

Sandwell Metropolitan Borough Council

Report to Licensing Committee

10th June 2005

**“Modernising Britain’s Gambling Laws”- Implications of the
Gambling Act 2005 for the Local Authority (Licensing Authority)**

1. Summary Statement

- 1.1 This report outlines briefly details of the Gambling Act 2005, which will place responsibility for the licensing of gambling premises and the issuing of permits onto local authorities (Licensing Authority), with the associated responsibility of monitoring the operation of licences. It mirrors much of the approach and process utilised in the introduction of new arrangements under the Licensing Act 2003, for dealing with premises selling liquor, providing regulated entertainment and late night refreshment, which is currently in the transitional phase of implementation.
- 1.2 The Gambling Act was introduced into the House of Commons on 18th October and, following debate in both houses, received Royal Assent on 7th April 2005. This Bill will modernise the UK’s outdated gambling laws, providing legislation to deal with the rapid advancements in gambling technology and allowing gambling to take its place as an acceptable leisure pursuit. Most of all though it will ensure that there are stringent protections to prevent gambling becoming a danger to those at risk of harm.
- 1.3 Central to the Gambling Act are its licensing objectives, which are:-
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - Ensuring that gambling is conducted in a fair and open manner; and
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.
- 1.4 Local authorities responsibilities, under the Gambling Act, will include the licensing of premises, the issuing of permits, the addition of conditions to these licences or permits and any subsequent inspection to ensure that the conditions on the licence are adhered to. Local authorities will also have to consult and agree a licensing policy every three years.

- 1.5 The Act currently proposes that the Licensing Committee, as created under the Licensing Act 2003, determines gambling premises licence applications. Similarly, a “responsible Authority” or “interested party” may on application make a relevant representation (or later may request a review), following which the Licensing Committee may grant or reject the licence (or additionally vary or revoke on review). There would be right of appeal to the magistrates court.
- 1.6 The Act will also create information gateways which will allow a Licensing authority to obtain information relevant to an application from a number of “Responsible Authorities” namely, the Gambling Commission, Police, Fire, Planning, Environmental Health, Social Services (re children and vulnerable people) and Customs and Excise.
- 1.7 A fee will be payable to Licensing authorities for premises licences and permit applications. The Act advises that fees will allow for cost recovery of the licensing process and any associated monitoring and enforcement of the conditions imposed by the licensing authority. The Gambling Act will also include a provision allowing the Secretary of State to devolve the power to set fees locally, to a prescribed list of local authorities who achieve “excellent” status in their Comprehensive Performance Assessments (CPA).
- 1.8 Fees for gambling premises licences will be set to recoup the costs of the service provided. Start up costs for the transition to the new regime will not, however, be recoverable through these fees, as start up funding were according to the Government included in the overall Revenue Support grant settlement the Council received in respect of 2004/05 and 2005/06, but it is not possible to verify if this is the case or the amount included. However, no decision was made to allocate additional resources to support the start up costs, therefore no provision exists in the Council’s overall budget.
- 1.9 The Department for Culture, Media and Sport advises that “it is for each local authority to decide how to best spend this money, but it is important that you should be aware that this money is available, and that therefore there will be no additional funding to Local Authorities”.
- 1.10 It is estimated that there are currently approximately 500 premises which will be subject to the new gambling legislation. A further report will be presented when sufficient information and finalised detail becomes available to enable the implications to be properly assessed.

Further details are attached for your information.

2. **Recommendation**

- 2.1 That a further report be presented to Licensing Committee [and also Cabinet Member for Community, Neighbourhood Services and Safety] when the detail and implications of the Gambling Act and subsequent legislation and guidance are identified, and in particular the resource implications become apparent.

Michael J Parkes
Head of Environmental Health and Trading Standards

Contact Officer

Steve Tromans

Safety and Licensing Manager

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Modernising Britain's Gambling Laws- Implications of the Gambling Act 2005 for the Local Authority (Licensing Authority)

3. Strategic Resource Implications

- 3.1 The full resource implications of implementation cannot be identified until further detail is provided by Government following ongoing discussions at national level, and the anticipated consultation.
- 3.2 Fees for gambling premises licences will be set to recoup the costs of the service provided. Start up costs for the transition to the new regime will not, however, be recoverable through these fees, as start up funding were according to the Government included in the overall Revenue Support grant settlement the Council received in respect of 2004/05 and 2005/06, but it is not possible to verify if this is the case or the amount included. However, no decision was made to allocate additional resources to support the start up costs, therefore no provision exists in the Council's overall budget.

Start-up costs would include the following:-

- Training of existing licensing officers, councillors and administrative staff
- Staff/recruitment costs (where additional staff are required to fulfil gambling premises licence responsibilities)
- Additional software/hardware requirements
- Transfer of records from Magistrates to authorities
- Producing and consulting on the three year licensing policy statement.

