

licensing authority bulletin

June 2017

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News



Commission welcomes Greene King decision by Court of Appeal

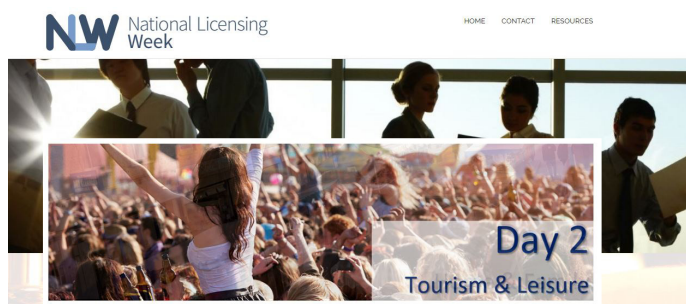
The Court of Appeal concluded that the Commission acted within its powers when refusing Greene King's application for a bingo operating licence to provide commercial bingo in its pubs.

The licence was originally refused on the grounds that to grant it would be inconsistent with the licensing objectives.

The Court of Appeal's judgment clarifies that we have wide discretion when exercising our functions and can consider the operating environment in which gambling facilities take place as part of its assessment of whether an application is consistent with the licensing objectives.

This case will now be returned to the First-tier Tribunal.

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“For instance, there are numerous rules and regulations that operators must follow in order to protect consumers of gambling products. These include our insistence that operators do not serve those who are underage, display gambling responsibly and addiction support services signs, and offer consumers who recognise they have a problem with gambling the option of self-excluding so they aren’t served again.”

National licensing week of action

Now in its second year the Institute of Licensing’s **National Licensing Week** highlights the significant role licensing plays in protecting consumers in everyday life – whether that be catching a taxi, buying a beer, purchasing a dog or placing a bet.

As part of this year’s event, between 19 and 23 June, Commission colleagues were out and about across the country offering support to co regulatory partners.

In Glasgow, compliance managers worked with police inspecting betting shops and in Swansea and Bradford compliance managers helped licensing authorities carry out casino inspections.

Around the country compliance managers worked with licensing authorities to carry out inspections at a variety of gambling premise utilising the **LLEP inspection guidance** including in Rochdale, Gravesham, Calderdale, Cheltenham, Monmouth and Aylesbury

Commission policy development manager Rob Burkitt presented at the Institute of Licensing national training day about protecting young and vulnerable people.

Sharon McNair, Commission programme director for Industry insight and shared regulation, said: “So often the positive impact of licensing is overlooked and we’re delighted to help raise awareness.

Launch of a second e-learning module on gaming machines

Working with the Institute of Licensing (IOL) we have jointly launched the second of three e-learning gaming machine modules. The launch took place on 19 June 2017 – during the national IOL training week.

The modules are designed to help LAs and other co-regulators to improve their understanding of gaming machines and the local regulation of gaming machines. Please note however, 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



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This second module covers:

- physical components of a gaming machine
- how gaming machines work
- signage displayed on gaming machines.

This builds on the first module which covers the role of LAs in the regulation of gambling, what is a gaming machine and the various types of gaming machines.

Work is underway on the third module which will address the illegal siting of machines and appropriate regulatory action, to be launched later this year.

These modules can be accessed by anybody 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 login if you have an existing account, or request a login to get started.



Full house! Licensing authority annual returns

We are pleased to say that all 380 LAs submitted their annual returns for the fourth year running. Many thanks again to LAs for their submissions.

The report analysing the returns is due to be published at the end of September 2017.



One year on: RGSB publishes first annual assessment of progress with the National Responsible Gambling Strategy

On Monday 12 June the Responsible Gambling Strategy Board (RGSB), published its first annual assessment of progress with the National Responsible Gambling Strategy.

The report summarises the progress that has been made in the delivery of the 12 Priority Actions in the Strategy, and identifies what more needs to be done to increase the pace of delivery over the next two years.

The headline message is that while there have been some achievements in the first year, there remains an enormous amount still to do and a number of areas where progress has so far been limited.

Sir Christopher Kelly, RGSB Chairman said: "We should not underestimate the challenges that remain if we are to make demonstrable progress by the end of the Strategy period. We hope that our report acts as a call to action for all those with a responsibility for minimising gambling-related harm to step up their efforts over the next 12 months."

The report is available on the [RGSB website](#)



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Betting shop planning application refused in Doncaster

A [planning application](#) (search for 16/02977/FUL) for a change of use to a [betting shop in Doncaster](#) town centre has been refused due to the viability and vitality of the town centre and problem gambling concerns raised by public health officials.

Assistant director of development Scott Cardwell said “The proposed betting office is located in the town ward, which is a ward of Doncaster that has an over representation of residents with demographic characteristics that are linked to problem gambling. The proposed betting shop, if approved, will encourage a rise in problem gambling thus resulting in a negative effect to the health and wellbeing of residents living within the town ward of Doncaster.”

The applicant intends to appeal to the Planning Inspectorate.



