

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**LICENSING COMMITTEE – 12<sup>th</sup> APRIL 2006**

Title of report	<b>GAMBLING ACT 2005 UPDATE</b>
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Purpose of report	<p><b>To provide information to members about the Local Authority's roles and responsibilities under the Gambling Act 2005.</b></p> <p><b>To consult with members on the draft Guidance to Licensing Authorities issued by the Gambling Commission.</b></p>
Strategic aims	
Implications:	
Financial/Staff	<b>None arising directly from this report.</b>
Health/Anti-Poverty	<b>None.</b>
Crime and Disorder	<b>The Licensing Authority must undertake its responsibilities to prevent crime and disorder.</b>
Risk Management	<b>Not applicable.</b>
Human Rights	<b>None.</b>
E-Government	<b>None.</b>
Consultees	<b>None.</b>
Comments of Monitoring Officer	<b>Report is satisfactory.</b>
Comments of Section 151 Officer	<b>Report is satisfactory.</b>

Comments of Head of Paid Service	<b>Report is satisfactory.</b>
Background papers	<b>Draft Guidance to Local Authorities Gambling Act 2005 – Draft Transitional Arrangements LACORS Gambling Act 2005 – Frequently Asked Questions</b>
Recommendations	<p><b>1. To note the details of the Gambling Act 2005 and what is required of the Licensing Authority.</b></p> <p><b>2. Members responses form the basis of the Council’s consultation response and the formal responses are delegated to the Director of Environment in consultation with the Chair of the Licensing Committee.</b></p>

## **1. Background**

1.1 The Gambling Act 2005 received Royal Assent on 7<sup>th</sup> April 2005 and introduces a new regime to control all gambling with the exception of the National Lottery and spread betting. The purpose of the Act is to modernise gambling legislation, consolidating the existing three Acts into a single Act. The existing Acts are Betting, Gaming and Lotteries Act 1963; the Gaming Act 1968; and the Lotteries and Amusements Act 1976. These will be repealed.

1.2 The major areas of gambling covered are:

- Casinos
- Track Betting
- Betting Shops
- Gaming Machines
- Bingo
- Prize Gaming
- Lotteries

1.3 The Gambling Act 2005 provides for three categories of licence:

- Operating Licences – Individuals and companies who intend to provide facilities for certain types of gambling must obtain an operating licence from the Gambling Commission. In general, these licences cover the principal commercial forms of gambling operation.
- Personal Licences – These are granted to individuals. For each operating licence at least one person should hold a specified management office and that person must hold a personal licence from the Commission.
- Premises Licences – These will be granted by Licensing Authorities and may authorise the provision of facilities in certain types of premises.

- 1.4 Responsibility for administration of the regime is shared between local authorities, which are licensing authorities under the Act, and the Gambling Commission.
- 1.5 The Gambling Commission is independent of the Government. It will issue operating licences to providers of gambling and personal licences to certain personnel in those operations. Its remit will encompass most of the main forms of commercial gambling and will have extensive powers over its licensees.
- 1.6 Licensing Authorities' main responsibilities will be:
- License premises for gambling activities;
  - Consider notices given for the temporary use of premises for gambling;
  - Grant permits for gaming and gaming machines in clubs and miners' welfare institutes;
  - Regulate gaming and gaming machines in alcohol licensed premises;
  - Grant permits to family entertainment centres for the use of certain lower stake gaming machines;
  - Grant permits for prize gaming
  - Consider occasional use notices for betting at tracks; and
  - Register small societies' lotteries.
- 1.7 The Gambling Commission has published a draft of the guidance that it intends to issue to local authorities. The final guidance document is expected in May of this year. A copy of the draft document has been forwarded to Members electronically and a hard copy left in the Members room. The document is also available on the Gambling Commission website [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk).
- 1.8 The Council will need to prepare for the implementation of the 2005 Act by agreeing on a formal licensing policy. The final version of the Gambling Commissions' guidance to local authorities, once received, will be instrumental in terms of drafting the Councils' policy, which will be the subject of further reports to this Committee prior to formal approval by full Council. The timetable will be confirmed once the final version is confirmed.
- 1.9 There are many similarities between the Licensing Act 2003 and some key differences. An important similarity is that the Licensing Authority must undertake its responsibilities in accordance with the licensing objectives. These are:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime,
  - Ensuring the gambling is conducted in a fair and open way, and
  - Protecting children and other vulnerable persons from being harmed or exploited by gambling.
- 1.10 One difference in the role of Licensing Authorities compared to the Licensing Act 2003 is that Licensing Authorities will be able to make representations themselves in respect of applications. This will mean that where there are concerns about particular premises, related to the licensing objectives, the Licensing Authority will be able to consider these without relying on representations from another authority. However, Licensing Authorities will be under an obligation to allow gambling where this is consistent with the

