citizens Advice offer free training to frontline staff to identify vulnerable groups, improve identification of gambling-related harm, provide early advice and sign post to relevant support. Please contact them at gamblingsupport@newportcab.org.uk or telephone 01633 222622.

Betting shops: licensing and planning issues

[A Parliamentary research briefing](#) published in January 2018 summarises the current situation in relation to gambling operator, premises and personal licences and planning matters – both planning control and permitted development change of use.

Gambling training modules for LAs

We have a number of refresher modules for licensing officers which compliance managers can deliver at regional/IOL licensing meetings. Modules available are:

- Safeguarding
- Money laundering
- 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
- Police powers on conducting gambling premises inspections (in gambling premises and alcohol licensed premises in England and Wales)
- Permit renewals.

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

E-learning modules

We have been working with the Institute of Licensing (IOL) to produce a series of e-learning modules on gaming machines and how they are regulated.

Module 1 covers:

- The role of LAs in the regulation of gambling
- What is a gaming machine
- The various types of gaming machines

Module 2 covers:

- The physical components of a gaming machine
- How gaming machines work
- The signage displayed on gaming machines

Module 3 covers:

- Compliant machines in inappropriate places (illegal siting)
- Examples of types of non-compliant machines
- How to take regulatory action

These modules can be accessed by anybody. You can access these modules via the [IOL website](#), and they are CPD accredited (based on a 30 minute average).

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Once on the website simply click on the 'e-learning' tab on the top right, then log in if you have an existing account, or request a log in via membership@instituteoflicensing.org to get started.

Please note, that the gaming machines sector is a diverse and complex one and this training is only designed to give a basic introduction, for help with complex issues seek specialist advice.

We are considering topics for future e-learning modules for licensing authorities and police, please submit suggestions to info@gamblingcommission.gov.uk.

Reference materials

List of Primary Authority gambling agreements

Details of the current gambling [Primary Authorities \(PA\) agreements](#) signed to date, and the impact on PA have on inspections is available on our website. Officers can access further information, including FAQs, on the Primary Authority Register in advance of an inspection of an operator with an inspection plan or primary authority advice on age verification in place to assist with getting the most out of the visit.

Print friendly quick guides and template letters

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. For print friendly versions: just click on the line at the front of each quick guide **Click here for printable version** and make sure your printer is set to print on both sides of the paper:

- [Statement of Principles \(for councillors\)](#)
- [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 and clubs is illegal](#)
- [Skills with prizes](#)
- [Illegal gaming machines](#)
- [Comparing lottery ticket dispensers and B3A machines](#)
- [Illegal siting of gaming machines](#)
- [Fairs and fairgrounds](#)
- [Running a lottery](#)
- [Running prize competitions and free draws](#)
- [Multi-activity sites](#)
- [Police statutory powers under the Gambling Act](#)

[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.

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

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

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 (LLEP) 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.

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These documents were last updated in October 2016 and now include a simple risk rating system for LAs to use as part of their inspection planning if required. At the same time, 2 new assessment templates were added – a machine monitoring checklist and a crime and anti money laundering checklist. You can find the assessment templates at the [LLEP website](#).

Gambling Act statutory notices and forms

LAs 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 applicants use the correct forms to give proper notice of applications, variations etc to all responsible authorities, including the Commission (part 3, s 12 and 13 of the Gambling Act 2005 (Premises Licences and Provisional Statements) Regulations 2007).

LAs 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 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.

Statutory notifications and Premises licence register

LAs 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. Where email notification has been made it is not necessary to follow up by post. 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.



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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 6 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

Our [licensing officers and LAs group](#) is aimed at helping licensing officers understand the key role LAs play in gambling regulation in Great Britain.

You 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.

You can also follow [the LinkedIn Gambling Commission company page](#).

making gambling fairer and safer
www.gamblingcommission.gov.uk