



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.

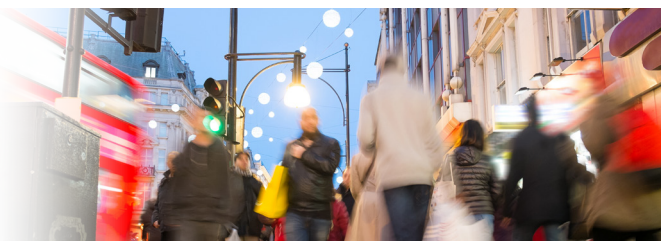
News

Lessons to be learned from anti-money laundering failures

A public statement has been published following failings by *Paddy Power* in the way the operator handled relationships with two customers at one of its betting shops, and with one of its online customers who was later convicted of serious criminal offences.

Following a Commission investigation, the operator has agreed to improve its anti-money laundering and social responsibility processes; share lessons learned with the wider industry and contribute £280,000 to socially responsible causes after failing to keep crime out of gambling and protect vulnerable people.





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Licensing authority annual returns – portal opens 1 April

In early March we wrote to LAs, advising them to start to prepare for their annual return covering the period 1 April 2015– 31 March 2016 which should be submitted between 1 April and the 13 May 2016 (please do not submit your return before the 1 April or you will be asked to resubmit it).

A further letter will be sent out in early April reminding LAs to submit and providing details of the online portal. Please contact info@gamblingcommission.gov.uk if you did not receive a letter by mid-March.

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. A report analysing the returns will be published later in the year and an accompanying Excel spreadsheet which enables you to compare your authority with others across Great Britain.

We were delighted that all 380 LAs submitted their returns and contributed to the [report](#) but a small number needed repeated chasing culminating in having to contact CEOs directly. Submitting the data is a statutory obligation, and failure to submit within this timescale will result in the matter being escalated.

Prosecutions and new conditions for operators failing age tests

Independent gambling operators have been prosecuted and had new conditions attached to their premises licences to strengthen underage gambling controls. LAs across the country conducted a programme of test purchasing in 2015 in partnership with the Commission and failures were seen at bookmakers, arcades and premises with gaming machines.



Blackpool Council prosecuted two arcades after each failed a second age test – the two operators were ordered to pay a total of £2,000 in fines and costs.

Hastings Borough Council cautioned the operator of an arcade in a holiday park and Bracknell Forest Council issued warnings following a testing operation in which underage testers were able to play adult-only gaming machines in two pubs and a bowling alley. In Sandwell, the council warned a bookmaker after two premises failed tests.

East Lindsey District Council reviewed the licence of an arcade operator after it failed two age tests. Conditions added to its licence included:

- a requirement for the licensee to have a Think 21 policy
- monthly test purchasing for 12 months
- extra training for supervisory staff
- CCTV to be installed and continually monitored.

Paul Hope, Gambling Commission consumer policy programme director, said: “The actions that licensing authorities have taken against gambling premises show that operators cannot afford to be complacent. They need to remember that where weaknesses persist regulators will also consider other sanctions such as licence suspension or revocation.”



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We plan to carry out more test purchasing operations with LA partners in 2016 and these tests will be conducted in line with its [approach to test purchasing](#). Please contact your compliance manager in the first instance if you are interested in taking part.

Fairground reminder

In the run up to Easter, we issued a [reminder on the rules for buying, maintaining and operating fruit machines at fairgrounds](#) ahead of the start of the traditional summer season. Low-stake fruit machines (category D) can be made available at fairgrounds along with coin pushers, cranes and grabbers. Higher stake fruit machines (category B and C), like those typically played in arcades and pubs, are not permitted. Fairground operators must source their machines from a Gambling Commission licensed supplier and employees working with gaming machines must be at least 18 years old. More information is also available in our fair and fairgrounds quick guide.

Commission's executive level changes help put consumers at heart of regulation

From 1 April, changes to the Commission's [executive level portfolios](#) will put greater emphasis on promoting and protecting consumers' interests in both commercial gambling markets and the National Lottery.

