etin

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

News

- New Licensing authority annual returns portal opens 1 April new fields
- New Commission advice on gaming machine and social responsibility measures
- New Machines must display the new National Gambling Helpline number
- New Latest gambling participation and perception data
- New Gambling firms face action for unfair withdrawal restrictions
- New Training event for LAs in Greater Manchester area

Case studies

- New Illegal machines operation London Borough of Haringey
- New Machines seized from pubs in Selby
- New Bridgend County Borough Council prosecutes over illegal machine
- New Sheffield safeguarding toolkit for gambling premises
- New London Borough of Harrow website info for problem gamblers

Advice and guidance updates

- New Trialling change
- New 3 year review of Statements of Policy
- New responsible authorities and HMRC contact details
- New Fairground reminder
- New Licensing authory annual review of premises fees
- Be aware of OUNs!

Information sharing

- New Planning and cumulative impact in Newham
- New Reducing the odds: An education pilot to prevent gambling harms
- New Reviewing RET
- Gambling training modules for LAs
- · E-learning modules



Reference materials

- List of Primary Authority gambling agreements
- · Print friendly quick guides and template letters
- Licensing authority inspection outcome letters and inspection guidance
- Gambling Act statutory notices and forms
- · Statutory notifications and premises licence register
- · Find operating licence holders
- · Change of licensing personnel?
- Join our LinkedIn group

News

Licensing authority annual returns portal opens 1 April – new fields

In early March we wrote to LAs, advising them to start to prepare for their annual return covering the period 1 April 2017–31 March 2018. A further reminder letter will be sent at the end of March advising LAs that the portal opens on 1 April and providing details of the online portal and your Passcode. 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@ email address, if you have not already done so.

Following feedback from LAs, this year we have added data fields seeking the numbers of permits "surrendered in year". Previously there was no way to provide this information which gave rise to disparities in the permit totals year on year.

This additional information will increase the quality of the data harvested by the Commission and allowing for more accurate reporting. Further guidance has been added to the relevant help buttons on the return.

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 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 <u>report last year</u> 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.

Please contact <u>info@gamblingcommission.gov.uk</u> if you have not received any correspondence about the annual returns.

Commission advice on gaming machine and social responsibility measures

We have published <u>our advice</u> to support the Government with its review of gaming machines and social responsibility measures. At the heart of the advice is an aim to reduce the risks that consumers, especially those that are vulnerable, face from gambling.

Recommendations from our advice include:

- The FOBT (B2 machines) slots stakes should be limited to £2
- The stake limit for FOBT (B2) non-slot games (which includes roulette) should be set at or below £30 if it is to have a significant effect on the potential for players to lose large amounts of money in a short space of time

- Banning the facility for machines to allow different categories of games to be played in a single session
- There is a strong case to make tracked play mandatory across machines categories (B1, B2 and B3)
- Extending to category B1 and B3 machines the kinds of protections, such as player limits, that are in place on FOBT (B2 machines)
- Working with the industry and others on steps to make limit-setting more effective – this could include ending sessions when consumers reach time and money limits.

It is up to Government whether to implement the Commission's recommendations.



Machines must display the new National Gambling Helpline number

The National Gambling HelpLine, funded by GambleAware and operated by GamCare, ceased operating their 0845 number last year. The HelpLine is now accessible over the phone via the Freephone number 0808 8020 133 only. GamCare is committed to providing an accessible service for anyone affected by problem gambling, and providing a Freephone number is a key component in reducing the barriers for those seeking help and support.

The National Gambling HelpLine is advertised on gaming machines across the UK to ensure that any players concerned about their gambling behaviour know where to turn for free, confidential and specialist support. This is a requirement for all gaming machines.

There are still a number of operators and premises, such as bars and pubs, which are displaying incorrect information on gaming machines. Free stickers are available, as well as posters and leaflets for venues, in order that the correct information can be displayed for those who need support. Operators and other venues can email info@gamcare.org.uk or call 020 7801 7000 to arrange new materials. For more information visit www.gamcare.org.uk.



