

# licensing authority bulletin

April 2018

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

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## News

### Licensing authority annual returns portal open

Many thanks to LAs that have already submitted their 2017/2018 annual return. The deadline for submission is 13 May 2018 and failure to submit within this timescale will result in the matter being escalated to the Head of Service, and ultimately Chief Executive. We will be sending out a two weeks to go reminder at the start of May.

It is a requirement under the Gambling Act 2005 (the Act) that LAs submit annual information regarding licensed gambling activities, inspection and compliance work. The return is also part of the (DCLG) Single Data list of information which local authorities are required to provide to central government.

Please remember that the Passcode will only work with a registered user email address. The Passcode is specific to your LA not to an individual so multiple email addresses can be registered per LA, but we would encourage you to register your [licensing@](mailto:licensing@) email address, if you have not already done so.

Please contact [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk) if you have not received any correspondence about the annual returns.

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## IOL week of action

We are once again supporting the [Institute of Licensing's week of action](#) (18– 22 June). If your LA/ local police are interested in undertaking some joint visits that week with your compliance manager to gambling premises or alcohol licensed premises, doing some test purchasing or receiving some gambling training then please contact your local compliance manager. We already have a number of joint activities lined up around the country but would like to improve on last year's successes.



## New asset seizure powers in Scotland

New measures to [combat organised crime](#) recently came into force in Scotland, widening what can be classed as cash when seizing assets. The provisions from the Criminal Finances Act 2017 mean that betting slips, casino chips and gaming vouchers can now be seized as if they were currency.

Police Scotland will also be able to search for and seize items of value where they are suspected of being involved in illegal activity, in the same way they already do with cash. More than £6 million was recovered by the Crown Office and the Civil Recovery Unit in 2017/18.

## SkyBet to pay £1m penalty package for social responsibility failures

We have fined [Skybet](#) £1 million for failing to protect customers who had self-excluded from gambling:

- 736 self-excluded customers were able to open and use duplicate accounts to gamble
- Around 50,000 self-excluded customers received marketing material by email, mobile text or a push notification within a mobile app
- 36,748 self-excluded customers did not have their account balance funds returned to them on account closure.

## Tabcorp penalised after Commission investigation

The [betting firm](#) involved in last year's "piegate" incident has had its licence to offer gambling in Britain reviewed by us, resulting in new conditions on its gambling licence and a fine of £84,000 to be paid to socially responsible causes.

Our investigations revealed that Tabcorp UK Limited, trading as Sunbets, failed to properly manage the risks associated with offering 'novelty' bets and it also became apparent that 100 self-excluded customers had been allowed to open duplicate accounts and gamble.

## Gambling Commission new CEO appointed

[Neil McArthur](#) has been appointed as Chief Executive of the Commission with immediate effect. He had been acting as Interim CEO since Sarah Harrison MBE left the organisation at the end of February.

## Case studies

Illegal machines operation - London Borough of Hackney

We supported a multi-agency operation before Easter which resulted in the seizure of 49 machines seized from 17 social clubs. The machines included illegal gaming machines such as Joker Poker and Black Horse, and also illegally sited /supplied self-service betting terminals.

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



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## Advice and guidance updates

### Betwatch information note

There are now over 40 Betwatch schemes in operation in Great Britain, all with the central goal of bringing together gambling operators, local police forces and local authorities (LAs) to share information and work in partnership in order to reduce crime and disorder in and around gambling premises.

The Betwatch concept is approved by the key bookmakers' trade body, the Association of British Bookmakers, and the Senet Group, and so principally involves bookmakers but the schemes can be extended to other types of gambling premises, AGCs and casinos being most common.

Working with those involved in some of the schemes we have produced an [information note](#) which sets out the issues to take into consideration when setting up a Betwatch scheme, the materials available, and show cases some example of schemes which others can adapt as appropriate for their area.

### Lotteries in pubs - LTVMs and Chase the Ace

We are aware of several companies who are offering pull-tab lottery ticket vending machines (LTVM) to pubs, stating that the pub will earn a profit from the ticket sales. This is contrary to the Gambling Act 2005 and society lotteries guidance, which state that it is an offence to use lottery proceeds for a purpose other than the promoted cause and they are not to be promoted for commercial gain.

The issue appears to be concentrated in the South East of England. We are actively pursuing the matter however we would encourage LAs to raise awareness of this problem with the pub and club sector, perhaps through [Pubwatch schemes](#) or similar channels. Not only is this activity illegal but it also damages the charities who are the rightful beneficiaries of lottery schemes.

