

LICENSING SUB COMMITTEE A

Date: Wednesday 12th July, 2023 Time: 10.00 am Venue: Mandela Room, Town Hall
--

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Gambling Act 2005 - Applications to Vary Premises Licences under the Gambling Act 2005:- 3 - 602
 1. Application to Vary an Adult Gaming Centre Premises Licence at 22 Newport Road, Middlesbrough, TS1 5AE.
 2. Application to Vary a Converted Casino Premises Licence currently situated at Aintree Oval, Teesside Leisure Park, Middlesbrough TS17 7BU, to premises at 22 Newport Road, Middlesbrough, TS1 5AE.
4. Any other urgent items which in the opinion of the Chair, may be considered.

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Tuesday 4 July 2023

MEMBERSHIP

Councillors S Dean (Vice-Chair, in the Chair), C Cooper and S Hill

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Joanne Dixon / Scott Bonner, 01642 729713 / 01642 729708, joanne_dixon@middlesbrough.gov.uk / scott_bonner@middlesbrough.gov.uk

This page is intentionally left blank

MIDDLESBROUGH COUNCIL	
------------------------------	--

Report of:	Director of Adult Social Care and Health Integration (Licensing) and Legal Services
-------------------	---

Submitted to:	Licensing Sub-Committee A
----------------------	---------------------------

Date:	12 July 2023
--------------	--------------

Title:	Applications to Vary Premises Licences under the Gambling Act 2005 ("the Act")
---------------	--

Report for:	Decision
--------------------	----------

Status:	Public
----------------	--------

Key decision:	Not applicable
----------------------	----------------

Why:	Not applicable
-------------	----------------

Urgent:	Not applicable
----------------	----------------

Why:	Not applicable
-------------	----------------

Executive summary
<p>THE APPLICATIONS</p> <ol style="list-style-type: none"> 1. Application to Vary an Adult Gaming Centre Premises Licence at 22 Newport Road Middlesbrough TS17 7BU 2. Application to Vary a Converted Casino Premises Licence currently situated at Aintree Oval, Teesside Leisure Park, Middlesbrough TS17 7BU <p>THE PARTIES</p> <ol style="list-style-type: none"> 1. The Applicant (1) Luxury Leisure, Fifth Avenue Plaza, Queensway, Team Valley Trading Estate Tyne and Wear NE11 0BL. 2. The Applicant (2) Double Diamond Gaming Ltd, 10th Floor, Cobalt Square, 85 Hagley Road, Birmingham B16 8CQ 3. Responsible Authority – the Licensing Authority representative 4. Responsible Authority - The Director of Public Health (through the Public Protection Service) representative

Appendices

1	The Premises Licence for the Adult Gaming Centre 22 Newport Road
2.	Plan attached to the Premises Licence for the Adult Gaming Centre Premises Licence
3	The Premises Licence for the Converted Casino Premises at Teesside Leisure Park
4.	Summary of the Terms and Conditions of the Converted Casino Premises Licence
5	The Application to Vary the Adult Gaming Centre Premises Licence
6.	The Plan attached to the Application to Vary the Adult Gaming Centre Premises Licence
7.	The Application to Vary the Converted Casino Premises Licence
8.	The Plan attached to the Application to Vary the Converted Casino Premises Licence
9.	The Representation made by the Licensing Authority against the Application to Vary the Adult Gaming Centre dated the 28 April 2022
10.	The Representation made by the Licensing Authority against the Application to Vary the Converted Casino Premises Licence dated 28 April 2022
11.	The Representation made by Public Protection against the Application to Vary the Converted Casino Premises Licence dated 28 April 2022
12	Copy of the Notice of Hearing sent to the Parties
13.	<p>OTHER DOCUMENTATION</p> <p>The Parties have been requested to endeavour to supply documentary information they wish to rely on at least five days before the Hearing, any such documentation will be circulated separately to this report</p> <p>Regulation 9(4)(b) of the Gambling Act 2005 (Proceedings of Licensing Committees and Sub Committees) (Premises Licences and Provisional Statements) (England and Wales) Regulations 2007 states:</p> <p>In conducting a hearing the relevant committee must take into consideration any documentary or other information in support of the application or representations produced by a party (i) before the hearing or (ii) at the hearing, with the consent of all the other parties attending the hearing.</p>

Background and relevant information

1. An Application was made by Luxury Leisure to vary a premises licence which relates to an Adult Gaming Centre at 22 Newport Road Middlesbrough which is in Central Ward on the 01 April 2022. The Application to vary is to remove part of the area which is currently licensed as an Adult Gaming Centre.
2. An Application was made by Double Diamond Gaming Ltd to vary a premises licence which relates to a converted casino at Teesside Leisure Park on the 01 April 2022. Converted casinos means casinos where the operators had licences under the Gaming Act 1968 and were granted or the licences were “converted” to a casino premises licence under “grandfathering” arrangements. The Application to vary is to move or transfer the Converted Casino Premises Licence from Teesside Leisure Park to a premises at 22 Newport Road Middlesbrough. The Application is also to remove the Default Condition under Part 6 of the Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007 which requires all casinos to open noon until 6.00am so that the proposed premises can operate on a 24 hour basis
3. Section 187 of the Act states that a holder of a premises licence may apply to the licensing authority to vary the licence.

4. The Gambling Act 2005 (Commencement No 6 and Transitional Provisions) Order 2006, Schedule 4, paragraph 65 (12 and 13) disapplies the prohibition in Section 187(2) of the Act that “a licence may not be varied so as to relate to premises to which it did not previously relate”. The Applicant is therefore permitted to apply to vary the converted casino to different premises.
5. Notices of the Applications to Vary the Premises were posted on site, published in a local newspaper and given to the Responsible Authorities on the 06 April 2022 in accordance with Regulation 12 of the Gambling Act 2005 (Premises Licences and Provisional Statements) Regulations 2007.
6. Representations were received by the Licensing Authority against the Application to vary the Adult Gaming Centre by the Licensing Authority (acting as a Responsible Authority) on the 28 April 2022. Representations were received against the Application to vary the converted casino premises licence by the Licensing Authority (acting as a Responsible Authority) and The Director of Public Health through the Public Protection Service (being the Responsible Authority which has functions in respect of minimising or preventing the risk of pollution to the environment or of harm to human health for the area) on the 28 April 2022
7. The representations were received within the 28 day period permitted for receipt of representations under Regulation 15 of the Gambling Act 2005 (Premises Licences and Provisional Statements) Regulations 2007.

The Requirement to Hold a Hearing

8. Section 187 (3) of the Act which deals with Applications to vary premises licences applies Part 8 of the Act to applications to vary as they apply for new applications for premises licences (subject to any modifications in section 187 itself and any other necessary modifications).
9. Section 162 (within Part 8) of the Act requires the Licensing Authority to hold a hearing if an interested party or responsible authority has made (and not withdrawn) representations about the application.

Principles to be applied

10. Under Section 153 of the Act, the licensing sub committee shall aim to permit the use of premises for gambling in so far as it thinks it
 - (a) in accordance with any relevant Gambling Commission Code of Practice,
 - (b) in accordance with any relevant guidance issued by the Gambling Commission,
 - (c) reasonably consistent with the licensing objectives (subject to paragraphs a and b above). (The licensing objectives 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 way, and
 - protecting children and other vulnerable persons from being harmed or exploited by gambling.
 - (d) in accordance with the statement published by the Licensing Authority (the Policy)

11. The Gambling Commission Licensing Conditions and Codes of Practice and the Gambling Commission's Guidance to Local Authorities are available through the following links and have been supplied to Members
[Licence Conditions and Codes of Practice \(gamblingcommission.gov.uk\)](https://www.gamblingcommission.gov.uk/conditions-and-codes-of-practice)
[Guidance to licensing authorities \(gamblingcommission.gov.uk\)](https://www.gamblingcommission.gov.uk/guidance-to-licensing-authorities)
12. The Policy expired in January 2022 and is currently under review, the Policy is available through the following link and has previously been supplied to Members.
[Gambling policy 2019 - 2022 \(middlesbrough.gov.uk\)](https://www.middlesbrough.gov.uk/gambling-policy-2019-2022)

The Steps that may be taken

13. Under Section 163 of the Act, the Licensing Sub Committee may grant the Applications or reject the Applications
14. Section 169 of the Act enables the Licensing Sub Committee, where a decision is made to grant the Applications, to attach a condition or conditions to the Premises Licences or exclude a default condition from the Premises Licence if it considers it appropriate to do so.

The Parties may make representations on this report at the hearing.

Contact: Bill Khan
Email: Bill_Khan@Middlesbrough.gov.uk

No: MBRO/GPR057/076579

Adult Gaming Centre Premises Licence

This licence is issued under section 164 of the Gambling Act 2005 by

Middlesbrough Borough Council

Part 1 – Details of person to whom licence is issued

This premises licence is issued to:

Luxury Leisure

of the following address:

Fifth Avenue Plaza

Queensway

Team Valley Trading Estate

Gateshead

Tyne and Wear

NE11 0BL

who holds an operating licence which has been given the following operating licence number by the Gambling Commission:

002-001876-N-103087-010

Part 2 – Details of the premises in respect of which the licence is issued

Facilities for gambling may be provided in accordance with this licence on the following premises:

Admiral

22 Newport Road

Middlesbrough

TS1 5AE

Part 3 – Premises Licence Details

This licence came into effect on: **06 September 2012**

This licence is of unlimited duration.

The following conditions have been attached to the licence by the issuing authority under section 169(1)(a) of the Gambling Act 2005:

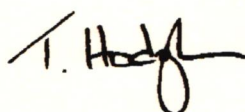
None

The following conditions, which would otherwise attach to the licence by virtue of regulations made under section 168 of the Gambling Act 2005, have been excluded by the issuing authority under section 169(1)(b) of that Act:

None

A scale plan is attached as an annex to this licence

Signed on behalf of the issuing licensing authority



ANNEX A – CONDITIONS TO BE ATTACHED

Condition to be attached and reasons for attaching conditions

Mandatory Conditions

The summary of the terms and conditions of the premises licence shall be displayed in a prominent place within the premises.

The layout of the premises shall be maintained in accordance with the plan.

The premises shall not be used for the sale of tickets in a private lottery or customer lottery or the sale of tickets in any other lottery in respect of which the sale of tickets on the premises is otherwise prohibited.

A notice stating that no person under the age of 18 years is permitted to enter the premises shall be displayed in a prominent place at every entrance to the premises.

No customer shall be able to access the premises directly from any other premises in respect of which a premises licence or the following types of permit have effect:

- * unlicensed family entertainment centre gaming machine permit
- * club gaming or club machine permit
- * alcohol licensed premises gaming machine permit

Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so.

No alcohol shall be permitted to be consumed on the premises at any time during which facilities for gambling are being provided on the premises. A notice to this effect shall be displayed in a prominent place at every entrance to the premises.

Default Conditions

None

Conditions attached following a hearing by the Licensing Authority

None

ANNEX B – CONDITIONS TO BE EXCLUDED

Condition to be excluded and reasons for excluding conditions
None

ANNEX C – REPRESENTATIONS

Representation and Licensing Authority's Response

None

SUMMARY OF THE TERMS AND CONDITIONS OF A PREMISES LICENCE

This summary is issued under section 164 of the Gambling Act 2005 by

Middlesbrough Borough Council

This summary is issued to:

Luxury Leisure

of the following address:

Fifth Avenue Plaza

Queensway

Team Valley Trading Estate

Gateshead

Tyne and Wear

NE11 0BL

A premises licence of the following type:

Adult Gaming Centre Premises Licence

has been issued in respect of the following premises:

Admiral

22 Newport Road

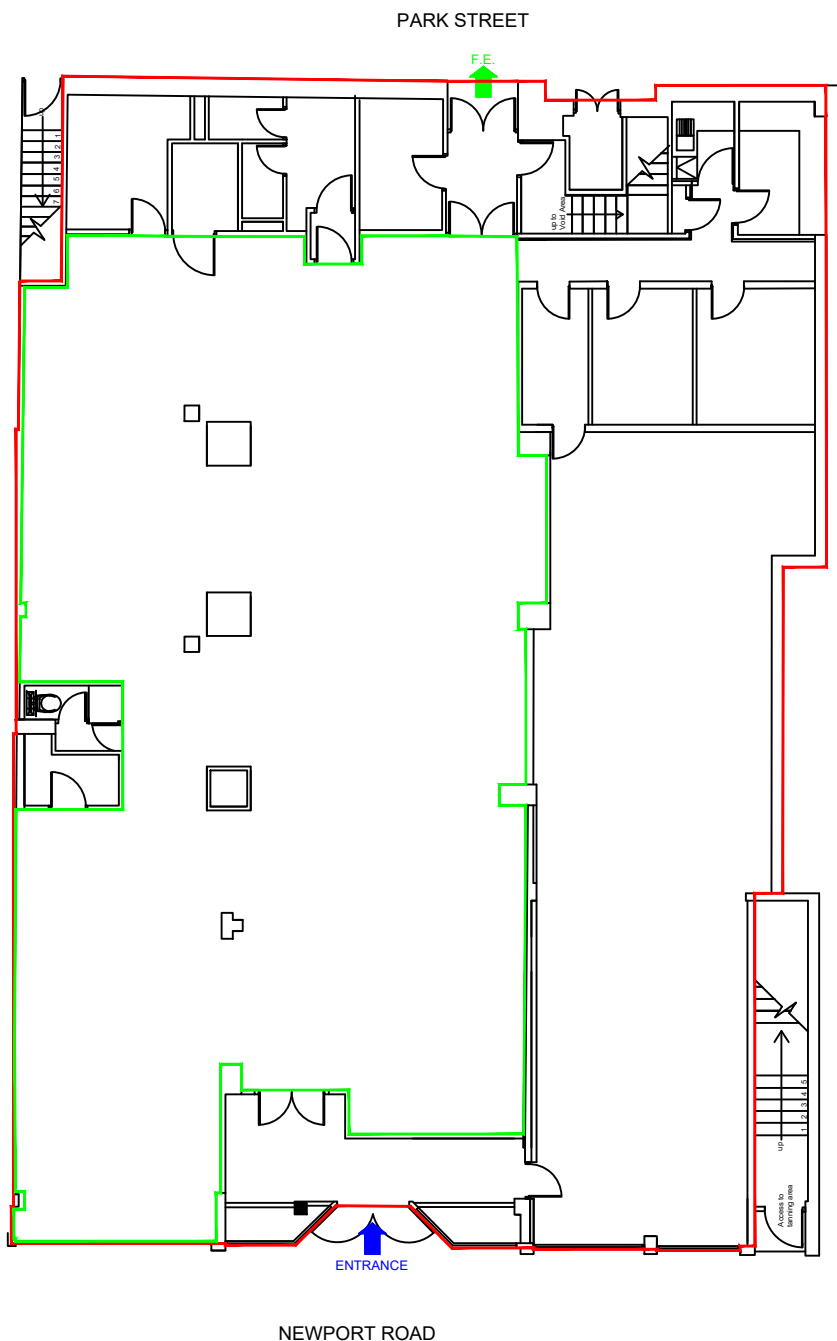
Middlesbrough

TS1 5AE

The place in the area of the licensing authority in which the vessel is wholly or partly situated (within the meaning of section 211(3) of the Gambling Act 2005) is:

Summary of the Terms and Conditions of the Premises Licence

1. The premises licence will run in perpetuity unless:
 - the Secretary of State prescribes a period after which the licence will expire under section 191 of the Gambling Act 2005;
 - the licence holder surrenders the licence under section 192 of the Gambling Act 2005
 - the licence lapses under section 194 of the Gambling Act 2005;
 - the licence is revoked under section 193 or 202(1) of the Gambling Act 2005.
2. The premises licence applies only in relation to the premises specified in Part 2 of the licence and may not be varied so that it applies to any other premises (except in the case of a converted casino premises licence).
3. The premises licence authorises the premises to be used for making available a number of Category B gaming machines equal to 20% of the total gaming of machines and any number of Category C or D gaming machines, and prize gaming'
Prize gaming in accordance with conditions set out in Part 13 of the Act.
4. The premises licence is subject to:
 - any conditions specified on the face of the licence as being attached under section 169(1)(a) of the Gambling Act 2005;
 - any other conditions attached to the licence by virtue of regulations made under sections 167 and 168 of the Gambling Act 2005 (other than any conditions under section 168 which have been excluded by the licensing authority); and
 - any conditions attached to the licence by virtue of specific provisions of the Gambling Act 2005.
5. In particular, it is a condition of the premises licence under section 185 of the Gambling Act 2005 that the holder keeps the licence on the premises and arranges for it to be made available on request to a constable, enforcement officer or local authority officer. The holder of the licence commits an offence if he fails to comply with this condition.



Red line denotes premises boundary

Green line denotes gaming machine area

Layout of premises within gaming machine areas and layout of ancillary non-gambling areas are indicative only and subject to change according to operational requirements

1:100
Scale in m

RECORD

DWG NO: 931-955-105_018

CLIENT: Admiral

PROJECT: 22 Newport Road
MIDDLESBROUGH
Teesside
TS1 5AE

TITLE: LICENSING PLAN
GAMBLING ACT 2005

Revision: --
SCALE: 1:200@A4
CHECKED: --
DATE: 30/4/21

NOVOMATIC

Luxury Leisure, Talarus & Ral. Ltd.
Fifth Avenue Plaza, Queensway
Team Valley Trading Estate
Gateshead, NE11 0BL

+44 (0)191 497 8200 / WWW.ADMIRALSLOTS.CO.UK / WWW.NOVOMATICUK.COM

This page is intentionally left blank

No: MBRO/GPR025/082670

Converted Casino Premises Licence

This licence is issued under section 164 of the Gambling Act 2005 by

Middlesbrough Borough Council

Part 1 – Details of person to whom licence is issued

This premises licence is issued to:

Double Diamond Gaming Ltd

of the following address:

10th Floor, Cobalt Square

85 Hagley Road

Egbaston

Birmingham, B16 8GQ

who holds an operating licence which has been given the following operating licence number by the Gambling Commission:

000-023761-N-305960-003

Part 2 – Details of the premises in respect of which the licence is issued

Facilities for gambling may be provided in accordance with this licence on the following premises:

Rainbow Casino

Aintree Oval

Teesside Park

Middlesbrough, TS17 7BU

The place in the area of the licensing authority in which the vessel is wholly or partly situated (within the meaning of section 211(3) of the Gambling Act 2005) is:

Part 3 – Premises Licence Details

This licence came into effect on:

01/09/2007

This licence is of unlimited duration.

This licence has been re-issued following the grant of an application to vary the licence.

The variations to the licence take effect on:

This licence has been re-issued following the grant of an application to transfer the licence.

The transfer of the licence takes effect on:

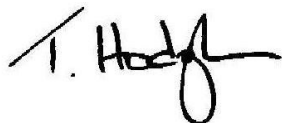
This licence has been re-issued following the grant of an application for reinstatement of the licence. The reinstatement of the licence takes effect on the date on which the application was granted:

The following conditions have been attached to the licence by the issuing authority under section 169(1)(a) of the Gambling Act 2005:

The following conditions, which would otherwise attach to the licence by virtue of regulations made under section 168 of the Gambling Act 2005, have been excluded by the issuing authority under section 169(1)(b) of that Act:

A scale plan is attached as an annex to this licence

Signed on behalf of the issuing licensing authority



ANNEX A – CONDITIONS TO BE ATTACHED

Condition to be attached and reasons for attaching conditions

Mandatory Conditions

The summary of the terms and conditions of the premises licence shall be displayed in a prominent place within the premises.

The layout of the premises shall be maintained in accordance with the plan.

The premises shall not be used for the sale of tickets in a private lottery or customer lottery or the sale of tickets in any other lottery in respect of which the sale of tickets on the premises is otherwise prohibited.

The principal entrance to the premises shall be from a street.

No entrance to the premises shall be from premises that are used wholly or mainly by children, by young persons, or by both.

No customer shall be able to enter the premises directly from any other premises in respect of which a premises licence or the following permits has effect:

- * unlicensed family entertainment centre gaming machine permit
- * club gaming or club machine permit
- * alcohol licensed premises gaming machine permit

A gap of at least 2 metres shall be maintained between any ordinary gaming table and any other equipment, apparatus or structure used by a person to gamble on the premises.

No more than 40 separate player positions may be made available for use in relation to wholly automated gaming tables at any time.

The rules of each type of casino game that is available to be played on the premises shall be displayed in a prominent place within both the table gaming area and other gambling areas of the premises to which customers wishing to use facilities for gambling have unrestricted access. This may be satisfied by displaying a clear and legible sign setting out the rules or making leaflets or other written material containing the rules, available to customers.

Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease

gambling at any gaming table, gaming machine or betting machine in order to do so.

A notice shall be displayed in a prominent place at every entrance to the premises stating that no person under the age of 18 years is permitted to enter the premises.

This paragraph shall apply to premises which have a gambling area the floor area of which is no less than 200m sq.

In determining the floor area of the gambling area, all areas in which facilities for gambling are provided on the premises shall be taken into account.

The premises shall contain a non-gambling area, the floor area of which is no less than 10% of the floor area of the gambling area.

The non-gambling area may consist of one or more areas within the premises.

Lobby areas and toilet facilities may be taken into account in calculating the non-gambling area, but the non-gambling area shall not consist exclusively of lobby areas and toilet facilities.

Facilities for gambling shall not be provided in the non-gambling area.

At any time during which facilities for gambling are being provided on the premises, each separate area comprising the non-gambling area, other than the lobby areas and toilet facilities referred to above shall contain recreational facilities that are available for use by customers on the premises.

Default Conditions

Conditions attached following a hearing by the Licensing Authority

ANNEX B – CONDITIONS TO BE EXCLUDED

Condition to be excluded and reasons for excluding conditions

ANNEX C – REPRESENTATIONS

Representation and Licensing Authority's Response

This page is intentionally left blank

SUMMARY OF THE TERMS AND CONDITIONS OF A PREMISES LICENCE

This summary is issued under Section 164 of the Gambling Act 2005 by

Middlesbrough Borough Council

This summary is issued to:

Double Diamond Gaming Limited

of the following address:

1 Portland Road

Birmingham

B16 9HN

A premises licence of the following type:

Converted Casino Premises Licence

has been issued in respect of the following premises:

Gala Club (Casino)

Aintree Oval

Teesside Leisure Park

Stockton-On-Tees TS17 7BU

Summary of the Terms and Conditions of the Premises Licence

1. The premises licence will run in perpetuity unless:

- the Secretary of State prescribes a period after which the licence will expire under Section 191 of the Gambling Act 2005;
- the licence holder surrenders the licence under Section 192 of the Gambling Act 2005
- the licence lapses under Section 194 of the Gambling Act 2005;
- the licence is revoked under Section 193 or 202(1) of the Gambling Act 2005.

2. The premises licence applies only in relation to the premises specified in Part 2 of the licence and may not be varied so that it applies to any other premises (except in the case of a converted casino premises licence).

3. The premises licence authorises the premises to be used for casino games, other types of gaming (excluding bingo), betting on the outcome of a virtual game, race, competition or other event or making available up to 20 gaming machines each of which is of Category B, C or D.

4. The premises licence is subject to:

- any conditions specified on the face of the licence as being attached under Section 169(1)(a) of the Gambling Act 2005;
- any other conditions attached to the licence by virtue of regulations made under Sections 167 and 168 of the Gambling Act 2005 (other than any conditions under Section 168 which have been excluded by the licensing authority); and
- any conditions attached to the licence by virtue of specific provisions of the Gambling Act 2005.

5. In particular, it is a condition of the premises licence under Section 185 of the Gambling Act 2005 that the holder keeps the licence on the premises and arranges for it to be made available on request to a constable, enforcement officer or local authority officer. The holder of the licence commits an offence if he fails to comply with this condition.

Application to vary a premises licence under the Gambling Act 2005

PLEASE READ THE FOLLOWING INSTRUCTIONS FIRST

If you are completing this form by hand, please write legibly in block capitals using ink. Use additional sheets if necessary (marked with the number of the relevant question). You may wish to keep a copy of the completed form for your records.

Part 1 – Applicant Details

If you are an individual, please fill in Section A. If the application is being made on behalf of an organisation (such as a company or partnership), please fill in Section B.

Section A

Individual applicant

1. Title: Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Dr ☐ Other (please specify)

2. Surname: Other name(s):

[Use the names given in the applicant's operating licence or, if the applicant does not hold an operating licence, as given in any application for an operating licence]

3. Applicant's address (home or business – *[delete as appropriate]*):

Postcode:

4(a) The number of the applicant's operating licence (as set out in the operating licence):

4(b) If the applicant does not hold an operating licence but is in the process of applying for one, give the date on which the application was made:

5. Tick the box if the application is being made by more than one person. ☐

[Where there are further applicants, the information required in questions 1 to 4 should be included on additional sheets attached to this form, and those sheets should be clearly marked "Details of further applicants".]

Section B

Application on behalf of an organisation

6. Name of applicant business or organisation: **LUXURY LEISURE**

[Use the names given in the applicant's operating licence or, if the applicant does not hold an operating licence, as given in any application for an operating licence.]

7. The applicant's registered or principal address:

**FIFTH AVENUE PLAZA
QUEENSWAY
TEAM VALLEY TRADING ESTATE
GATESHEAD
TYNE AND WEAR**

Postcode: **NE11 0BL**

8(a) The number of the applicant's operating licence (as given in the operating licence):

000-001876-A-303471-010

8(b) If the applicant does not hold an operating licence but is in the process of applying for one, give the date on which the application was made:

9. Tick the box if the application is being made by more than one organisation. ☐

[Where there are further applicants, the information required in questions 6 to 8 should be included on additional sheets attached to this form, and those sheets should be clearly marked "Details of further applicants".]

Part 2 – Premises Details

10. Trading name used at licensed premises: **ADMIRAL**

11. Give the address of the premises or, if none, give a description of the premises and its location. Where the premises are a vessel, give the place indicated in the premises licence as the place in the licensing authority's area where the vessel is wholly or partly situated. Where possible this should include an address with a postcode:

**22 NEWPORT ROAD
MIDDLESBROUGH**

Postcode: **TS1 5AE**

12. Telephone number at premises (if known):

13. Type of premises licence to be varied:

Regional Casino ☐

Large Casino ☐

Small Casino ☐

Converted Casino ☐

Bingo ☐

Adult Gaming Centre ☒

Betting (track) ☐

Betting (other) ☐

Family Entertainment Centre ☐

14. Premises licence number (if known): **MBRO/GPR057/076579**

15. If you are making this application alongside an application for transfer or reinstatement of the premises licence into your name, please give the name of the current licence holder as it appears on the premises licence (if known):

Surname:

Other name(s):

Part 3 – Details of variations applied for

16(a) Please give details of any variation which is being applied for. Where the application includes an application to exclude or vary a condition of the premises licence, identify the relevant condition here (unless it relates to hours of operation which are dealt with in questions 16(b) and 16(c)):

TO VARY THE AGC GAMBLING PREMISES LICENCE FOR 22 NEWPORT ROAD, MIDDLESBROUGH TS1 5AE TO REMOVE PART OF THE GROUND FLOOR AREA FROM THE EXISTING LICENSED PREMISES AND SEPARATED FROM THE REMAINING LICENSED AREA, AS MORE PARTICULARLY SHOWN ON THE PLANS ATTACHED TO THIS APPLICATION AND AS ALSO DELINEATED ON PLAN 931-955-105_037 SUBMITTED WITH THE LINKED CASINO VARIATION APPLICATION TOGETHER WITH THE CREATION OF A NEW PRINCIPAL ENTRANCE ON NEWPORT ROAD PURSUANT TO SECTION 187 OF THE GAMBLING ACT.

16(b) Do you want the licensing authority to exclude or vary a condition of the licence so that the premises may be used for longer periods than would otherwise be the case?

NO

16(c) If the answer to question 16(b) is yes, please complete the table below to indicate the times when you want the premises to be available for use under the premises licence.

	<i>Start</i>	<i>Finish</i>	<i>Details of any seasonal variation</i>
Mon	<i>hh:mm</i>	<i>hh:mm</i>	
Tue			
Wed			
Thurs			
Fri			
Sat			
Sun			

17. Please indicate any particular date on which you want the variation to take effect if approved:

UPON THE GRANT OF THE APPLICATION

18. Please set out any other matters which you consider to be relevant to your application:

THE APPLICATION IS MADE ALONGSIDE A SEPARATE APPLICATION TO VARY THE CONVERTED CASINO PREMISES LICENCE RELATING TO RAINBOW CASINO AINTREE OVAL, TEESSIDE LEISURE PARK, MIDDLESBROUGH TS17 7BU BY DOUBLE DIAMOND GAMING LIMITED (REF MBRO/GPR025/082670), WHICH HOLDS AN OPERATING LICENCE, IN ORDER TO RE-LOCATE THE SAID LICENCE TO THE AREA REMOVED BY THIS APPLICATION WITH A NEW SEPARATE PRINCIPAL ENTRANCE. A CONDITION IS BEING OFFERED AS PART OF THAT APPLICATION THAT THE CASINO PREMISES WILL NOT TRADE TO THE PUBLIC AS A CASINO WHILST SOLELY LOCATED IN THE AREA SHOWN ON THE PLAN REFERENCE 931-955-105_037 WITHIN THE GROUND FLOOR OF 22 NEWPORT ROAD, MIDDLESBROUGH TS1 5AE

Part 4 – Declarations and Checklist (Please tick as appropriate)

I/ We confirm that, to the best of my/ our knowledge, the information contained in this application is true. I/ We understand that it is an offence under section 342 of the Gambling Act 2005 to give information which is false or misleading in, or in relation to, this application. ☒

I/ We confirm that the applicant(s) have the right to occupy the premises. ☒

Checklist:

- Payment of the appropriate fee has been made/is enclosed ☒
- A plan of the premises is enclosed ☒
- The existing premises licence is enclosed ☒
- The existing premises licence is not enclosed, but the application is accompanied by –
 - A statement explaining why it is not reasonably practicable to produce the licence and, ☐
 - An application under the Section 190 of the Gambling Act 2005 for the issue of a copy of the licence ☐
- I/we understand that if the above requirements are not complied with the application may be rejected ☒
- I/ we understand that it is now necessary to advertise the application and give the appropriate notice to the responsible authorities ☒

Part 5 – Signatures

19. Signature of applicant or applicant's solicitor or other duly authorised agent. If signing on behalf of the applicant, please state in what capacity:

Signature:

Ince Solicitors

Print Name: **INCE GORDON DADDS LLP**

Date: **1st April 2022** Capacity: **SOLICITORS FOR THE APPLICANT**

20. For joint applications, signature of 2nd applicant, or 2nd applicant's solicitor or other authorised agent. If signing on behalf of the applicant, please state in what capacity:

Signature:

Print Name: _____

Date: (dd/mm/yyyy) Capacity: _____

[Where there are more than two applicants, please use an additional sheet clearly marked "Signature(s) of further applicant(s)". The sheet should include all the information requested in paragraphs 19 and 20.]

[Where the application is to be submitted in an electronic form, the signature should be generated electronically and should be a copy of the person's written signature.]