Betwatch launches in Coventry

Following on from the Betwatch article in the [April 2017 bulletin](#), a police-backed scheme designed to cut crime and anti-social behaviour in betting shops was launched in Coventry at the end of May.

Betting shops can share information on criminal offences or abusive customers with each other and the police which could lead to a city-wide ban from bookies.

A ‘banned from one, banned from all’ policy is being introduced by eight of the city’s betting firms as part of a partnership to help prevent crimes such as robbery, assault, theft and anti-social behaviour.

The initiative sees Coventry Police working alongside bookmakers, Coventry City Council, the Business Improvement District and the Gambling Commission.

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

Case studies

Gaming machine seizure from a corner shop in Port Talbot

With support from the Commission, Neath & Port Talbot council seized an illegal sited Casino Royal gaming machine from a corner shop in Port Talbot. The (unlicensed) supplier was traced and given a verbal caution as he had sited it, believing it to be a Skills with Prizes (SWP) machine. The cash contents were donated to a local charity. Our [quick guide on SWPs](#) provides more details about such machines.

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Advice and guidance

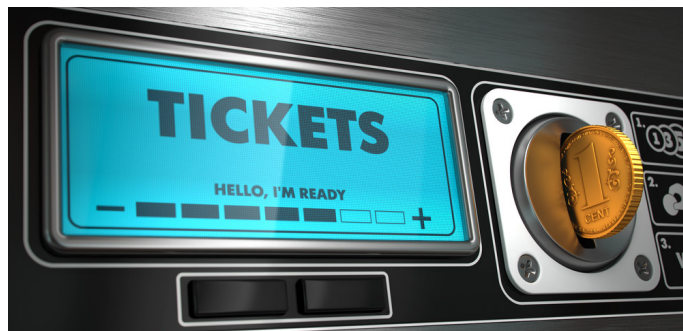
Lottery ticket vending machines

In the last few months, we have received a number of enquiries regarding lottery ticket vending machines. We therefore thought it would be helpful to remind local authorities about how and where lottery ticket vending machines can be lawfully sited.

What is a lottery ticket vending machine?

Lottery ticket vending machines usually dispense a scratchcard or pull-tab lottery ticket following the insertion of the cost of the ticket into the machine.

The machines only dispense a pre-determined ticket - there must be no element of skill or game play required by the purchaser and the machine must not determine the outcome of the lottery or display the result within an interval of less than one hour if it is to avoid being classed as a gaming machine and subject to the requirements for gaming machines (please see our advice note [Comparing lottery ticket dispensers and category B3A gaming machines quick guide](#) which provides further advice on the difference between lottery ticket vending machines and B3A gaming machines).



How can lottery ticket vending machines be used?

Lottery ticket vending machines can only be used to dispense society lottery tickets (licensed by us and LA registered) and tickets in private lotteries such as private society lotteries in clubs etc.

Lottery ticket vending machines are subject to the same restrictions and requirements as any lottery dependent of course on what type of lottery that is being promoted and therefore dispensed from the machine(s).

So if a lottery ticket vending machine is dispensing an LA registered society lottery, or a Commission licensed society lottery or private society lottery, it will be the relevant parts of the Act that apply and any restrictions those lotteries place on where and how they can be sold.

Issues arising

We have seen a number of issues arise with machine suppliers who are incorrectly under the impression that they can site lottery ticket vending machines in pubs and clubs and just give 'a donation' to a charity or good cause out of the ticket sales.

No specific permission is required to manufacture or supply lottery ticket vending machines but those who supply them can only supply the machine to a society lottery, External Lottery Manager (ELM) or the promoter of a private lottery.

The supplier of the machine cannot be involved in the promotion of the lottery unless they have the necessary lottery licence or registration.



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Where lottery ticket vending machines are used to dispense lottery tickets the licensed/ registered society or private lottery maintains overall responsibility for the lottery, which includes ensuring it meets all the relevant legislative requirements and ensuring adequate audit processes for the collection and reconciliation of proceeds are in place.

If the machine is dispensing tickets in a Commission licensed or LA registered society lottery it is also the responsibility of the society to ensure that lottery ticket vending machines are sited in a place either with supervision or oversight, so that only those 16 or over can play, the machines have adequate age signage and the lottery tickets being dispensed meet the relevant ticket requirements.

Where to find more information

We have a suite of advice notes on the different types of lotteries that can be conducted and the specific requirements/ restrictions that apply. Please see [Promoting society and local authority lotteries](#) for regulations applicable to Commission licensed/ LA registered society lotteries and [Organising small lotteries](#) for the regulations applicable to private lotteries.

We intend to publish further detailed advice about lottery ticket vending machines on our website and will advise when this is available.

Information sharing

House lotteries and competitions



We are aware of a recent increase in the number of cases of members of the public running lotteries, prize competitions or free draws and offering a house as a prize.

LAs may wish to take note of the following advice:

1. If a scheme promoted by a member of the public offering a house as a prize is a lottery, it is likely to be unlawful under the Gambling Act, unless the promoter holds a licence with the Commission or a registration with a LA.