LAs are encouraged to request that staff who are conducting inspections of pubs and clubs also check on lottery ticket vending machines and ensure that they are not being run for profit. This [quick guide](#) explains what lottery ticket machines do, and the Commission published further guidance earlier this year on [lottery ticket dispensing machines](#). We have also shared this information with the British Beer and Pub Association and the Morning Advertiser publication.

On the subject of lottery tickets sold in pubs – we have seen more instances of Chase the Ace style products being run in pubs (a case study on this was featured in our [December 2017 bulletin](#)). Again, we would encourage LAs to raise awareness with the pub and club sector that such products can only be run under specific rules, and – unless a lottery licence or registration is held with all profits going to the society's good causes – have restrictions on prizes including the prohibition of prize rollovers.

### Statements of Policy & new LGA gambling handbook

We are continuing to engage with LAs on the forthcoming review of policy statements. Many have already started work on this given that it needs to go to Full Council before being published by 3 January 2019 at the latest, with it coming into force on 31 January 2019. Authorities should refer to their constitution where there is an elected mayor, as the policy may need to go to Cabinet before Full Council. We will be writing to any LAs that have not republished their policy next year for an explanation of why.

The [January special bulletin](#) on policies provides various examples of how LAs have considered local risk assessment requirements and/or produced local area profiles, and we continue to add information to the website about engaging with [public health and safeguarding](#).

The Local Government Association has also updated its [gambling handbook for councillors](#) in England and Wales – which includes good practice for councils around their statements of policy.

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## Appropriate staffing levels in premises

As part of our evidence to the DCMS review on gaming machines we provided our view on the use of local risk assessments to inform staffing levels. [Extract from evidence](#) (paras 4.50 – 4.61)

**4.50.** Some stakeholders have expressed concerns about staffing levels in gambling premises, and particularly about single staffing in licensed betting offices.

**4.51.** We have reviewed large operators' policies on single staffing, and completed a thematic review of the effectiveness of Local Risk Assessments (LRAs) for casino, betting, AGC and bingo premises.

**4.52.** The evidence suggests that any problems are related to insufficient staffing numbers or inadequately trained staff rather than to single staffing.

**4.53.** Operators have historically used a risk-assessment process as part of determining whether a premises would be suitable for single staffing. Since April 2016 we have stipulated the requirement for a local risk assessment for all premises, in our Licence Conditions and Codes of Practice.

**4.54.** We consider a local risk assessment to be the most important tool that operators should use to determine appropriate staffing levels for a premises. When carried out correctly, the local risk assessment process enables operators to effectively assess the risks to the licensing objectives posed by specific local circumstances. These help to determine the appropriate levels of staff required to meet the licensing objectives and still deliver the commercial activities.

**4.55.** However, during our review we found that not all operators (across all sectors) were consistently using the local risk assessments effectively. In relation to a number of operators, we found that the content was generic for each premises, irrespective of location, and that little reference had been made to the local landscape.

**4.56.** In order to be fully effective, we think local risk assessments should:

- be dynamic and evolving – operators should review and respond to short term or temporary changes to the local landscape, or following incidents, in a timely way
- be completed and owned by the premises staff – local staff are best placed to know and assess risks presented by changes to the local landscape

- take into account any relevant statement of licensing policy issued by the licensing authority
- be held on site, to enable all local staff to remain engaged and take ownership.

**4.57.** Local licensing authority inspections, and our own compliance processes, check that operators can demonstrate they are managing local risks. These consider evidence of staff training, plus policies, procedures and control measures to mitigate the risks identified within the local risk assessment.

**4.58.** We work with, and issue guidance to, local licensing authorities on their role and responsibilities in gambling regulation. Local licensing authorities are able to impose conditions on a premises licence, reject, review or revoke premises licences where there is an inherent conflict with any of the following:

- the relevant codes of practice
- relevant guidance issued by the Commission
- the licensing objectives
- the licensing authorities' own policy statement

**4.59.** The local licensing authority is best placed to assess and advise whether the content of the local risk assessment adequately reflects and mitigates against local risks.

**4.60.** We also expect operators specifically to take into account the following when determining appropriate staffing levels:

- Failure of mitigating controls –this would invalidate the risk assessment for that premises.
- All opportunities to gamble. Operators should use data from all of their products to help assess how busy a shop would normally be and to help determine appropriate staffing levels. For betting shops, this includes over the counter, FOBT and self-service betting terminal (SSBT) transactions (a high volume of SSBT transactions could indicate high footfall so would require greater levels of staff supervision).
- External events. Increased public demand for gambling, for example arising from live local sporting events or promotional activity, should prompt a review of the local risk assessment, to determine appropriate staffing levels.

**4.61.** Appropriate levels of well trained staff are necessary for operators to meet our expectations in full around social responsibility and keeping gambling crime free. They are also part of maintaining a safe gambling environment.