Part 6 – Contact Details

21(a) Please give the name of a person who can be contacted about the application:

PHILIP SOMARAKIS AND ANDREW COTTON, INCE GORDON DADDS LLP

21(b) Please give one or more telephone numbers at which the person identified in question 21(a) can be contacted:

0207 759 1364 OR 0207 759 1623

22. Postal address for correspondence associated with this application:

ANY CORRESPONDENCE THAT IS REQUIRED TO BE SENT BY POST CAN BE SENT TO THE FOLLOWING ADDRESS:

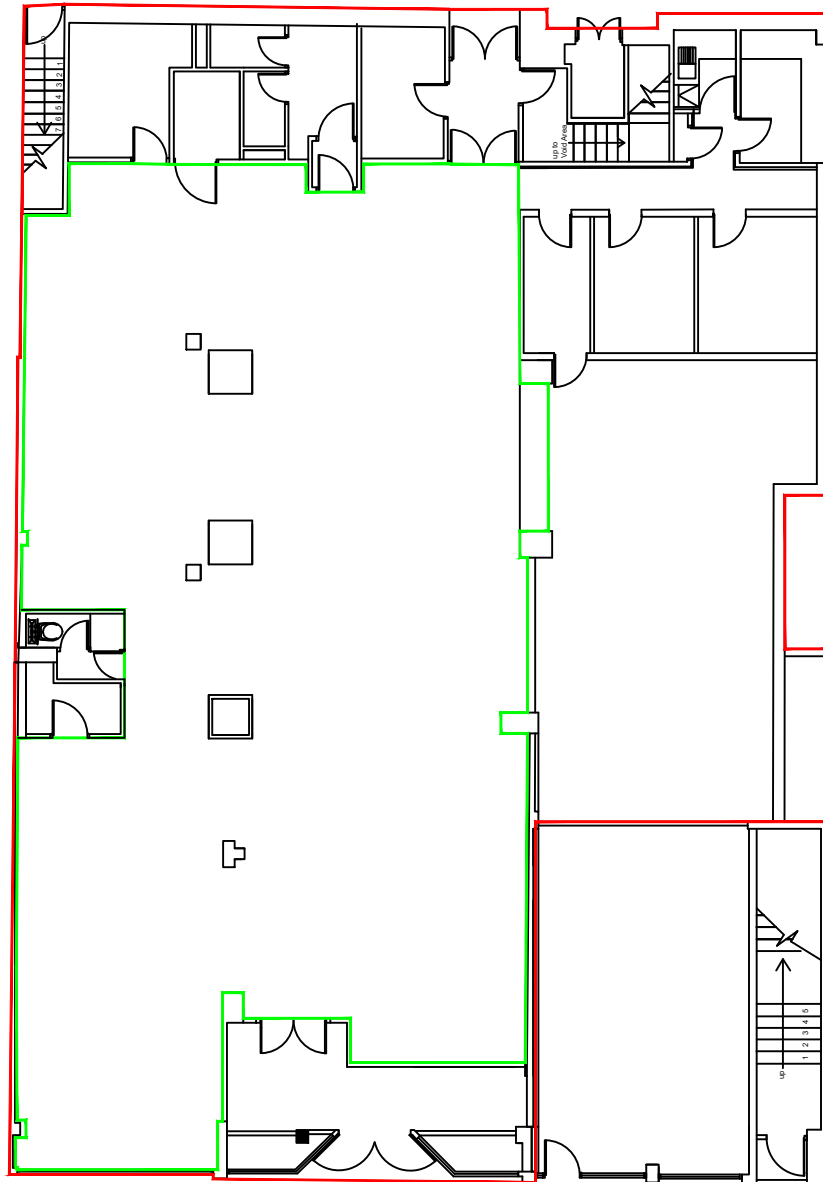
**INCE
ALDGATE TOWER
2 LEMAN STREET
LONDON**

Postcode: **E1 8QN**

23. If you are happy for correspondence in relation to your application to be sent via e-mail, please give the e-mail address to which you would like correspondence to be sent:

philipsomarakis@incegd.com
and andrewcotton@incegd.com

PARK STREET

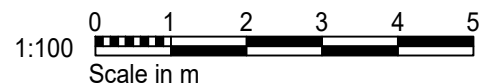


NEWPORT ROAD

Red line denotes premises boundary

Green line denotes gaming machine area

Layout of premises within gaming machine areas and layout of ancillary non-gambling areas are indicative only and subject to change according to operational requirements



RECORD

DWG NO: **931-955-105_038**

CLIENT: **Luxury Leisure**

PROJECT: **22 Newport Road
MIDDLESBROUGH
Teesside
TS1 5AE**

TITLE: **AGC LICENSING PLAN
GAMBLING ACT 2005**

Revision: -- CHECKED: --

SCALE: **1:200@A4** DATE: **10/3/22**

NOVOMATIC

Luxury Leisure Talarus & Bal Ltd.
Fifth Avenue Plaza, Queensway
Team Valley Trading Estate
Gateshead, NE11 0BL

+44 (0)191 497 8200 / WWW.ADMIRALSLOTS.CO.UK / WWW.NOVOMATICUK.COM

Page 33

This page is intentionally left blank

Application to vary a premises licence under the Gambling Act 2005

PLEASE READ THE FOLLOWING INSTRUCTIONS FIRST

If you are completing this form by hand, please write legibly in block capitals using ink. Use additional sheets if necessary (marked with the number of the relevant question). You may wish to keep a copy of the completed form for your records.

Part 1 – Applicant Details

If you are an individual, please fill in Section A. If the application is being made on behalf of an organisation (such as a company or partnership), please fill in Section B.

Section A

Individual applicant

1. Title: Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Dr ☐ Other (please specify)

2. Surname: Other name(s):

[Use the names given in the applicant's operating licence or, if the applicant does not hold an operating licence, as given in any application for an operating licence]

3. Applicant's address (home or business – *[delete as appropriate]*):

Postcode:

4(a) The number of the applicant's operating licence (as set out in the operating licence):

4(b) If the applicant does not hold an operating licence but is in the process of applying for one, give the date on which the application was made:

5. Tick the box if the application is being made by more than one person. ☐

[Where there are further applicants, the information required in questions 1 to 4 should be included on additional sheets attached to this form, and those sheets should be clearly marked "Details of further applicants".]

Section B

Application on behalf of an organisation

6. Name of applicant business or organisation: **DOUBLE DIAMOND GAMING LIMITED**

[Use the names given in the applicant's operating licence or, if the applicant does not hold an operating licence, as given in any application for an operating licence.]

7. The applicant's registered or principal address:

**10TH FLOOR COBALT SQUARE
83 HAGLEY ROAD
BIRMINGHAM**

Postcode: **B16 8QG**

8(a) The number of the applicant's operating licence (as given in the operating licence):

000-023761-A-305961-007

8(b) If the applicant does not hold an operating licence but is in the process of applying for one, give the date on which the application was made:

9. Tick the box if the application is being made by more than one organisation. ☐

[Where there are further applicants, the information required in questions 6 to 8 should be included on additional sheets attached to this form, and those sheets should be clearly marked "Details of further applicants".]

Part 2 – Premises Details

10. Trading name used at licensed premises: **RAINBOW CASINO**

11. Give the address of the premises or, if none, give a description of the premises and its location. Where the premises are a vessel, give the place indicated in the premises licence as the place in the licensing authority's area where the vessel is wholly or partly situated. Where possible this should include an address with a postcode:

**AINTREE OVAL
TEESIDE PARK
MIDDLESBROUGH**

Postcode: **TS17 7BU**

12. Telephone number at premises (if known):

13. Type of premises licence to be varied:

Regional Casino ☐

Large Casino ☐

Small Casino ☐

Converted Casino ☒

Bingo ☐

Adult Gaming Centre ☐

Betting (track) ☐

Betting (other) ☐

Family Entertainment Centre ☐

14. Premises licence number (if known): **MBRO/GPR025/082670**

15. If you are making this application alongside an application for transfer or reinstatement of the premises licence into your name, please give the name of the current licence holder as it appears on the premises licence (if known):

Surname:

Other name(s):

Part 3 – Details of variations applied for

16(a) Please give details of any variation which is being applied for. Where the application includes an application to exclude or vary a condition of the premises licence, identify the relevant condition here (unless it relates to hours of operation which are dealt with in questions 16(b) and 16(c)):

TO VARY THE CONVERTED CASINO PREMISES LICENCE FOR THE FORMER RAINBOW CASINO, TEESIDE PARK, MIDDLESBROUGH TS17 7BU SO AS TO RE-LOCATE IT SO IT RELATES TO A SEGREGATED AREA WITHIN PART OF THE GROUND FLOOR OF 22 NEWPORT ROAD, MIDDLESBROUGH TS1 5AE AS MORE PARTICULARLY SHOWN ON THE PLANS ATTACHED TO THIS APPLICATION, PURSUANT TO SECTION 187 OF THE GAMBLING ACT 2005 AS MODIFIED BY PARAGRAPH 65(12) OF PART 7 OF SCHEDULE 4 TO THE GAMBLING ACT 2005 (COMMENCEMENT NO 6 AND TRANSITIONAL PROVISIONS) ORDER 2006.

TO VARY THE LICENCE TO CONFIRM THE REMOVAL OF THE DEFAULT CONDITION TO PERMIT THE OPERATION OF THE PREMISES ON A 24 HOUR BASIS

16(b) Do you want the licensing authority to exclude or vary a condition of the licence so that the premises may be used for longer periods than would otherwise be the case?

YES [DELETE AS APPROPRIATE]

16(c) If the answer to question 16(b) is yes, please complete the table below to indicate the times when you want the premises to be available for use under the premises licence.

	<i>Start</i>	<i>Finish</i>	<i>Details of any seasonal variation</i>
Mon	00:00 <i>hh:mm</i>	00:00 <i>hh:mm</i>	
Tue	00:00	00:00	
Wed	00:00	00:00	
Thurs	00:00	00:00	
Fri	00:00	00:00	
Sat	00:00	00:00	
Sun	00:00	00:00	

17. Please indicate any particular date on which you want the variation to take effect if approved:

UPON THE GRANT OF THE APPLICATION

18. Please set out any other matters which you consider to be relevant to your application:

THE APPLICATION IS MADE ALONGSIDE A SEPARATE APPLICATION TO VARY THE AGC GAMBLING PREMISES LICENCE RELATING TO 22 NEWPORT ROAD, MIDDLESBROUGH TS1 5AE HELD BY LUXURY LEISURE (RE MBRO/GPR057/076579), WHICH HOLDS AN OPERATING LICENCE, IN ORDER TO REMOVE PART OF THE GROUND FLOOR OF THE PREMISES FROM THE DEMISE OF THE LICENSED AGC. A CONDITION IS BEING OFFERED THAT THE CASINO PREMISES WILL NOT TRADE TO THE PUBLIC AS A CASINO WHILST LOCATED SOLELY IN THE AREA SHOWN ON THE PLAN REFERENCE 931-955-105_037 WITHIN THE GROUND FLOOR OF 22 NEWPORT ROAD.

Part 4 – Declarations and Checklist (Please tick as appropriate)

I/ We confirm that, to the best of my/ our knowledge, the information contained in this application is true. I/ We understand that it is an offence under section 342 of the Gambling Act 2005 to give information which is false or misleading in, or in relation to, this application.



I/ We confirm that the applicant(s) have the right to occupy the premises.



Checklist:

- Payment of the appropriate fee has been made/is enclosed ☒
- A plan of the premises is enclosed ☒
- The existing premises licence is enclosed ☒
- The existing premises licence is not enclosed, but the application is accompanied by –
 - A statement explaining why it is not reasonably practicable to produce the licence and, ☐
 - An application under the Section 190 of the Gambling Act 2005 for the issue of a copy of the licence ☐
- I/we understand that if the above requirements are not complied with the application may be rejected ☒
- I/ we understand that it is now necessary to advertise the application and give the appropriate notice to the responsible authorities ☒

Part 5 – Signatures

19. Signature of applicant or applicant's solicitor or other duly authorised agent. If signing on behalf of the applicant, please state in what capacity:

Signature:

Print Name: **INCE GORDON DADDS LLP**

Date: **1st April 2022**

Capacity: **AGENTS FOR THE APPLICANT**

20. For joint applications, signature of 2nd applicant, or 2nd applicant's solicitor or other authorised agent. If signing on behalf of the applicant, please state in what capacity:

Signature:

Print Name: _____

Date: _____ (dd/mm/yyyy)

Capacity: _____

[Where there are more than two applicants, please use an additional sheet clearly marked "Signature(s) of further applicant(s)". The sheet should include all the information requested in paragraphs 19 and 20.]

[Where the application is to be submitted in an electronic form, the signature should be generated electronically and should be a copy of the person's written signature.]

Part 6 – Contact Details

21(a) Please give the name of a person who can be contacted about the application:

PHILIP SOMARAKIS AND ANDREW COTTON, INCE GORDON DADDS LLP

21(b) Please give one or more telephone numbers at which the person identified in question 21(a) can be contacted:

0207 759 1364 OR 0207 759 1623

22. Postal address for correspondence associated with this application:

ANY CORRESPONDENCE THAT IS REQUIRED TO BE SENT BY POST CAN BE SENT TO THE FOLLOWING ADDRESS:

**INCE
ALDGATE TOWER
2 LEMAN STREET
LONDON**

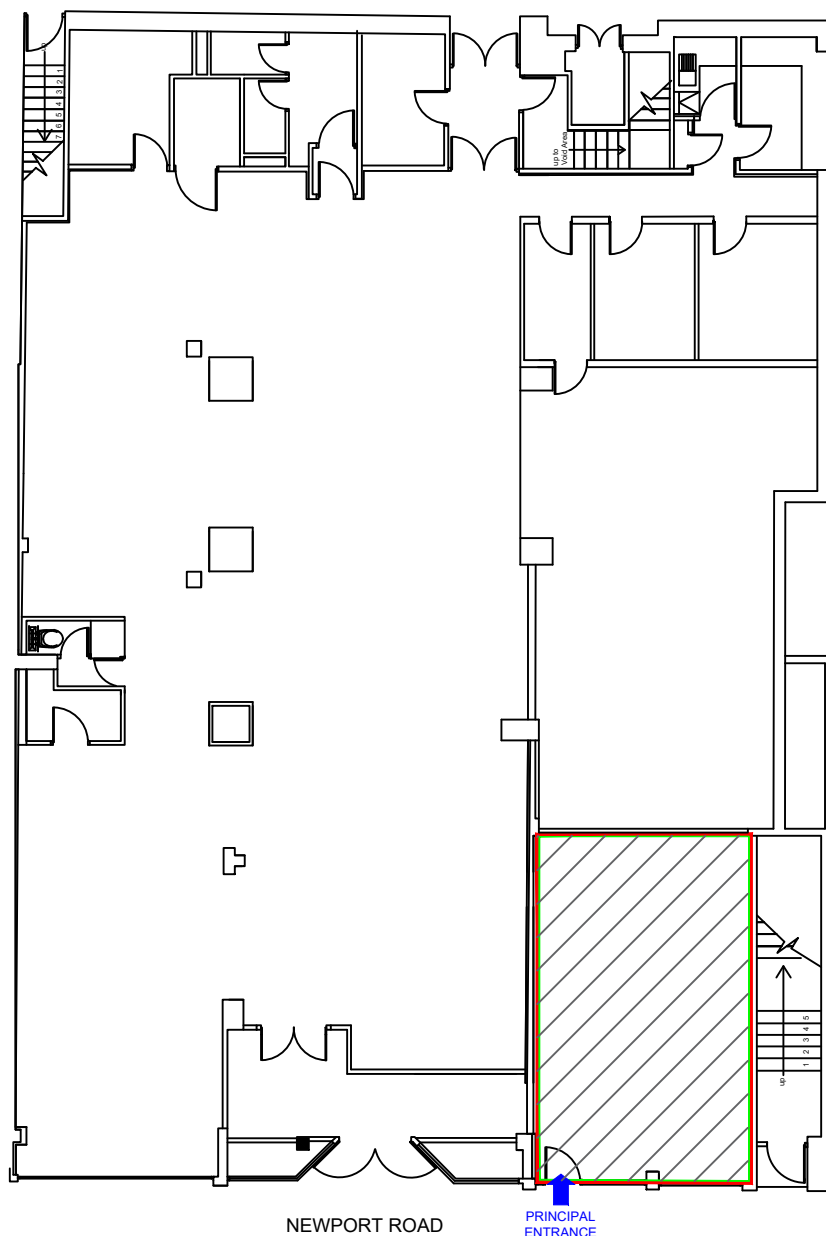
Postcode: **E1 8QN**

23. If you are happy for correspondence in relation to your application to be sent via e-mail, please give the e-mail address to which you would like correspondence to be sent:

philipsomarakis@incegd.com
and andrewcotton@incegd.com

This page is intentionally left blank

PARK STREET



NEWPORT ROAD

PRINCIPAL
ENTRANCE

Red line denotes premises boundary

Green line denotes the area to be
used to provide facilities for gambling



Area = 50.8m²

1:100 0 1 2 3 4 5
Scale in m

RECORD

DWG NO: 931-955-105_037

CLIENT: Double Diamond

PROJECT: 22 Newport Road
Middlesbrough
Teesside
TS1 5AE

TITLE: Gambling Licence Plan for
Double Diamond relocation
application

Revision: -- CHECKED: --

SCALE: 1:200@A4 DATE: 10/3/22

Page 41

This page is intentionally left blank

Licensing Section
Public Protection Service
Middlesbrough Council

28 April 2022

Representation in respect of application to vary the Adult Gaming Centre at 22 Newport Road, Middlesbrough.

The Licensing Authority as responsible authority under Section 157 (a) is making a representation under Section 161 of the Act in relation to the application to vary the Adult Gaming Centre premises licence to reduce the layout of the premises at 22 Newport Road, Middlesbrough to allow the siting of a converted Casino Premises licence alongside.

It is noted, under Section 153 of Act in carrying out its functions, the Licensing Authority shall aim to permit gambling in so far as it thinks it:

- a. in accordance with any relevant code of practice under s.24
- b. in accordance with any relevant guidance issued by the Commission under s.25
- c. reasonably consistent with the licensing objectives (subject to a and b above)
- d. in accordance with the licensing authority's statement of licensing policy (policy statement) (subject to a to c above)

It is noted the Gambling Commission Guidance at paragraphs 1.27 confirms "aims to permit" regime provides wide scope for licensing authorities to impose conditions on a premises licence, reject, review or revoke premises licences where there is an inherent conflict with the relevant codes of practice, relevant guidance, the licensing objectives or the Licensing Authority's Policy Statement.

It is noted in paragraphs 1.37 and 4.10 of the guidance that a Licensing Authority has no discretion to grant a licence where that would mean taking a course which it did not think accorded to the Guidance, any relevant codes of practice, the licensing objectives or the Licensing Authority's Statement.

It is noted the licensing objectives under the act 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 way
- protecting children and other vulnerable persons from being harmed or exploited by gambling

The Licensing Authority as Responsible Authority is making representations against the Application on the following grounds.

RISK ASSESSMENT (LCCP Code 10)

The Applicants do not appear to have carried out a local risk assessment which is a condition and a requirement under Social Responsibility Code 10.1.1.

The Council has not received the Applicant's assessment of the local risks to the licensing objectives posed by the variation of an Adult Gaming Centre to enable an adjacent or adjoining casino or the policies procedures and control measures to mitigate those risks which is a breach of the Ordinary Code 10.1.2

PREMISES (S152) AND ACCESS TO PREMISES FROM AGC

No information has been provided to ensure that the operation will be a wholly separate premises to the proposed converted casino licence in accordance with section 152 and also no information has been provided that there will be no access from the AGC to the Casino and vice versa.

OBJECTIVES

The premises is situated in Central Ward in the town centre area, near to numerous licensed premises selling alcohol. The area already suffers from high levels of crime and disorder and deprivation. So much so that for a number of years this area has been included in a cumulative impact area for premises licensed under the Licensing Act 2003. Although the application is to reduce the size of the current AGC it is understood that variation is to enable a converted casino to be located in part of the premises removed then later expanded and transferred to Luxury Leisure, the holders of the AGC. No detail of the proposals or impact of the proposals have been received and such an operation in that area is likely to lead to harm to the objectives.

Yours faithfully

Tim Hodgkinson
Licensing Manager

Licensing Section
Public Protection Service
Middlesbrough Council

28 April 2022

Representation in respect of application to vary the converted Casino Premises Licence to relocate from it's location at Teesside Park to premises at 22 Newport Road, Middlesbrough.

The Licensing Authority as responsible authority under Section 157 (a) of the Gambling Act 2005 is making a representation under Section 161 of the Act in relation to the application to vary the converted casino premises licence by Double Diamond Gaming Limited at Aintree Oval Teesside Park Middlesbrough to premises at 22 Newport Road Middlesbrough.

It is noted, under Section 153 of Act in carrying out its functions, the Licensing Authority shall aim to permit gambling in so far as it thinks it:

- a. in accordance with any relevant code of practice under s.24
- b. in accordance with any relevant guidance issued by the Commission under s.25
- c. reasonably consistent with the licensing objectives (subject to a and b above)
- d. in accordance with the licensing authority's statement of licensing policy (policy statement) (subject to a to c above)

It is noted the Gambling Commission Guidance at paragraphs 1.27 confirms "aims to permit" regime provides wide scope for licensing authorities to impose conditions on a premises licence, reject, review or revoke premises licences where there is an inherent conflict with the relevant codes of practice, relevant guidance, the licensing objectives or the Licensing Authority's Policy Statement.

It is noted in paragraphs 1.37 and 4.10 of the guidance that a Licensing Authority has no discretion to grant a licence where that would mean taking a course which it did not think accorded to the Guidance, any relevant codes of practice, the licensing objectives or the Licensing Authority's Statement.

It is noted the licensing objectives under the act 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 way
- protecting children and other vulnerable persons from being harmed or exploited by gambling

The Licensing Authority as Responsible Authority is making representations against the Application on the following grounds.

The Licensing Authority does not consider that the application is simply a technical matter of “parking” a licence with a condition not to operate until a later date when further applications to vary to extend the area and then transfer to operators who hold the licence for the Adult Gaming Centre are made.

The licensing authority considers this is an application to bring a casino to premises in Newport Road in the Town Centre, within, next to or adjoining an adult gaming centre and to ultimately operate for 24 hours by applying to remove the default condition.

There has been no consideration of siting a casino with its machine entitlement next to an Adult Gaming Centre which carries its own gaming machine entitlement in the area proposed.

The Licensing Authority considers there is no separate process for applications to vary converted casino licences with a condition not to operate or “parked” licences and nothing that disappplies the requirement for Applicants to comply with the provisions of the Act, regulations, guidance, LCCP, objectives and Policy.

The Licensing Authority considers that in accordance with guidance premises licences should not be granted if Applications do not accord with the Guidance, Licensing Conditions and Codes of Practice (LCCP), Objectives or Policy.

RISK ASSESSMENT (LCCP Code 10)

The Applicants do not appear to have carried out a local risk assessment which is a condition and a requirement under Social Responsibility Code 10.1.1.

The Council has not received the Applicant’s assessment of the local risks to the licensing objectives posed by the provision of a casino or the policies procedures and control measures to mitigate those risks which is a breach of the Ordinary Code 10.1.2

RIGHT TO OCCUPY PREMISES (S159(5))

An application to vary can only be made by a person who has a right to occupy the premises to which the application relates. The application is the variation of a converted casino premises licence at Teesside Park. It appears the Applicants no longer have the right to occupy that premises and therefore are unable to apply for the variation under Section 159(5) of the Act.

PREMISES (S152) AND ACCESS TO PREMISES FROM AGC

No information has been provided to ensure that the operation will be a wholly separate premises to the Adult Gaming Centre in accordance with section 152 and also no information has been provided that there will be no access from the AGC to the Casino and vice versa.

SOCIAL RESPONSIBILITY CODE 3

It is unclear how the entrance will be supervised in accordance with the requirement of the Social responsible code 3.2.1 and the ordinary code 3.2.2

GAMING MACHINES

It does not appear the proposals will comply with Social Responsibility Code 9 or the Guidance at part 17 with regard to the provision of substantive facilities for casino games and/or games of equal chance and supervision of those facilities and how the premises will be such that a customer can recognise as a casino.

The Licensing Authority is concerned that the casino is to be used as a vehicle of offer higher stake and prize gaming machines, in addition to it being positioned adjoining an Adult Gaming Centre which also could have 20% of the overall machines being higher stake and prize gaming machines.

OBJECTIVES

The premises is situated in Central Ward in the town centre area, near to numerous licensed premises selling alcohol. The area already suffers from high levels of crime and disorder and deprivation. So much so that for a number of years this area has been included in a cumulative impact area for premises licensed under the Licensing Act 2003. It is not clear what the proposals are, however, a converted casino with its machine entitlement in that position is likely to lead to harm to the objectives.

Yours faithfully

Tim Hodgkinson
Licensing Manager

This page is intentionally left blank

Tim Hodgkinson
Middlesbrough Council
Licensing Team

Sent by email

28/04/22

Dear Sir

Re Representation against the application to vary converted casino premises licence by Double Diamond Gaming Limited at Aintree Oval Teesside Park Middlesbrough to premises at 22 Newport Road Middlesbrough.

The Director of Public Health (through the Public Protection Service) is making a representation in relation to the application to vary the converted casino premises licence by Double Diamond Gaming Limited at Aintree Oval Teesside Park Middlesbrough to premises at 22 Newport Road Middlesbrough.

The Director of Public Health holds the statutory functions in relation to minimising or preventing risk of harm to human health, in accordance with section 157(g).

We do not consider the above application to vary the converted casino licence to another premises at 22 Newport Road to be a technical matter of “parking” the licence with a condition not to operate until a later date when further applications will be made to vary to extend the area and then transfer to operators who hold the licence for the Adult Gaming Centre. We consider this application is to bring a casino to a premises on Newport Road which is a location in the town centre, within, next to or adjoining an adult gaming centre. In addition, this premises may operate for 24 hours by applying to remove the default condition.

This application does not consider the impact of locating a casino with its machine entitlement alongside a large Adult Gaming Centre, with its own gaming machine entitlement. It is our opinion that this proposed application, regardless of this stage being stated as a paper exercise, will result in relocating a casino to 22 Newport Road to a town centre location, which is also the centre of the night economy. The premise at 22 Newport Road is sited in a prominent position for both daytime and night time activity. No risk assessment or detailed information about how the casino will be delivered has been provided in order for the impact to be fully considered. In addition, we also understand that a further application will be made for the sale of alcohol and we consider that the proposed application would increase access to gambling for individuals under the influence of alcohol.

We recognise the extensive harms that problem gambling encompasses:

- Potential co-morbidities eg. anxiety & depression, substance misuse
- Medical consequences eg. insomnia, CVD, stomach problems
- Social consequences eg. relationships, neglect, bankruptcy
- Burden on public purse eg. health, welfare, housing, criminal justice

It has also been found that:


- For male gamblers, alcohol consumption is heavier in those classified as problem or at risk gamblers than those classified as non-problem or non-at-risk gamblers.
- Problem gamblers are more likely to be smokers and they are also more likely to be heavy smokers
- For self-reported anxiety and/or depression; 47% of problem gamblers said they are moderately or severely anxious or depressed versus 20% of non-problem or non-gamblers.
- For diagnosed disorders, 11% of problem gamblers have a diagnosed mental health disorder versus 5% of non-problem or non-gamblers.

The ward where the casino is to be located is one of the most deprived wards in Middlesbrough and also nationally. Central ward also has the highest reported crime and antisocial behaviour in the town. The location of the casino at 22 Newport Road is in an area where there is a high density of licensed premises and is subject to a Cumulative Impact Policy under the Licensing Act (currently under review.)

Considering the cumulative and correlative risks associated with problem gambling, together with the increased vulnerabilities for alcohol and gambling related harm in the Middlesbrough population related to the local demographic, high levels of deprivation and co-morbidities, and the absence of a risk assessment or detailed information about how the casino will be delivered, the Director of Public Health objects to this application.

Further additional evidence will be submitted in due course to support this representation.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'JA Hedgley', with a horizontal line underneath.

Judith Hedgley
Head of Public Protection
(on behalf of the Director of Public Health)

THE GAMBLING ACT 2005 (PROCEEDINGS OF LICENSING COMMITTEES AND SUB COMMITTEES) (PEMISES LICENCES AND PROVISIONAL STATEMENTS) REGULATIONS 2007 ("the Regulations")

NOTICE OF LICENSING SUB COMMITTEE HEARING UNDER REGULATIONS 5 AND 6

1. APPLICATION TO VARY A CONVERTED CASINO PREMISES LICENCE IN RELATION TO PREMISES AT 22 NEWPORT ROAD MIDDLESBROUGH

2. APPLICATION TO VARY AN ADULT GAMING CENTRE PREMISES LICENCE IN RELATION TO PREMISES AT 22 NEWPORT ROAD MIDDLESBROUGH

To the Parties

Applicant (1) Double Diamond Gaming Ltd
10th Floor, Cobalt Square
85 Hagley Road
Birmingham B16 8CQ
Philip Somarakis PhilipSomarakis@incedg.com
Andrew Cotton AndrewCotton@incedg.com

Applicant (2) Luxury Leisure
Fifth Avenue Plaza
Queensway
Team Valley Trading Estate
Tyne and Wear NE11 0BL
Philip Somarakis PhilipSomarakis@incedg.com
Andrew Cotton AndrewCotton@incedg.com

Responsible Authority The Director of Public Health through Public Protection Services (being the body which has functions in respect of minimising or preventing the risk of harm to human health in an area in which the premises are wholly or partly situated)
Judith Hedgley
Judith_hedgley@middlesbrough.gov.uk

Responsible Authority The Licensing Authority
Tim Hodgkinson
Email tim_hodgkinson@middlesbrough.gov.uk

Date of Notice 23 June 2023

Date and Time of Hearing 12 July 2023 at 10.00am

Place of Hearing	Mandela Room, Town Hall, Middlesbrough
Application	<p>Application to Vary a Converted Casino Premises Licence currently situated at Aintree Oval, Teesside Park, Middlesbrough TS17 7BU</p> <p>Application to Vary an Adult Gaming Centre Premises Licence at 22 Newport Road Middlesbrough TS1 5AE</p>
Proposed Premises	22 Newport Road Middlesbrough TS1 5AE.

The Licensing Sub Committee will make available the following documents if requested by any person who has made representations in accordance with Regulation 5 (2) (b) of the Regulations

1. Representation by the Licensing Authority in respect of the application to vary the Converted Casino Licence dated 28 April 2022
2. Representation by the Director of Public Health in respect of the application to vary the converted casino licence dated 28 April 2022
3. Representation by the Licensing Authority in respect of the application to vary the Adult Gaming Centre dated 28 April 2022

INFORMATION TO ACCOMPANY THIS NOTICE UNDER REGULATION 6 OF THE REGULATIONS

1. Regulation 6(1) (a) - Attendance

Failure of Parties to attend a hearing

(1) The Sub Committee may proceed with a hearing in the absence of a party or a party's representative if the party has—

(a) informed the committee that he does not intend to attend or be represented at the hearing (and has not subsequently advised the committee otherwise);

(b) failed to inform the committee whether he intends to attend or be represented at the hearing; or

(c) left the hearing in circumstances enabling the committee reasonably to conclude that he does not intend to participate further.

Regulation 10(1) of the Regulations

2. Regulation 6(1) (b) – Conduct of Hearings

Hearings to be public

(1) Subject to paragraph (2), the hearing must take place in public.

(2) The Sub committee may direct that all or part of a hearing must be in private if it is satisfied that it is necessary in all the circumstances of the case, having regard to—

(a) any unfairness to a party that is likely to result from a hearing in public; and

(b) the need to protect as far as possible, the commercial or other legitimate interests of a party.

Regulation 8 of the Regulations

Proceedings of the Sub Committee in conducting the Hearing

(1) Subject to Regulations 8 and 11, the sub committee must permit a party to attend a hearing and be assisted or represented by any person whether or not that person is legally qualified.

(2) At the beginning of the hearing the sub committee must explain the procedure that it proposes to follow in conducting the hearing.

(3) In conducting a hearing the sub committee must ensure that each party is given the opportunity to—

(a) address the sub committee on any matter that is relevant to the application or any representations made on the application;

(b) call witnesses to give evidence on any matter that is relevant to the application, or any representations made on the application;

(c) provide further information on, or explanation of, any matter on which the sub committee has indicated that it will want further clarification under regulation 6(1) (j).

(4) In conducting a hearing the sub committee must also—

(a) permit any party to question any other party or person representing a party on any matter that is relevant to the application or any representations made on the application, or where the sub committee considers that in all the circumstances it is

appropriate to do so; and

(b) take into consideration documentary or other information in support of the application or representations produced by a party—

(i) before the hearing; or

(ii) at the hearing, with the consent of all the other parties attending the hearing.