4. Legal and Statutory Implications

- 4.1 The Council as the Licensing Authority will have a legal duty under the new Gambling Bill and subsequent legislation to fulfil the role, carry out the duties in accordance with the act, and statutory guidance to be issued by the Department for Culture, Media and Sport and the Gambling Commission.
- 4.2 The Act currently proposes that the Licensing Committee as created under the Licensing Act 2003, determines gambling premises licence applications. Similarly, a "responsible Authority" or "interested party" may on application make a relevant representation (or later may request a review), following which the Licensing Committee may grant or reject the licence (or additionally vary or revoke on review).

4.3 The Council as the Licensing Authority will have a legal responsibility to prepare a “Statement of Policy” on gambling, in consultation with the police, fire authority, local businesses, residents bodies and other agencies.

5. **Implications for the Council’s Corporate Priorities**

5.1 The Gambling Act identifies three licensing objectives which are highly pertinent to the Council’s corporate priorities, these being:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- Ensuring that gambling is conducted in a fair and open manner; and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

5.2 The proposals contained within the report would have implications on the following corporate priorities:-

- (i) Clean, Tidy and Safe Borough - The Licensing Authority function under the Gambling Act and subsequent legislation is key to the partnership working with “responsible Authorities” such as the police, fire, child protection, planning, and other agencies dealing with issues of safety, crime and disorder, anti social behaviour, protecting the young and vulnerable in the community, as relating to the licensable activities associated with gambling.
- (ii) Local Communities - Whilst the legislation and duties relate to the whole of Sandwell, members of all local communities will benefit from the additional controls that the Act will place on gambling activities associated with premises in the community.
- (iii) Protection and support for vulnerable children - There is always the potential for children to gain access to gambling establishments, which this new legislation should help to control further.

6. **Background Details**

6.1 This report outlines briefly details of the Gambling Act 2005, which will place responsibility for the licensing of gambling premises and the issuing of permits onto local authorities (Licensing Authority), with the associated responsibility of ensuring that the conditions on these licences are upheld. It mirrors much of the approach and process utilised in the introduction of new arrangements under the Licensing Act 2003, for dealing with premises selling liquor, providing regulated entertainment and late night refreshment, which is currently in the transitional phase of implementation.

- 6.2 The Gambling Act was introduced into the House of Commons on 18th October and, following debate in both houses, received Royal Assent on 7th April 2005. This Act will modernise the UK's outdated gambling laws, providing legislation to deal with the rapid advancements in gambling technology and allowing gambling to take its place as an acceptable leisure pursuit. Most of all though it will ensure that there are stringent protections to prevent gambling becoming a danger to those at risk of harm.
- 6.3 Central to the Gambling Act are its licensing objectives, which are:-
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - Ensuring that gambling is conducted in a fair and open manner; and
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.
- 6.4 To enforce this new regime the bill will establish a new gambling regulator, the Gambling Commission. The Gambling Commission will be responsible for awarding licences to persons who wish to provide facilities for gambling (operating licence) and those who will either be involved in the running of a gambling company or may be able to directly influence the result of gambling e.g. croupier (personal licence).
- 6.5 As well as issuing these licences, the Commission will be responsible for ensuring that the conditions on these licences are adhered to and the prevention of illegal gambling. The Commission will have powers to mount a prosecution where an offence under the Gambling Act has been committed.
- 6.6 Currently a person wishing to open a gambling establishment must obtain a licence from a local magistrate, with no requirement for input from local authorities. The Government believes that these decisions should be in the hands of those that the local population have elected to run their affairs. The Gambling Act will therefore give local authorities responsibility for the licensing of gambling premises.
- 6.7 Local authorities responsibilities, under the Gambling Act, will include the licensing of premises, the issuing of permits, the addition of conditions to these licences or permits and any subsequent inspection to ensure that the conditions on the licence are adhered to. Local authorities will also have to consult and agree a licensing policy every three years.
- 6.8 In exercising their functions, the licensing Authority shall aim to permit the use of premises for gambling in so far as the authority think it:-
- Is in accordance with any relevant Code of practice;
 - In accordance with any relevant guidance;
 - Is consistent with the licensing objectives;

- Is in accordance with the Statement Policy published by the Authority.

- 6.9 The Act proposes that the Licensing Committee, as created under the Licensing Act 2003, determines gambling premises licence applications. Similarly, a “responsible Authority” or “interested party” may on application make a relevant representation (or later may request a review), following which the Licensing Committee may grant or reject the licence (or additionally vary or revoke on review). There would be right of appeal to the magistrates court.
- 6.10 The Act will also create information gateways which will allow a Licensing authority to obtain information relevant to an application from a number of “Responsible Authorities” namely, the Gambling Commission, Police, Fire, Planning, Environmental Health, Social Services (re children and vulnerable people) and Customs and Excise.
- 6.11 A fee will be payable to Licensing authorities for premises licences and permit applications. The Act advises that fees will allow for cost recovery of the licensing process and any associated monitoring and enforcement of the conditions imposed by the licensing authority. The Gambling Act will also include a provision allowing the Secretary of State to devolve the power to set fees locally, to a prescribed list of local authorities who achieve “excellent” status in their Comprehensive Performance Assessments (CPA).
- 6.12 Fee for gambling premises licences will be set to recoup the costs of the service provided. Start up costs for the transition to the new regime will not, however, be recoverable through these fees, as start up funding were according to the Government included in the overall Revenue Support grant settlement the Council received in respect of 2004/05 and 2005/06, but it is not possible to verify if this is the case or the amount included. However, no decision was made to allocate additional resources to support the start up costs, therefore no provision exists in the Council’s overall budget.
- 6.13 Start-up costs would include the following:-
- Training of existing licensing officers, councillors and administrative staff
 - Staff/recruitment costs (where additional staff are required to fulfil gambling premises licence responsibilities)
 - Additional software/hardware requirements
 - Transfer of records from Magistrates to authorities
 - Producing and consulting on the three year licensing policy statement.