Scottish Parliament approves Scotland Act

On 16 March, the Scottish Parliament gave its unanimous consent to legislation devolving new powers to Scotland through the Scotland Act which received [Royal Assent last week](#). The Scotland Act includes greater control over areas including income tax, VAT and welfare. It would also devolve to the Scottish Parliament and Scottish Ministers certain functions under the Gambling Act relating to fixed odds betting terminals through [proposals in Clause 51](#) of the Act.

Scottish Government call for more powers on crime cash

The Scottish Government has [written to the Home Office](#) calling for additional powers to strengthen Proceeds of Crime legislation to make it tougher for criminals to avoid complying with court orders to hand over assets related to crime .

Scottish Government Ministers want legislation extended to give the police powers to be able to seize items of monetary value from criminals, such as high value betting slips and casino chips. Justice Secretary Michael Matheson MSP said: "These stronger measures would see serious organised criminals hit harder in the pocket. It will put an end to criminals trying to dodge cash seizures by putting it into high value items such as betting slips."

Proceeds of Crime legislation is reserved to Westminster, so the Scottish Government has written to the UK Government highlighting areas to be considered in future legislation.



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Advice and guidance

Premises risk assessments

Operators have been reminded that the new social responsibility code for assessing local risk (10.1.1) will come into force on 6 April 2016. The code requires all non remote operators who are also gambling premises licences holders to conduct an assessment of the local risks to the licensing objectives and demonstrate that they run their premises in a way that will mitigate these risks.

When undertaking their local risk assessments operators must take into account relevant matters identified in the local LA's statement of licensing policy and, where available, local area profiles.

Whilst there is no statutory requirement for licensees to share their risk assessments with responsible authorities or interested parties, ordinary code 10.1.2 states that licensees should share their risk assessment with LAs on request as best practice. Some LAs have included in their statements of licensing policy that they expect to see the risk assessment when undertaking inspections. We therefore consider it appropriate for operators to hold premises' risk assessments on the premises. Doing so can also save considerable time and expense, as well as increasing the confidence of those agencies as to the operator's awareness of their obligations.

Further [information about the risk assessments](#) is available on our website.

Enforcement of risk assessments

After 6 April, if an LA finds a premises without a risk assessment, in the first instance they should be reminded of the code requirements and advised to put one in place.

In these circumstances LAs are also encouraged to advise their local compliance manager of the action requested of the operator. Where the Commission finds a risk assessment is missing it will similarly advise the operator to comply and inform the relevant LA accordingly.

An outright refusal or failure to produce a risk assessment within a given timeframe would be a refusal to comply with a social responsibility code and would be a matter for the Commission to manage.

LAs must satisfy themselves that the content of the risk assessment is sufficient and whether it has taken into account the information about risk assessments in their *Statements of Licensing Policy*.

LAs are encouraged to engage with operators about their expectations for local risk assessments, and to include information in their statements, if they have not done so already.





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Examples of risk assessments/ local area profiles

Westminster City Council has produced a [guide to undertaking local gambling risk assessments](#) and associated template. In developing this guide the council has worked with Corals who provided an industry perspective on undertaking this new process. Westminster and Manchester councils have also produced [online mapcase tools](#) with Geofutures.

Leeds City Council amended their [Statement of Licensing Policy](#) last year to include information about the local area and have since worked with their GIS (geographic information systems) and Intelligence team to put together a mapping tool which provides a map of Leeds with various data overlaid, such as indices of multiple deprivation, jobseeker allowance claimants, crime and disorder and are currently exploring whether some public health data can be added.

Advice on gaming in pubs and alcohol licensed premises

We have updated this [advice note](#), which was first published in 2008. Gaming of the type usually provided in clubs and premises with an alcohol licence is subject to specific conditions and codes of practice. These are designed to protect both the players and those providing the gaming facilities and ensure that gaming remains ancillary to the main purpose of the pub or club.

OUNs – be aware of contrived sporting events

With the Grand National due to take place on 9 April followed by the Derby in June we are concerned that Occasional Use Notices (OUNs) may be used in a manner contrary to the legislative intention of the Act.