(5) Without prejudice to paragraphs (3) and (4), a hearing must be conducted so that it takes the form of a discussion led by the sub committee, and the sub committee must not permit any cross-examination unless it considers that cross-examination is required for it properly to consider the application or representations made by any party.

(Regulations 9 of the Regulations)

3. Regulation 6(1)(c) - Attendance

Attendance by the Parties

Where a party has indicated that they do intend to attend or be represented at the hearing, but fails to attend or be represented, the sub committee may—

(a) adjourn the hearing to a specified date if it considers it to be in the public interest, or

(b) proceed with the hearing in the party's absence.

(Regulation 10(2) of the Regulations)

4. Regulation 6(1)(d) – Hearings Procedure

Procedure of the Hearing

The Procedure of the Hearing is set out in the Appendix to this Notice

The Chair or legal advisor will explain the procedure that the sub committee proposes to follow in conducting the hearing. The general procedure is attached to this notice however, the sub committee may make amendments to this procedure as and when it considers it necessary to do so.

5. Regulation 6(1)(e) - Time Limit and method, attendance of Parties

The Parties should inform the sub committee at least five days before the date for the hearing that they wish to attend or address the hearing

6. Regulation 6(1)(f) - Time Limit and Method, attendance of Representatives

The Parties should inform the sub committee in writing at least five days before the date for the hearing that they wish to be assisted or represented by another person

7. Regulation 6(1)(g) - Time Limit and Method, attendance of witnesses

The Parties should inform the sub committee in writing at least five days before the date for the hearing if they intend to call a witness to give evidence at the hearing and the matters in relation to which they wish that witness to give evidence.

8. Regulation 6(1)(h) - Time Limit and method, withdrawal of representations

The Parties should inform the sub committee in writing, at least five days before the date for the hearing if they wish to withdraw their representations

9. Regulation 6(1)(i) - Time limit and method – consent to determination without a hearing

The Parties should inform the sub committee in writing, at least two days before the date for the hearing if they consent to the application being determined without a hearing

10. Regulation 6(1)(j) - Matters for clarification

(1) There are no matters at this stage that the sub committee will want clarification at the hearing.

(2) If a Party intends to rely on documentation or other written information in accordance with Paragraph 2 above (and Regulation 9 (4)(b) of the Regulations) the Party wanting to rely on that documentation or written information should endeavor to provide it to the licensing sub committee and the other Parties at least five days before the hearing.

Regulation 6(2) – Attached Documents

The following representations are attached to this Notice

Representation by the Licensing Authority in relation to the application to vary the converted casino licence dated 28 April 2022

Representation by the Director of Public Health in relation to the application to vary the converted casino licence dated 28 April 2022

Representation by the Licensing Authority in relation to the application to vary the Adult Gaming Centre Licence dated the 28 April 2022

THE GAMBLING ACT 2005 LICENSING SUB COMMITTEE GENERAL HEARING PROCEDURE

The Chair or legal advisor will explain the procedure that the sub committee proposes to follow in conducting the hearing. The sub committee may make amendments to this procedure as and when it considers it necessary to do so. The sub committee may go into private session to debate or consider applications throughout the process of the hearing with guidance from its legal advisor

INTRODUCTION OF THE MATTER BEFORE THE COMMITTEE

- The Chair welcomes the parties and introduces the Members and Officers
- The Chair briefly explains the matter before the committee
- The Chair deals with any Membership changes and interests
- The Chair confirms whether the hearing is to be a public meeting or held in private
- The Committee deals with the issue of absent parties (if any), the admission of witnesses and documentary evidence
- The Committee determines in view of the above whether or not to proceed with the hearing or adjourn / postpone to a later time or date.
- Chair confirms to procedure that will be followed at the hearing

THE LICENSING OFFICER OUTLINES THE CASE

- The Chair asks the Licensing Officer to summarise the case by reference to the report and any additional admitted evidence.
- The Chair asks the parties whether they consider the report to be accurate
- If the report is not accurate the committee can note the amendments if required.

THE APPLICANT PRESENTS HIS / HER CASE

- The Chair asks the applicant to present their case
- The Committee ask the applicant questions
- The Chair may give permission for the other parties to ask the applicant questions
- The Chair asks the applicant's witnesses to give evidence
- The Committee ask the witnesses questions
- The Chair may give permission for the other parties to ask the witnesses questions.

THE RESPONSIBLE AUTHORITIES / INTERESTED PARTIES PRESENT THEIR CASE

- The Chair asks the Responsible Authority / Interested Party to present his / her case
- The Committee ask the Responsible Authority / Interested Party questions
- The Chair may give permission for the applicant to ask the Responsible Authority / Interested Party questions
- The Chair asks the Responsible Authority / Interested Party's witnesses to give evidence
- The Committee ask the witnesses questions
- The Chair may give permission for the applicant to ask the witnesses questions.

RESPONSIBLE AUTHORITIES / INTERESTED PARTIES SUM UP THEIR CASE

THE APPLICANT SUMS UP HIS / HER CASE

CONCLUSION OF HEARING

- Chair asks if the parties have said everything they want to so that is relevant
- The Chair asks the parties to leave excluding the Governance Officer and Legal Advisor in order to deliberate the matter.

DECISION AND REASONS

The committee may determine the matter after the conclusion of the hearing and recall the parties to inform them of the decision, however, where deliberation may take some time, the decision and reasons in most cases will be given no later than five working days from the day after the hearing concludes, however this may be extended if it is in the public interest to do so.

This page is intentionally left blank

LUXURY LEISURE AND DOUBLE DIAMOND, 22 NEWPORT ROAD, MIDDLESBROUGH, TS1 5AE

MIDDLESBROUGH COUNCIL LICENSING SUB-COMMITTEE

12 JULY 2023

BUNDLE INDEX

<u>DOCUMENT</u>	<u>PAGE</u>
<u>Section 1 – Applications and Plans</u>	1
Application to vary a premises licence under the Gambling Act 2005 (AGC Variation)	2 -6
Application to vary a premises licence under the Gambling Act 2005 (Casino Location)	7-11
Notice of Application (DD Relocation)	12-13
Notice of Application (Initial Space)	14- 15
Stage 1 AGC Licence Plan	16
Stage 1 Casino Licence Plan	17
Newport Road Stage 2 AGC Licence Plan	18
Newport Road Stage 2 Casino Licence Plan	19
Newport Indicative Casino Gaming Layout	20
Email 28 March 2022	21-22
Email 1 April 2022	23 -24
Email 1 April 2022	25
<u>Section 2 – Witness Statements</u>	26
Witness Statement from Roy Ramm, Compliance and Security Professional	27 - 37

Witness Statement from Dan Waugh, Partner at Regulus Partner	38 - 54
Witness Statement from Andrew Cotton, Director of Betting and Gaming at Ince & Co.	55 – 59
Witness Statement from Charles Churchill, Casino General Manager for Luxury Leisure	60 - 66
Witness Statement from Kevin Farnsworth, Regional Operations Director for Luxury Leisure	67 – 70
Witness Statement from Mark Thompson, Risk and Compliance Director for Luxury Leisure	71 - 78
<u>Section 3 – (TITLE?)</u>	79
Local Risk Assessment – Gambling Act 2005 Licensing Objectives	81 – 99
Local Risk Assessment Map	100
Combined Social Responsibility Policies	101 - 124
Casino Customer Entry and Door Entry Control	125 - 132
Concept Development	133 - 149
<u>Section 4 – Relevant Material</u>	150
House of Lords, House of Commons - Joint Committee on the Draft Gambling Bill, Session 2003-04 (Cover page and index of document)	151 – 157
House of Lords, House of Commons - Joint Committee on the Draft Gambling Bill, Session 2003-04 (Extract on casinos)	158 - 186
House of Commons Standing Committee B (pt 1) - 16 November 2004	187 – 190
House of Commons Standing Committee B (pt 3) - 16 December 2004 - Richard Caborn	191 - 193
House of Lords Hansard Debates for 10 Mar 2005 (50310-23) -Col 922-923	194 – 195
Explanatory Memorandum to the Gambling Act 2005 (Commencement No. 6 and transitional provisions) Order 2006 (Cover page, index and relevant sections)	196 – 198

Final Report of the Casino Advisory Panel 2007 (Cover page and index of documents)	199 - 205
Final Report of the Casino Advisory Panel 2007 (Section on Middlesbrough)	206 – 208
Final Report of the Casino Advisory Panel 2007 (Statement of National Policy)	209 – 213
House of Commons, Culture, Media and Sport Committee: The Gambling Act 2005: A bet worth taking? First Report of Session 2012-13, Volume I (Cover page and index)	214 – 217
House of Commons, Culture, Media and Sport Committee: The Gambling Act 2005: A bet worth taking? First Report of Session 2012-13, Volume I (Examination of Witnesses, 8 November 2011, Cllr David Parsons CBE, Mike Holmes, Richard Dowson and Stuart Baillie)	218 – 223
House of Commons, Culture, Media and Sport Committee: The Gambling Act 2005: A bet worth taking? First Report of Session 2012-13, Volume I (Oral Evidence, 18 October 2011, Roy Ramm, Peter Brooks and Simon Thomas)	224 – 235
House of Commons, Culture, Media and Sport Committee: The Gambling Act 2005: A bet worth taking? First Report of Session 2012-13, Volume I (Richard Caborn response)	236
House of Commons, Culture, Media and Sport Committee: The Gambling Act 2005: A bet worth taking? First Report of Session 2012-13, Volume I (Extract on Casinos)	237 – 244
Middlesbrough Council, Executive Report, Gurney Street Triangle Redevelopment – Part A, 9 December 2014	245 – 254
Gambling Commission: Controlling where gaming machines may be played, Amendments to Licence Conditional and Codes of Practice (LCCP) and Guidance to licensing authorities, Responses July 2016 (Cover page and index)	255 – 256
Gambling Commission: Controlling where gaming machines may be played, Amendments to Licence Conditional and Codes of Practice (LCCP) and Guidance to licensing authorities, Responses July 2016 (Extract on Casinos)	257
Stockton-on-Tees Borough Council, Review of Gambling: Adult Social Care and Health Select Committee, Final Report, October 2018 (Cover page and index)	258 – 260

Stockton-on-Tees Borough Council, Review of Gambling: Adult Social Care and Health Select Committee, Final Report, October 2018 (Clauses 3.14, 3.15)	261
Stockton-on-Tees Borough Council, Review of Gambling: Adult Social Care and Health Select Committee, Final Report, October 2018 (Clauses 4.55, 4.56 (including Graph))	262 – 263
Stockton-on-Tees Borough Council, Review of Gambling: Adult Social Care and Health Select Committee, Final Report, October 2018 (Clauses 4.65 and 4.66)	264
Middlesbrough Council, Statement of Principles in relation to the Gambling Act 2005, January 2019 – January 2022 (Cover page, index and introduction)	265 – 269
House of Lords, Select Committee on the Social and Economic Impact of the Gambling Industry: Gambling Harm – Time for Action, Report of Session 2019-21 (Cover page and index)	270 – 275
House of Lords, Select Committee on the Social and Economic Impact of the Gambling Industry: Gambling Harm – Time for Action, Report of Session 2019-21 (Paragraphs 103 to 189)	276 – 295
House of Lords, Select Committee on the Social and Economic Impact of the Gambling Industry: Gambling Harm – Time for Action, Report of Session 2019-21 (Paragraphs 269 to 271)	296 – 297
Brighton and Hove City Council, Gambling Policy – Statement of Principles 2022-2024, Gambling Act 2005 (Cover page and index)	298 – 301
Brighton and Hove City Council, Gambling Policy – Statement of Principles 2022-2024, Gambling Act 2005 (Extract on Casinos)	302
City and County of Swansea, Gambling Policy - Statement of Principles, Gambling Act 2005 (Cover page and index)	303 – 305
City and County of Swansea, Gambling Policy - Statement of Principles, Gambling Act 2005 (Extract on Casinos)	306 – 307
Department for Culture, Media & Sport – High Stakes: Gambling Reform for the Digital Age (White Paper) April 2023 (Cover page and index)	308 -315

Department for Culture, Media & Sport – High Stakes: Gambling Reform for the Digital Age (White Paper) April 2023 (Figure 22) Codes relating to AGC Licences	316
Codes relating to AGC Licences	317 – 329
Schedule of Fully Electronic and Poker Club 1968 Casino Licences (as at 06.07.23)	330 – 332
<u>Section 5: Statutory and Non-Statutory Material</u>	333
Section 7 - Gambling Act 2005	334
Section 153 - Gambling Act 2005	335 – 336
Section 159 - Gambling Act 2005	337 – 338
Section 205 - Gambling Act 2005	339 – 340
Section 235 - Gambling Act 2005	341 – 342
Section 349 - Gambling Act 2005	343 – 344
Gambling Regulation- Councilor Handbook (England and Wales) Local Government Association	345 – 346
Coinslot International article on ‘Gambling Business Group launches ‘fact checking’ initiative in face of highly questionable’ research’, 1 June 2023	347
Cleveland Police Statement (Source: Facebook)	348
Gambling Commission article on ‘Partnership work successfully shuts down illegal Facebook lotteries’, 2 February 2022	349
Gambling Commission – Raising Standards for Consumers – Compliance and Enforcement Report 2020 to 2021	350 – 353
Betting Office Photo – 05/07/2022	354

This page is intentionally left blank

SECTION 1

Application to vary a premises licence under the Gambling Act 2005

PLEASE READ THE FOLLOWING INSTRUCTIONS FIRST

If you are completing this form by hand, please write legibly in block capitals using ink. Use additional sheets if necessary (marked with the number of the relevant question). You may wish to keep a copy of the completed form for your records.

Part 1 – Applicant Details

If you are an individual, please fill in Section A. If the application is being made on behalf of an organisation (such as a company or partnership), please fill in Section B.

Section A

Individual applicant

1. Title: Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Dr ☐ Other (please specify)

2. Surname: Other name(s):

[Use the names given in the applicant's operating licence or, if the applicant does not hold an operating licence, as given in any application for an operating licence]

3. Applicant's address (home or business – *[delete as appropriate]*):

Postcode:

4(a) The number of the applicant's operating licence (as set out in the operating licence):

4(b) If the applicant does not hold an operating licence but is in the process of applying for one, give the date on which the application was made:

5. Tick the box if the application is being made by more than one person. ☐

[Where there are further applicants, the information required in questions 1 to 4 should be included on additional sheets attached to this form, and those sheets should be clearly marked "Details of further applicants".]

Section B

Application on behalf of an organisation

6. Name of applicant business or organisation: **LUXURY LEISURE**

[Use the names given in the applicant's operating licence or, if the applicant does not hold an operating licence, as given in any application for an operating licence.]

7. The applicant's registered or principal address:

**FIFTH AVENUE PLAZA
QUEENSWAY
TEAM VALLEY TRADING ESTATE
GATESHEAD
TYNE AND WEAR**

Postcode: **NE11 0BL**

8(a) The number of the applicant's operating licence (as given in the operating licence):

000-001876-A-303471-010

8(b) If the applicant does not hold an operating licence but is in the process of applying for one, give the date on which the application was made:

9. Tick the box if the application is being made by more than one organisation. ☐

[Where there are further applicants, the information required in questions 6 to 8 should be included on additional sheets attached to this form, and those sheets should be clearly marked "Details of further applicants".]

Part 2 – Premises Details

10. Trading name used at licensed premises: **ADMIRAL**

11. Give the address of the premises or, if none, give a description of the premises and its location. Where the premises are a vessel, give the place indicated in the premises licence as the place in the licensing authority's area where the vessel is wholly or partly situated. Where possible this should include an address with a postcode:

**22 NEWPORT ROAD
MIDDLESBROUGH**

Postcode: **TS1 5AE**

12. Telephone number at premises (if known):

13. Type of premises licence to be varied:

Regional Casino ☐

Large Casino ☐

Small Casino ☐

Converted Casino ☐

Bingo ☐

Adult Gaming Centre ☒

Betting (track) ☐

Betting (other) ☐

Family Entertainment Centre ☐

14. Premises licence number (if known): **MBRO/GPR057/076579**

15. If you are making this application alongside an application for transfer or reinstatement of the premises licence into your name, please give the name of the current licence holder as it appears on the premises licence (if known):

Surname:

Other name(s):

Part 3 – Details of variations applied for

16(a) Please give details of any variation which is being applied for. Where the application includes an application to exclude or vary a condition of the premises licence, identify the relevant condition here (unless it relates to hours of operation which are dealt with in questions 16(b) and 16(c)):

TO VARY THE AGC GAMBLING PREMISES LICENCE FOR 22 NEWPORT ROAD, MIDDLESBROUGH TS1 5AE TO REMOVE PART OF THE GROUND FLOOR AREA FROM THE EXISTING LICENSED PREMISES AND SEPARATED FROM THE REMAINING LICENSED AREA, AS MORE PARTICULARLY SHOWN ON THE PLANS ATTACHED TO THIS APPLICATION AND AS ALSO DELINEATED ON PLAN 931-955-105_037 SUBMITTED WITH THE LINKED CASINO VARIATION APPLICATION TOGETHER WITH THE CREATION OF A NEW PRINCIPAL ENTRANCE ON NEWPORT ROAD PURSUANT TO SECTION 187 OF THE GAMBLING ACT.

16(b) Do you want the licensing authority to exclude or vary a condition of the licence so that the premises may be used for longer periods than would otherwise be the case?

NO

16(c) If the answer to question 16(b) is yes, please complete the table below to indicate the times when you want the premises to be available for use under the premises licence.

	<i>Start</i>	<i>Finish</i>	<i>Details of any seasonal variation</i>
Mon	<i>hh:mm</i>	<i>hh:mm</i>	
Tue			
Wed			
Thurs			
Fri			
Sat			
Sun			

17. Please indicate any particular date on which you want the variation to take effect if approved:

UPON THE GRANT OF THE APPLICATION

18. Please set out any other matters which you consider to be relevant to your application:

THE APPLICATION IS MADE ALONGSIDE A SEPARATE APPLICATION TO VARY THE CONVERTED CASINO PREMISES LICENCE RELATING TO RAINBOW CASINO AINTREE OVAL, TEESSIDE LEISURE PARK, MIDDLESBROUGH TS17 7BU BY DOUBLE DIAMOND GAMING LIMITED (REF MBRO/GPR025/082670), WHICH HOLDS AN OPERATING LICENCE, IN ORDER TO RE-LOCATE THE SAID LICENCE TO THE AREA REMOVED BY THIS APPLICATION WITH A NEW SEPARATE PRINCIPAL ENTRANCE. A CONDITION IS BEING OFFERED AS PART OF THAT APPLICATION THAT THE CASINO PREMISES WILL NOT TRADE TO THE PUBLIC AS A CASINO WHILST SOLELY LOCATED IN THE AREA SHOWN ON THE PLAN REFERENCE 931-955-105_037 WITHIN THE GROUND FLOOR OF 22 NEWPORT ROAD, MIDDLESBROUGH TS1 5AE

Part 4 – Declarations and Checklist (Please tick as appropriate)

I/ We confirm that, to the best of my/ our knowledge, the information contained in this application is true. I/ We understand that it is an offence under section 342 of the Gambling Act 2005 to give information which is false or misleading in, or in relation to, this application. ☒

I/ We confirm that the applicant(s) have the right to occupy the premises. ☒

Checklist:

- Payment of the appropriate fee has been made/is enclosed ☒
- A plan of the premises is enclosed ☒
- The existing premises licence is enclosed ☒
- The existing premises licence is not enclosed, but the application is accompanied by –
 - A statement explaining why it is not reasonably practicable to produce the licence and, ☐
 - An application under the Section 190 of the Gambling Act 2005 for the issue of a copy of the licence ☐
- I/we understand that if the above requirements are not complied with the application may be rejected ☒
- I/ we understand that it is now necessary to advertise the application and give the appropriate notice to the responsible authorities ☒

Part 5 – Signatures

19. Signature of applicant or applicant's solicitor or other duly authorised agent. If signing on behalf of the applicant, please state in what capacity:

Signature:

Ince Solicitors

Print Name: **INCE GORDON DADDS LLP**

Date: **1st April 2022**

Capacity: **SOLICITORS FOR THE APPLICANT**

20. For joint applications, signature of 2nd applicant, or 2nd applicant's solicitor or other authorised agent. If signing on behalf of the applicant, please state in what capacity:

Signature:

Print Name: _____

Date: (dd/mm/yyyy)

Capacity: _____

[Where there are more than two applicants, please use an additional sheet clearly marked "Signature(s) of further applicant(s)". The sheet should include all the information requested in paragraphs 19 and 20.]

[Where the application is to be submitted in an electronic form, the signature should be generated electronically and should be a copy of the person's written signature.]

Part 6 – Contact Details

21(a) Please give the name of a person who can be contacted about the application:

PHILIP SOMARAKIS AND ANDREW COTTON, INCE GORDON DADDS LLP

21(b) Please give one or more telephone numbers at which the person identified in question 21(a) can be contacted:

0207 759 1364 OR 0207 759 1623

22. Postal address for correspondence associated with this application:

ANY CORRESPONDENCE THAT IS REQUIRED TO BE SENT BY POST CAN BE SENT TO THE FOLLOWING ADDRESS:

**INCE
ALDGATE TOWER
2 LEMAN STREET
LONDON**

Postcode: **E1 8QN**

23. If you are happy for correspondence in relation to your application to be sent via e-mail, please give the e-mail address to which you would like correspondence to be sent:

philipsomarakis@incegd.com
and andrewcotton@incegd.com

Application to vary a premises licence under the Gambling Act 2005

PLEASE READ THE FOLLOWING INSTRUCTIONS FIRST

If you are completing this form by hand, please write legibly in block capitals using ink. Use additional sheets if necessary (marked with the number of the relevant question). You may wish to keep a copy of the completed form for your records.

Part 1 – Applicant Details

If you are an individual, please fill in Section A. If the application is being made on behalf of an organisation (such as a company or partnership), please fill in Section B.

Section A

Individual applicant

1. Title: Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Dr ☐ Other (please specify)

2. Surname: Other name(s):

[Use the names given in the applicant's operating licence or, if the applicant does not hold an operating licence, as given in any application for an operating licence]

3. Applicant's address (home or business – *[delete as appropriate]*):

Postcode:

4(a) The number of the applicant's operating licence (as set out in the operating licence):

4(b) If the applicant does not hold an operating licence but is in the process of applying for one, give the date on which the application was made:

5. Tick the box if the application is being made by more than one person. ☐

[Where there are further applicants, the information required in questions 1 to 4 should be included on additional sheets attached to this form, and those sheets should be clearly marked "Details of further applicants".]

Section B

Application on behalf of an organisation

6. Name of applicant business or organisation: **DOUBLE DIAMOND GAMING LIMITED**

[Use the names given in the applicant's operating licence or, if the applicant does not hold an operating licence, as given in any application for an operating licence.]

7. The applicant's registered or principal address:

**10TH FLOOR COBALT SQUARE
83 HAGLEY ROAD
BIRMINGHAM**

Postcode: **B16 8QG**

8(a) The number of the applicant's operating licence (as given in the operating licence):

000-023761-A-305961-007

8(b) If the applicant does not hold an operating licence but is in the process of applying for one, give the date on which the application was made:

9. Tick the box if the application is being made by more than one organisation. ☐

[Where there are further applicants, the information required in questions 6 to 8 should be included on additional sheets attached to this form, and those sheets should be clearly marked "Details of further applicants".]

Part 2 – Premises Details

10. Trading name used at licensed premises: **RAINBOW CASINO**

11. Give the address of the premises or, if none, give a description of the premises and its location. Where the premises are a vessel, give the place indicated in the premises licence as the place in the licensing authority's area where the vessel is wholly or partly situated. Where possible this should include an address with a postcode:

**AINTREE OVAL
TEESIDE PARK
MIDDLESBROUGH**

Postcode: **TS17 7BU**

12. Telephone number at premises (if known):

13. Type of premises licence to be varied:

Regional Casino ☐

Large Casino ☐

Small Casino ☐

Converted Casino ☒

Bingo ☐

Adult Gaming Centre ☐

Betting (track) ☐

Betting (other) ☐

Family Entertainment Centre ☐

14. Premises licence number (if known): **MBRO/GPR025/082670**

15. If you are making this application alongside an application for transfer or reinstatement of the premises licence into your name, please give the name of the current licence holder as it appears on the premises licence (if known):

Surname:

Other name(s):

Part 3 – Details of variations applied for

16(a) Please give details of any variation which is being applied for. Where the application includes an application to exclude or vary a condition of the premises licence, identify the relevant condition here (unless it relates to hours of operation which are dealt with in questions 16(b) and 16(c)):

TO VARY THE CONVERTED CASINO PREMISES LICENCE FOR THE FORMER RAINBOW CASINO, TEESIDE PARK, MIDDLESBROUGH TS17 7BU SO AS TO RE-LOCATE IT SO IT RELATES TO A SEGREGATED AREA WITHIN PART OF THE GROUND FLOOR OF 22 NEWPORT ROAD, MIDDLESBROUGH TS1 5AE AS MORE PARTICULARLY SHOWN ON THE PLANS ATTACHED TO THIS APPLICATION, PURSUANT TO SECTION 187 OF THE GAMBLING ACT 2005 AS MODIFIED BY PARAGRAPH 65(12) OF PART 7 OF SCHEDULE 4 TO THE GAMBLING ACT 2005 (COMMENCEMENT NO 6 AND TRANSITIONAL PROVISIONS) ORDER 2006.

TO VARY THE LICENCE TO CONFIRM THE REMOVAL OF THE DEFAULT CONDITION TO PERMIT THE OPERATION OF THE PREMISES ON A 24 HOUR BASIS

16(b) Do you want the licensing authority to exclude or vary a condition of the licence so that the premises may be used for longer periods than would otherwise be the case?

YES [DELETE AS APPROPRIATE]

16(c) If the answer to question 16(b) is yes, please complete the table below to indicate the times when you want the premises to be available for use under the premises licence.

	<i>Start</i>	<i>Finish</i>	<i>Details of any seasonal variation</i>
Mon	00:00 <i>hh:mm</i>	00:00 <i>hh:mm</i>	
Tue	00:00	00:00	
Wed	00:00	00:00	
Thurs	00:00	00:00	
Fri	00:00	00:00	
Sat	00:00	00:00	
Sun	00:00	00:00	

17. Please indicate any particular date on which you want the variation to take effect if approved:

UPON THE GRANT OF THE APPLICATION

18. Please set out any other matters which you consider to be relevant to your application:

THE APPLICATION IS MADE ALONGSIDE A SEPARATE APPLICATION TO VARY THE AGC GAMBLING PREMISES LICENCE RELATING TO 22 NEWPORT ROAD, MIDDLESBROUGH TS1 5AE HELD BY LUXURY LEISURE (RE MBRO/GPR057/076579), WHICH HOLDS AN OPERATING LICENCE, IN ORDER TO REMOVE PART OF THE GROUND FLOOR OF THE PREMISES FROM THE DEMISE OF THE LICENSED AGC. A CONDITION IS BEING OFFERED THAT THE CASINO PREMISES WILL NOT TRADE TO THE PUBLIC AS A CASINO WHILST LOCATED SOLELY IN THE AREA SHOWN ON THE PLAN REFERENCE 931-955-105_037 WITHIN THE GROUND FLOOR OF 22 NEWPORT ROAD.

Part 4 – Declarations and Checklist (Please tick as appropriate)

I/ We confirm that, to the best of my/ our knowledge, the information contained in this application is true. I/ We understand that it is an offence under section 342 of the Gambling Act 2005 to give information which is false or misleading in, or in relation to, this application. ☒

I/ We confirm that the applicant(s) have the right to occupy the premises. ☒

Checklist:

- Payment of the appropriate fee has been made/is enclosed ☒
- A plan of the premises is enclosed ☒
- The existing premises licence is enclosed ☒
- The existing premises licence is not enclosed, but the application is accompanied by –
 - A statement explaining why it is not reasonably practicable to produce the licence and, ☐
 - An application under the Section 190 of the Gambling Act 2005 for the issue of a copy of the licence ☐
- I/we understand that if the above requirements are not complied with the application may be rejected ☒
- I/ we understand that it is now necessary to advertise the application and give the appropriate notice to the responsible authorities ☒

Part 5 – Signatures

19. Signature of applicant or applicant's solicitor or other duly authorised agent. If signing on behalf of the applicant, please state in what capacity:

Signature:

Print Name: **INCE GORDON DADDS LLP**

Date: **1st April 2022**

Capacity: **AGENTS FOR THE APPLICANT**

20. For joint applications, signature of 2nd applicant, or 2nd applicant's solicitor or other authorised agent. If signing on behalf of the applicant, please state in what capacity:

Signature:

Print Name: _____

Date: (dd/mm/yyyy)

Capacity: _____

[Where there are more than two applicants, please use an additional sheet clearly marked "Signature(s) of further applicant(s)". The sheet should include all the information requested in paragraphs 19 and 20.]

[Where the application is to be submitted in an electronic form, the signature should be generated electronically and should be a copy of the person's written signature.]

Part 6 – Contact Details

21(a) Please give the name of a person who can be contacted about the application:

PHILIP SOMARAKIS AND ANDREW COTTON, INCE GORDON DADDS LLP

21(b) Please give one or more telephone numbers at which the person identified in question 21(a) can be contacted:

0207 759 1364 OR 0207 759 1623

22. Postal address for correspondence associated with this application:

ANY CORRESPONDENCE THAT IS REQUIRED TO BE SENT BY POST CAN BE SENT TO THE FOLLOWING ADDRESS:

**INCE
ALDGATE TOWER
2 LEMAN STREET
LONDON**

Postcode: **E1 8QN**

23. If you are happy for correspondence in relation to your application to be sent via e-mail, please give the e-mail address to which you would like correspondence to be sent:

philipsomarakis@incegd.com
and andrewcotton@incegd.com

NOTICE OF APPLICATION TO VARY A PREMISES LICENCE

This notice is issued in accordance with regulations made under section 160 of the Gambling Act 2005

Notice is hereby given that: Double Diamond Gaming Limited

[Give the full name of the applicant. The name should be the same as that given in Part 1 of the application to vary the premises licence]

of the following address:

Double Diamond Casinos Ltd,

10th Floor Cobalt Square,

83 Hagley Road,

BIRMINGHAM

Postcode , B16 8QG

[Give the full address of the applicant. The address should be the same as that set out in Part 1 of the application to vary the premises licence.]

the number of whose operating licence is 023761-N-305960-010

who applied for an operating licence on

[Delete as appropriate. Insert the reference number of the applicant's operating licence (as set out in the operating licence). Where an application for an operating licence is in the process of being made, indicate the date on which the application was made.]

has made an application to vary a premises licence of the following type:

Converted Casino Licence

[Specify the type of premises licence to which the application relates]

The application relates to the following licensed premises:

Rainbow Casino

Aintree Oval, Teesside Leisure Park

Middlesbrough

TS17 7BU

[Give the trading name used at the premises, and the address of the premises (or, if none, give a description of the premises and their location).]

Details of the variation sought:

To re-locate the casino licence so that it relates to part of the ground floor of 22 Newport Road, Middlesbrough TS1 5AE as delineated on the licensing plans submitted to the Licensing Authority; subject to a condition that it will not trade in that area shown on the plans until varied. Application is also made to confirm removal of the default condition to permit operation 24 hours each day.

Middlesbrough Council
Licensing Team
Public Health and Public Protection
PO Box 505
Civic Centre
Middlesbrough

Postcode TS1 9FZ
Website: licensing@middlesbrough.gov.uk

[Insert name of the licensing authority and the address of its principal office, followed by the address of its website]

The current licence holder(s) is/ are: Double Diamond Gaming Limited

[Give the full name of the licence holder(s) as set out in the premises licence (if known). Where the applicant is the licence holder, it is sufficient to state "the applicant".]

