



# GAMBLING COMMISSION

licensing authority bulletin

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## 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

### Poker organisers pay £32,000 after illegal gambling crackdown

Two men have been ordered to pay over £32,000 in fines and legal costs to Kingston Council following a crackdown on illegal gambling at a London private members' club.

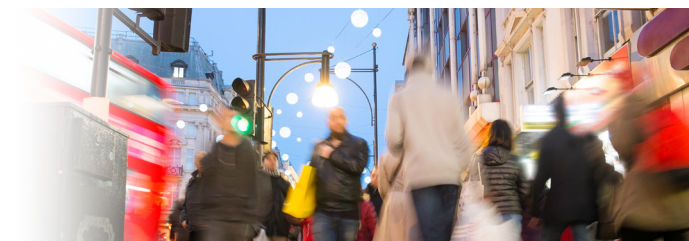
Nicholas Clark and Luke Flack pleaded guilty to gambling offences at Kingston Crown Court on Friday 29 April. The offence involved the running of unlawful poker tournaments at the venue for over a year from November 2013 to December 2014.

The Commission supported Kingston Council during the investigation Rob Burkitt, the Commission lead for shared regulation, said "Supporting our partners in the regulation of gambling, preventing illegal activity and protecting consumers is a vital part of what we do.

"We are pleased with the outcome of this case and hope that it sends the very clear message that the Commission and our local authority partners will work very closely to prevent crime in gambling and protect the young and vulnerable."

Further details are available in [Kingston Council's press release](#).





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## New rules to tackle crime linked to gambling

New requirements to **prevent crime associated with gambling** have been published which will come into force in autumn this year.

As part of the changes, gambling operators:

- must conduct an assessment of the risks of money laundering in their business, and show that they have effective policies, procedures and measures to mitigate these
- must report to the Commission any criminal investigations involving them or their premises where it appears their measures to keep crime out of gambling have failed
- should impose terms and conditions to prevent employees from taking advantage of suspicious or irregular betting patterns.

Two supplementary consultations have been published, namely **extending the requirement to assess money laundering risk to the non-remote lottery sector** and another in requiring operators to ensure that **digital adverts** placed by them or on their behalf are placed responsibly. Both consultations close on 20 June 2016.

## Commission supports endeavours of local gambling operators

We hosted a compliance support meeting recently aimed at helping local gambling operators to improve standards in managing risks to the licensing objectives which ensure gambling is crime free, fair and open, and children and vulnerable people are protected.

More than 20 licence holders – ranging from arcade owners, bingo operators to high street bookmakers – attended the event in Blackpool where Commission compliance managers were on hand to answer questions and guide licence holders to their responsibilities associated with compliance with *Licence conditions and codes of practice* (LCCP). Initial feedback was very positive and more meetings may be planned for later this year.



## Gambling provisions of Scotland Act enacted

**Section 52 of the Scotland Act 2016** devolving legislative competence in relation to gaming machines authorised by a betting premises licence where the maximum charge for a single play is more than £10, has come into force. The Gambling Act 2005 has been amended so Scottish Ministers can vary the number of machines allowed on betting premises. The power does not apply to licences granted before the Act came in to force and does not include betting premises licences issued in respect of a track.

## Commission briefing for Police Scotland

Officers from the Commission presented on our work to colleagues from Police Scotland at the meeting of the force's Practitioners' Group in Perth on 2 June 2016.

This was the first time we had presented to the group which is comprised of officers drawn from across Scotland dealing with all aspects of licensing regulation in Scotland from alcohol to civic licensing, and including gambling regulation.

Prior to the establishment of Police Scotland in April 2013, licensing was dealt with by eight separate police forces across Scotland.





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Discussion focused on recent joint exercises involving the Commission and Police Scotland including the “day of action” of visits to licensed bookmakers in **North Ayrshire in November 2015** and recent operations around allegations of **illegal betting in Aberdeenshire** and other licensing authority areas earlier this year. The presentation was part of an on-going process of engagement by the Commission with Police Scotland colleagues and with other regulatory partners in Scotland.



## Advice and guidance

### Money laundering quick guide

We have recently published a new quick guide for licensing officers and local police services on the **prevention of money laundering**. The guide includes case studies as well as easy to follow guidance and advice regarding the legal aspects of the issues along with practical steps that can be taken. The guide is a significant step in improving the way we work together to keep crime out of gambling.

### Deregulation of exempt lotteries – changes now in force

As mentioned in previous bulletins, a **Legislative Reform Order (LRO)** was passed in January 2016 in order to deregulate some of the rules governing certain types of exempt lotteries contained in Schedule 11 of the Gambling Act 2005 (the Act).

The following changes came into effect on 6 April:

### Incidental lotteries (previously called incidental non-commercial lotteries)

Renamed incidental lotteries, these can be held at both non-commercial and commercial events to raise money for charities and other good causes but they cannot be operated for private or commercial gain.

Lottery results can be announced during or after the event but all other existing rules remain the same, including the rule requiring that tickets can only be sold at the event and while it is taking place. There are no requirements for tickets in this type of lottery to contain specific information.