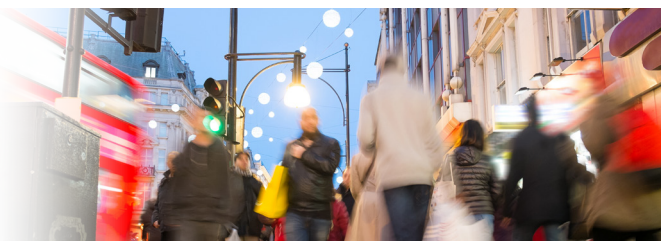
We have become aware of betting taking place under OUNs which are reliant upon contrived sporting events and we are concerned that this may become more prevalent.



In the days leading up to the recent Cheltenham Festival an OUN was submitted in relation to a social event being hosted at a local village hall when guests were going to be provided with a meal, TV coverage of the racing and betting facilities supplied by a bookmaker. In this case the organiser submitting the OUN did not even refer to a sporting event occurring. In other cases the OUN has referenced a darts, snooker or putting competition taking place at the venue ie not genuine sporting events.

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 8 occasions in a calendar year). Traditionally OUNs are in use at point-to-point meetings, cricket grounds or golf courses hosting competitions.

LAs should check that the betting operator has the appropriate licence from the Commission and consider the nature of any event associated to an OUN and seek to establish details of the 'sporting event' taking place. Further OUN information can be found in [part 15 of the Guidance to Licensing Authorities](#) and LAs are encouraged to contact their compliance manager if they have any concerns.



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Multi-operator self-exclusion schemes

As of 6 April 2016 operators in the arcade, betting, bingo and casino sectors will be required to participate in a multi-operator self-exclusion scheme developed for the sector for which they hold operating licences (social responsibility code 3.5.6). This will allow a customer to make a single request to be excluded from multiple operators within that sector. We recently wrote to operators to remind them of the requirement and signpost them to the schemes.

The trade bodies have led on the development of multi-operator self-exclusion arrangements for their sector (not just their members). If operators in your area are unsure of how to register and participate in the scheme relevant to them (or schemes if they offer different forms of gambling), you can signpost them as follows:

Arcades	Betting	Bingo	Casino
Phil Silver Head of Compliance BACTA 29-30 Ely Place London EC1N 6TD Tel: 020 7730 6444 Mobile: 07860 468986 Email: bacta@ globalnet.co.uk	Email the Scheme Project Manager at info@self- exclusion. co.uk	Cherry Hosking Company Secretary Lexham House, 75 High Street North, Dunstable, Bedfordshire LU6 1F Tel: 01582 860921 Mobile: 07787 766510 Email: cherry@bingo- association. co.uk	Tracy Damestani CEO Carlyle House 235-237 Vauxhall Bridge Road Victoria London SW1V 1EJ Tel: 020 7828 5410 Fax: 020 7932 0751 Mobile: 07803 708880 E-mail: ceo@ nationalcasino forum.co.uk



Consultation

High turnover bingo operators and multi-operator self-exclusion requirements

The requirement for participation in a multi-operator self-exclusion scheme by 6 April currently applies to all those that hold bingo operating licences. This includes operators who offer bingo as exempt gaming in a club or an alcohol licensed premises, but exceed the threshold for high turnover bingo and so hold an operating licence.

We consider this to be a relatively low risk form of gambling, and not their primary activity and so the requirement to join a multi-operator self-exclusion scheme could be considered disproportionate.

As such, this consultation sets out a proposed amendment to that SR Code, to clarify its application.

Deregulation of exempt lotteries

As mentioned in our February bulletin, a [Legislative Reform Order \(LRO\)](#) changing some of the requirements for exempt lotteries was passed in January 2016 and is due to come into force on 6 April.

The LRO amends Schedule 11 of the the Act to deregulate certain types of exempt lotteries, in defined circumstances.

Incidental non-commercial lotteries

To allow incidental lotteries to be held at both non-commercial and commercial events, and to allow the results of such lotteries to be announced after such an event. These lotteries will be renamed 'Incidental lotteries'.