Information about the application is available from the licensing authority, including the arrangements for viewing the details of the application.

The following person connected with the applicant is able to give further information about the application: Andrew Cotton on 0207 759 1623 or Philip Somarakis on 0207 759 1364, Ince Gordon Dadds LLP
andrewcotton@incedd.com
philipsomarakis@incedd.com

[This entry is optional and is to be included if the applicant wishes to provide the name, telephone number and (if available) e-mail address of a person connected with the applicant who is able to answer questions and provide further information about the application.]

Any representations under section 161 of the Gambling Act 2005 must be made no later than the following date: 28 April 2022

[Please insert last day on which representations may be made in relation to the application. The period for making representations is 28 days (inclusive) starting with the day on which the application was made to the licensing authority.]

NOTICE OF APPLICATION TO VARY A PREMISES LICENCE

This notice is issued in accordance with regulations made under section 160 of the Gambling Act 2005

Notice is hereby given that: Luxury Leisure

[Give the full name of the applicant. The name should be the same as that given in Part 1 of the application to vary the premises licence]

of the following address:

Fifth Avenue Plaza

Queensway, Team Valley Trading Estate

GATESHEAD

Tyne and Wear

Postcode NE11 0BL

[Give the full address of the applicant. The address should be the same as that set out in Part 1 of the application to vary the premises licence.]

the number of whose operating licence is 001876-N-103087-024
who applied for an operating licence on

[Delete as appropriate. Insert the reference number of the applicant's operating licence (as set out in the operating licence). Where an application for an operating licence is in the process of being made, indicate the date on which the application was made.]

has made an application to vary a premises licence of the following type:

Adult Gaming Centre

[Specify the type of premises licence to which the application relates]

The application relates to the following licensed premises:

ADMIRAL

22 NEWPORT ROAD

MIDDLESBROUGH

TS1 5AE

[Give the trading name used at the premises, and the address of the premises (or, if none, give a description of the premises and their location).]

Details of the variation sought:

To remove part of the ground floor from the licensed demise of the premises and create a separate self-contained unit with its own separate entrance from the street

Middlesbrough Council
Licensing Team
Public Health and Public Protection
PO Box 505
Civic Centre
Middlesbrough

Postcode TS1 9FZ:
Website: licensing@middlesbrough.gov.uk

[Insert name of the licensing authority and the address of its principal office, followed by the address of its website]

The current licence holder(s) is/ are: Luxury Leisure

[Give the full name of the licence holder(s) as set out in the premises licence (if known). Where the applicant is the licence holder, it is sufficient to state "the applicant".]

Information about the application is available from the licensing authority, including the arrangements for viewing the details of the application.

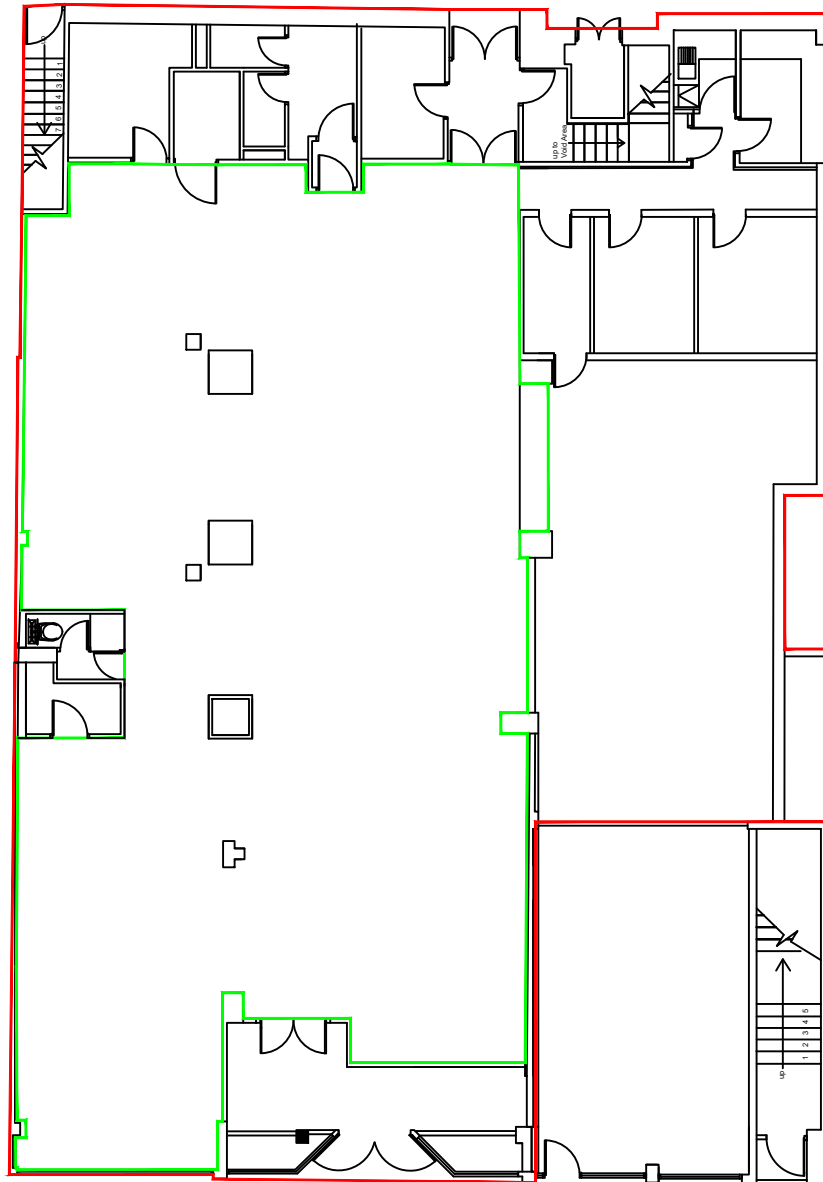
The following person connected with the applicant is able to give further information about the application: Andrew Cotton on 0207 759 1623 or Philip Somarakis on 0207 759 1364, Ince Gordon Dadds LLP
andrewcotton@incedgd.com
philipsomarakis@incedgd.com

[This entry is optional and is to be included if the applicant wishes to provide the name, telephone number and (if available) e-mail address of a person connected with the applicant who is able to answer questions and provide further information about the application.]

Any representations under section 161 of the Gambling Act 2005 must be made no later than the following date: 28 April 2022

[Please insert last day on which representations may be made in relation to the application. The period for making representations is 28 days (inclusive) starting with the day on which the application was made to the licensing authority.]

PARK STREET



NEWPORT ROAD

Red line denotes premises boundary

Green line denotes gaming machine area

Layout of premises within gaming machine areas and layout of ancillary non-gambling areas are indicative only and subject to change according to operational requirements

1:100
Scale in m

RECORD

DWG NO: **931-955-105_038**

CLIENT: **Luxury Leisure**

PROJECT: **22 Newport Road
MIDDLESBROUGH
Teesside
TS1 5AE**

TITLE: **AGC LICENSING PLAN
GAMBLING ACT 2005**

Revision: -- **Page 80** CHECKED:--

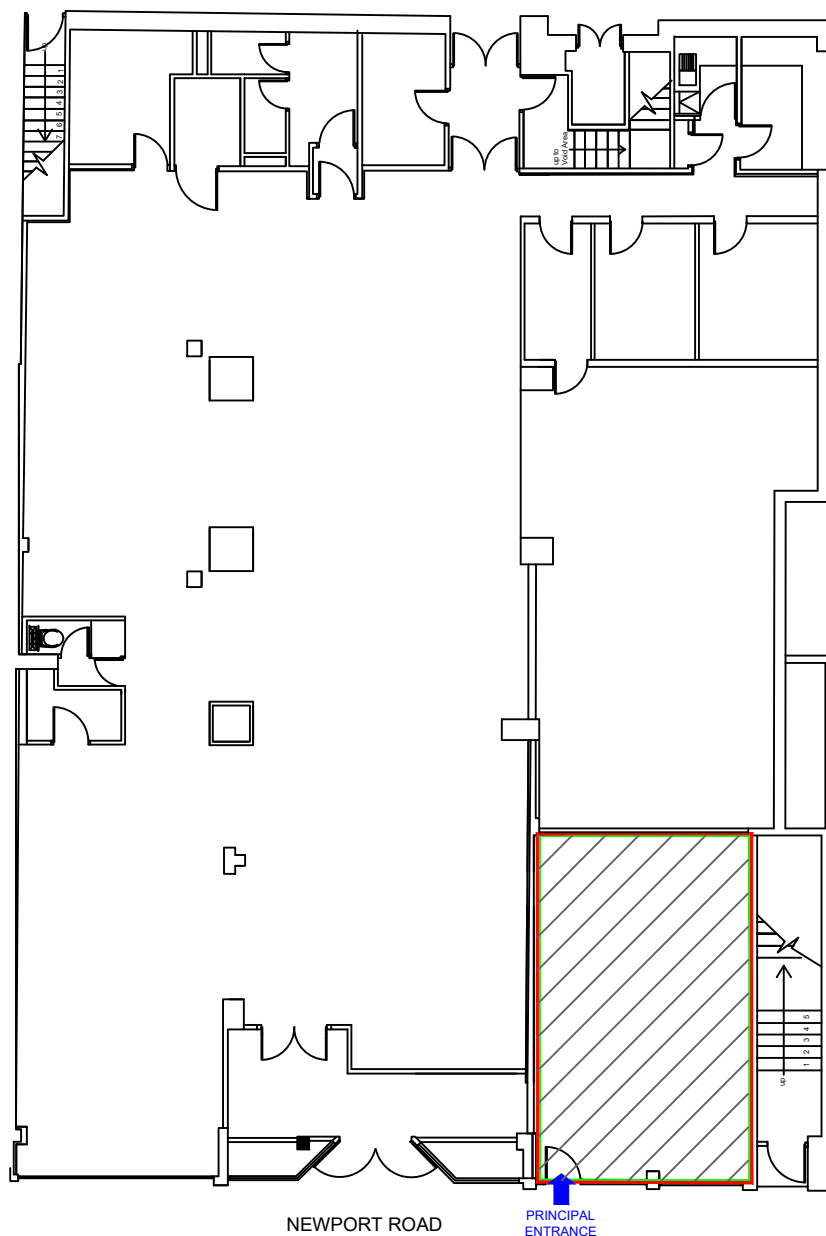
SCALE: **1:200@A4** 16 DATE: **10/3/22**

NOVOMATIC

Luxury Leisure Talaris & Ral Ltd.
Fifth Avenue Plaza, Queensway
Team Valley Trading Estate
Gateshead, NE11 0BL

+44 (0)191 497 8200 / WWW.ADMIRALSLOTS.CO.UK / WWW.NOVOMATICUK.COM

PARK STREET



NEWPORT ROAD

PRINCIPAL
ENTRANCE

Red line denotes premises boundary

Green line denotes the area to be
used to provide facilities for gambling



Area = 50.8m²

1:200
Scale in m

RECORD

DWG NO: 931-955-105_037

CLIENT: Double Diamond

PROJECT: 22 Newport Road
Middlesbrough
Teesside
TS1 5AE

TITLE: Gambling Licence Plan for
Double Diamond relocation
application

Revision: -- CHECKED: --

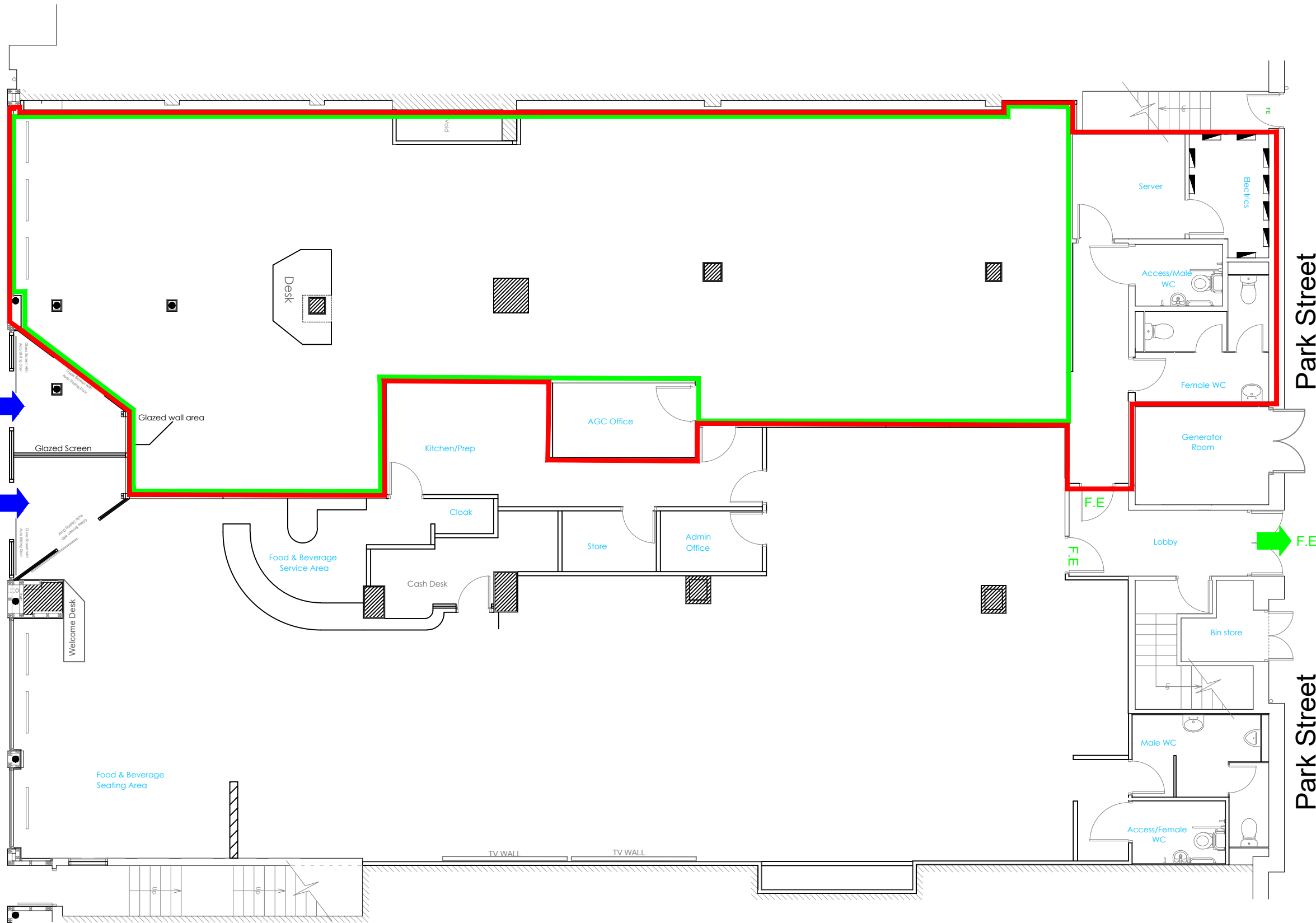
SCALE: 1:200@A4 DATE: 10/3/22

Page 81

Newport Road

AMUSEMENT
ENTRANCE
Page 82
CASINO

Newport Road



- Red line denotes premises boundary
- Green line denotes gaming machine area

DO NOT SCALE

ALL DIMENSIONS SHOULD BE CHECKED PRIOR TO COMMENCEMENT OF ANY CONSTRUCTION, REFURBISHMENT OR MODIFICATIONS TO LAYOUT

THIS DRAWING IS COPYRIGHT AND MAY NOT BE REPRODUCED WITHOUT THE COMPANY'S CONSENT

IF IN DOUBT ASK

LOCATION

Newport Road
Middlesbrough

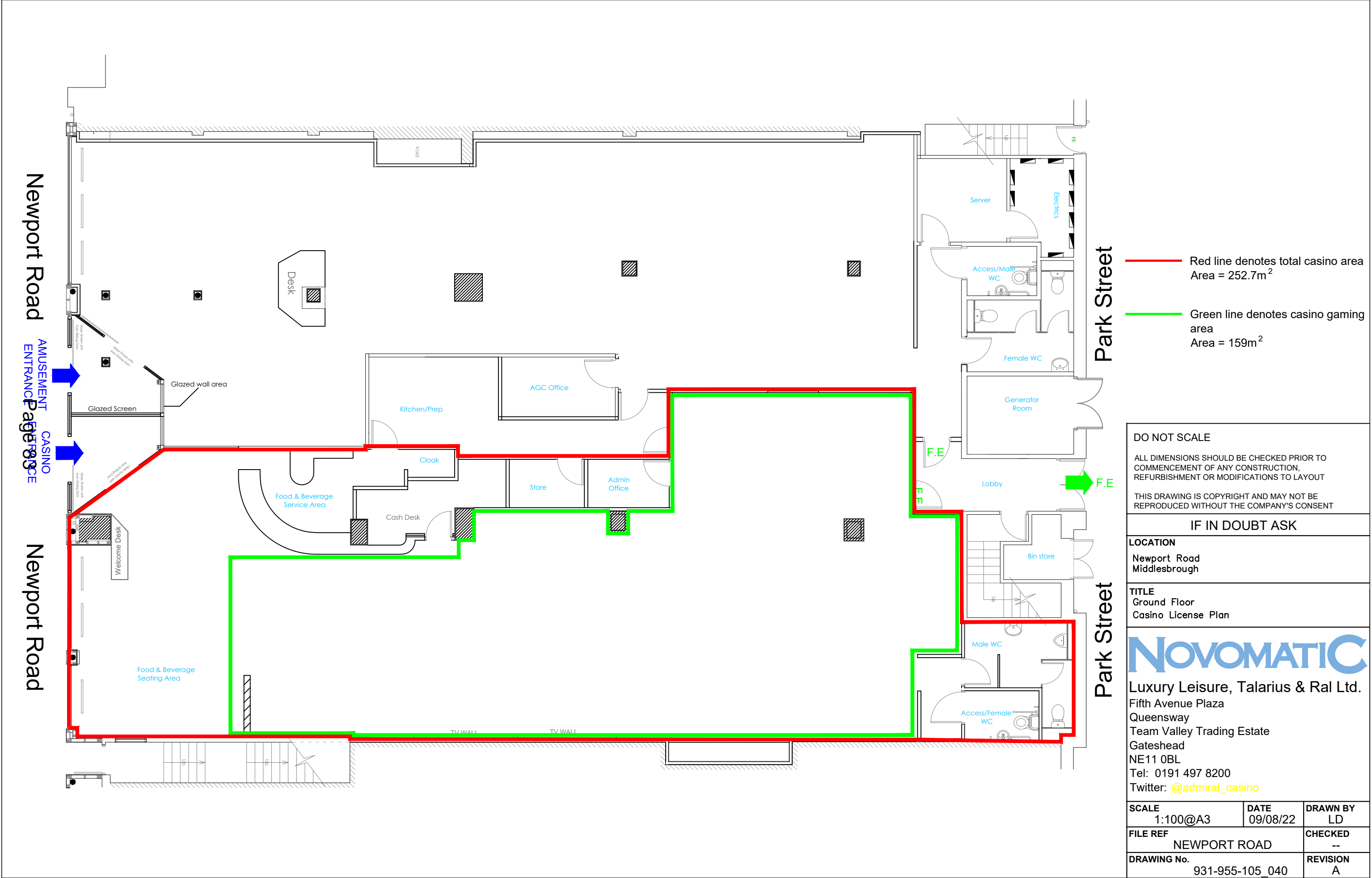
TITLE

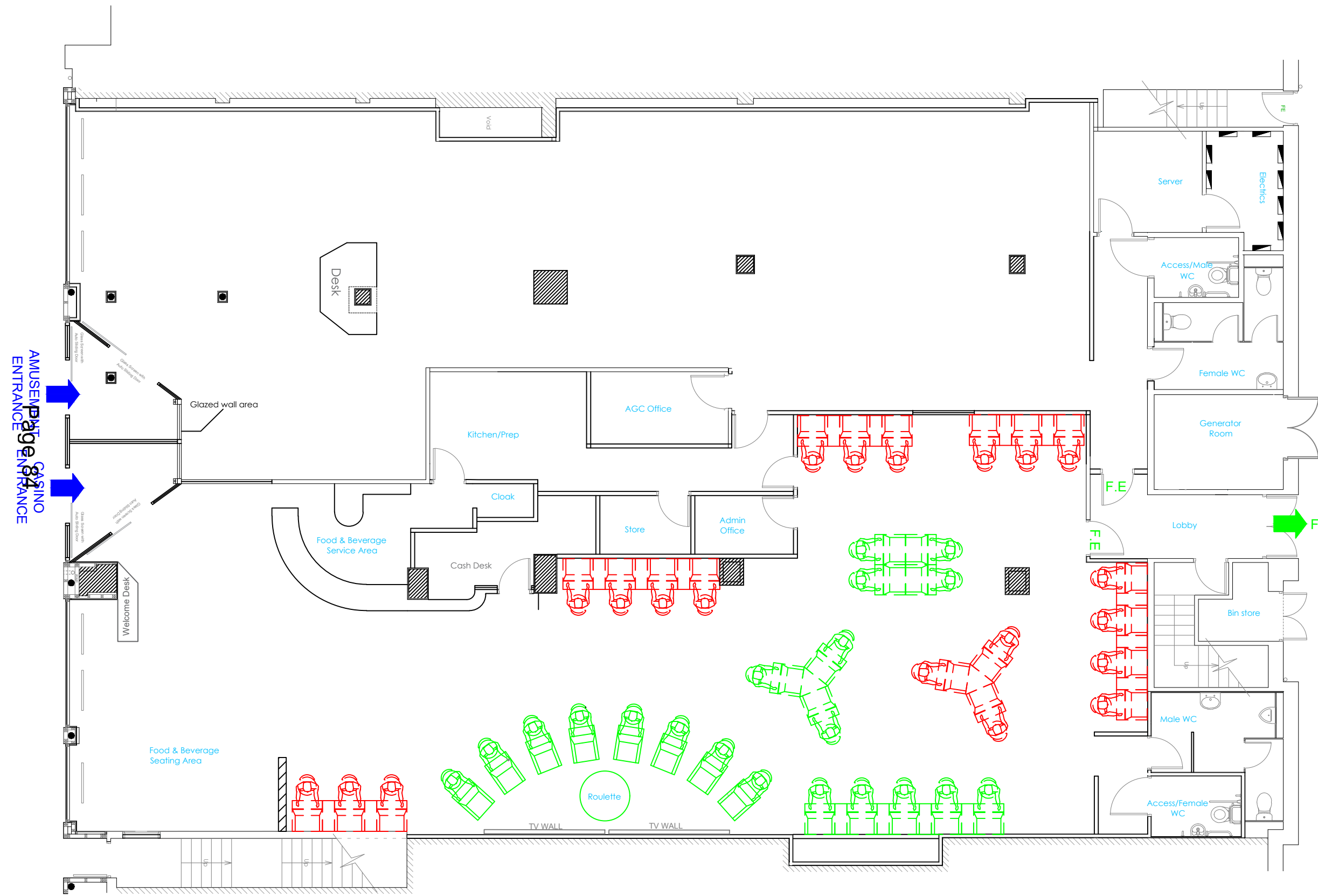
Ground Floor
Gaming License Plan

NOVOMATIC

Luxury Leisure, Talarius & Rai Ltd.
Fifth Avenue Plaza
Queensway
Team Valley Trading Estate
Gateshead
NE11 0BL
Tel: 0191 497 8200
Twitter: [@admiral_casino](#)

SCALE	DATE	DRAWN BY
1:100@A3	12/08/22	LD
FILE REF	CHECKED	
NEWPORT ROAD	--	
DRAWING No.	REVISION	
931-955-105_043	A	





Casino

20 Roulette Terminals
20 B1 Gaming Machines

DO NOT SCALE
ALL DIMENSIONS SHOULD BE CHECKED PRIOR TO COMMENCEMENT OF ANY CONSTRUCTION, REFURBISHMENT OR MODIFICATIONS TO LAYOUT
THIS DRAWING IS COPYRIGHT AND MAY NOT BE REPRODUCED WITHOUT THE COMPANY'S CONSENT

IF IN DOUBT ASK

LOCATION
Newport Road
Middlesbrough
TITLE
Ground Floor
Indicative Casino Gaming Layout

NOVOMATIC
Luxury Leisure, Talarius & Ral Ltd.
Fifth Avenue Plaza
Queensway
Team Valley Trading Estate
Gateshead
NE11 0BL
Tel: 0191 497 8200
Twitter: [@admiral_casino](#)

SCALE 1:100@A3	DATE 30/06/23	DRAWN BY LD
FILE REF NEWPORT ROAD	CHECKED --	
DRAWING No. 931-955-105_041	REVISION A	

From: Philip Somarakis
Sent: 28 March 2022 14:47
To: Tim_Hodgkinson@middlesbrough.gov.uk
Cc: Andrew Cotton
Subject: RE: Casino re-location process - Double Diamond

Dear Tim

Further to Andrew's email please let me know when would be a good time to speak. I would like to finalise matters ahead of submitting both applications

Kind regards

Philip Somarakis

Partner - Head of Regulatory Solutions



D: +44 (0) 20 7759 1364 / M: +44 (0) 7867 394 351
PhilipSomarakis@incegd.com

Aldgate Tower, 2 Lemn Street London E1 8QN / DX: 1070 London City
T: +44 (0) 20 7493 6151 / F: +44 (0) 20 7437 8216

China | Cyprus | Germany | Gibraltar | Greece | Hong Kong | Monaco | UAE | UK

incegd.com



From: Andrew Cotton
Sent: 26 March 2022 13:41
To: Tim Hodgkinson <Tim_Hodgkinson@middlesbrough.gov.uk>
Cc: Philip Somarakis <PhilipSomarakis@incegd.com>
Subject: Casino re-location process - Double Diamond

Hi Tim

As promised I am forwarding details of the special provisions that were introduced to enable holders of casino licences granted under the 1968 Gaming Act to enable them to maintain and move licences given the restrictions imposed in 2006 to prevent the grant of any new (apart from the new 16 2005 Act licences) 68 Act casino licences.

In order to allow for the relocation of existing 1968 Act licences the government introduced certain grandfather rights in the transitional provisions for the implementation of the 05 Act. I was actually involved in the drafting of some of the legislation that was implemented to safeguard 1968 casino licences. These are included in the Gambling Act 2005 (Commencement No. 6 and Transitional Provisions) Order 2006:

<https://www.legislation.gov.uk/ukxi/2006/3272/contents/made>

The Transitional Provisions are contained in Schedule 4 of the Order and the relevant provisions for 1968 Casinos are in paragraph 65 of Part 7.

<https://www.legislation.gov.uk/ukxi/2006/3272/schedule/4/paragraph/65/made>

Paragraph 65(12) is the provision that engages in the applications we will be submitting:

“(12) The licence holder may apply under section 187 to vary a converted casino premises licence so that it relates to premises which are different from those to which it previously related, and subsection (2) of that section (which prohibits a premises licence from being varied so as to relate to premises to which it did not previously relate) is accordingly not to have effect in relation to a converted casino premises licence.”

Section 187(2) which is disapplied reads as follows:

“(2)A licence may not be varied under this section so as to relate to premises to which it did not previously relate.”

The stepped process of applications

The process for our client (Luxury Leisure) to acquire the Rainbow Casino licence from Double Diamond has to be undertaken in stages as unlike when Gala sold the licence to Double Diamond the licence is not trading. It is not therefore possible to transfer the licence until it has been moved into premises that Luxury Leisure occupy – these premises are 22 Newport Road.

The first two applications will be:

- a variation by Luxury Leisure to remove part of the demise of the current AGC licence to provide an unlicensed area;
- a concurrent variation application by Double Diamond (we are acting as their agents) to relocate the casino licence into that area removed from the AGC licence, given the prohibition on there being any overlap of gambling premises' licensed areas.

I am attaching the plans that will accompany the applications. The Premises Licence Regulations require a separate principal entrance for the casino area, which is shown on the new plans.

I am also attaching a clearer version of the existing licensed premises for ease of comparison.

In due course there will be further variations to reduce further the size of the existing AGC, once the casino licence is safely house, and also one to increase the size of the casino area along with the transfer of the Licence into Luxury Leisure's name.

If there are any particular queries you have please do not hesitate to raise them with Philip and myself.

Kind regards

Andrew

Andrew Cotton

Solicitor - Director of Betting & Gaming

Ince

D: +44 (0) 20 7759 1623 / M: +44 (0) 7876 896 455

AndrewCotton@incegd.com

Aldgate Tower, 2 Leman Street London E1 8QN / DX: 1070 London City

T: +44 (0) 20 7493 6151 / F: +44 (0) 20 7437 8216

China | Cyprus | Germany | Gibraltar | Greece | Hong Kong | Monaco | UAE | UK

incegd.com



From: Philip Somarakis
Sent: 01 April 2022 11:21
To: licensing@middlesbrough.gov.uk
Cc: andrew.thorpe@cleveland.pnn.police.uk; m0.DLU@cleveland.pnn.police.uk; Bob_Cowell@middlesbrough.gov.uk; buildingcontrol@middlesbrough.gov.uk; Claire_Marshall@middlesbrough.gov.uk; developmentcontrol@middlesbrough.gov.uk; EHTS@middlesbrough.gov.uk; Jeff_Watson@middlesbrough.gov.uk; fireengineering@clevelandfire.gov.uk; licensing@gamblingcommission.gov.uk; NRUBettingGaming@hmrc.gov.uk; Andrew Cotton
Subject: Gambling Act 2005 - Rainbow Casino, Aintree Oval, Middlesbrough, TS17 7BU and Admiral 22 Newport Road Middlesbrough, TS1 5AE
Attachments: 931-955-105_018 M'boro Newport Rd Existing Licence Plan.pdf; AGC Variation Application.pdf; Proposed AGC Licensed Area.pdf; Notice of variation application to responsible authorities (Initial Space) (002).pdf; 931-955-105_037 M'boro Newport Rd-Doulbe Diamond Licence Plan.pdf; Notice of variation application to responsible authorities (DD Relocation) (002).pdf; Variation Application (casino location).pdf

Dear Sirs

We are instructed by:

- A) Our client Luxury Leisure and
- B) As agents for Messrs Hugh James Solicitors on behalf of their client and applicant, Double Diamond Gaming Limited

We are instructed to submit two related applications as part of a stepped process whereby our client Luxury Leisure will acquire a converted Casino Premises Licence held by Double Diamond Gaming Limited.

The stepped process of applications

The process for our client (Luxury Leisure) to acquire the Rainbow Casino licence from Double Diamond has to be undertaken in stages as unlike when Gala sold the licence to Double Diamond the licence is not trading. It is not therefore possible to transfer the licence until it has been moved into premises that Luxury Leisure occupy – these premises are 22 Newport Road.

The first two applications will be:

- a variation by Luxury Leisure to remove part of the demise of the current AGC licence to provide an unlicensed area;
- a concurrent variation application by Double Diamond to relocate the casino licence into that area removed from the AGC licence, given the prohibition on there being any overlap of gambling premises' licensed areas.

Legislative Background

Special provisions were introduced to enable holders of casino licences granted under the 1968 Gaming Act to enable them to maintain and move licences given the restrictions imposed in 2006 to prevent the grant of any new 1968 Act casino licences (apart from the new 16 2005 Act licences)

In order to allow for the relocation of existing 1968 Act licences the government introduced certain grandfather rights in the transitional provisions for the implementation of the 2005 Act. Andrew Cotton of this Firm was actually involved in the drafting of some of the legislation that was implemented to safeguard 1968 casino licences.

These are included in the Gambling Act 2005 (Commencement No. 6 and Transitional Provisions) Order 2006:

<https://www.legislation.gov.uk/ukxi/2006/3272/contents/made>

The Transitional Provisions are contained in Schedule 4 of the Order and the relevant provisions for 1968 Casinos are in paragraph 65 of Part 7.