**Private lotteries:** there are three types of private lotteries permitted by the Act:

### Private society lotteries

These can now also be promoted by members of a private society for any charitable or non-commercial purpose – previously private society lotteries could only be promoted for the purposes for which the society is conducted.

The requirement for a private society lottery ticket to contain certain information has been removed but all other existing rules remain the same including the requirement that tickets can only be sold to members or guests on the premises of the society.

### Work lotteries:

Work lotteries can now also be used for fundraising for any purpose other than private or commercial gain. Previously work lotteries could not be used for fundraising and all money collected had to be used for prizes or expenses incurred in organising the lottery.

The requirement for a ticket in a work lottery to contain certain information has been removed but all other existing rules remain the same including the requirement that tickets can only be sold to people who work together at the same premises.



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### Residents' lotteries:

Residents' lotteries can now also be used for fundraising for any purpose other than private or commercial gain. Previously residents' lotteries could not be used for fundraising and all money collected had to be used for prizes or expenses incurred in organising the lottery.

The requirement for a ticket in a residents' lottery to contain certain information has been removed but all other existing rules remain the same including the requirement that tickets can only be sold to people who live together at the same premises.

All relevant information held on the Commission's website has been updated to reflect these changes, including our advice note [Organising small lotteries](#) which provides detailed information about these lotteries and other exempt lotteries. We strongly recommend that LAs read this advice note. Further information is also provided in the [LRO explanatory notes](#).

We also recommend that LAs review and update any advice they have published relating to these lotteries.

### Licensing authority annual returns

Many thanks to those licensing authorities who have submitted their annual returns for the period 1 April 2015–31 March 2016. Around 375 out of 380 authorities submitted their returns this year and these are being checked, so authorities may be contacted where there are queries over the data provided. We are also following up the outstanding returns via the escalation process. The report analysing the returns is due to be published in September 2016.

### Betting in pubs

We are aware that during last year's Rugby World Cup some pubs asked their LAs if they could offer betting.

In the run up to the European football championship similar enquiries could be made, so LAs may find the quick guide [Facilitating betting in pubs and clubs is illegal](#) a useful resource to share with local licensed premises.



### 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.





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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 (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 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 LLEP website](#).



## Information sharing

### Strict liability of children gambling

Licensing authorities may be interested in a [Local Government Lawyer](#) article written by Philip Kolvin QC, about a case where a district judge considered issues around the criminal liability of a betting operator where a child played a fixed odds betting terminal without challenge. The prosecution had to prove that the operator knew or should have known that the player was underage.

District Judge Brailsford concluded in *Blackpool Council v Stan James (Abingdon) Limited* on 1 March 2016:

"I have considered the issues very carefully. I have sought to analyse and consider what definition should be given to the word "permit" in circumstances such as these. I am of the clear view that "permit", here, means "fail to prevent", not importing any other concepts of "knowingly", "intentionally", "recklessly" or the like. Finding the matter to be a strict liability offence does not deprive the Defendant of the opportunity to deny, and to present its case; strict liability is not, without more, guilt.

But, on the evidence, arguments and submissions – for which, once again, I express my gratitude to those concerned – I am wholly satisfied that this offence is indeed one of strict liability. Whether the

Prosecution can make its case, of course, is an entirely separate issue."

### Responsible Gambling Trust's research review

RGT has published a [research review into children and young people's gambling](#).

It summarises international evidence about children and young people's participation in different types of gambling activities, their motivations to gamble, and the effects this gambling may have on them.



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## Info sharing with LAs

We are extending the range of information that we share with LAs on a routine basis, which we hope will help inform your existing compliance work.

Currently the Local Authority Compliance Event notices (LACE referrals) are sent out from our contact centre. Since May you now receive these referrals from your local compliance manager, which we hope will ensure they reach the person best placed in the LA to deal with the query and ultimately improve on the current response rate to LACE referrals.

Your local compliance manager will notify you in advance if they are undertaking a Commission visit to a gambling licensed premises in your area. This will provide an opportunity for you to share any compliance/enforcement related issues you have about that premises, and we will share with you any findings which relate to the premises licence.

We will also let you know if the risk assessment is missing and the timescales agreed for it to be produced. Similarly we would be grateful if you could notify your local compliance manager if you visit a premises which does not have a risk assessment in place.

Compliance managers will also be sharing with you details of any failures in age verification processes in premises in your area. Operators are required to notify us of such breaches, as part of the LCCP reporting process, and we will share this information with you.

On a 3-monthly basis we will continue to share with relevant LAs, details of any operators no longer holding a Commission operating licence.

## 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 MODULE**

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

## Reference materials

### FAQ of the month

This month's featured frequently asked question is:

**What licence do I need to run a spot the ball competition?**

The response sets out how spot the ball may involve betting, a prize competition or a lottery, depending on how the scheme is structured, and in each instance the licence requirements will vary.







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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.

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 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.



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### 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](http://www.gamblingcommission.gov.uk) 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.





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## 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.



**Keeping gambling fair and safe for all**  
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