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Private lotteries. There are three types of private lotteries permitted by the Act

1. Private society lotteries:

To allow private society lotteries to be also promoted for any charitable or non commercial purpose (currently lotteries may only be promoted and proceeds raised for the purposes for which the society is conducted). To remove the requirement for a lottery ticket to contain certain information.

2. Work lotteries:

To allow work lotteries to be also promoted for any charitable or non commercial purpose (currently work lotteries must not be run for profit and all the proceeds (gross ticket sales) must be used for prizes or reasonable expenses incurred in organising the lottery). To remove the requirement for a lottery ticket to contain certain information.

3. Residents' lotteries:

To allow residents' lotteries to be also promoted for any charitable or non commercial purpose (currently residents' lotteries must not be run for profit and all the proceeds (gross ticket sales) must be used for prizes or reasonable expenses incurred in organising the lottery). To remove the requirement in all private lotteries for a lottery ticket to contain certain information.

Further information is available in the [LRO explanatory note](#), particularly Appendix 1 which sets out the changes being made to Schedule 11 of the Act. "The Gambling Act 2005 (Incidental Non-Commercial Lotteries) Regulations 2007, No 2040" has been revoked as part of the changes brought in by the LRO and has been replaced by "[The Gambling Act 2005 \(Incidental Lotteries\) Regulations 2016, No. 239](#)" which will also come into effect on 6 April.

We will be reviewing and updating the information on the Commission's website by the end of March to reflect these changes. We recommend that LAs review and update any advice they have published relating to these lotteries.

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

Children and gambling: attitudes, behaviour, harm prevention and regulatory responses

Dr Malgorzata (Margaret) Anna Carran's PhD thesis, *Children and Gambling: Attitudes, Behaviour, Harm Prevention and Regulatory Responses* has recently been published on the Responsible Gambling InfoHub.

It includes chapters on young people's understanding of, and attitudes towards, gambling; age verification methods; non-monetary forms of gambling; underage protection from advertising exposure; and, the extent that regulation contributes to the prevention of gambling-related harm amongst underage (please note the report is 297 pages).

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.

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





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Reference materials

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. You should read all of the information below before organising an event, including the three types of race nights

A non-commercial race night is an event where participants stake money on the outcome of live, recorded or virtual races. The money raised from the event is called the proceeds.

Apart from reasonable costs, proceeds:

- must not be used for private gain
- must all be given to a good cause (including any entrance fees, sponsorship, the difference between stakes placed and payout made).

Reasonable costs would include costs reasonably incurred, for example by providing any prizes and for betting slips. If third parties are selling goods or services at your event, for example if someone is selling refreshments, this does not count as money raised for the charity or good cause and can be retained by that third party.

Further information is provided on the three types of race nights:

- **Non-commercial gaming**
- **Occasional Use Notices (OUN)**
- **Private gaming.**

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.)



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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...

- 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:

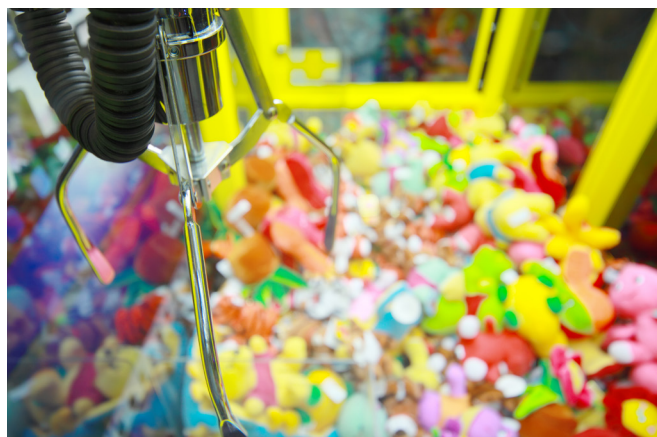
- Gambling safely – a quick guide for parents and others
- What to look out for before gambling

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.

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 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.



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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.



Keeping gambling fair and safe for all
www.gamblingcommission.gov.uk

Gambling Commission
Victoria Square House
Victoria Square
Birmingham B2 4BP
T 0121 230 6666
F 0121 230 6720
info@gamblingcommission.gov.uk