<https://www.legislation.gov.uk/ukxi/2006/3272/schedule/4/paragraph/65/made>

Paragraph 65(12) is the provision that engages in the applications we will be submitting:

“(12) The licence holder may apply under section 187 to vary a converted casino premises licence so that it relates to premises which are different from those to which it previously related, and subsection (2) of that

section (which prohibits a premises licence from being varied so as to relate to premises to which it did not previously relate) is accordingly not to have effect in relation to a converted casino premises licence.”

Section 187(2) which is dis-applied reads as follows:

“(2)A licence may not be varied under this section so as to relate to premises to which it did not previously relate.”

Current Applications

We thus enclose in furtherance of this first stage of the process

- 1) An application by Luxury Leisure to vary an Adult Gaming Centre Licence, together with
 - a. Copy of current AGC licence (to follow under separate cover to Licensing Authority only due to file size)
 - b. Existing and Proposed AGC Licensed Area Plan for 22 Newport Road
 - c. Notice to responsible authorities
- 2) An application by Double Diamond Limited to vary a converted Casino Premises Licence together with
 - a. Copy of current casino premises licence and terms (to follow under separate cover to Licensing Authority only due to file size)
 - b. Proposed licensed plan for 22 Newport Road
 - c. Notice of application to responsible authorities

We can confirm that the application fees were paid by BACS Transfer yesterday

We further confirm that Public Notices have been displayed today as appropriate at the Rainbow Casino and at 22 Newport Road. Similarly we will also now make arrangements for the appropriate newspaper notices to be published

Further Applications

In due course there will be further variations to reduce further the size of the existing AGC, once the casino licence is safely housed, and also one to increase the size of the casino area along with the transfer of the Licence into Luxury Leisure's name. Therefore please note that we are instructed on behalf of Double Diamond Gaming Limited to offer a condition (as set out in the casino variation application) that the casino premises will not trade to the public as a casino whilst located solely in the area shown on the plan reference 931-955-105 037 within the ground floor of 22 Newport Road.

Should you have any queries please contact either Andrew Cotton or myself

Yours faithfully

Philip Somarakis

Partner - Head of Regulatory Solutions

Ince

D: +44 (0) 20 7759 1364 / M: +44 (0) 7867 394 351
PhilipSomarakis@incegd.com

Aldgate Tower, 2 Leaman Street London E1 8QN / DX: 1070 London City
T: +44 (0) 20 7493 6151 / F: +44 (0) 20 7437 8216

China | Cyprus | Germany | Gibraltar | Greece | Hong Kong | Monaco | UAE | UK

incegd.com



Rafaella Eleftheriou

From: Philip Somarakis
Sent: 01 April 2022 11:23
To: licensing@middlesbrough.gov.uk
Cc: Andrew Cotton
Subject: Gambling Act 2005 - Rainbow Casino, Aintree Oval, Middlesbrough, TS17 7BU and Admiral 22 Newport Road Middlesbrough, TS1 5AE
Attachments: First attachment - Converted Casino Premises Licence Rainbow Casino 2202.._.pdf; Summary of T C_s of premises licence_.pdf; AGC Licence.pdf

Dear Sirs

Further to our previous email

We now enclose copies of AGC and Converted Premises Licence

Yours faithfully

Philip Somarakis

Partner - Head of Regulatory Solutions

Ince

D: +44 (0) 20 7759 1364 / M: +44 (0) 7867 394 351
PhilipSomarakis@incegd.com

Aldgate Tower, 2 Leman Street London E1 8QN / DX: 1070 London City
T: +44 (0) 20 7493 6151 / F: +44 (0) 20 7437 8216

China | Cyprus | Germany | Gibraltar | Greece | Hong Kong | Monaco | UAE | UK

incegd.com



This page is intentionally left blank

SECTION 2

MIDDLESBROUGH COUNCIL LICENSING SUB-COMMITTEE

IN THE MATTER OF LUXURY LEISURE AND DOUBLE DIAMOND, 22 NEWPORT ROAD,
MIDDLESBROUGH, TS1 5AE

WITNESS STATEMENT OF ROY RAMM

I, **ROY RAMM**, of 123 Aldersgate Street, London, EC1A 4JQ will say as follows:-

1. Prior to joining the casino industry in 1996, I served as a Metropolitan police officer for over 27 years, retiring as Commander Specialist Operations at New Scotland Yard.
2. Since 1996 I have been a compliance and security professional, serving as the Compliance and Security Director and consultant for both British and multi-national companies and acting as the independent chairman of a number of compliance committees. I was also chair of the then industry trade body, the British Casinos Association's Technical Committee where I drove standards of player protection and both designed and implemented SENSE the first national self-exclusion scheme in the world. I also hold a Personal Management Licence granted by the Gambling Commission.
3. I have been asked to comment on:
 - a. the differences between the environments and therefore the customer appeal of casinos and adult gaming centres (AGCs)
 - b. Luxury Leisure's policies and procedures
 - c. The viability of Middlesbrough's large casino project in light of the 2005 Act

The difference between AGCs and Casinos

4. Some AGC premises title and describe themselves as casinos, but they are not casinos within the meaning of either the 1968 Act or the 2005 Gambling Act and cannot therefore be automatically excluded by authorities that adopt a '*no casinos*' policy.
5. A true casino, as defined by the 2005 Act can only exist as 'converted licences' in the 53 Permitted Areas identified in the 1968 Gambling Act and in 16 'new' additional areas identified as suitable for casinos creating an additional 8 Small and 8 Large in the 2005 Act.
6. Any licensing authority can grant any number of licences for AGC's in its licensing area. Theoretically, the number of AGCs in Great Britain is limited only by market requirements. Consequently, there are currently around 1615 operating AGC premises. There have been as many as around 2240 (2012). The number of operating premises varies almost exclusively on demand and commercial viability.

7. So, the first significant difference between AGCs and casinos is in the availability and accessibility of the premises. There are roughly over ten times as many AGC's as there are casinos and that ratio remains consistent. Going to a casino is therefore more of an event.
8. Regardless of their proximity and whether the casino is a fully electronic premises, casinos and AGCs do not attract the same customers. Inevitably, with all gaming products there will be some shared customers, but the aggregated profile differs.
9. The structure of the licensing regime is hierarchical and intentionally drives significant differences between casinos and AGCs and it is therefore worth summarising the differences between the premises. An AGC is allowed to offer an unlimited number of category C and D gaming machines and up to 20 percent of the total number of machines, can be of category B3 or technically, B4.
10. The maximum stake in any machine permitted in an AGC is £2 and the maximum prize is £500 on a B3 machine. The game cycle is limited to 2.5 seconds. The focus in an AGC is on large numbers of machines at low stakes and prizes. (Gaming Machine technical Standards Cat B3 and B4. (The White Paper 'High Stakes: Gambling Reform for the Digital Age April 2023)).
11. Most casinos, including Luxury Leisure are limited in terms of gaming machines to 20 B1 machines. However, the stakes and prizes are very considerably higher, at £5 and £10,000 respectively than those offered in an AGCs. Additionally, traditional casino games, like roulette and blackjack have succumbed to the digital age and are now widely and often exclusively offered in electronic form.
12. There are two types of automated casino equipment permitted in casinos. Neither are gaming machines.
13. The first type is those linked to a live game of chance, for example, roulette. These enable the player to gamble on a live game as it happens, without actually being seated at the table, sometimes referred to as 'electronic roulette'. There is no limit on the number of items (terminals) of such equipment.
14. The second type is a machine that plays a live game but is fully automated, that is, it operates without any human intervention. For example, a roulette wheel that is electrically or mechanically operated with an air blower to propel the ball around the wheel. Casinos are bound by controls on the specification and number of player positions using such equipment. The law requires that equipment used to play a game of chance, for example, cards, dice and roulette wheels is 'real' and not 'virtual' if it is not to be classed as a gaming machine. Additionally, the game outcome must not be determined by computer as this would normally be considered virtual gaming.
15. The 2005 Act specifically permits casinos that are fully automated and as part of the review of where gaming machines can be located the Commission accepted the legal opinion provided by the two largest casino operators that such casinos are perfectly lawful. They have been developed by the industry as a result of fiscal constraints imposed by Chancellor in the 2007 budget which replaced the two lower taxation bands (2.5% and 12%) with a base level 15% and increased the higher rate band from 40% to 50%, which made the full service casinos the electric casinos replaced unprofitable to run. The industry was not consulted on the proposals in advance in accordance with

the normal protocol and so the industry was unable to warn of the consequences of such a large increase – which are clearly demonstrated by the 28 electric casinos that have been developed.

16. Electronic versions of traditional table games are permitted in casinos; roulette, dice and card games played on terminals are permitted at a frequency of 50 games per hour.
17. Although the AGC product offering has evolved to appear superficially similar to some casino products the casino table games and their electronic equivalents are different and the customer profile has remained largely distinct. The environment and product offer of 20 Cat B1 machines and electronic gaming machines in a casino with significantly higher stakes and prizes creates a more sophisticated offer in a more closely controlled environment and regulated environment than in an AGC and attract a different customer.
18. Anti-Money Laundering and Counter Terrorism legislation has also had a material impact on customer profiles. Whilst the AGC operator has only an obligation to conduct a risk assessment (Assessed as Medium for the industry), the requirements for a casino premises (Assessed as High risk) are very significantly more demanding on a casino operator and therefore also on a casino customer.
19. For the majority of casino customers, the law anticipates a 'business relationship' between a casino and the customer that requires a risk assessment of the customer, appropriate due diligence, much closer monitoring of a customer's activity, including monitoring deposits and withdrawals. Additional requirements mean that for most customers a casino operator will require the source of funds, source of wealth and will have to consider the affordability of the customer's gambling activity. The rules imposed on casinos by AML and Counter Terrorism legislation are extremely demanding and are vigorously enforced by the Gambling Commission as the AML supervisory authority for land-based and remote casinos. A casino must know its customer.
20. The impact of the these very different regulatory regimes is one important factor for customers in deciding what kind of gambling environment they want to experience. A second factor is the kind of additional facilities and entertainment offered by a casino and unavailable in AGCs. For example, casinos may offer bars, restaurant dining and entertainment, thus the age profile is likely to be driven towards the lower end of the range. Overall casinos enjoy a wider age spread than AGC's, of higher net worth and individuals who enjoy a more leisurely and socially interactive gambling experience.
21. The interactions between customers and gaming staff, enjoyed in all casinos, remains a factor.
22. Although in fully electronic casinos there are no croupiers, this has been well balanced by the fact that supervisory staff, managers who replace the traditional Inspectors and Pit Bosses, are able to focus almost entirely on customer service and player interactions, leaving the technology to take unfailing and uncompromised care of previously risky areas, like dealing or pay-out errors, ambiguous staking, collusion, game continuity, cheating and peer pressure.

23. The combined effect of the rise in gaming duty, the imposition of the smoking ban and the repeated failures by successive governments to standardise entitlements across all types of casinos forced all the multiple casino operators to close a very considerable number of 1968 Act casinos which became uneconomic. The review promised by the then gambling minister in 2007 did not take place in 2014 despite the strong recommendations by the DCMS Committee in its report “A Bet Worth Taking” published in July 2012. At the next triennial review of stakes and prizes in 2017 the then government consulted on a review of gaming machines and other social responsibility enhancements. The Secretary of State accepted that the numbers of machines in converted casinos was low in comparison with almost all European jurisdictions but required enhancements to problem gambling protections for B1 gaming machines in casinos.
24. The 2018 Gambling Review encouraged operators to introduce additional measures to deal with gambling related harm and said the question of machine numbers would be revisited if additional measures were put in place by the industry to manage the risk of gambling-related harm effectively.
25. Since the 2018 Gambling Review was published, the White Paper has acknowledged that many casinos have adopted a range of measures that enhance machine protections including:
- Tracking and monitoring of customer expenditure across all gaming products in real time, with staff equipped with tablets showing live data;
 - Enhanced due diligence measures, with trigger values for spend and loss applied to customers;
 - Algorithmic systems that use predictive models to identify customers at risk based on individual transactions;
 - New safer gambling messages on ATMs and electronic machines;
 - The ability for customers to set their own time and loss limits directly at electronic terminals and gaming machines;
 - Financial risk profiling on customers who are members based on postcodes and nationally available data;
 - Mandatory employee training on licensing objectives, safer gambling and anti-money laundering.
26. The White Paper confirms that the government is now satisfied that the casino industry has achieved these enhancements and therefore the government intends to pass secondary legislation to enable the revised machine to gaming table ratios to be implemented. This will also deal with the issues that arose with the incomprehensible selection of a 2:1 ratio for small casinos as I have discussed. In their evidence to the 2012 DCMS Committee neither the Secretary of State, Tessa Jowell, or the gambling minister at the time of the implementation of the Act, Richard Caborn, were able to provide *any* logical explanation as to why 2:1 was selected for small casinos.

27. In addition to being a substantial tool in the prevention of money laundering, account-based play in casinos provides an invaluable aid in managing responsible gambling. In comparison to a Large casino which may still accept cash buy-ins and which is required to offer up to thirty traditional table games in order to be allowed to offer up to 150 slot machines, a fully electric casino with no traditionally dealt table games is far better able to comprehensively monitor player behaviour through fully tracked play.
28. Finally, in respect of the size of premises and machine numbers, it is important to note that given the very limited space available to the applicant in the case before the Council, it could not benefit at all from the relaxation of machine numbers proposed in the White Paper.
29. Given the wider pressures on the gambling industry from the GB Gambling Commission to promote socially responsible gambling and to identify and help those at risk from gambling related harm, it is indicative of the difference between casino and AGC customers, that different self-barring schemes have emerged. SENSE is national scheme involving all casinos. Whereas the limited self-exclusion scheme operated by BACTA only bars a customer from the AGC where they enrol and other AGC's within 1km.
30. Across, Great Britain there are other examples of casinos and AGC's being closely collocated and no evidence of there being any impact either on the incidence of anti-social behaviour or problem gambling.
31. Comment has been made in relation to the issue of the availability of alcohol in casinos and its impact. Of all licensed premises, casinos are amongst the least likely to tolerate excessive drinking or misconduct. Alcohol is ancillary to the gaming and operators are subject to a much more stringent regulatory regime. In addition to a premises holding an alcohol licence, a casino is also subject to regulation by the Gambling Commission, an extremely powerful regulator, with the ability to impose substantial financial penalties and conditions on licensees who contravene the codes of practice intended to protect customers. If a casino was subject to regulatory action by the police or a local authority for a breach of liquor licensing laws, the Gambling Commission would also consider the suitability of the licensee to hold an Operator's Licence.
32. In any event, after stripping out high end casinos in London, the average spend on alcohol in casino premises tends to be less than £10.
33. Inevitably there will be some cross-over between customers, just as some shoppers will occasionally use a different store, but in the main my experience is that the overwhelming majority of casino customers will not use what they identify as 'amusement arcades'.

Luxury Leisure

34. I am aware of Novomatic and Luxury Leisure as reputable operators with very high standards.
35. I have seen copies of the applications, supporting documents and Luxury Leisure's Policies and Procedures. I have also reviewed the statements of Charles Churchill, Kevin Farnsworth and Mark Thompson.

36. I agree with the comprehensive systems, which I am very familiar with, that will be employed by Luxury Leisure at the AGC and at the casino.
37. I am fully supportive of the fact that Luxury Leisure intend to implement all of the 7 Tools referenced in the Government's White paper (listed at paragraph 26 above) to enhance the machine protections at the casino, once the casino is operational. This is set out in detail in Charles Churchill's statement. I also note his particular industry experience and knowledge.
38. I conclude that Luxury Leisure will therefore be employing robust measures to promote the licensing objectives when operating both the existing AGC and also the proposed casino.

The viability of Middlesbrough's Intended Large Casino Project

39. It is my view that the Middlesbrough's Large Casino Project has now proven to be unviable, and the Council is unlikely to be able to justify the further retention of the Large Licence it was granted by the 2005 Act legislation. The Council should expect to be asked to surrender the licence in accordance with proposals set out in para 76/77 of Chpt 6 of the 2023 White Paper.
40. There is extensive geographical restriction on where a casino can be sited. In the 1960s, 53 so called "Permitted Areas" for casino gambling were selected largely based on the adult population of county boroughs and seaside resorts. The Permitted Areas then formed the legislative basis for the 1968 Gaming Act. Middlesbrough was identified as a Permitted Area. Those areas have never been revised (although there was an attempt to increase them in 1997) to reflect shifts in population.
41. All Permitted Areas were initially allowed to grant a single licence. The number of additional licences which could be issued (by licensing justices) in any Permitted Area was restricted by a 'demand test', which required applicants for a licence in a Permitted Area to satisfy the court that there was unmet demand. The number of operating casino licences granted peaked at 186 in 2009 following the implementation of the 2005 Gambling Act on 1st September 2007.
42. It was not until almost 40 years later that the Gambling Bill 2005 revisited the nature, size and distribution of casinos in the UK. Together with other revisionary measures, The Bill proposed three new categories of casino (Regional, Large and Small) and a mechanism for their geographic distribution.
43. However, the passage of the Bill was impacted by the 2005 election which resulted in inadequate scrutiny of the legislation. When the Act passed into law it allowed for 1 Regional casino, 8 Large casinos and 8 Small casinos. However, the order allocating the 17 licences was rejected by the House of Lords and the Regional casino (awarded to Manchester) had to be dropped, in order for the remaining "16" to be approved.
44. The Government appointed a Casino Advisory Panel ("CAP") to identify the 16 areas that would benefit from the development of a new casino. The Panel started its work in January 2006.
45. It is now widely acknowledged that the 2005 Act failed in a number of respects.

46. The CAP process of selecting the 16 areas was significantly flawed. The CAP allocated ten of the sixteen new casino licences to existing 1968 Act Permitted Areas where casinos were already in operation. This resulted in most of the new 2005 Act casino licences, faced with competition from established casinos, being assessed by operators as not being commercially viable.
47. In its evidence to the 2011 CMS Select Committee the National Casino Forum predicted precisely this outcome.
48. Since 2007, when the 2005 Act passed into law, just four of the eight new Large 2005 Act casinos have been developed. Three have been developed in areas where there was no existing 1968 Act casino provision: Newham, Milton Keynes and Solihull. In Leeds, which was an existing 1968 Act Permitted Area, the development the Large 2005 Act casino developed resulted in the closure of two 1968 Act casinos in Leeds and a further two in adjoining Bradford.
49. Of the eight Small 2005 Act licences, four have been developed. Three were existing 1968 Act casinos that up-graded their premises with little deliverable additional benefit to the relevant areas: Luton, Scarborough and Wolverhampton. Only one new Small casino has been developed (Bath). It closed after 18 months because Bath could not support its own casino with three operating 1968 Act Casinos operating in nearby Bristol and two dormant licences.
50. It has now been clear for at least a decade that the CAP process for identifying suitable areas for the 16 new casinos, was seriously flawed. Identifying 10 “new areas” in existing Permitted Areas meant that either a new operator would have to make a very significant investment to build a Large or a Small casino to be able to compete with existing operators in those areas or existing operators would have either to move to larger premises or, if possible, expand their operation in an existing premises to meet the requirement for a Small licence.
51. In summary, only 8 of the 16 new 2005 Act licences have been developed in the 14 years since the process started. As of today, only 7 of those 16 new licences remain operational. In 2014 Swansea Council, a recipient of a new Small licence in 2007 passed a “no casino” resolution.
52. In the recent White Paper on High Stakes Gambling the Digital Age, Government reports that the ‘experiment’ that was the grant of the 16 new licences has not been successful. Four of the Large 2005 Act licences and five of the Small 2005 Act licences are not in use.
53. The second major failing of the 2005 Act was in the definitions of casinos.
54. The definitions of ‘Small’ and ‘Large’ are confusing. Currently, a ‘Small’ casino can offer 2 machines per table up to 80 category B1 gaming machines and a ‘Large’ 150 machines in the ratio of 5 per table. The reliance on machine ratios resulted in a Small casino that wished to have the maximum 80 machines requiring a larger gaming area than a Large casino, making their development disproportionately costly, confusing for the consumer and therefore unlikely.
55. This failing is addressed in the 2023 White paper which seeks to introduce a common machine to table ratio of 5:1 across the entire casino estate. The Government’s

proposals make clear that it now intends to implement the changes to gaming machine provision and the introduction of sports betting that repeated governments have promised to review.

56. Middlesbrough was of course an existing Permitted Area under the 1968 Gambling Act and was successful in its application to issue a licence for a Large casino permitted by the 2005 Act; the authority originally having applied for a Regional or a Large casino.
57. In evidence given on behalf of local authorities to the CMS Select Committee on the 8th November 2011, four years following the passing of the legislation, (reported in July 2012) by Richard Dowson, then Chair of the Casino Network and Senior Business Development Officer, Middlesbrough Council, representing the 16 Authorities awarded 2005 Act licences told the Committee that *'a lot of authorities are moving forward and we are confident that all 16 will be developed.'* [note – Re Cap]
58. That statement was at best optimistic in the extreme and at worst totally misleading in November 2011. By then several of the 16 local authorities ("LA's") had already stated that they had no plans to progress the licence process at all. Only one licence had been subject to a proper competition and was operating. Of the others, two LA's had only just begun their process, three had gone to legal challenge and a further two licences had been granted with only one being under a genuine development process as one was a provisional statement awarded to a developer because no operator had shown any interest.
59. In the summary of Middlesbrough's proposals, the CAP report states as follows:

"Although one or more of the sites proposed would put the casino close to further and higher education campuses, consultation with the institutions concerned indicates that no problems are likely to arise. The council is of the view that casinos need to be located in areas needing regeneration and that their social effects will be no worse than anywhere else. The proposal would be supported by targeted investment in training. The council has undertaken research into problem gambling in the borough, which, while somewhat inconclusive, has led them to develop a partnership with Gamcare and the Citizens' Advice Bureau."
60. In December 2014, some seven years since the Act came into law, Middlesbrough Council seemed still to be labouring under a material misunderstanding of the procedural stages of the licensing process and the 'success' of the 2005 Act in bringing about the development of the 16 new casinos.
61. In the Executive Report dated 9th December 2014 on the Gurney Street redevelopment, authored by the same Mr Dowson, relating to the 'Background and External Consultation', he describes the progress of the 16.

'Of the sixteen Local Authority areas granted licences to issue (8 large and 8 small), to date only two casinos have opened (Newham and Milton Keynes), whilst one other is under construction (Solihull). Of the remaining thirteen, a number of provisional statements and licences have been issued, but none have yet progressed to development.'
62. However, the report fails to recognise that the Council could not grant a full premises licence to the then applicant (Gurney Casino Ltd) unless and until the company

obtained a full 2005 Act Casino Operating Licence from the Gambling Commission. It had not obtained an Operating licence and I can find no evidence an application for an Operator's licence has ever been made by Gurney Casinos.

63. The Council seemed to be operating on the basis that '*through its land ownership and licensing functions it would retain the ability to reject an unsuitable casino scheme at a later stage*'.
64. Where a casino operator secures a provisional statement it can then apply for this to be converted into a premises licence during the Stage 2 process. However, no casino operators made either of the original applications at Stage 1.
65. In this case, two provisional statements had already been awarded to two different developers at Stage 1. The Council was then required to identify the party that would generate the most benefit through the Stage 2 process. Middlesbrough continued with its Stage 2 casino application process, with only one applicant (a local property developer: not a casino operator) who did not secure the required Operator's licence. The Council decided to proceed to the award of a provisional statement to a party that was unable to secure a premises licence without first securing a 2005 Act operating licence from the Gambling Commission. This therefore left the Council with no choice than to accept what would be offered by the developer should they obtain the requisite non-remote 2005 Act Casino Operating Licence.
66. The Council also appears to have been poorly informed by the 2014 Executive Report about the viability of the national casino market. The report cited '*the general economic downturn*' as the reason for a lack of interest from any casino operator. This was not the case. I am unaware of any engagement with the National Casino Forum and the 2014 report does not appear to have considered the cumulative impact in 2007/8 of the Chancellor's changes to Gaming Duty (see 15 ante), the imposition of the smoking ban and the implementation of the 2007 Money Laundering Regulations all of which, taken together, stifled growth in the industry. I suggest the Council should have reviewed the matter again as the suggested revival of the casino market referenced in paragraph 27 was ill-informed. In 2016 the one operating casino in Middlesbrough, the Rainbow at the Teesside Leisure Park, also closed with the loss of 50 jobs. Why this was not considered by the Council as demonstrating the fact that there was not a market for a Large casino in Middlesbrough is difficult to understand?
67. Additionally, the Council will have been aware of the development of the Grosvenor Stockton Casino as it was underway before the competition was launched in 2010. For a period of 5 years or so there were two 1968 Act Casinos operating within the catchment area of the proposed Large casino.
68. There is then reference to the Phase One and Phase Two stage approach of the planning consent for the site, which suggests that the remainder of the scheme could progress without the casino element. Indeed Phase 1 has now been implemented by the construction of the Premier Inn.
69. By July 2015, the Middlesbrough Gazette reported that the Mayor of Middleborough Dave Budd seemed convinced the Large casino project was '*unlikely to go ahead*'. He was correct.

70. No further casino licences can be granted by any licensing authority. The outcome is that in Great Britain there can never be more than around a maximum of 202 casinos. Currently, 144 are operational, 137 1968 Act and 7 2005 Act licences. There are 49 dormant (untransferable outside the Permitted Areas in which they were granted) 1968 Act licences and 9 2005 Act licences which have not been issued. It is also important to note that the 2005 Act licences are *premises specific* and, once issued, cannot be moved within a licensing authority area.
71. I refer to this section in the Government's White Paper, which reflects the views expressed by both the CMS Committee Report in 2012 and the House of Lords Report in 2020:
- "When the 2005 Act was passed, the then government planned to review the changes in 2014, but only two of the new casino licences were active at that stage. There are now seven active 2005 Act casinos from which to draw conclusions, with another one having opened and then closed again. The House of Lords Select Committee report recommended in 2020 that casinos should be regulated under the same system regardless of when their licence was created."*
72. The White Paper goes on to state: *"The ratio of machines to tables in 2005 Act Small casinos has forced operators to provide redundant tables which, alongside the locations to which the licences were allocated in 2007, has contributed to making them commercially unattractive for development. Only 4 of the 8 Small casino licences have been developed, and the only Small casino to be newly developed (rather than move over from the 1968 Act system) closed after 18 months."*
- "Machine allowances in Great Britain are low compared with other European gaming jurisdictions, with only Poland's upper limit being below that of a 2005 Act Large licence. Of the other jurisdictions that apply a machine-to-table ratio all currently permit a greater proportion of gaming machines compared to Great Britain."* The White Paper sets out the machine rations on many European Countries at Figure 22 (to be exhibited).
73. The Government states that Local Authorities that do not currently have a 2005 Act casino licence that would like to apply for the right to award one of the 9 unimplemented 2005 Act licences, which will enable the full potential re-generative benefit to be achieved in areas with no casino provision. (White Paper)
74. The Government proposes to write to local authorities with unused licences, like Middlesbrough, to ask them to confirm whether there is an intention to develop the licence within 'a reasonable time'. Where an authority has no intention of progressing a licence, it will act to offer up unused licences for reallocation so that other areas are able to benefit. In the event that one or more unused licences can be reallocated, the Government intends to consult on a process for local authorities to express interest in developing a casino in their area.
75. Since Middlesbrough was granted a Large casino allocation in 2007, no such operation has been developed and for the reasons stated above I am of the view that there is no likelihood of this happening. Instead, it is my view that casino operators will clearly be

interested in developing such a licence in different areas in light of the Government's published proposal on 27 April 2023 to review the current allocation.

76. In preparing this report, I have sought to consider Middlesbrough's published licensing policy as required under s349 GA 2005. However, I cannot find any evidence that it has a current policy. The previous policy expired in January 2022 and I am not aware that Middlesbrough has consulted the gambling industry and existing licensed operators about renewing it, as it is also required to do under s349. Thus it is difficult to gauge what Middlesbrough's strategy is not only in relation to the Large casino project but also generally in relation to gambling premises in Middlesbrough.

Statement of Truth

The contents of this witness statement are true to the best of my knowledge and belief.

Roy Ramm

.....

Roy Ramm

Dated 6 July 2023

MIDDLESBROUGH COUNCIL LICENSING SUB-COMMITTEE

**IN THE MATTER OF LUXURY LEISURE AND DOUBLE DIAMOND, 22 NEWPORT ROAD,
MIDDLESBROUGH, TS1 5AE**

WITNESS STATEMENT OF DAN WAUGH

I, DAN WAUGH, of Alpha Leonis Group Ltd, Hop Exchange, 24 Southwark Street, London, SE1 1TY will say as follows:-

1. I am a partner at Regulus Partners, a specialist research and advisory firm working in the global licensed betting and gaming markets. I lead the firm's practice on regulatory policy and harm prevention. I have personally worked in the leisure and hospitality industry for the past 23 years, and specifically within betting and gaming for the past 18 years, holding senior management positions at Whitbread PLC and The Rank Group Plc (the largest operator of non-remote casinos in Great Britain) before joining Regulus in 2014.
2. I was the founding chair (2015-2017) of YGAM, the country's leading youth education charity engaged in gambling harm prevention. I am also a member of GamCare's Safer Gambling Standard review panel and gamban's (online gambling blocking software) advisory board. I have written extensively on matters of gambling regulation and harm prevention and gave evidence to the House of Lords Select Committee Inquiry on the Gambling Industry on two occasions in 2020.
3. I refer to two licensing applications relating to 22 Newport Road Middlesbrough, namely:
 - 3.1 to vary Luxury Leisure's Adult Gaming Centre Licence
 - 3.2 to vary a casino premises licence currently held by Double Diamond Limited to allow for its relocation from Teesside Park to Newport Road.
4. I note the ultimate intention of Luxury Leisure is to separately operate an electronic casino and an Adult Gaming Centre ("AGC") at the Newport Road site.

5. I have seen representations dated 28th April 2022 submitted by the Licensing Section/Director of Public Health (“DPH”) of Middlesbrough Council and subsequent correspondence. Three items of correspondence were submitted by Middlesbrough Council in relation to the proposals. The representations consisted of:
 - 5.1 A letter from Judith Hedgley, the Head of Public Protection at Middlesbrough Council, sent on behalf of the council’s Director of Public Health (the ‘DPH’);
 - 5.2 A representation from Tim Hodgkinson, Licensing Manager at Middlesbrough Council in relation to the proposal to vary the AGC licence;
 - 5.3 A representation from Tim Hodgkinson in relation to the proposal to vary the casino licence.
 - 5.4 I have been asked to review these representations in order to assess factual accuracy and policy coherence.

Executive summary

6. My analysis of the three letters highlights a number of key themes.
 - 6.1 The representations make a number of claims about i) harms associated with ‘problem gambling’; and ii) the alleged incompatibility of the proposals with the licensing objectives.
 - 6.2 In general, these claims are made without explanation, substantiation or supporting evidence. On occasions where more detailed information is supplied, it is unaccompanied by citations or supporting references.
 - 6.3 This presents challenges in terms of verifying accuracy and assessing the extent to which they are meaningful. The DPH’s representation, by way of example, asserts the presence of associations between gambling disorder and harmful outcomes without supplying any information that would enable the reader to make sense of the breadth or depth of these associations (i.e. how strong are they? How do they compare with other disorders or participation in other leisure or consumer activities?).
7. The representations only consider the negative outcomes associated with dysregulated gambling behaviours and fail to consider health data and research on the benefits to a majority of consumers from recreational or non-problematic play. It

is difficult to see how the permissibility of any activity might be judged solely on associations with disordered consumption.

8. It is in any case, questionable what conclusions may be drawn from simply noting associations. Correlation is not the same as causation. It is important to understand the nature of any such associations and the extent to which they may be mediated or explained by other factors.
9. The representations provide no evidence that the proposed variations to the AGC and casino licences would have any effect on the harms identified – and if so, why. They simply assert that the proposals are inconsistent with the licensing objectives without describing, in specific terms, the basis for this assumption.

Preface

10. In order to assess the strengths and weaknesses of the representations, it is necessary to provide a brief preface to address a number of important contextual matters.