Latest gambling participation and perception data

We have published the <u>2017 gambling participation</u> and perceptions report, revealing the latest gambling consumer trends in Britain. The report tracks participation rates, problem gambling estimates, online gambling behaviour, consumer awareness of gambling management tools and attitudes towards gambling.

Headline findings:

- 45% of people have gambled in the past four weeks (including National Lottery play) (48% in year to December 2016)
- 18% of people have gambled online in the past four weeks (17% in year to December 2016)
- 1% of people who have gambled, have played on machines in a bookmakers in the past four weeks (1% in year to December 2016)
- 0.8% of all respondents identified as problem gamblers, and 3.9% identified as at-risk gamblers
- 51% of online gamblers did so using a mobile phone or tablet (43% in year to December 2016)

- On average, online gamblers held 4 accounts each (3 in year to December 2016)
- 6% of gamblers have ever self-excluded (6% in year to December 2016)
- 26% of gamblers follow gambling companies on social media (32% in year to December 2016)
- 33% of people think gambling is fair and can be trusted (34% in year to December 2016)
- 41% of people think that gambling is associated with crime (39% in year to December 2016)



Gambling firms face action for unfair withdrawal restrictions

The Competition and Markets Authority (CMA) <u>has announced</u> enforcement action and has written to a number of online gambling firms in respect of terms and practices that may place unfair obstacles in the way of people withdrawing their money (whether as part of a promotion or not).

The CMA has particular concern about:

- daily, weekly or monthly limits on withdrawing funds that appear unreasonably low
- potentially arbitrary short deadlines on the time customers have to verify their identity as a condition of withdrawing funds, sometimes providing for forfeiture of consumer's funds if missed
- 'dormancy' terms that allow firms to confiscate funds after a certain period of inactivity.



In response to recent requests for training we are holding a free one day training course in Manchester on 17 April 2018 for licensing and enforcement staff and police licensing or other council staff (eg public health or safeguarding) in the Greater Manchester area. Topics will include forthcoming review of statement of policy, LLEP/inspection templates and the powers that can be exercised, public health & safeguarding and money laundering. Please contact your local Compliance Manager if you wish to attend.

Case studies

Illegal machines operation - London Borough of Haringey

We recently assisted in a multi-agency operation involving the Metropolitan police and LA officers from the Tactical Enforcement Team in the London Borough of Haringey.

A total of 17 illegal machines were seized from five businesses across the Borough including Joker Poker machines, Black Horse machines as well as a betting terminal. All the premises owners will be prosecuted by the LA under s37 of the Gambling Act (use of premises) and s242 (making machines available for use). We will pursue information to identify and take action against the suppliers of the illegal machines.



Machines seized from pubs in Selby

Six illegal gambling machines, which cost the taxpayer about £15,000 a year in unpaid tax, were seized from pubs in Selby last month. Officers from HM Revenue and Customs (HMRC), with support from the Commission, North Yorkshire Police and Selby District Council, visited five pubs and uncovered the illegally sited and unregistered gaming machines, where duty was not being paid, at the five premises visited. The machines and £5,000 cash were seized by HMRC.

HMRC estimates a loss of around £19,000 in duty taxes on the gaming machines seized.

Alan Tume, Assistant Director, Individuals and Small Business Compliance, Complex and Agents, HMRC, said: "It is the business's responsibility to register gaming machines and pay duty on machines that pay out cash prizes. Anyone found illegally operating gaming machines faces being fined and/or having the machines seized. Anyone with information about tax fraud should report it to HMRC online or contact our Fraud Hotline on 0800 788 887. Gambling Commission Programme Director Richard Watson said: "Keeping crime out of gambling is a priority for us so we were pleased to support HMRC on this operation."

Information about any type of tax fraud can be reported to <u>HMRC online</u>.