Lotteries cannot be run for private or commercial gain and some of those promoting house lotteries seem to think that it will be lawful if they simply donate part of the proceeds to charity. That is not the case.



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2. If the organiser is promoting the scheme as a prize competition they may be required to provide evidence to show that the element of skill, knowledge or judgement in the scheme either deterred a significant number of people from entering or prevented a significant number of people from winning the prize ie they failed the test of skill knowledge or judgement.

It is unlikely that a question and answer format competition would be able to satisfy the requirements as participants could find the answer to any question on the internet.

3. If the scheme is being promoted as a free draw there must be a genuinely free entry route available to all participants. Free entry includes standard rate post, telephone, email and any other communication.

If there is any additional cost to the communication it may be caught as payment to enter a lottery. If the organiser offers a choice of entry routes, paid and free, they must ensure that the free entry route is displayed in a way where it is equally prominent to the paid route and ensure that the terms and conditions do not discriminate against those entering for free.

Anyone considering promoting such a scheme should first obtain specialist legal advice and to read our [advice on the distinction between lotteries, competitions and free draws](#).

Reference materials

Test purchasing at racecourses

In previous editions of this bulletin we have provided case studies of age verification testing work carried out with our local authority partners. Part of the licensing objectives that guide our work is that children should be protected from being harmed or exploited by gambling. These test exercises provide a valuable way to help drive up standards.

We are particularly keen to hear from authorities that can help us test on-course betting operators at the racecourses where results have generally been poor. The previous tests completed with local authorities in 2015 and 2106 generated pass rates of 57%, 33%, 92% (we have received unsubstantiated intelligence which indicated operators were aware of the testing) and 35%.

Furthermore, the sectors own Think 21 testing has produced recent results of 37%, 32% and 28%.

We want to see standards improve significantly, a position that we assume is supported by the local authorities that have a racecourse in their locality. Please contact your local compliance manager if you can help us carry out one of these tests.



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Gambling: an addiction initiative in Inverness

During the week 19 – 23 June, the Association of British Bookmakers in Scotland and a local charity “For the Right Reasons” ran an initiative in Merkinch, Inverness focusing on gambling addiction, as concerns had been raised about the number of betting shops in the area in recent years.

Advice on responsible gambling was made available in betting shops, confidential counselling sessions provided and presentations were given to senior pupils at Inverness High School on the risks associated with problem gambling.

Latest industry statistics

Gambling **industry statistics** are published twice a year (in May and November) and provide the latest information on each industry sector we regulate, which includes online gambling services offered to customers in Great Britain.

The headline findings for October 2015 – September 2016 are:

- £13.8billion total gross gambling yield (GGY) of the Great Britain gambling industry
- £4.5billion total GGY for the remote sector
- 32% market share of the remote sector
- 106,678 total number of employees in the gambling industry
- 8,788 total number of betting shops
- 176,410 total number of gambling machines
- 583 total number of bingo premises
- 147 total number of casinos
- 1,729 total number of licensed arcades
- £1.7billion contributions to good causes from the National Lottery
- £231.8million contributions to good causes from large society lotteries.

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. 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
- Money laundering (for police/LAs)
- 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.

Primary Authority (PA) FAQs

A set of frequently asked questions are available on the PA register (log in then search of for a PA gambling partnership – listed below – and then go to the advice/information section). They explain the background to PA gambling agreements and the difference between PA advice and national inspection strategies. The FAQs set out how operators use third party age verification testing, how the tests are conducted and what having a PA relationship means. One question of particular interest to LAs is:

Q. What do local authorities need to do if they want to test purchase from betting shops covered by a NIS?

Each operator with a NIS has committed to a series of random tests by local authorities co-ordinated via the Primary Authority and without the knowledge of the operator, with no upper limit. Local authorities must contact the Primary Authority in order to participate in the NIS. The local authority must also commit in writing to following the protocol and providing feedback to the Primary Authority within the specified timeframes to participate. The PA will then discuss all the results with the operator and agree on steps to address any weaknesses.

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The results ultimately assist in improving the protection for young people from gambling harm which is why the consistent approach is important and so conclusions can be reliably drawn. They are also intended to lend a reality check to the operator's Serve Legal testing to ensure they are providing a realistic picture of operator performance. The local authority tests use an actual under 18, rather than the 18/19 year olds used by Serve Legal, but again will 'mystery shop' against the Think 21 policies.

The results are also shared with the Gambling Commission and a report, including all the test purchases will be provided to the participating local authorities at the end of the NIS. Currently, the operators involved in a NIS are Coral, Ladbrokes and Paddy Power. See the [PA register for further details](#) of the NIS, and also other Primary Authority Advice only partnerships.

Please contact the PA directly if you wish to participate in the NIS testing.

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
Reading - MOTO
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 (you need to search for Reading or for the name of the operator itself).

Print friendly quick guides and templates

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 print friendly instruction on the front of each quick guide and make sure your printer is 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 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](#)

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.

In the [LA toolkits on our new website](#) you can find 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.

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 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](#).

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, s12 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.

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.

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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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. 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

Our [public register](#) contains 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).



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](#).

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