Gambling disorder

11. Gambling disorder has been recognised as a psychiatric condition since 1979 when the World Health Organisation first included it within its International Classification of Diseases¹. The American Psychiatric Association ('APA') included the disorder (at the time known as 'pathological gambling') within the third edition of its Diagnostic and Statistical Manual of Mental Health Disorders (DSM-III).
12. It is described in the DSM-5 as follows: *"In many cultures, individuals gamble on games and events, and most do so without experiencing problems. However, some individuals [which the APA puts at 0.2% to 0.3%² of the general population] develop substantial impairment related to their gambling behaviours. The essential feature of gambling disorder is persistent and recurrent maladaptive behaviour that disrupts personal, family and / or vocational pursuits"* (American Psychiatric Association, 2013).

¹ Rosenthal, R. (2019) Inclusion of pathological gambling in DSM-III, its classification as a disorder of impulse control, and the role of Robert Custer. *International Gambling Studies*. p.163

² This is consistent with results from NHS Health Surveys in Great Britain, which has estimated rates of DSM-IV 'pathological gambling' (the corollary of DSM-5 'gambling disorder') of 0.22% (2016) and 0.26% (2018) of the general population (16 years and over)

13. The DPH's statements with regard to findings about negative health and well-being in relation to people diagnosed with gambling disorder (or classified as 'problem gamblers'³) ought not be surprising. It may be expected that similar associations would be found where most other psychiatric disorders are concerned. It is questionable, however, whether public policy decisions should be determined solely by reference to the health and well-being of disordered participants; particularly where this involves infringements on the health and well-being of the majority of recreational participants. By way of illustration, we might question the wisdom of imposing restrictions on internet use based solely on observations of people with internet use disorder.
14. Gambling disorder is not the same as 'problem gambling'. The classification, 'problem gambling' used in a research context typically describes a sub-clinical condition and denotes less dysregulated behaviour and less severe outcomes.

A context of misinformation

15. It is important to recognise that the representations sit within a context of highly energetic public policy debate in Great Britain concerning the licensed betting and gaming industry. In 2020, the Department for Culture, Media and Sport ('DCMS') commenced a review of Britain's gambling laws, which is still ongoing. This review has prompted a period of intense policy debate, involving a range of stakeholders. This in turn has yielded a number of reports on economic and social costs associated with disordered gambling – from Public Health England⁴, the Office for Health Improvement and Disparities⁵, the Centre for Governance and Scrutiny the National Institute of Economic and Social Research⁶ (amongst others). Each of these reports has been criticised for the use of unsound or highly speculative methodologies as well as factual and mathematical errors – and two have now been withdrawn (Public Health England, 2021; Centre for Governance and Scrutiny, 2022). The publication of misleading claims by these bodies has distorted public policy debate and may have influenced the views of important stakeholders.

³ 'Problem gambling' is not the same as 'gambling disorder'. It typically describes a sub-clinical category of behaviours and consequences.

⁴ Belloni, A., Donaghy, S., Ferguson, B., Knight, J., Melaugh, A., Naughton, Puig-Peiro (2021) Gambling-related harms evidence review: the economic and social cost of harms. Public Health England.

⁵ Babalola, G., Denson, S., Donaghy, S., Green, E., Gommon, J., Puig-Peiro, R., Regan, M., Simpson, J. & Tierney, R. (2023) The economic and social cost of harms associated with gambling in England: Evidence update 2023. Office for Health Improvement and Disparities.

⁶ Bhattacharjee, A., Dolton, P., Mosley, M. & Pabst, A. (2023) The Fiscal Costs and Benefits of Problem Gambling: Towards Better Estimates. National Institute of Economic and Social Research

16. NHS Digital, on the other hand, has supplied a large body of high-quality data regarding participation in betting and gaming and the prevalence of gambling disorder⁷. Some of the DPH's statements are consistent with evidence from NHS Digital – but the absence of citations makes it unclear whether the DPH is citing NHS findings or claims from less reliable sources. This absence of context has a significant bearing on the extent to which the council's concerns might be considered to be reasonably justified and evidentially supported.

Issues in cost analysis

17. Simply identifying associations between two or more variables does not allow us to draw conclusions about the nature of the associations. In the absence of such an understanding, it may be difficult to derive meaningful conclusions with regard to what (if anything) should be done about such associations.
18. Walker (2012) highlights recurrent issues of comorbidity and counter factuality where attempts have been made to identify costs (and benefits) associated with gambling.

Comorbidity – “It is important to consider the matter of the net or marginal contribution of pathological gambling to socially undesirable behaviour. Investigators usually observe that pathological gamblers have legal problems, often require public assistance in the form of various kinds of welfare payments, and may require more medical services than other individuals.

These observations are easily verified but prove little. As most authors would acknowledge, simply observing that gambling is correlated with such problems does not imply that gambling causes them. If gambling were not an option, a person predisposed to a pathological disorder may manifest his disorder in other destructive ways. More importantly, if pathological gambling is simply a symptom of some more basic disorder, it is the more basic disorder rather than gambling itself that is the underlying cause of the adverse consequences and social costs of the pathological gambling.”⁸

19. Walker adds that *“In comorbidity cases pathological gambling may make little or no contribution to legal problems, bankruptcy, need for public assistance, or high medical care costs that often characterize pathological gamblers.”*

⁷ These include the Health Survey for England, the Scottish Health Survey and the Adult Psychiatric Morbidity Survey

⁸ Walker, D. (2012) *Casinomics: The Socioeconomic Impacts of the Casino Industry*. Springer. pp.179-180

Counterfactual scenario – “When considering the costs (or benefits) associated with gambling and gambling behaviour, it is important to consider the counter-factual scenario. That is, we must be mindful of what otherwise would have happened.”⁹

20. I turn now to considering each of the three representations.

Part 1. Assessing the evidence provided in the representation from the Director of Public Health

21. On 28th April 2022, Judith Hedgley, the Head of Public Protection at Middlesbrough Council submitted correspondence to Tim Hodgkinson, of the council’s licensing team with regard to the proposed relocation of a casino licence within the local authority. The correspondence was sent on behalf of the council’s Director of Public Health (the ‘DPH’) and contained a number of statements with regard to “harms that problem gambling encompasses”.

22. The DPH supplies a number of reasons for rejecting the application for relocation of the casino licence. Unhelpfully, no citations are provided and this makes it difficult to understand the strength of the evidence that the DPH has considered. The grounds are also expressed in very brief and imprecise terms. In a number of instances, no attempt is made to describe the depth or breadth of the issues that cause concern. These omissions are important.

23. The first set of statements reads as follows:

“We recognise the extensive harms that problem gambling encompasses:

- *Potential co-morbidities eg. anxiety & depression, substance misuse*
- *Medical consequences eg. insomnia, CVD, stomach problems*
- *Social consequences eg. relationships, neglect, bankruptcy*
- *Burden on public purse eg. health, welfare, housing, criminal justice”*

24. The second set, covers some of the same territory but provides some attempt to describe associations.

“It has also been found that:

⁹ Ibid. p.178

- *For male gamblers, alcohol consumption is heavier in those classified as problem or at risk gamblers than those classified as non-problem or non-at-risk gamblers.*
- *Problem gamblers are more likely to be smokers and they are also more likely to be heavy smokers*
- *For self-reported anxiety and/or depression; 47% of problem gamblers said they are moderately or severely anxious or depressed versus 20% of non-problem or non-gamblers.*
- *For diagnosed disorders, 11% of problem gamblers have a diagnosed mental health disorder versus 5% of non-problem or non-gamblers.”*

25. In relation to both sets of statements, I make the following observations:

25.1 The failure to provide citations or references is unhelpful and frustrates attempts to assess the accuracy and meaningfulness of the claims¹⁰.

25.2 Observations of association are of limited value to public policy decisions. Correlation does not denote causation.

25.3 The failure to consider associations between recreational gambling and positive health and well-being – despite evidence of such associations (possibly drawn from the same sources as the DPH’s claims of harm).

26. I turn now to examining the themes that the DPH highlights.

I - Comorbid mental health conditions

26.1 It is generally recognised that ‘gambling disorder’ and ‘problem gambling’ are comorbid with a number of other mental health and physical health conditions¹¹. The DSM-5 states, for example that *“Individuals with gambling disorder have high rates of comorbidity with other mental disorders, such as substance use disorders, depressive disorders, anxiety disorders and [personality disorders. In some individuals, other mental disorders may precede gambling disorder and be either absent or present during the manifestation of the gambling disorder. Gambling disorder may also occur*

¹⁰ It has been suggested that the source of these claims is the NHS Health Survey for England 2012 and the Scottish Health Survey 2012.

¹¹ The Adult Psychiatric Morbidity Survey finds a “strong associations” between DSM-IV ‘problem gambling’ and anti-social personality disorder and “weak associations” (a number on the cusp of ‘little or no association’) with ‘obsessive compulsive disorder, ‘panic disorder/phobia’, ‘alcohol dependence’, ‘drug dependence’

prior to the onset of other mental disorders, especially anxiety disorders and substance use disorders.”¹² The NHS Adult Psychiatric Morbidity Survey 2007¹³, revealed a strong correlation between DSM-IV ‘problem gambling’ and anti-social personality disorder¹⁴ and weak associations with alcohol use disorder, substance use disorder, borderline personality disorder, panic disorder and psychotic disorder.

- 26.2 It may be instructive to consider findings from the American Psychiatric Association’s project to revise its Diagnostic and Statistical Manual of Mental Disorders, which commenced in 1999 and concluded with the publication of the Fifth Edition (the DSM-5) in 2013. This project included an attempt to modernise the diagnosis of mental health disorders by moving away from guided clinical interviewing towards a more biomedical approach (e.g. the use of genetic science and brain imaging to identify disorder). While the project ultimately failed (DSM-5 diagnoses are still based on clinical interview), the process raised questions about the APA’s successive expansion of mental health classifications between the DSM-II and the DSM-IV. The eminent sociologist, Professor Allan V. Horwitz writes:

“Contrary to DSM assumptions, instead of a large number of distinct entities, mental disorders seemed more related to a small number of general vulnerabilities such as ‘psychoses,’ ‘internalised neuroses,’ and ‘externalised neuroses.’ These common factors make people prone to develop a variety of different conditions rather than separable disorders. This startling finding was in certain ways closer to DSM-I and II conceptions of mental disorder, etiology notwithstanding, that the numerous distinct categories that dominated subsequent DSMs”¹⁵.

- 26.3 This finding is at least in part consistent with Blaszczyński & Nower’s ‘Pathways’ model¹⁶. It may suggest that gambling disorder is not so much a discrete mental health condition but instead what happens when someone with an underlying disorder engages in betting or gaming¹⁷. This hypothesis provides a plausible explanation for

¹² American Psychiatric Association (2013) Diagnostic and Statistical Manual of Mental Health Disorders: Fifth Edition. p.589

¹³ McManus, S., Meltzer, H., Brugha, T., Bebbington, P. & Jenkins, R. (2009) Adult Psychiatric Morbidity in England, 2007: Results of a household survey. The NHS Information Centre. p.240

¹⁴ The association between gambling disorder and anti-social personality disorder has been identified as far back as the DSM-III in 1980.

¹⁵ Horwitz (2021) DSM: A History of Psychiatry’s Bible. pp119-120

¹⁶ Blaszczyński, A. & Nower, L. (2002) A pathways model of problem and pathological gambling. Society for the Study of Addiction to Alcohol and other Drugs.

¹⁷ It is important to note that these observations were made in relation to gambling disorder and not the sub-clinical classification of ‘problem gambling’

both the high levels of comorbidity between gambling disorder and other mental health conditions; and between psychiatric disorders in general.

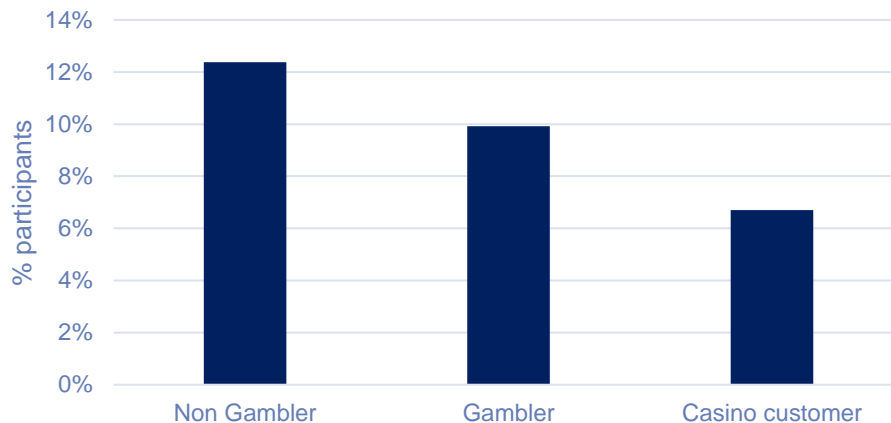
- 26.4 The DPH is correct to identify relatively high rates of comorbidity – but the salience of this observation, unaccompanied by any discussion of the nature of these comorbidities (e.g. directionality; temporal sequencing) or the extent to which they are relevant to policy decisions is unclear.

Anxiety/depression

- 26.5 The NHS Health Surveys do indicate that ‘problem gambling’ and gambling disorder are associated with heightened rates of depression – as is the case with many mental health disorders. They also however reveal that recreational or ‘non-problem’ gambling is associated with lower rates of depression than for non-gamblers. PHE (2021), commenting on results obtained from the NHS Health Surveys observed that: *“gambling and the risk of gambling-related harm also appear to be associated with psychological and physical health. Overall, the highest levels of gambling participation are reported by people who report better general psychological health (on the short general health questionnaire (GHQ-12)) and higher life satisfaction. In contrast, people describing poorer psychological health are less likely to report gambling participation. Again, this reverses for problem gambling with higher prevalence among people with poor health, low life satisfaction and wellbeing, and especially for people where there is an indication of probable psychological health problems.”*¹⁸
- 26.6 We note that this effect is particularly pronounced among people who play in traditional (non-remote) casinos. Our analysis of data from the NHS Health Surveys reveals that casino customers are markedly less likely to be classified with ‘probable depression’ (using the Warwick-Edinburgh Mental Well-being Scale) than the general population (and that past-year participants in gambling have – on average – better mental well-being than non-gamblers).

¹⁸ Public Health England (2021) Gambling-related harms evidence review: Quantitative analysis of gambling involvement and gambling-related harms among the general population in England. p.4

Chart 1: Prevalence of probable depression - gamblers and non-gamblers (Warwick-Edinburgh Mental Well-being Scale).



Source: NHS Digital/Regulus Partners

If the council wishes to infer causation between 'problem gambling' and poorer mental health; then it seems equitable that it must also infer causation between non-problem gambling and better mental health.

Diagnosed mental health disorders

- 26.7 It is unclear what the DPH intends to convey here. Based on analysis of data in the Health Surveys, a little under half of people classified as 'problem gamblers' may be expected to have a gambling disorder (i.e. survey responses indicate that they may meet the criteria for DSM-IV 'pathological gambling'/ DSM-5 'gambling disorder'), which is a mental health disorder. The DPH's claim is therefore surprising as it indicates that a maximum of 11% of 'problem gamblers' (in whatever study this statement refers to) will have been diagnosed with any mental health disorder. It may of course be that the DPH intended to suggest that 11% of 'problem gamblers' had been diagnosed with a mental health disorder aside from gambling disorder. If so, this again would be unsurprising given the fact that mental health disorders are very often comorbid. The influential 'Pathways' model (Blaszczynski & Nower, 2002) defines three pathways to problem gambling. Two of those pathways are 'emotional vulnerability' (i.e. where gambling is used as a coping response to a traumatic event) and 'biological vulnerability' (where the neurobiological factors make the individual less able to regulate behaviour). It should therefore be unsurprising that some 'problem' or 'disordered' gamblers experience a number of mental health conditions.
- 26.8 Where non-problem gamblers are concerned, it may well be that the incidence of mental health disorders are lower. For example, we know from Health Surveys that

rates of poor mental health and depression are lower among non-problem gamblers than they are within the general population.

II - Physical health and risky or unhealthy behaviours

- 26.9 Medical conditions - the absence of citation is particularly problematic where this statement is concerned. The DPH describes a causal relationship between 'problem gambling' and insomnia, cardiovascular disease and stomach problems without providing any supporting evidence. Research does indicate that 'problem gamblers' may be at higher risk of experiencing certain health conditions – but also that they are at lower risk of others. For example, Cowlshaw and Kessler's 2016 study of data from the NHS APMS 2007¹⁹ indicated that DSM-IV 'problem gamblers' were less likely to be overweight or obese (compared with the general population) and less likely to suffer from bronchitis or emphysema. Where statements of causality are made (whether in relation to positive or negative outcomes from any activity), it is important that they are supported by clear evidence – but this is not the case where the DPH's statement is concerned.

Alcohol consumption and cigarette smoking

- 26.10 Results from the NHS Health Surveys (2012, 2015, 2016 and 2018) support the DPH's statements regarding alcohol consumption and cigarette smoking. As Public Health England observed in 2021, the rate of problem gambling was highest among those who consumed between 36 and 50 units of alcohol per week on average (although the rate among those who consumed more than 50 units a week was slightly lower). It is unclear what this association tells us – and certainly it cannot be inferred that the 'problem gambling' causes the high levels of alcohol consumption; or that changes to population rates of 'problem gambling' would have any effect on alcohol or tobacco consumption.

Social consequences

- 26.11 Once again, we note that the DPH makes a claim of causality without providing any supporting evidence. There are however, some useful data-points from Official Statistics that may illuminate these matters. Analysis of data from the NHS Health Survey for England 2018 reveals that 0.3% of people who gambled reported risking *"an important relationship, job, educational or work opportunity because of*

¹⁹ Cowlshaw, S & Kessler, D. (2016) Problem Gambling in the UK: Implications for Health, Psychosocial Adjustment and Health Care Utilization. *European Addiction Research*. p.94

*gambling*²⁰. Meanwhile, the National Institute of Economic and Social Research found that 0.04% of people surveyed in the ONS Wealth and Assets Survey 2019, reported insolvency or bankruptcy as a result of gambling or other forms of speculation (e.g. property or stock market investment)²¹. While these statistics represent meaningful numbers of people in absolute terms, they also highlight the relative rarity of these harms among gambling consumers.

Burden on the public purse

- 26.12 It is not contested that disordered gambling can impose certain costs on the state through the heightened use of public services. The same may be said of mental health disorders in general and of dysregulated consumption of a wide variety of goods and services, including eating food, drinking alcohol and sweetened drinks or shopping. We note that a number of attempts have been made in recent years to calculate the extent of such costs, including reports from the Institute of Public Policy Research (2016)²², Public Health England (2021), the Office for Health Improvement and Disparities (2023) and the National Institute for Economic and Social Research (2023). Each of these reports has been criticised for the use of unsound or highly speculative methodologies and – in the case of PHE, OHID and NIESR – clear and obvious mathematical and factual errors. The PHE report was withdrawn in 2023, following admissions by the Department of Health and Social Care that ‘mistakes’ had been made in its production²³.
- 26.13 The DPH letter does not provide any citations in support of its claims with regard to burdens on the public purse – but the risk should be considered that the views it expresses may have been influenced by **either** the IPPR or the PHE reports.

Part 2 – assessing the claim that colocation of a casino with an adult gaming centre would present a risk to the licensing objectives

27. A further letter was sent by Tim Hodgkinson of Middlesbrough Council on 28th April 2022, objecting to Luxury Leisure’s application to vary the licence of its existing Adult Gaming Centre in order to reduce the area licensed for gambling. The nature of the objection is described as follows:

²⁰ Regulus Partners (2021) Gambling in Great Britain in the 21st Century – A Statistical Review. Report 2: Behaviours and Harms.

²¹ Bhattachargee et al. (2023), p.46

²² Thorley, C., Stirling, A. & Huynh, E. (2016) Cards on the Table: The Cost of Government Associated with People who are Problem Gamblers. Institute of Public Policy Research.

²³ DHSC responses to Freedom of Information Act requests

“Although the application is to reduce the size of the current AGC it is understood that variation is to enable a converted casino to located in part of the premises removed then later expanded and transferred to Luxury Leisure, the holders of the AGC. No detail of the proposals or impact of the proposals have been received and such an operation in that area is likely to lead to harm to the objectives.”

28. It seems reasonable to observe that an absence of detail regarding the proposals may present a challenge in assessing the extent to which they are consistent with the licensing objectives. By the same logic however, it is difficult to understand how the absence of detail can lead to the conclusion that the proposals are *“likely to lead to harm to the objectives”*. The suggestion here is that the opening of a casino in Middlesbrough city centre is, by its very nature, antithetical to the licensing objectives. This would clearly be illogical. I would therefore expect to see a much more careful and evidentially supported explanation of how the council has formed this view.

Part 3– assessing the representation to vary the casino licence

29. On 28th April 2022, Tim Hodgkinson made a representation in respect of Double Diamond’s plan to vary its casino licence. The substance of the council’s objection appears to have been a concern that the proximity of the casino and AGC premises was unlikely to be compliant with the Gambling Commission’s Licence Conditions and Codes of Practice. The relevant passage is as follows:

“It does not appear the proposals will comply with Social Responsibility Code 9 or the Guidance at part 17 with regard to the provision of substantive facilities for casino games and/or games of equal chance and supervision of those facilities and how the premises will be such that a customer can recognise as a casino. The Licensing Authority is concerned that the casino is to be used as a vehicle of offer higher stake and prize gaming machines, in addition to it being positioned adjoining an Adult Gaming Centre which also could have 20% of the overall machines being higher stake and prize gaming machines.”

30. It is unclear why Middlesbrough Council should object to a casino licence being used to *“offer higher stake and prize machines”*, given that such games are an expected part of the casino experience in Britain and in many other markets around the world. In other words, it is explicitly intended in law that casinos - and only casinos - should be permitted to allow B1 machines, which have the highest stake and prize maximums under the Gambling Act’s system of categorisation. I fail to understand why the council should object to a licence being used as a *“vehicle”* for precisely the games intended

by law. I am informed that the casino licence would indeed be used for the purposes of offering substantive facilities for non-remote casino games alongside electronic gaming machines.

31. The reference to the LCCP is curious. SR Code 9.1.3 requires that *“facilities for gambling must only be offered in a manner which provides for appropriate supervision of those facilities by staff at all times”*; and *“licensees must ensure that the function along with the internal and/or external presentation of the premises are such that a customer can reasonably be expected to recognise that it is a premises licensed for the purposes of providing facilities for casino games and/or games of equal chance.”* Once again, it is difficult to understand how these present grounds for objecting to the application. Luxury Leisure would be required to provide *“appropriate supervision”* and to enable customers to recognise the nature of the premises as one licensed for the purposes of providing facilities for casino games and/or games of chance. The council therefore appears to be objecting to the application on the speculative assumption that Luxury Leisure would subsequently operate on a non-compliant basis.
32. The council contends that the proximate location of a casino licence with an AGC licence is inconsistent with the licensing objectives; but without providing any evidence in support of this claim. Its use of the term *“higher stake and prize gaming machines”* to describe both B1 gaming machines in a casino (£5 maximum stake and £10,000 maximum jackpot) and a B3 machine in an AGC (£2 maximum stake and £500 maximum jackpot) is confusing. It risks giving the false impression that 20% of the machines in the AGC would offer the same stakes and prizes as would be found in a casino. This is clearly not the case. In any event, it is unclear why the presence of B1 and B3 machines in proximate but separate premises presents a risk to the licensing objectives. A customer would not, for example, be able to play simultaneously in the AGC and the casino or to play in more expedited fashion. If anything, the relocation of the casino licence seems likely to result in enhanced player supervision – in terms of entry controls, staffing ratios and the introduction of play tracking on the casino machines. It seems reasonable to assume that protections for customers will in fact be enhanced as a result of the proposed variations. If the council believes that the proximate location does represent a risk to the licensing objectives, I would expect it to explain specifically how this would be manifested.
33. The representation further objects that the presence of a casino licence in proximity to *“numerous licensed premises selling alcohol”*:

“ The premises is situated in Central Ward in the town centre area, near to numerous licensed premises selling alcohol. The area already suffers from high levels of crime and disorder and deprivation. So much so that for a number of years this area has been included in a cumulative impact area for premises licensed under the Licensing Act 2003. It is not clear what the proposals are, however, a converted casino with its machine entitlement in that position is likely to lead to harm to the objectives.”

34. It is unclear to me from this passage whether the Council's concerns stem from a) the addition of another venue licensed to sell alcoholic drinks (a standard feature of casinos in Great Britain and globally); or b) that it would offer gaming machines in an area with a relatively large number of licensed bars and restaurants. In any case, the representation fails to explain why the proposed variations represent a risk to the objectives of either the Licensing Act 2003 or the Gambling Act 2005 (even though no Licensing Act 2003 application has in fact been made yet).
35. It may be instructive to observe that the sale of alcoholic drinks in casinos is relatively modest. Analysis of audited results from The Rank Group Plc (the largest operator of non-remote casinos in Great Britain, through Grosvenor Casinos) indicates that in 2019²⁴, the mean spend per visit on food, drink and other non-gaming activities in casinos outside London was around £3. While the results do not allow us to infer median expenditure or the distribution of expenditure, it ought to be clear that the sale of alcohol is fairly modest in most casinos²⁵. It seems unlikely therefore that a casino would add in any significant way to the overall consumption of alcoholic drinks in the town centre.
36. The subsequent claim that *“a converted casino with its machine entitlement in that position is likely to lead to harm to the objectives”* seems to be a non-sequitur. It suggests that the presence of gaming machines is likely to have a bearing on the cumulative impact of alcohol licensing. If instead the council wishes to suggest that the presence of licensed premises in the proximity of the casino poses a risk to the licensing objectives of the Gambling Act 2005, it should explain exactly how this “harm” might be expected to arise. I observe that the high levels of controls found in casinos in Great Britain - including entry controls and high levels of supervision - mean

²⁴ I have used this datapoint because it is the most recent figure publicly available from Rank's financial statements and because it is unaffected by the Covid disruptions to trading of recent years. The figure is reasonably consistent with prior years, suggesting that it is likely to be sufficiently accurate for the purposes of this analysis.

²⁵ It may also be worth noting findings from a 2021 study of the banking transactions of customers of Lloyds Bank (Muggleton et al., 2021) found that people who spent a higher than average proportion of their income on gambling spent a lower proportion of their income on going to bars.

that disordered or socially undesirable behaviour or excessive consumption of alcohol are extremely rare.

Conclusion

37. Gambling disorder is associated with a number of harmful outcomes – in some cases the association may be causal and in others non-causal. The same may however be said of all mental health disorders, including for example alcohol use disorder, caffeine use disorder, eating disorders, internet use disorder and compulsive buying behaviour. It may therefore be possible to assert similar objections to the development of a much wider array of businesses – including shops, restaurants, coffee shops and shops - on the grounds that disordered consumption is associated with negative health and well-being.
38. It is not clear that the statements provided by the DPH represent sufficient grounds for restricting consumer choice. They consist of (often unsupported) observed associations between problem gambling and negative health and wellbeing, shorn of any of the context necessary to determine their salience to the Licensing Objectives. In some instances, claims of causality are made which – in the absence of supporting evidence – appear to be misleading.
39. The representations from the Licensing Manager allege that the proposed variations may be inconsistent with the objectives of the Licensing Act 2003 and the Gambling Act 2005 – but without any detailed explanation of why this should be the case or the supply of evidence to support these claims.
40. The representations appear to give no consideration to the benefits that the proposed variations may be expected to bring to consumers in Middlesbrough and beyond. This is a critical omission. The Gambling Act 2005 requires that “children and other vulnerable persons” be protected “from being harmed or exploited by gambling”. This imposes a requirement on operators to implement suitable controls to prevent harm or exploitation; but it does not justify blanket restrictions or prohibitions on recreational consumers. In failing to consider the benefits to consumers from the proposed variations, it is questionable whether the council is acting in accordance with both the spirit and the letter of the Gambling Act.
41. I have had the opportunity to review Luxury Leisure’s policies and procedures and the statements of Charles Churchill, Kevin Farnsworth and Mark Thompson

Statement of Truth

The contents of this witness statement are true to the best of my knowledge and belief.

Dan Waugh

.....

Dan Waugh

Dated 6th July 2023

MIDDLESBROUGH COUNCIL LICENSING SUB-COMMITTEE

**IN THE MATTER OF LUXURY LEISURE AND DOUBLE DIAMOND, 22 NEWPORT ROAD,
MIDDLESBROUGH, TS1 5AE**

WITNESS STATEMENT OF ANDREW COTTON

I, **ANDREW ROBIN COTTON**, of 2 Leman Street, London, E1 8QN will say as follows:-

1. I am qualified as a solicitor and employed as the Director of Betting and Gaming at Ince and Co, a firm specialising in the provision of a range of legal services relating to the regulation of gambling products and services, including operator and premises licensing, regulatory compliance, data protection and anti-money laundering controls.
2. Prior to moving into private practice 10 years ago I was employed [for 12 years in HM Courts Service, reaching the position of Deputy Clerk to the Justices, which included responsibility for Betting and Gaming. Thereafter, I was employed for over 15 years by the Rank Group plc with specific responsibility for the licensing of AGC, betting offices, bingo and casino premises both under the former Gaming Act 1968 and the Gambling Act 2005. I joined the leisure division of company in March 1997, which also at the time operated in the wider leisure sector including Odeon Cinemas, Rank Nightclubs, Holiday Parks, Hotels and Hard Rock Cafes.
3. I had specific responsibility for securing the gaming licence approval for the grant of new casino licences for the new leisure style of much larger casino premises initiated by all the key operators in the industry. It was also necessary to apply for a new licence and prove demand for an expansion of gaming facilities where existing casinos were re-located (such as the move of the Stakis licence to Teesside Leisure Park) and/or when existing premises were expanded or significantly re-developed. I secured an additional 16 casino licences for Grosvenor Casinos, all but one of which have been developed.
4. I have over 25 years specialist practitioner experience in the licensing of land based casinos and bingo clubs and over 20 years experience of the licensing of remote forms of betting under the former 1963 betting legislation and the subsequent consolidated legislation passed into law on 7th April 2005.
5. It is extremely important for the Sub Committee to understand the history of legislative controls imposed by the pre-2005 legislation, which applied to applications for casino licences until the last 1968 Act casino licence was granted on appeal in 2009.
6. Under the 1968 Act the supply of land-based casinos and bingo clubs was controlled by the application by the demand test and it is of interest to note that it was during the final years of that licensing regime (between 2004 to 2009) that the demand test was effectively applied.