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## Changes to lottery advice notes

On 4 April, new social responsibility codes were introduced for society lottery operators to provide greater transparency on the use of lottery proceeds. In particular, the codes should ensure consumers have more information about how much of their lottery spend is going directly back to the purposes of the society (or, in the case of local authority lotteries, back to those purposes the local authority has the power to incur expenditure), as well as provide greater clarity around which societies are participating in branded lotteries each week.

Whilst these codes apply specifically to licensed societies, local authorities and External Lottery Managers (ELMs), LAs may wish to apply a similar approach with regards to small society registrations, consistent with the operating licence conditions imposed upon licensed lottery operators, and require registered societies adopt these new requirements.

We have updated a series of advisory documents which LAs may wish to refer applicants or potential applicants to, in conducting their lotteries. [Promoting society and local authority lotteries advice note](#) provides information for those seeking to run small and large society lotteries and local authority lotteries, whilst [Lottery proceeds](#) outlines the new requirements with regards to publishing the annual percentage of proceeds returned to the good cause; [External Lottery Managers](#), and [Promoting multiple society lotteries](#) provide more information on the clear promotion of lotteries as part of a branded lottery scheme. (These advice notes do not form part of the Guidance to Licensing Authorities).

## Updated consolidated codes of practice for LAs

We have also updated the [consolidated codes of practice](#) document to reflect the above mentioned new society lottery social responsibility (SR) codes (slight amendment to footnote on SR 3.2.13 and new SR codes at 4.3.1 and 4.3.2).

## Gambling regulation and GDPR

LAs may be interested to read the [information note](#) issued to gambling operators about the new General Data Protection Regulations (GDPR) which comes into force on 25 May and what it means in relation to retention of personal data to tackle issues such as problem gambling and gambling-associated crime, and how to be compliant with their licence and met GDPR obligations.



## Information sharing

### Gambling and homelessness research and screening tool

As part of their review of policy statements, LAs may be interested to note that GambleAware has [published research](#) carried out by Dr Stephen Sharman and the National Centre for Social Research (NatCen) which aimed to further their understanding of the relationship between gambling and homelessness.

The work also developed three instruments to be used by practitioners working with the homeless to assist them in identifying and responding to gambling-related harms in this population:

- an information sheet to assist practitioners in understanding and identifying gambling problems
- a screening tool to assist in screening for gambling problems (The Lincoln Homelessness and Gambling Scale)
- and a resource sheet to provide information to those who are identified as being at risk of experiencing gambling-related harms.

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Interviews were conducted looking at the person, gambling behaviour, and help and support which, along with existing gambling literature, contributed to the initial development of the three documents. These documents were then assessed through cognitive interviewing of both homeless practitioners and gambling and non-gambling homeless individuals.

The study found that gambling problems have a higher prevalence in the homeless community than in the general population, regardless of this, many services had not considered gambling as a potential contributory factor to homelessness, resulting in gambling problems going unrecorded. Gambling can be a direct cause of homelessness, but can also only become problematic after an individual has become homeless. This work has reiterated the acute need for homeless services to be better informed, and receive better support when identifying and supporting those experiencing gambling problems, and ultimately make a contribution to breaking the cycle of homelessness.

## GamCare's Strategy 2018 - 2021

The [new strategy](#) sets out GamCare's work over the next three years which focuses on three key areas: Problem Gambling, Risk Reduction and Safer Gambling.



## 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

New 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](mailto: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](mailto: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](#). **Please note** that the Primary Authority partnership between Paddy Power and Reading no longer includes a National Inspection Strategy.

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:

- [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.

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## 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.

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.

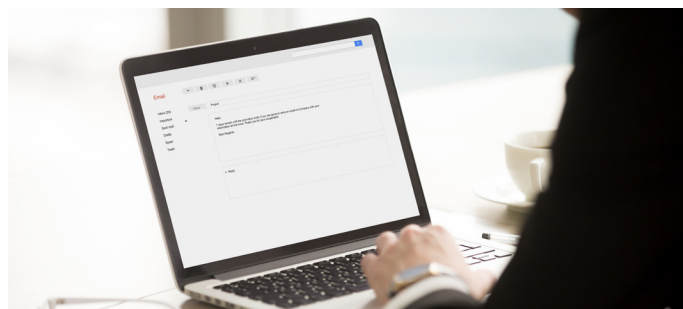
Additionally we are aware that the gambling pages on many LA websites signpost applicants to the DCMS website for more information. As you will know the separate government departments now all use the <https://www.gov.uk/> website and much of the historic gambling material is no longer available. LAs 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](mailto: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](http://www.gamblingcommission.gov.uk)