- 6.14 The DCMS are working closely with representatives from the Local Government Association (LGA) and Local Authority Co-ordinators of Regulatory Services (LACORS), on all aspects of the Act, subsequent legislation and implementation. Sandwell's Senior Licensing Officer will be on the LACORS working group.
- 6.15 The provisional timetable outlined by DCMS (which is subject to change) is as follows, and follows a similar process to that of the recently introduced Licensing Act 2003:-
- June / July 2005 - Informal consultation on guidance to Licensing Authorities;
 - September 2005 - Licensing Authority comments;
 - October 2005 - Gambling Commission created;
 - December 2005 - Draft formal guidance out for consultation;
 - May 2006 - Approved formal guidance issued to Licensing Authorities;
 - June to October 2006 - Licensing Authorities consult on their draft Gambling policies;
 - January 2007 - Licensing Authority to confirm and publish Policy;
 - February 2007 - Date for first applications.
- 6.16 It is estimated that there are currently approximately 500 premises which will be subject to the new gambling legislation. A further report will be presented when sufficient information and finalised detail becomes available to enable the implications to be properly assessed.
- 6.17 Because of the Division's existing role in dealing with licensing associated with gambling, it is presently happy to continue with the investigative role and identifying the implications. However, it will be necessary for the Council to consider and decide where the function best fits within the corporate entity.

Source Documents

- A/ Modernising Britain's Gambling Laws (Draft Gambling Bill)
(Department for Culture, Media and Sport)
- B/ Gambling Act 2005
- C/ Letter to Chief Executives "The Gambling Bill: Local Authority responsibilities", from DCMS on 18th October 2004

Committee Report Consultation Sheet

Report Title	Modernising Britain's Gambling Laws - Implications of the Gambling Act 2005 for the Local Authority (Licensing Authority)	
Responsible Head of Service	Michael Parkes	
Meeting/Cabinet Member	Licensing Committee	10th June 2005

I confirm that the undermentioned persons have been consulted in the preparation of the attached report.

Report Author: Steve Tromans

Tel: 0121 569 6504

Compulsory Consultees:

Officer		Consulted	Date	Comments
Head(s) of Service:				
a.	Michael Parkes	Yes	29/4/05	
b.				
c.				
Finance Officer		Yes	04/5/05	

Officers to be consulted as necessary. (you are strongly advised to consult your outposted HR officer where the proposals affect staff or a restructuring)

Executive Director(s):				
a.	Peter Whitehouse	Yes	04/05/05	
b.				
Monitoring Officer				
Human Resources Officer				
e-Business Services				
Business Support Manager		Yes	04/05/05	
Policy Unit <i>(Strategic/corporate issues)</i>				
Others <i>(please list)</i>				
a.	Stewart Wright [Legal]	Yes	04/05/05	
b.				
c.				

Which of the Council Priorities for Improvement does this report support/affect?(tick boxes)

Raising standards in schools		Safe Borough, clean & tidy	T
Transforming the physical environment		Opportunities for high value jobs for local people	
Improving housing choice		Strengthen the protection and support for vulnerable children	T
Lifelong learning		Things for young people to do	
Extending schools		Local communities	T

Issues to Consider

Do the recognised Trade Unions need to be consulted on the proposals within the report ?		YES/NO
If Yes, which have been consulted:	UNISON	
	T&GWU	
	GMB	
	APEX	
	UCATT	
	MPO	
	Other (state)	

Is your report to a Scrutiny Panel ?	YES/NO
If yes, you should consult the Policy Unit's Scrutiny Team	

Does the report need to be considered by a Town Committee ?	YES/NO
If Yes, which one(s)	
Should the report be presented to the Town Committee first ?	YES/NO

Do the proposals within the report need to be discussed with ward Councillors ?	YES/NO
If Yes, which wards	

Please Note

It is the role of Democratic Services to ensure that your report meets members expectations in terms of quality, validity and relevance. To do this we may make suggested changes to your report. We will always endeavour to discuss these changes with you, however where this is not possible due to time constraints or your unavailability we will exercise our discretion as to required changes.

Is this acceptable to you ? YES/NO (If you answer no, it is assumed you accept that your report may be removed from the agenda for the meeting)

If a consultation sheet is not provided with the report or is not completed satisfactorily, your report may be withdrawn from the agenda for the meeting.

Have you had a response from all consultees and taken comments into account.

Have you considered whether a press release is necessary? (Press releases must be produced in consultation with the Council's Press Office)