7. Indeed in early 2006 the government introduced provisions to prevent any further applications for new casino licences given the significant increase in applications to the Gaming Board/Gambling Commission for consent to make a casino licence application. This was an inevitable consequence of the restrictions imposed in reducing the number of new style casino licences both in December 2004 and in the wash-up of the legislation to ensure the Act was passed before parliament was prorogued. This curtailed debate on outstanding amendments and revisions to the Act.
8. Prior to the two changes to National Casino Policy implemented in 2004 any application for a new casino would be permitted if the premises complied with the minimum size requirements for the proposed small and large casinos as they were not to be limited to allocated areas. This resulted in widespread concerns over the uncontrolled proliferation of casinos, including from the existing industry. In 2004 restrictions were initially introduced to create a new category of new style casino (the regional casino) and initially only this category was to be limited in number by way of geographical allocation. This actually resulted in the press launching a campaign highlighting the potential for there being a casino on every high street corner.
9. On 16th December 2004 the government published its revised proposals, which was to restrict the number of new licences to 16 small, 16 large and 16 regional casinos. These were to be allocated through an assessment process to be launched once the Act was in force. Measures were also announced to prevent those casinos licensed under the 1968 Act from qualifying for a new licence if they met the minimum size criteria. Their entitlements to gaming machines were to remain at the level then applying to 68 Casino licences (10) but then increased to 20 as part of the transitional arrangements.
10. As other witnesses have addressed the selection process for the 17 licences was completely flawed (as excluding the one regional casino that has never been allocated) 10 of the 16 “trial areas” were to be existing Permitted Areas where there were existing operating casinos.
11. One of those Permitted Areas was Teesside, which encompassed Stockton, Redcar, Thornaby and Billingham in addition to Middlesbrough itself. The Permitted Area supported three 68 Casino licences at the time the Act was implemented. The original Stakis/Gala Casino at Teesside Leisure Park, the Grosvenor Casino at Chandlers Wharf in Stockton (granted in 2005) and the Clermont Leisure Licence (granted in 2006) for the former Thistle Hotel. The catchment area for all of these licences was at least the combined area of what are now separate Local Authority areas and indeed extends to Darlington in the west and Hartlepool to the north. A further Permitted Area in Sunderland also supports a separate casino with parts of the catchment areas overlapping.
12. Had all the 1968 Act licences for which the Gaming Board/Gambling Commission issued Certificates of Consent there would now be some 256 in existence. By the time the last 68 licence was granted this had reduced to 186, in large part because only 4 of the 32 applications submitted by Clermont Leisure were actually granted.
13. Other witnesses have addressed the key challenge to the profitability of the casino industry created when the Chancellor hiked casino duty in his budget in 2007 and in particular by the removal of the lower bandings of 2.5% and 12% paid for most smaller casinos and replaced them with a new 15% rate. The marginal rate of duty paid increased by over 50% in some cases. Overnight a considerable number of casinos became unviable and this resulted in the closure in the following year of a significant

number of small casinos with restricted facilities and space to bolster revenue – gaming machines, restaurants and poker facilities.

14. The industry was also badly impacted by the imposition of the smoking ban with many casinos being unable to provide secure outdoor smoking areas except for the newly developed sites where facilities were incorporated in projects commenced from 2005 onwards.
15. In 2008 Grosvenor alone closed 4 casinos in Leeds, Liverpool, Manchester and Scarborough. All of these casino licences were parked and the licences re-located to new sites and developed as electric casinos. The former Hard Rock Casino licence in Manchester was “stored” in a void space at the recently developed Manchester Casino for several years.
16. The period from 2001 to 2006 had seen a considerable number of casino licences granted to new entrants to the casino industry. With the exception of those developed prior to 2006 in Luton, Liverpool, West Bromwich, Southampton, Blackpool, Birmingham, Bristol, Southport, Scarborough, Walsall, Wolverhampton, Coventry and Great Yarmouth the remainder of applications by new entrants post 2006 were not developed because of the combined impact of the fiscal provisions and the smoking ban. Indeed all of the licences referenced above with the exception of the Shaftesbury in West Bromwich, the Opera House in Scarborough and the Palace in Great Yarmouth have been acquired by the larger casino operators. Genting acquired the Luton, Bristol and Southampton independent casinos and parked them at other casinos operating in the same Licensing Authority area. Two of these were subsequently developed as electric casinos.
17. Gala closed its small second casino in Bristol and parked it and developed it as an electric casino in the newly developed additional casino it had developed. Grosvenor acquired the Walsall and Blackpool licences and again parked them and developed them as an electric casino within the casinos they already operated in those towns.
18. There were a further considerable number of parking applications as part of the development of the additional casino licences I secured during my time at the Rank Group, including new developments of full service casinos at new sites in Manchester and Reading.
19. In 2013 the sale of the majority of the Gala Casinos to the Rank Group included two undeveloped casinos in locations where Gala had secured additional 1968 Act licences. After I left Rank at the end of 2012 the Gala Coventry licence was moved and parked in the Ricoh Stadium Casino Grosvenor acquired in 2011. The additional licence Gala had secured in Northampton was moved and parked in the operating casino that Grosvenor acquired from Gala. Both were subsequently developed as Electric Casinos. As part of the Gala acquisition the Competitions and Markets authority ruled that Rank would not be permitted to acquire casinos in seven locations and in one case Rank was required to sell one parked and unused licence to enable it to acquire the operating Gala casino in Edinburgh. Five of the Gala licences were sold to Double Diamond, including the former casino licence for the Teesside Leisure Park given that Rank already operated the Stockton Casino in the same Permitted Area and catchment area which is the area that the CMA used to assess levels of competition. The licence in Edinburgh remains undeveloped and is parked in a restaurant operated by the group that includes Corinthian Casinos.

20. In 2012/13 Rank also acquired the non-operational casino licences held by Clermont Leisure. That company secured 4 new provincial 1968 Act licences (including one in Teesside) The London licence that had been parked in the basement of the Cumberland Hotel was moved and parked in an unlicensed area of The Victoria Casino whilst works were undertaken to develop a second casino on the second floor of the Victoria. The company developed this as a dedicated Poker Room capable of holding significant poker tournaments. LCI had developed a similar additional poker room casino at the Empire Casino in Leicester Square in 2010/11.
21. I am aware that three of the provincial licences were re-located and parked in Mecca Bingo Clubs during 2013. When Rank acquired Gala Casinos two of these (Bradford and Glasgow) were re-located again and developed as electric casinos in two of the casinos acquired.
22. The majority of the other electric casinos that have developed in another casino operated by the same operator have been closed because they became unprofitable following the gaming duty increase in 2007. As another witness has explained one of the main reasons for the closure of small traditional casinos was the significant increase in gaming duty by the removal of the lower bands that these smaller casinos had been paying – in some cases the increase in duty was in the region of 120%.
23. The 2020/21 pandemic had a devastating impact on land-based gambling businesses and in particular the casino industry because of the massive costs involved in having to close, open in August 2020, close again in December 2020 and then finally re-open in 2021. Casinos were forced to close during the initial lock down for three months longer than most leisure venues. Some have never recovered and have permanently closed. These include:
- Maxims, Kensington and Chelsea (in administration);
 Ritz Casino, Westminster;
 Genting Bristol (2 licences);
 Genting Margate;
 Genting Nottingham;
 Genting Southport;
 Genting Torquay;
 Grosvenor Russell Square;
 Park Lane Casino, Westminster (sold by administrators to Metropolitan Gaming and being re-branded);
 Clockfair Birmingham (sold by administrators to Metropolitan Gaming)
24. The Margate, Nottingham and Birmingham Casinos all opened in the 2000's as modern leisure based casinos. With the exception of the Ritz licence and Clockfair licence all of these licences remain parked in their original locations. Both the Ritz and Clockfair licences have been sold and parked elsewhere by their new owners, Hard Rock CC London Limited and Metropolitan Gaming.
25. There is one last category of permanently parked casino licences to explain and that comprises those 1968 Act casino licences that have not traded at all since the Gambling Act was implemented and all hold converted casino licences. These include three that closed during the early 2000's and the licences have been maintained:

Genting (formerly Stanleys) Lytham St Annes;

Genting (formerly Stanleys) Great Yarmouth;
Genting (formerly Stanleys) Walsall.

26. The undeveloped licences are:

Aspers Bournemouth;
Genting Hull;
State Casino Liverpool;
Cheshire Sporting Club Manchester.

27. Both the Gambling Commission and the government are fully aware of the number of non-operational casinos and electric casinos as the government's White Paper identifies that there are in the region of 50 dormant licences. The Government is fully aware of the issues that the land based industry has faced as a result of the long delay in implementing the standardisation of gaming entitlements across all casinos (with the one exception of bingo which will remain available in large casinos alone). Indeed officials from DCMS have gone on record several times at conferences in the past year acknowledging that casino entitlements would be revised in the pending secondary legislation.

28. All of the proposed changes to bring converted casinos in line with small casinos (i.e. those casinos that have live gaming tables available and meet the minimum size requirements) can be achieved through secondary legislation. Fully automated casinos of the type proposed here will not benefit from an increase in gaming machine numbers. One other proposal that will be taken forward through secondary legislation is to re-allocate 2005 Act Casino Licences that have not been developed to other Local Authority Areas.

29. These areas are likely to be ones that do not have casinos as the government has finally accepted the evidence given to the Culture Media and Sport Committee in 2011 that 2005 Act casinos would not be developed in areas with existing casino provision. There is only one area where a large casino has been developed in an existing Permitted Area and that is in Leeds. The opening of that casino triggered the closure of two 1968 Act casinos in Leeds and two in neighbouring Bradford. Indeed three 05 Act authorities have already published documentation stating that they will not progress with their entitlement to hold a competition, including Swansea, which passed a no casino resolution in 2014.

Statement of Truth

The contents of this witness statement are true to the best of my knowledge and belief.

Andrew Cotton

.....
Andrew Cotton

Dated 6 July 2023

MIDDLESBROUGH COUNCIL LICENSING SUB-COMMITTEE

IN THE MATTER OF LUXURY LEISURE AND DOUBLE DIAMOND, 22 NEWPORT ROAD, MIDDLESBROUGH, TS1 5AE

WITNESS STATEMENT OF CHARLES CHURCHILL

1. I **CHARLES CHURCHILL**, of Fifth Avenue Plaza, Queensway, Team Valley Trading Estate, Gateshead, NE11 0BL will say as follows:- I am the Casino General Manager for the applicant company Luxury Leisure. This is the first casino development by the UK operating arm of Novomatic, the largest casino operator in Europe. The company's Operating Licence was varied in January 2022 to add non-remote 1968 Act casino to the other businesses licensed by the Gambling Commission, non-remote bingo, non-remote betting, Gaming Machine Adult Gaming Centre and Gaming Machine Family Entertainment Centre, as well as remote bingo and casino.
2. Prior to my taking up my role with Luxury Leisure I was employed as a casino manager at 4 different casinos originally licensed under the 1968 Gaming Act operated by Grosvenor Casinos:

Deputy General Manager - Grosvenor Casino Stockton-on-Tees August 2012 to August 2015;
General Manager – Grosvenor E-Casino Scarborough August 2015 to June 2017;
Cluster Manager for Grosvenor Casino Hull and Grosvenor E-Casino Scarborough June 2017 to October 2018;
Senior General Manager Grosvenor Casino Sheffield October 2018 to March 2022.
3. The E-Casino in Scarborough was the first substantive, fully Electronic Casino developed by Grosvenor Casinos. A similar casino was developed in Liverpool but was subsequently re-located to create a second casino within the Leo Casino Liverpool following its acquisition from Gala Casinos in 2013. Both casinos replaced small traditional casinos which Grosvenor closed as they became unviable following the significant increase in gaming duty in 2007/8.
4. My previous management experience at Grosvenor Casinos provides me with excellent insight into the appeal of the three different types of casino offer that have developed amongst converted casino licences. The casino in Stockton was branded as a G Casino when it opened and is an example of a casino with wider customer appeal with a restaurant, entertainment and a dedicated poker offer. Scarborough is similar to the model that is proposed here in Middlesbrough with no live gaming tables and a restricted food and beverage offer. Hull is very much a traditional casino of the 1980's with live gaming tables, a restricted food and beverage offer and no entertainment.

5. The Sheffield site was further developed during my time as manager and was the first of Grosvenor's new concept casinos, which included adding a sports bar and a wider entertainment offer. The Brighton Casino was also re-developed by taking additional space below the original casino and implementing a separate electric casino, being the former Hove Casino licence, which had been parked in the basement for some years.
6. The different styles of casino do attract slightly different customers with the peak age group being between 30 and 50 across all of Grosvenor's estate. Given the wider entertainment and facilities offered in Stockton and in particular the concept in Sheffield there is a larger 25 to 30 customer base. However, Scarborough and Hull are very much the traditional casino profile of 30 plus with only background music being provided.
7. The Government has accepted in the White Paper published on 27th April 2023 that the industry has implemented protections such as tracked play and will be consulting on proposals to introduce a standard machine to table ratio of 5:1 in small as well as large casinos and in addition in converted casinos that meet the size requirements for a small casino. For those with smaller table gaming and non gaming areas a sliding scale will be implemented. However casinos with no live gaming tables will not attract any increase above the current 20. Sports betting will be permitted in all casinos as the government has accepted that this is a standard feature that casinos in other jurisdictions provide.
8. I am aware that over the past 15 years the casino industry has developed fully automated casinos in some 28 locations replacing casinos that had been forced to close because the traditional casino they replaced ceased to be viable.
9. Some of the electric casinos that Grosvenor Casinos has developed have been acquired from other casino operators that did not implement the original 1968 Act licence. Sheffield was one of those sites where the original G Casino was developed and several years later Grosvenor acquired an unused licence and developed an electric casino alongside the main casino in the same building but with separate entrances off an unlicensed foyer. Additionally a sister company of Grosvenor Casinos operates a separate AGC with a separate entrance off the foyer.
10. At three of Rank's combined Mecca Bingo and Grosvenor Casino sites Rank Leisure Limited operates a separate AGC – these being Bolton, Stockton and Thanet.
11. One of our other expert witnesses deals in more with the reasons for the failure of the 2005 Act casino trial.
12. Both the land based casino and bingo industry have struggled to recover from the coronavirus pandemic. In the case of casinos the delay in them being able to trade again after the first lockdown and then the being required to close again has had a significant impact on the profitability of many casinos. Almost half of London's high end casinos permanently closed because of lockdown. Two licences have been sold and one has re-opened and the third into administration and has attracted no buyer. In the past 18 months Grosvenor have closed one of their London casinos, Genting have closed 5 provincial casinos and an independent provincial casino in Birmingham fell into administration and the licence has recently been sold. A significant number of unprofitable bingo clubs have been closed in the past two years.

13. As referenced the casino industry was particularly hard hit by the pandemic because of the sheer cost of implementing measures to enable casinos to re-open after the first lockdown and the reduction of profitability as a result of the PPE measures that had to be taken. Casinos were not allowed to open at all until August 2020 once safety measures agreed by DCMS and the Department of Health were agreed. These included a 50% reduction in the fire risk assessed capacity, every other gaming machine being switched off and a prohibition on the playing of poker where participants play against each other and not the bank. The measures that Grosvenor Casinos had to implement involved a one off capital investment in excess of £2m. Additionally as a result of Brexit many casino staff returned home to Europe and there were huge staffing recruitment issues as has been the case across the hospitality sector.
14. The London casino market was extremely hard hit and particularly the higher end casinos because their customer base was either not permitted to travel or had to quarantine for a period of two weeks
15. The casino model that Novomatic are developing reflects the fact that no more than two full service casinos can compete against each other in the same former Casino Permitted Area. Teesside was one of the very few areas where the implementation of the Gambling Act had a significant impact on where a casino could be located. The former Permitted Area of Teesside included Thornaby, Stockton, Billingham and Redcar and this remains the catchment area for a casino located in Middlesbrough or Stockton.
16. The social responsibility codes attaching to a non-remote casino operating licence together with high staffing levels and the supervision required in full service casinos with gaming tables ensure that they are safe gambling premises and offer high levels of protection from gambling related harm. All customer behaviour can be monitored by floor staff as well as extensive CCTV coverage, which is permanently monitored by specially trained back of house staff. The tracking of customer spend required under Anti-Money Laundering regulations ensures that it is easy for staff to monitor staking patterns and any change or unusual activity can be identified and customer interaction initiated. Fully electronic casinos provide additional controls as there is constant monitoring of all gambling spend – whereas in casinos with live gaming tables pit bosses may be supervising the operation of table play without full visibility of play on electronic terminals and gaming machines.
17. Casinos are required to employ door supervisors to carry out age verification at all casino entrances before there can be any access to gaming facilities. Social Responsibility Codes require that a Challenge 21 system is operated but Luxury Leisure in common with other operators operate a Challenge 25 system. Unless the customer who is challenged can produce an acceptable form of photo ID then they must be denied access.
18. I have been involved in developing the Novomatic casino management and player tracking system used in all of Novomatic's European Casinos. This is the first time that a casino in Great Britain will offer tracking of 100% of play, which delivers a much higher level of player protection. When entering the casino, a customer will be unable to operate any of the gambling equipment (gaming machines and automated roulette) unless they have either previously joined the loyalty scheme, or join the scheme on entry when their card will allow terminals and machines to be unlocked. If a customer declines the request to join the casino loyalty scheme a brief assessment will take place. They will be provided with a

single visit play card to unlock the gaming facilities, however their behavior will be monitored. This a hybrid system monitoring and our holistic approach to player protection ensures that we observe, monitor and asses guest customers (both financially and behaviourally) as they play and by applying our training and curiosity, we identify those customers who may benefit from an interaction, . Examples: A young man in a tracksuit who initially plays with £200 is instantly identified as higher risk than a well dressed man in his 40's playing slowly with £20.

19. The play card has to be used to access all gaming that is available and therefore that play card is tracked in the same way as a member's card and all customer spend is captured and monitored in real time by gaming floor staff on ipads.
20. A guest customer who reaches the financial trigger of £500 win/spend will be spoken to about the Threshold limit and reminded of the need for Customer Due Dilligence measures that are required under the Money Laundering Regulations. This occurs again should they reach the £1,000 win/spend trigger. Should they reach the £1,500 win/spend trigger, they will be stopped from gaming. Winnings over the threshold limit are withheld on casino deposit until CDD is satisfied
21. Should we identify at any point before an AML trigger is reached that a customer may benefit from an interaction, we will engage both with guest customers and registered customers, taking into account spend, time played, age, behaviour, ATM use, recycling winnings etc.
22. There are two 2 methods we will apply in managing 'linked transactions':
 - a. Any customer we recognise as making multiple visits regardless of in what timeframe and/or who becomes a regular visitor, will be asked to register as a member, regardless of spend. This will be compulsory for any identified customer;
 - b. We will also record the tracked play of each guest visitor who wins/spends £500 in their first visit as a guest alongside their photograph taken from CCTV system and ask them to register on their next visit. This 'gallery' of guests needing to register will be held at the Reception desk with all Receptionist checking the gallery on every shift.
23. This combination of observed visits and recorded play/photos ensures linked play is being managed as very low risk.
24. Once a customer has registered, we have a bank of data we can use to being 'risk profiling' that customer (both for AML and SG). Age, Postcode, Sex, Occupation, etc. all come with different risk levels. (as supported by research into Gambling harm and AML guidance. As we get to know a customer better through financial tracker and interactions, we further develop the data we have to risk profile the customer. Spend, claimed income, visit patterns, behaviors observation, time between SG interactions etc. Essentially, we build an holistic picture of the customer to aid in identifying those who may benefit from an interaction (in line with SR 3.4.1) and/or suspicious transactions etc. This profiling will help

us assign risk scores to each customer and thereby delivers an holistic method for managing player protection and AML. E.g. A 23 year old, male student is higher risk than a 40 year old, female professional. An high spending accountant, is higher risk than a low spending Teacher etc.

25. The mandatory intervention at £1500 in linked transactions is to enable customer due diligence verification to be undertaken before the statutory trigger of 2000 euros is reached. If verification should fail then the customer account will be locked and no further play permitted until the verification required under the Money Laundering Regulations can be completed.
26. I have drafted the specific casino policy documents including the door control and access policy, which I am aware was served last year.
27. Inevitably there will be a very small cross over of customers between the two units as is the case where a bingo club operates next door to a casino. However the profiles of B1 and B3 customers are very different. The stakes and prizes offered and the different style of gaming machines that will be offered in the AGC and casino mean that casino customers will definitely not be attracted to play in the AGC as they visit a casino in order to be able to play casino games and have something to eat and drink and possibly watch sport in the bar lounge area. Also it is unlikely that AGC customers will not be aware that they will need to produce either a driving licence or a passport if they visit the casino and so may well not have the documentation with them.
28. In relation to machine play I can confirm that the 7 machine player protection tools referenced in the White Paper and set out below will be implemented. Novomatic manufacture and supply many of the gaming machines currently made available in casinos that are currently operating be they former 1968 Act or 2005 Act licences.
29. These are measures that have been taken forward by the casino industry and machine suppliers and the relevant extract is set out below:
 - Tracking and monitoring of customer expenditure across all gaming products in real time, with staff equipped with tablets showing live data;
 - Enhanced due diligence measures, with trigger values for spend and loss applied to customers;
 - Algorithmic systems that use predictive models to identify customers at risk based on individual transactions;
 - New safer gambling messages on ATMs and electronic machines;
 - The ability for customers to set their own time and loss limits directly at electronic terminals and gaming machines;
 - Financial risk profiling on customers who are members based on postcodes and nationally available data;

- Mandatory employee training on licensing objectives, safer gambling and anti-money laundering.
30. Lastly in relation to the Local Area Risk Assessment I have re-checked all premises holding a gambling premises licence within a 500m, 1000m and 1500m radius of the application site. There are two further premises that have opened since the original map was created last year, including the Merkur Slots at 58 Linthorpe Road, TS1 1RA. The Area Profile published by the Authority is unfortunately out of date as it was produced before the reduction of the permitted stakes on Category B2 machines from £100 to £2. A considerable number of betting offices have closed (in common other Authority areas) since the reduction was implemented in 2018. However, in checking the location of premises I identified three betting shops next to each other on Corporation Road. We have researched this point and it transpires that William Hill operated a Betting Office at 17 Corporation Road, Middlesbrough, TS1 1LW having been authorised under the previous licensing regime. In 2012, Ladbrokes successfully applied for a premises licence next door to William Hill and then in 2013 Paddy Power successfully applied for a premises licence for 21 Corporation Road, TS1 1LW.
31. The Licensing Authority has therefore been satisfied that separate betting premises can operate next door to each other with far less supervision of and controls over machine play than both Luxury Leisure's existing operations in the town and of course at the proposed casino which sits at the top of the regulatory hierarchy for land-based premises. The casino will also offer food and beverage and other breakout facilities, which remain prohibited in betting offices and there is a prohibition on alcohol in AGC's. Reference is made by the Director of Public Health to the fact that the casino will apply for an alcohol premises licence. This is standard in any casino but forms a very small element of customer spend and our expert estimates this will be in the region of £3 per head in provincial casinos. Unruly behaviour is not tolerated in any casino and will result in immediate removal of the customer. Furthermore any person that is intoxicated when they arrive at the casino will be denied admission. I can confirm that the casino will use the company account held with Borough Taxis for its staff and notices will be displayed providing information about the taxi service for customers.
32. I have visited the recently opened Merkur Slots premises and can confirm that this unit has provided an immediate increase of 81 gaming machines in the town. It is important to note that the proposed development at Newport Road will result in a reduction of gaming machines in the AGC from 158 to 118. There will be 20 gaming machines in the casino and so there will be a net reduction of 20 at 138. 20 terminals offering electronic versions of casino table games will also be provided. Play using these terminals replicates playing at a live gaming table.
33. The minimum stake on each roulette terminal is displayed and a stake of 25p will be available at all times. The maximum stake will be £100 (which is half the figure for most casinos). Furthermore the minimum stake on the B1 machines will be 50p. The average spend per visit to a provincial casino such as Stockton is between £35 to £50. This includes gaming, food and beverage.

Statement of Truth

The contents of this witness statement are true to the best of my knowledge and belief.

Charles Churchill

.....
Charles Churchill

Dated

MIDDLESBROUGH COUNCIL LICENSING SUB-COMMITTEE

[DATE]

**IN THE MATTER OF LUXURY LESIURE AND DOUBLE DIMAOND, 22 NEWPORT ROAD,
MIDDLESBROUGH, TS1 5AE**

WITNESS STATEMENT OF KEVIN FARNSWORTH

I, **KEVIN FARNSWORTH**, will say as follows:-

1. I am a Regional Operations Director for Luxury Leisure and its sister companies Talarius Ltd and RAL Ltd, which together operate low stake Adult Gaming Centres, (AGCs), Family Entertainment Centres (FECs) and Bingo licensed venues (the Business) and are part of the global Novomatic group of companies.
2. I have been involved in the Leisure, Gaming, Machines and Bingo Sector for the last 28 years. My affiliation with the Business begun in 2014, when I was a Business Development Manager at Talarius Ltd. Within a few months of the same year, I was promoted to Regional Operations Manager, responsible for over 80 Adult Gaming Centres, as well as operational leadership, strategic implementation and introduction of innovative product development. In 2017 I was promoted to Regional Operations Director for Luxury Leisure Talarius, a role which I still hold to date. I am now responsible for day-to-day operations and over 970 employees.
3. Prior to taking up my role with Talarius Ltd, I was a General Manager at the Rank Group for 12 years, responsible with running the business of various Bingo Clubs. During this time, I was General Manager in Burnt Oak where we had a £1m refurbishment and opened 2 brand new bingo clubs in Stoke on Trent and York.
4. I am now responsible for 90 sites, including 1FEC and 7 bingo licensed venues, all based in the north of the country. The AGC and proposed casino at 22 Newport Road forms part of my operational responsibilities.
5. I report to The Chief Operating Officer and directly reporting to me are 2 Regional Operations Managers and reporting directly to them, are 11 Area Managers. Within Newport Road the Casino Manager will report directly to the Regional Operations Manager. The Business employs 3147 people and with 270 venues we are the largest operator of AGCs in the country. We are also one of the oldest and have a long tradition of industry engagement to help drive up and maintain standards, especially in matters of Social Responsibility. Senior members of our Business including Elizabeth Speed

our Group General Counsel and the Director of our Gaming team, are members of the governing body of the sector's trade association, BACTA and also of the Gambling Business Group.

6. I have seen Mark Thompson's statement and confirm it accurately reflects our measures, policies and practices. I also am familiar with the two stages to the application process, but to reiterate the casino will not be operated following the Stage 1 application process – it will only be operated should the Stage 2 applications be granted and as per the licensing plans submitted to the Licensing Authority.
7. Our AGCs are low stake, adult only venues. Our emphasis is on providing fun in a safe, clean, friendly and social environment. The majority of our customers across the country are regulars and visit us for the social engagement with people they know, over a coffee, as much to play games.
8. Our AGC customer base is roughly split 50/50 between men and women with a slight bias towards women in the daytime and men in the evening and the majority of our customers we experience are aged between 30 to 55 with the age being on the lower side in the South and the higher side in the North
9. For our casino in Middlesbrough we expect a similar customer profile to our AGC with a slight bias towards the men due to the Electronic Roulette machines that are played by men more than women and expectations of an age range between 30 and 55.
10. One of the ways in which we ensure the Business maintains proper focus on matters of regulation, including on the adequacy and implementation of our policies and procedures, is to ensure that our field management constantly visit our venues – and that applies from Area Managers through to me and the other two Regional Operations Directors and indeed to the CEO and COO, who frequently visit and inspect sites. In my experience, this is highly unusual. If anything happens on site of a regulatory or compliance relevance, it is fed up through the management chain to the COO and CEO as it occurs. Compliance is taken extremely seriously within the Company, each quarter all the key Directors meet to discuss and share the quarters activities and leave the meeting with a clear direction of any changes to ensure consistency through the Company.
11. As Mark Thompson outlines, key to our successful and safe business, is the training we provide to our much valued employees. The training we provide goes beyond the critical matters of compliance and social responsibility. Together with Blackpool and

Fylde College, we have created a bespoke Professional Development training opportunity for staff, called the Admiral Academy. Successful applicants to the Academy can embark on training courses that lead to qualifications ranging from GSCE level to undergraduate equivalent. We are very proud to offer this to our employees and I am delighted that the 2023 intake of more than 75 have just been announced. As part of our elearning platform staff have to undertake regular refresher courses to ensure their knowledge remains fully up to date.

12. I am also pleased to confirm that we have recruited an extremely capable and experienced casino manager, Charles Churchill. Charles' operational experience in casinos speaks for itself. I have seen Charles witness statement which I fully endorse. In it, he sets out fully how we intend to promote the licensing objectives when operating the casino.
13. The AGC and casino will be accessed from separate entrances. The layouts have also been designed based upon our significant operational experience and are well suited to the proposed usage. There will be good lines of sight within both units.
14. In the case of the casino there will be a Welcome Desk by the entrance. Charles Churchill has referenced in his statement the customer experience. In addition, there will be a manned Food and Beverage Service Area also directly opposite the Welcome Desk.
15. In the case of the AGC, there is a manned greeter desk close to the entrance when customers walk in. There will be no corners, or "blind spots". Further, there will not be any sight lines into either the premises. This vitiates the risk of children and / or vulnerable persons being drawn in.
16. There are many dispersal possibilities: excellent public transport, national rail, buses and taxis. There are also excellent 24-7 car park within a 5 minute walk. In any event my experience is that there is no general issue with coming or going, and congregation outside the entrances of our outlets. It is in no way similar to a pub or club in that regard.
17. Typical usage (taken from the company's national data) of AGC premises such as these is very modest: with the average taken from our national data being between 5 to 7 customers at any one time although sometimes they are busier. We believe that the average usage within the casino will be very similar to the lower average.
18. Based upon our experience of operating casinos, we expect the casino to be decorated to a very high standard, very calm clean environment with sky TV and low level music,

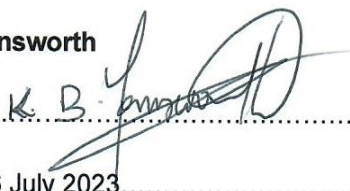
staff will be highly trained and always accessible and attentive and very customer focused within the customer areas

19. The number of B3 and B4 machines is fixed by law, and so is not a relevant consideration. But in any event these machines each have a maximum £2 stake and they are a world apart from the 'old' B2 machines (£100 stake) which attracted adverse publicity. An AGC cannot (and never could) be licensed for a B2 machine. Within the casino we would be offering 20 Electronic Roulette terminals and 20 B1 machines with customers being able to enjoy stakes starting at 25p and 50p respectively. B1 machines currently have a maximum stake set by law of £5 and a maximum prize of £10,000. Regardless of any changes that are implemented in the gambling review, these premises would not attract any additional machines in the absence of live gaming tables .
20. We have provided a local risk assessment for both the AGC and Casino Licence applications. Charles Churchill, Claire Welsh (our Regional Operations Manager) and I are all very familiar with Newport Road and the surrounding area.
21. It is not my experience that any of our adult only venues nationally are associated with ASB or attractive to children or young people, as is borne out by our very high pass rates of age verification test purchasing. There are many other things that are much more appealing to young people – hence the peak average age of our customers is typically 30-55. We have comprehensive policies and procedures that ensure we minimise the risk of gambling harm. We strive to promote the licensing objectives and whilst I note concerns raised by the Licensing Section and by Public Protection, I do not see there being any grounds not to grant the two current applications so that we may proceed thereafter to Stage 2. I note also that the police nor any other interested party have not raised any objections; furthermore and to the extent that it is relevant, the necessary landlord approval planning has been obtained.

Statement of Truth

The contents of this witness statement are true to the best of my knowledge and belief.

Kevin Farnsworth

Signed 

Dated ...6 July 2023.....