Bridgend County Borough Council prosecutes over illegal machine

A man pleaded guilty at Cardiff Magistrates Court to 3 offences under the Gambling Act for unlawfully making gaming machines available for use in a chip shop in Bridgend. He was fined £253 for the one offence with no separate penalty for the others. He was ordered to pay legal costs of £350 and investigation costs of £920. He is also subject to a victim surcharge of £30. A forfeiture and destruction order was granted in relation to the 2 gaming machines and cash that were seized.



Sheffield City Council Safeguarding Board has developed materials for use both by gambling operators and other agencies concerned with protecting the young and vulnerable. Their toolkit includes an introductory leaflet on the issue, a risk assessment tool and a description of what a safeguarding coordinators role would entail.

London Borough of Harrow website info for problem gamblers

Harrow Council has added information to <u>its website</u> to advise its citizens on the signs of problem gambling, the impact that it can have on lives and the various sources of help and assistance that are available for problem gamblers nationally and locally.

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

Advice and guidance updates

Trialling change

The betting operator Ladbrokes/Coral have successfully applied for a variation to their operator licence to enable them to apply for Adult Gaming Centre premises. They are currently planning to trial this in three premises in the Midlands. As the Government's Triennial Review continues to progress and the DCMS response to the consultation is published it is possible that other operators may experiment with new methods of offering gambling, either within an existing premises or in new premises. LAs are strongly encouraged to contact their Compliance Manager if they receive an application which gives them cause for concern.

3 year review of Statements of Policy

We have been delivering presentations around the country to LAs about the forthcoming review of policy statements which must be published by 3 January 2019 at the latest, with it coming into force on 31 January 2019.

The <u>January special bulletin</u> on policies provides various examples of how LAs have considered local risk assessment requirements and/or produced local area profiles, and we have collated information about engaging with <u>public health and safeguarding</u>. Rob Burkitt recently wrote a <u>piece for LGiU</u> about the forthcoming review of statements of policy and how LAs can better protect their citizens as part of the review.



In response to some queries from LAs about what effect, if any, an interim review of policy statement has on the requirement to prepare and publish a statement of principles every 3 years (s349 of the Gambling Act 2005). Section 349(1) and (2) are specifically worded as to be independent of each other. LAs are under a specific obligation to prepare the statement of principles and publish the statement every 3 years and separately from this, LAs are also under an obligation to review the statement 'from time to time' and, if felt necessary, make any changes. Furthermore the explanatory notes for the Act states that "the policy will have effect for three years, but the authority may review and alter the policy during that period".

LAs will wish to take their own legal advice but we are of the view that even if the policy is reviewed and altered during that 3 year period, the 3 year period still remains as a standalone period of time which is not reset – the review of the policy needs to be done during the 3 year period, and not in place of a fresh policy being prepared and published every 3 years. LAs may choose to run a shorter consultation if they have only recently carried out an interim review.

We will be writing to any LAs that have not published their 2019-2022 policy by 3 January 2019.

Responsible authourities and HMRC contact details

S349(3) of the Act sets out those who must be consulted as Statement of Policies are reviewed, which includes the police, however LAs may wish to engage with all the responsible authorities listed at s157 of the Act namely:

- Licensing Authority (in England and Wales)
- The Commission
- The local police service (chief officer in England and Wales or chief constable in Scotland)
- · Fire and rescue
- Planning authority
- The local council (in Scotland)
- An authority responsible for preventing pollution to the environment or harm to human health
- A body competent to advise about the protection of children (likely to be the safeguarding board)
- · Customs and Excise



HMRC has confirmed that the National Registration Unit is still the responsible authority for all matters concerned the Gambling Act 2005.

HM Revenue and Customs Excise Processing Teams Gambling Duties BX9 1GL United Kingdom

Email - nrubetting&gaming@hmrc.gsi.gov.uk Telephone 0300 200 3700

Fairground reminder

In the run up to Easter, we have 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 and crane grabs. 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.

Licensing authority annual review of premises fees

We are aware that some LAs in England and Wales only review their gambling fees every 3 years but we would encourage you do so annually. The <u>maximum fee levels</u> are set by the Department for Digital Culture Media and Sport (DCMS).