licensing objectives and guidance from the Gambling Commission. It will not be possible to take into account moral considerations or whether there is a need for a gambling premise in a particular locality.

- 1.11 More information about the Act is contained in the FAQ document produced by Local Authority Coordinators of Regulatory Services (LACORS), a copy of which is attached as appendix 1.

## **2.0 Timetable**

- 2.1 The broad timetable issued by the Department of Culture, Media and Sport for the implementation of the Act is set out at appendix 2. It is expected that Licensing Authorities will start to receive applications for licences and permits from early 2007.

- 2.2 Key tasks in the implementation process will include:

- Production of a licensing policy for the District;
- Transferring data from the Magistrates' Court;
- Development of an appropriate IT system;
- Providing information, advice and support to guide applicants through the application process;
- Processing applications for conversion of existing licences during the transition period;
- Publicising information about rights of local residents and businesses to make representations about applications;
- Developing systems and protocols for members involved in the decision making process;
- Organising hearings and providing information to members to enable decisions to be made;
- Issuing licences within deadlines;
- Officer delegation;
- Member and officer training.

- 2.3 The Gambling Act 2003 will clearly give rise to financial implications including staffing requirements and training. The draft guidance to local authorities confirms that fees are to be based on full cost recovery and licensing authorities will have some discretion, up to a maximum level, on the fees it sets. However, the guidance gives no indication on what costs should be taken into account when determining cost recovery. It is anticipated that this will cover all costs to include enforcement, legal advice and overheads. A request that more detailed advice on fee calculation has been fed back to the Gambling Commission.

## **3.0 Consultation on Draft Gambling Act 2005 – Transitional Arrangements**

- 3.1 The Department for Culture, Media and Sport have issued a draft paper entitled 'Gambling Act 2005 – Transitional Arrangements'. It sets out the Government's detailed proposals for the commencement and the implementation of the Gambling Act 2005 and seeks to explain in simple terms what the transitional arrangements will mean

in practice for existing operators and new operators across the gambling industry. The paper does not cover the new system of personal licences created by the 2005 Act.

- 3.2 The transitional arrangements set a date of 1<sup>st</sup> September 2006, after which most existing commercial operators (casinos, betting, bingo, arcades) will not be required to renew their existing permissions. Instead, they will need to make advance applications for permission under the new Act in Spring 2007. The remaining operators will not be subject to the requirements of both premises and operating licences therefore it is proposed that they should continue to be able to rely on their existing permissions until they expire and only then will they need to apply for a new permission under the 2005 Act.
- 3.3 Existing operators will benefit from special provision intended to ensure that they can continue to operate without interruption during the transition period, including beyond 31 August 2007, if their applications for new licences under the 2005 Act have not been processed by that date. In order to qualify for this benefit, operators will need to make advance applications for their new operating and premises licence by 27<sup>th</sup> April 2007. If they fail to apply by this date, the operator will still have their application considered but will not have the guarantee that they will be able to continue to operate without interruption when the Act is fully implemented on 1<sup>st</sup> September 2007.
- 3.4 The DCMS are welcoming any comments that Licensing Authorities may have on these proposals. The closing date for receipt of comments is 2<sup>nd</sup> May 2006. A copy of the draft proposals has been forwarded electronically to all Licensing Committee members and a hard copy left in the Members room. Officers will offer advice on the proposals and suggest comments for the Members' consideration at the Committee meeting.