For England and Wales the Gambling Act states that LAs shall "...aim to ensure that the income from fees as nearly as possible equates to the costs of providing the service to which the fees relates" (Gambling Act 2005 Section 212(2) (d))"

The DCMS guidance to LAs on setting premises licence fees therefore states that: "Licensing authorities should therefore review and publish their fees annually to ensure that the income from the premises licence fees in any one accounting period (ie in any full financial year) does not exceed the full costs incurred by the authority in carrying out the relevant functions."

The DCMS fee guidance, which is available on the LGA's knowledge hub, also states the annual fee will cover the reasonable costs of compliance and enforcement work, including the cost of dealing with illegal gambling in a licensing authority's area.

Fee setting must be transparent and a licensing authority should closely track its costs and be able to evidence how it arrived at the fee levels to demonstrate that they have been calculated on a cost recovery basis only.

Although ultimately it is a matter for the courts, we understand that the Supreme Court ruling in Hemming v Westminster does not impact on licensing authorities setting premises fees under the Act, as the Act does not fall within the scope of the EU Services Directive.

Be aware of OUNs

The Grand National meeting (12-14 April) is the next high profile race meeting, ahead of Epsom Derby 1-2 June and Royal Ascot 19-23 June and LAs are reminded to 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.



Information sharing

Planning and cumulative impact in Newham

One of the objectives in the London Borough of Newham's <u>Local Plan – Detailed sites and policies</u> <u>development plan document</u> (page 31) is to "ensure that sustainable development is achieved through the management of existing identified problems of cumulative impact relating to specific uses"

which includes, amongst other things:

- In town centres, amusement arcades and betting shops should not account for more than 33%;
- In all areas, no more than 2 betting shops in a row, or a 3 or more betting shops within 400m.

The <u>Planning Inspectorate</u> review of this planning document stated "I find that the Council's evidence base, while not comprehensive, is appropriate and proportionate, and that principle of controlling the area concentrations of the specified uses is justified."

Reducing the odds: An education pilot to prevent gambling harms

Demos, a leading cross party think tank, has <u>published a report</u> exploring gambling education in school. Over the past two years, Demos developed and tested a pilot education programme to teach children about the risks of gambling, and where to go for help and support. The lessons were designed to build up the resilience of teenagers to the tactics that gambling companies use to encourage people to gamble.

Lessons were taught in selected schools across the country, as part of the PSHE curriculum for 14-year-olds, reaching 650 pupils. To evaluate the pilot Demos observed five lessons, conducted a tracked pre- and post- survey over 12 months for pupils at participating schools and nearby comparison schools where the lessons were not given, and held focus groups with pupils and teachers in participating schools during the autumn term of 2016.



Over the 12 months Demos observed a statistically significant decline in the proportion of pupils' playing cards for money – with a net decline of seven percentage points relative to the comparison group. Demos saw the most substantial changes, relative to the comparison school, in pupils being able to describe ways to help someone experiencing gambling problems, where there was a net 20 percentage point increase in the proportion of pupils at participating schools relative to the comparison school being able to do so.

Encouragingly, more than 100 schools expressed an interest in taking part in the Demos pilot, signalling a significant awareness of the risks posed to young people from gambling harms. <u>Educational resources</u> were also produced by Demos with Mentor and the PHSE Association.

Reviewing RET

We are looking at the arrangements for research education and treatment (RET) as the current voluntarily funding model has fallen short of its objectives. We are pursuing a number of areas to improve the current arrangements, working in collaboration with the Responsible Gambling Strategy Board (RGSB) and GambleAware In particular, work is underway to identify appropriate treatment models and scope, and this is likely to lead to a significant increase in the budget required for treatment. The very small budget currently allocated to education is also likely to have to increase, and the research budget is increasingly stretched.

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
- 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).

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

<u>Examples of non-complex category D gaming</u> <u>machines</u> 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 <u>list of sample conditions</u> 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.



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 <u>Commission's website</u> 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.



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.

Find operating licence holders

We also <u>publish</u> 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