MIDDLESBROUGH COUNCIL LICENSING SUB-COMMITTEE

**IN THE MATTER OF LUXURY LEISURE AND DOUBLE DIAMOND, 22 NEWPORT ROAD,
MIDDLESBROUGH, TS1 5AE**

WITNESS STATEMENT OF MARK THOMPSON

I, MARK IAN THOMPSON, of Fifth Avenue Plaza, Queensway, Team Valley Trading Estate, Gateshead, NE11 0BL will say as follows:-

1. I am the Risk and Compliance Director for Luxury Leisure and its sister companies Talarius Ltd and RAL Ltd, which together operate Adult Gaming Centres (“AGCs”), Family Entertainment Centres (“FECs”) and Bingo licensed venues (the Business). They are part of the global Novomatic group of companies and have the requisite operating and premises licences in order to trade.
2. The Novomatic AG Group is one of the largest gaming technology companies in the world with a turnover of around EUR 2.9 billion in 2022. Founded in 1980, the Group has locations in about 50 countries and exports high-tech gaming equipment to around 100 countries. It also operates AGC equivalents and land-based casinos
3. I joined the Business in October 2014 as Head of Security and Compliance and was appointed to my current role on the 1st of January 2022. I oversee a team of 17 in total, focussing on security and regulatory compliance, reporting directly to the CEO, although I work closely with the COO, the Regional Directors and Group General Counsel on certain issues where required. My team comprises of 5 compliance staff made up of a national manager, a Data Protection Officer, a Safer Gambling Manager, a Customer Care Manager and an administrator, all of whom report to me. In addition, I have a further team of 12 security staff who also provide a field audit function. This covers a range of operational processes, including cash handling and security measures but also compliance processes. The team also provide an investigative function for the Business, reactively investigating reports or suspicions of dishonesty and wrongdoing. I am also the appointed Money Laundering Reporting Officer for the Business. I hold a Personal Management Licence for the position of Head of

Regulatory Compliance and will be the nominated officer for money laundering once the casino opens

4. Prior to taking up my role, I was a Police Officer, serving in the Metropolitan Police Service for almost 15 years. I served mostly as a Detective, attaining the rank of Detective Sergeant by the time that I left the service. I worked in both volume and specialist crime, having at different times responsibility for investigating serious acquisitive crimes such as robbery and burglary, as well as domestic violence and hate crime, and I also spent 4 years investigating homicide.
5. I have held a Personal Management Licence issued by the Gambling Commission since I entered the industry in 2014.
6. As a business, we promote each of the three licensing objectives under the Gambling Act 2005:
 - Prevention of Gambling from being a source of crime and disorder, being associated with crime and disorder or being used to support crime.
 - Ensuring that gambling is conducted in a fair and open way.
 - Protection of children and other vulnerable persons from being harmed or exploited by gambling.
7. Compliance starts at board level. Those of our employees who occupy the specified management offices hold PML's issued by the Gambling Commission in accordance with the licence condition 1.2.1 of the Licence Conditions and Codes of Practice issued by the Commission. As a business, we maintain a high level of Gambling Commission personal management licences required for key roles and regional and area management positions and for additional roles where we feel it appropriate or helpful to a particular role. This compares favourably with others in the sector and again demonstrates the Business's' approach to best practice and to ensuring people have the right qualifications, not only for their role but for their progression
8. We were also one of the first major operators to be asked by the Commission to complete and file Annual Assurance Statements, involving an ongoing comprehensive review of the effectiveness of a business's governance and risk management arrangements in facilitating positive consumer protection and addressing gambling-related harm and crime prevention measures.

9. We liaise with the Gambling Commission regularly on a range of issues, from operating licences to statutory returns, to compliance data.
10. BACTA is a trade body for the AGC and FEC sectors as well as for machine manufacturers and suppliers. We are founding members and sit on its National Council which is its governing body, as well as of the governing committees of its AGC and FEC Divisions, (through Elizabeth Speed our Group General Counsel and colleagues of ours Shaun Hooper and Paul Monkman who is our Gaming & Service Director).
11. Elizabeth chaired the AGC Committee for two years. She is also the Chair of BACTA's Social Responsibility Committee in which role she leads consideration of issues affecting the sector from a social responsibility perspective. We look at how we can spread best practice and provide members with additional tools and resources to address those matters in their day to day businesses. This includes the development and provision of multi-operator Self Exclusion services for members, a Social Responsibility Charter for members and the holding of an annual Social Responsibility Exchange for members to attend, share best practice and listen to key note speakers, such as charities and the Gambling Commission. In short, the Business is committed to help raise standards in the sector as a whole and to maintain the high standards we have within the Business. From their roles in BACTA, Elizabeth, Shaun Hooper and Paul Monkman are also able to ensure that where possible we apply learning to the Business.
12. We are also members of the Gambling Business Group (GBG), a cross sector organisation aimed at sharing best practice and raising standards and includes casino operations. Paul Terroni, a member of the Novomatic UK Ltd board, is on the GBG board.
13. Our sister company Novomatic Gaming UK Ltd., is the largest supplier of gaming technology to UK land based casinos and a member of the Betting and Gaming Council, which also includes casino operators. We will join once we have obtained a casino premises licence.
14. We take learning and development very seriously. All staff must, during their induction training, complete two core modules on Social Responsibility (SR). This is delivered as eLearning through the Admiral Academy which is a virtual platform to deliver our training.

15. This training is in addition to the training development which **Kevin Farnsworth** also describes in his statement. The first SR module introduces the student to the licensing objectives and contains sections on Access to Gambling by Children and Young Persons, Customer Interaction, signposts to sources of help and self-exclusion. The second module contains sections on complaints and dispute resolution, Access to Premises (the Commission's enforcement officers), Money Laundering and Terrorist Financing, employment of children and young persons, advertising standards, incidents that require police assistance and the requirement to provide the commission with annual returns. This sets out the regulatory landscape in which we operate and their responsibilities to uphold the licensing objectives. A number of refresh modules on individual topics such as self-exclusion and customer interaction, from within these core training modules are then completed by staff at least biannually. These include subjects such as Anti Money-Laundering and Terrorist Financing, customer interaction and age verification. We continue to review and augment the training we provide on matters of compliance and social responsibility. For example, in the last 2 years we added a module on Child Sexual Exploitation. We provide this training to staff to ensure they maintain the highest levels of awareness of the issues which might arise. We try to provide our employees with the appropriate training to allow them to properly perform their role and ensure they play their role in enabling the Business to meet its wider obligations and responsibilities as a gambling sector operator which takes its responsibilities very seriously.
16. I believe that we were amongst the first operators of venues in our sector, (if not the first), to move to a Think 25 age verification policy and that is our policy in every one of our (age restricted) venues. That is one of the core elements of staff training as borne out by our very high pass rates in the independent age verification test purchasing that is carried out at least twice a year in each venue.
17. I refer to two applications that have been submitted to Middlesbrough Council, one by Luxury Leisure the other by Double Diamond Gaming Limited, both relating to premises that we lease at 22 Newport Road, Middlesbrough, TS1 5AE.
18. The Business holds an Adult Gaming Centre Licence ("AGC") issued by Middlesbrough Council for premises that trade as "Admiral" at the above address. It is the Business' objective that the Casino Premises Licence for the former Rainbow Casino is relocated to a separate part of 22 Newport Road. In order to comply with the requirements of the Gambling Act 2005, this is a two stage application process.

19. For “**Stage 1**” we are de-licensing part of the AGC area and simultaneously, the current Casino Premises Licence holder, Double Diamond Gaming Limited, is varying its licence so that it applies to this newly de-licensed area at 22 Newport Road.
20. Once those applications are granted, then the Business will immediately apply to transfer the Casino Premises Licence into its name and then, vary both the AGC and Casino Premises Licences to reflect ultimately how the two premises will operate (“**Stage 2**”). In summary, the AGC will reduce further in size whilst the Casino Premises licensed area will correspondingly increase. Licensing plans showing the First and Second Stages have been lodged with the Licensing Authority as part of the application process.
21. Double Diamond Gaming Limited’s role is simply to facilitate the variation of the casino premises licence to Newport Road. It will not be operating the casino premises. During the transition from Stage 1 to Stage 2, we will continue to operate the AGC as normal
22. We have provided the Licensing Authority with copies of our detailed and comprehensive compliance policies and procedures. I will not repeat them other than to confirm that the company is rightly proud of them and its excellent record of simply not causing material problems or issues (or contributing to them). It is widely accepted within the wider industry as a whole and by the regulator and other bodies that AGCs are low risk operations. The Business also has extensive experience of operating casinos in highly regulated jurisdictions across 13 countries in Europe. It is thus able to bring that significant operational experience as well building on the experience we have of operating AGCs here and abroad, when opening our first electronic casino in Great Britain at Newport Road.
23. As the Licensing Manager has made representations against the AGC licence variation, it may help to set out what we have done to be a leader in the sector on social responsibly matters. We have introduced the Gamblewise app which works within each venue, providing customers with another tool to support them to manage their gambling behaviours so that they do not become problematic and lead to associated harms. This app allows customers to set themselves limits on the times and locations they want to play and using iBeacon technology, alerts them should they attend a location or visit a venue at a time or date when they have elected not to. The system also alerts staff who are trained to then conduct an interaction with the customer to remind them of the self-imposed limits and to discuss with them their gambling behaviour. This is provided entirely free of charge to the consumer.

24. We also operate a strict self-exclusion policy which allows customers to be excluded from our venues and others in the locality. Indeed, my team are on the key industry users' group for this system, to ensure that it continues to develop and supports players in the best possible way.
25. For our casino we will apply for a Licensing Act 2003 premises licence and prepare a comprehensive operating schedule. We will have a qualified Designated Premises Supervisor supported by staff who will be trained on the Licensing Act 2003 and the requirement to promote the four licensing objectives under that Act. Similarly, LCCP Condition 5.1.3 makes provision for the supply of alcohol to customers on casino premises.
26. Non-players are not allowed to loiter in our venues and so they are not attractive places for those who might cause ASB to congregate. This is achieved through clear policies about entry and acceptable behaviour, staff training (not least that on conflict management), effective security installations such as the 'live monitored' hold-up alarm systems and measures to control access such as mag lock style mechanisms and door supervision.
27. All of our premises are fitted with extensive CCTV for coverage and are equipped with the latest HD cameras and digital recording equipment that ensure we retain a minimum of 30 days' footage. The CCTV can be viewed and reviewed remotely by key managers and security staff and in the event of an alarm activation is monitored live at the alarm monitoring station.
28. We install and use 'live monitored' hold-up alarm systems in our venues. They use technologies that allow the monitoring station to view a venue where the alarm has been activated via a live CCTV stream and to communicate with the venue staff through two-way audio. Monitoring station interventions often de-escalate incidents but if there is an emergency, then the call is made to the Police or other emergency service. This has the impact of removing the risk of false activations and the demand on local police resource as well as enabling live monitoring of any event by trained staff who can intervene via the ceiling mounted speakers to assist staff by deterring potential offenders and de-escalating confrontational situations. Our venues are also fitted with an intruder alarm system and this is monitored.
29. Each of our premises utilises a three safe system of 'day safe', time-lock safe and deposit safe to reduce the risk of cash loss in the event of a robbery or burglary. We employ third party cash in transit (CIT) services from a nationally recognised

professional and experienced CIT service provider, who service all of our premises with cash collection and coin delivery.

30. Additional security measures, including the provision of SIA registered door supervisors, for our casino. In addition, we have employed Charles Churchill to be our Casino Premises Manager. Charles has considerable industry experience and his statement sets out in some detail, the comprehensive systems that will be implemented to ensure player protection when the casino opens. I have read his statement and can confirm that it sets out clearly how we intend to operate the casino
31. As Risk and Compliance Director I convene a quarterly meeting of the Business's Compliance Committee. It is attended by a team including the Business's CEO, COO, our three Regional Operations Directors, Ms Speed, the Head of Marketing, Gaming & Service Director, National Compliance manager and Regional Operations managers. During that day-long meeting we analyse our social responsibility data from each venue, including the numbers of customer interactions, self-exclusions, age verification results and developments and regulatory changes. It is all part of a very focussed approach.
32. Novomatic together with its sister company Talarius Ltd are widely acknowledged to be excellent operators and have very high standards, but we are not complacent and continue to strive for excellence at all times. We have been audited and certified by G4 for Responsible Gambling practices and recertified as part of an ongoing cycle. Like many of my colleagues, and others in the industry, I believe that we are the best operator in the sector and that this is reflected by the fact that I am not aware that we have ever had any enforcement action taken in relation to any premises licence or had any premises licence reviewed.
33. Concern has been expressed by the Licensing Section as a Responsible Authority and by Public Protection regarding our proposals for 22 Newport Road. I am not aware of any other Responsible Authority raising a representation, nor any other interested party. As I understand it the Licensing Section and Public Protection has confined its representations to the risk of gambling related harm and to some technical matters concerning the applications. As I and others have referenced, we have detailed procedures and training in place to combat any perceived risks. I cannot see any justification under the Gambling Act 2005 why the licensing applications associated with Newport Road application should not be granted.

Statement of Truth

The contents of this witness statement are true to the best of my knowledge and belief.



.....
Mark Thompson

Dated the 5th July 2023

This page is intentionally left blank

SECTION 3

Local Risk Assessment – Gambling Act 2005 Licensing Objectives

Premises

Premises Name:	Admiral Casino
Premises Address:	Newport Road, Middlesbrough
Premises Post Code:	TS1 5AE
Premises Licence Number:	TBC on issue
Category of Premises:	Casino

Company

Operating Company:	Luxury Leisure
Operating Licence Number:	

Assessment Writer

Name of Person Writing this Assessment:	Charles Churchill
Position within Company or Name of Authorised Agent:	Casino General Manager
Date of this Assessment	June 2023
Assessment Reviewed:	June 2022
Date of Original Assessment	April 2022

Gambling Act 2005 – The Licensing Objectives

The Gambling Act 2005 sets out the three licensing objectives (LO), which are:

- (A) Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- (B) Ensuring that gambling is conducted in a fair and open way; and
- (C) Protecting children and other vulnerable people from being harmed or exploited by gambling.

This document seeks to assess the risk to these objectives that our operation may pose and where necessary, what measures we have put in place to mitigate that risk.

Independent Accreditation

Luxury Leisure Talarius have attained the prestigious Global Gaming Guidance Group (G4) accreditation. This is only awarded after a rigorous audit of the company's responsible gambling measures. Furthermore, the company must be reassessed every 2 years for the accreditation to be maintained.

Local Area and Site Profile

*For the purpose of this risk assessment 'local area' has been considered as a 1.5km radius of the casino site, with assessments taking place in 500m, 1,000m & 1,500m radius.

The venue has a single entrance/exit at street level on Newport Rd, leading to a shared foyer giving separate access and separate entrances to the Admiral Slots AGC and the Casino. There is no direct public access between the adjoining AGC and the Casino with both licensed premises being operated completely independently of each other. The Casino Reception is located directly at the front entrance of the casino giving a clear line of sight and command of the entrance. This Reception desk is always manned during opening hours.

The Casino offers 20 Electronic Roulette Terminals and 20 Category B1 machines. The casino offers food and licensed beverage facility served from a bar and kitchen located centrally within the casino. Food and beverage is served as directed by the conditions of the premises license.

The venue trades 24hrs per day, 7 days per week. Night trading has the additional support of an access control system fitted to the casino door. This is a CCTV monitored 2-way audio system where the Receptionist can view the foyer area, communicate with anyone in the foyer and assess suitability before allowing entry. This foyer area system allows full control over entry and the current proposal is to operate this system from 10pm every evening however this may change in line with business needs. In addition, SIA badge holding security staff will be working within the premises at peak business times and as directed by the conditions of the premises license conditions. Security staff standard position will be at the casino door entrance however they will also patrol the venue periodically. The casino will employ approximately 40 members of staff, all of which will complete a thorough induction and onboarding program. All employees will be fully trained and as a condition of the operating license, hold the necessary Personal Management Licence or Personal Functional Licence (PML's & PFL's) in line with their roles. There will usually be a team of 4 staff on duty (A PML holding Duty Manager, a PFL holding gaming host, a receptionist, and a food & beverage host). Staffing numbers will increase where business demands and may also decrease to a minimum of 3 where food and beverage is not served. There will always be a PML holder and a PFL holder on site. All staff are trained in the relevant legislation and procedures pertaining to their roles including all LCCP, Player Protection and AML considerations.

The Casino is located on Newport Road in Middlesbrough. Newport Road is a relatively busy road in the town centre with several businesses in the immediate vicinity, these include retail businesses associated with any town centre: opticians, hair & beauty salons, café's, charity shops, jewellers and several national and local retailers. The Casino is situated almost opposite the entrance to the Hill Street Shopping Centre and 100m from the main Town Centre Bus Terminal. There are also several bars and licensed premises (alcohol) in the immediate vicinity of the Casino. The venue is located near a main bus route and is within 100m of the entrance to the central bus station. There are no bus stops allocated on either side of the road or near the casino which would attract congregation outside the premises. There is a taxi rank (Hackney carriages & Private Hire pick up/drop off) around 50m away on Newport Rd, providing 24hr transport options to and from the Town Centre without causing any congestion near the casino entrance. Middlesbrough train station which is 500m away (as the crow flies) and is around a 10-minute walk from the venue. Overall, it could be considered that the 'town centre' is located within a 500m radius of the Casino site and certainly within 1,000m of the Casino.

Local Area Profile - Premises License (Gaming & Alcohol)

There are 6 Adult Gaming Centres (AGCs) in the town centre. 3 are Admiral Slots branded, 1 Royals AGC, 1 Dunes AGC and a new Merkur venue which opened in 2023 (license granted on 11th May 2022 according to the Middlesbrough Council website) at 58 Linthorpe Rd, Middlesbrough. All are within a 500m radius of the casino and can be considered High Street venues. In addition, there are 9 active betting shops within a 1.5km radius; 4 are within a 500m radius of the casino, 3 within 1,000m and 2 within 1,500m. Of the active betting shops; 4 are 'Ladbrokes', 3 are 'William Hill', 1 'Paddy Power' and 1 'Betfred'. All venues have been visited during opening hours in the production of this risk assessment. There are 2 additional betting shops within a 1,500m radius detailed on the Gambling Commission premises register however visits to these sites show these are not operational (namely: Done Brothers (Cash Betting) Limited, Betfred, 63 Grange Rd, TS1 5AS & Ladbrokes Betting & Gaming Limited, Ladbrokes, 15 Captain Cook Square, TS1 5UB)*.

*Premises details have been taken from the Gambling Commission premises register and Middlesbrough Council Records with operations confirmed via a visit to each premises.

** All active AGC venues and active betting shops are detailed on the attached map.

In the immediate vicinity of the Casino is the 'Discovery' Public house (formally a Yates Wine Lodge) open daily 9am to 11pm with the exception of Fridays & Saturdays where a 12-midnight closing is applied; Sapphires late bar, opening between 8pm-9pm every day and closing at 2am except on Fridays & Saturdays where a 3am closing time is applied; 'Resolution Bar' (J. D. Wetherspoon), open from 8am daily and closing at 12-midnight except on Friday & Saturday nights where a 1am closing is applied.

Visits to these sites and observations show they employ Door Security where later licences are applied and on weekends although exact timings of Door Supervision at these venues could not be fully established.

A recent addition to the vicinity (within 500m) is the 'Level X' venue. Visits to this new venue show that it is an arcade, bowling and 'crazy' golf-based venue holding an alcohol license and serving bar snacks. The venue does not have any gaming machines. The venue is well staffed/supervised. Children under the age of 12 must be accompanied by an 18+ adult. Children aged 12-17 can visit unaccompanied until 7pm; if accompanied by an adult, they can stay until 9pm. While this venue does serve alcohol and allow children on the premises, it is not seen as presenting any additional risk to the casino upholding the 3 licensing objectives.

It is difficult to ascertain the exact number of alcohol licences currently active within the 1.5km radius (due to the ever-changing picture of pubs/clubs opening and closing) however extensive visits to the area, observations and open-source research suggest 2 main pockets of alcohol licence distribution and night-time economy present within the town. These are: The junction of Albert Rd and Corporation Rd (within 500m of the casino) & the junction of Linthorpe Rd and Southfield Rd (within 1,000m of the casino). Both areas have a relatively high density of premises selling alcohol with evening closing time between 10pm – 3am. Both areas have gaming premises licences granted in direct vicinity (betting shops) on Corporation Rd and Linthorpe Rd respectively. There are no additional or unusual risks in terms of the 3-licensing objectives presented by these areas.

Whilst not impacting the production of this risk assessment or having any impact on risk associated with complying with the 3 licensing objectives, it is noted that:

- Additional planning permission has been granted for a leisure complex which includes plans for a cinema, bowling alley and more bars and restaurants accessible to the rear of the venue in Captain Cook Square (within 500m of the casino). Visits to this area show that while the retail landscape has changed, the only addition to the licensed/night time economy of Captain Cooke's Square in the 'Level X' entertainment venue.
- A Large Casino Provisional Statement has been granted to Jomast Development Ltd on Gurney St however this approval has never been active as it needs to be converted into a premises licence before it can operate; this is located within 500m of the casino).

In addition to the Casino Premises, Luxury Leisure Talarius operate 3 AGC's in Middlesbrough (Newport Report, Linthorpe Road and Dundas Arcade) and as a result has extensive historical Gambling Commission regulatory returns data to analyse. Our regulatory returns data for Middlesbrough town centre AGCs does not reflect any specific problems associated with consumer complaints, the need to call police for assistance or attempts by children and young persons to enter the premises.

Local Area profile - Education Providers

*In forming this part of the risk assessment, data from Middlesbrough Council School register has been used along with area tours and site visits to support open-source research.

Open-source research and tours of the area show the following sites education provision (for those up to the age of 18) within a 1,500m radius of the casino.

There are 4 Pre-school nurseries: Montessori (within 500m of the casino) and Newport Children's Centre, Dimples and Little Sunbeams within a 1,500 radius of the casino.

There are also 5 Primary Schools within a 1,500m radius: Newport Primary School (within 500m of the casino), Abingdon Primary School (within 1,000m of the casino), Archibald Primary School, Sacred Heart Primary School and Beckon Hill Primary School (within 1,500m of the casino).

All of the above schools and nurseries are considered to be outside of the main retail town centre and any Children/Parents walking or travelling by road, to and from these education sites would not pass by (or be in the vicinity of) our casino site.

There are no special schools registered to Middlesbrough Council which are within the 1,500m radius of the casino assessment area.

Whilst there are no Secondary education schools within the 1,500m assessment area, there are 2 college campus; Middlesbrough College (College for 16+ aged students with the main campus situated in the dock area of Middlesbrough, TS2) is within 1,000m of the casino and The Northern School of Art (College for 16+ aged students) is within the 500m radius, located on Newport Road, approximately 5 minutes' walk away. Whilst it is unlikely students attending either institution would pass the casino while travelling to and from college (by walking, bus, train or car), the proximity of the casino to The Northern School of Art is noted with risk controls developed accordingly.

In addition to the education facilities described above, the Teesside University campus (Students aged 18+) is within a 1,000m of the casino. (Situated on Southfield Road in Middlesbrough town centre, TS1). The University has over 21,000 students (according to the 2020/21 HESA student record) with many living in the local area.

Local Area profile – Financial institution sites

Middlesbrough displays a retail/business profile similar to that of many town centres and as such has several high street Banks with free of charge withdraw ATM facilities and branded pawn brokers/retail exchange business (CEX, Cash Converters, Ramsdens etc.). Many of these businesses are within a 500m radius of the casino.

In addition to the above general banking and retail business associated with all town centres, a 'community bank' is situated on Newport Rd. This community bank (operated by Pioneer Credit Union) is a not-for-profit co-operative offering customers low-cost membership to financial advice and financial services such as savings accounts (Christmas savings club etc.) and low interest rate loans. It has also been noted that this community bank offers occasional additional services like a food bank and/or food swapping service.

Local Area profile - Medical & Support facilities

*In forming this part of the risk assessment, data from the Quality Care Commission, Middlesbrough Council's service register and both AA and GA websites has been used along with area tours and visits to support open-source research.

There are 6 medical/health centre sites within the 1,500m radius. There are 4 practices within a single site situated in the Health Centre within the Cleveland Centre in the town centre (The Discovery Practice, Erimus Practice, The Endeavour Practice & Prospect Surgery). All are general practices offering GP services and minor clinical procedures. This Health Centre is within 500m of the casino.

A further 5 GP surgeries can also be found at: Foundations, Borough Road and Nunthorpe Medical Group, Newlands Medical Practice, Park Surgery (& ELM Alliance @ Park Surgery - the out of hours GP service).

There are no specialised mental health service facilities within the 1,500m radius*

Additional services to consider for this risk assessment are:

*There is a Drug and Alcohol clinic (CGL) operating from The Live Well Centre within the Dundas Arcade shopping centre (within 500m of the casino). This service offers support for those suffering from drug and alcohol dependency problems. A site visit shows opening times to be 9am-5pm Mon to Wed & Fri, 12pm-5pm Thursday and closed Sat & Sun.

In addition, it is worth noting that face to face Alcoholics Anonymous and Gamblers Anonymous support meetings have resumed following closures driven by the Coronavirus lockdowns. Both meetings are held at The Salvation Army, 2 Southfield Rd. TS1 3BZ which is 700m away from our casino.

Details below:

- Alcoholics Anonymous. A New Beginning.
Tuesdays, Thursdays & Sundays
Meetings are scheduled for 7pm and last for between 1 and 1.5 hours
- Gamblers Anonymous
Mondays
Meetings are scheduled for 7pm

Whilst outside the area considered for this risk assessment, it is worth noting that the main hospital for the Region is James Cook Hospital, 3.2km away from the casino.

Residential

Whilst there is no housing in the direct proximity of the venue, residential properties become denser the further away from the venue site from around 500m. Housing within the 1,000m radius is largely terraced street housing and flats/apartments. Housing in the area is both owned and rented and a high proportion of the students who attend Teesside University will live in this area (due to the proximity of the town centre University campus).

In addition, there are several hotels located within the town centre: Holiday Inn Express, Travelodge, Premier Inn and Jury's Inn all within 500m of the casino. All hotels are typical, branded, 3-to-4-star hotels largely used for business/corporate use and as such, occupancy is higher midweek than on weekends. An additional 2 hotels are within 1,500m of the casino: The Baltimore and The Highfield Hotel.

Crime

*Where crime statistics are quoted, the full TS1 postcode has been referenced in line with reported crime figures available on the www.police.uk website.

There are no known local problems with crime or anti-social behaviour specifically linked to gambling but the area itself (TS1 Postcode) does have relatively high levels of crime. Latest reported crime figures (available at the time of writing) from April 2023 and sourced from the www.police.uk website show 1487 crimes reported within the TS1 postcode area with the three most frequently reported crimes being: violence or sexual offences (481), Anti-social behaviour (259), Public Order Offences (156). On weekend nights there are regular police patrols around the town centre to monitor the night-time economy. In addition, the venue will have appointed SIA registered security detail working within the venue at peak times and when directed by any licence conditions – subject to the statutory exemption that staff employed by a casino are not required to be SIA registered.

The Middlesbrough Council Statement of Principles (SOP) in relation to the Gambling Act 2005 has been considered in the completion of this assessment. The SOP recognises the significant requirements of the LCCP placed on operators to promote safer gambling and to prevent harm by supporting customers through implementing mandatory measures, to this end the casino employs a range of measures to prevent customers suffering from gambling related harms and signposts those whose gambling is having an adverse impact on their life, to the best source of help, ensuring compliance with all of regulatory obligations.

In relation to the SOP, pages 15, 16 and 20 have guidance on the promotion of the licensing objectives, particularly in relation to safeguarding children and the vulnerable persons and sets out several measures to ensure the prevention of children and young person's gaining access are controlled by appropriate measures such as;

- a) supervision of entrances
- b) segregation of gambling areas from areas frequented by children (not relevant to these premises)
- c) supervision of gaming machines in non-adult gambling specific premises (not relevant to these premises).

Further expectations are also detailed and expected to be controlled with regards to identifying and preventing access to vulnerable persons by implementing safeguard measures with regards to;

- a) people who gamble more than they want to;
- b) people who gamble beyond their means;

- c) people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs.

The Newport Road AGC and Casino businesses are adult only (18 years old +) venues and the SOP clearly details our expectation to implement strict processes and procedures to prevent and protect children and vulnerable persons from being harmed or exploited by gambling, all of which are standard provisions in our premises and are dealt with in detail in the risk management below. Gambling Commission's SR Code 3.2.1 applies specific additional controls for age-verification before entry can be gained to the casino.

Additionally the SOP stipulates that the Middlesbrough Council is committed to working in partnership with GamCare; likewise as an operator we also work in partnership with GamCare the UK's leading provider for free help, information and advice with regards to people who are adversely effected by gambling, the casino will also promote and direct people to GamCare should the need arise by customer request or the operator identifying any concerns with regards to anyone displaying signs that may indicate gambling is causing harm in any way.

Further to this guidance, the LRA guide references how it deals with local area profiles. A mapping tool which identifies certain types of premises it considers are relevant to the assessment of risk to the licensing objectives has been created. The map presents local risk to the licensing objectives. A copy of our map applied to the premises at Newport Road and the surrounding area is attached to this assessment.

Neither the SOP nor the LRA guide offer specific guidance on the geographic extent to be considered when completing a local risk assessment however for this assessment we have considered risks within a 1.5km radius of our venue

Risk Identification	LO	Level of Risk	Impact	Risk Management	Reviewed
Children entering site unnoticed.	C	Low	Severe to business. Severe to child.	<ul style="list-style-type: none"> - Reception station will always be manned by a trained team member. - Reception station is positioned to give line of sight to the entrance. - Layout of premises considered when compiling team rotas. A trained, licensed member of the team will always be on duty on the gaming floor. Breaks and shift changes are planned to take account of school closing times to ensure there is always supervision of the gaming area. - Team members deployed to specific zones for which they have responsibility. - Machine layout takes into consideration lines of sight to the entrance. - CCTV cameras positioned to cover all parts of the premises but specifically the entrance and secluded areas. - A monitor displaying the entrance CCTV is positioned on the cash desk/above the refreshment station. - A 'live-monitored' security system has been installed to provide additional security and assist staff manage the premises. - There is a 'Think 25' policy in operation which has been trained to all staff. - All customers under the age of 25 are asked to register with their photo ID and become a casino member. Scanned ID is then retained on file providing both continual proof of age and ensuring the tracking of 100% of the customers play to aid in SG monitoring. 	Jun 2023
Children enter site with adult.	C	Low	Severe to business. Moderate to child.		Jun 2023
Children enter site and play before being noticed.	C	Low	Severe to business. Severe to child.		Jun 2023
Children enter site and play where age is misjudged.	C	Low	Severe to business. Severe to child.		Jun 2023
Age verification is not sought.	C	Low	Severe to business. Severe to child.		Jun 2023
Young person wearing face covering is not challenged for verification of age.	C	Low	Severe to business. Severe to child.		Jun 2023
Children knowingly allowed to play.	C	Low	Severe to business. Severe to child.		Jun 2023
Those made vulnerable through abuse of drugs and/or alcohol having access to gambling. Those considered to be vulnerable, having access to gambling. (We adopt a		Low	Severe to business. Severe to customer.		Jun 2023

<p>broad definition of 'vulnerable' to include but not limited to those suffering from mental illness, recently bereaved, suffering from long-term or terminal illness, difficulty communicating, learning disability, substance misuse or addiction, breakdown of close personal relationships etc)</p>				<ul style="list-style-type: none"> - All team members are trained in social responsibility as part of their induction and are provided with regular refresher training which is delivered through two core eLearning modules. - 'Vulnerable people' are specifically dealt with in the training. - Posters and displays of acceptable identification on site for staff. - Clear 'Over 18' signage is displayed, visible from outside and also in the entrance to the venue. - Luxury Leisure/Talarius use independent test purchasing operations. All venues are tested at least twice in a rolling 12-month period. - The venue is installed with iBeacon technology able to work with the 'Gamblewise' app which is free for our customers to download and use to assist them manage their time spent gambling. - Stringent disciplinary procedures for failures identified through Test Purchasing or other investigation. - Social Responsibility returns data reviewed through submissions from Area Managers to National Compliance Manager. - All social responsibility returns data subject to a quarterly compliance review. - Staff log all attempts to enter by young persons on the appropriate log. - Staff have been trained to ask a customer to lower a face covering, if necessary, this has the effect of allowing staff to adjudge the apparent age of all customers and if necessary, challenge for verification by the presentation of ID. 	<p>Jun 2023</p>
--	--	--	--	--	------------------------

Failure to provide information to players on responsible gambling.	C	Low	Severe to business Severe to customer	<ul style="list-style-type: none"> - A responsible Gambling message is displayed at all positions where gaming is possible through posters, leaflets and stickers on machines. - Responsible Gambling Poster or leaflet holder adjacent to ATM or desk PDQ Machine. - Poster/Leaflet designs to incorporate QR codes for GAMCARE, Playnice.org and Gambleaware contact information. - Responsible Gambling information stickers on all machines. - Compliance Audit function performed by Area Manager and also through regional field auditors and security managers. - Luxury Leisure Talarius have attained the Global Gaming Guidance Group (G4) accreditation for our responsible gambling measures. 	Jun 2023
Failure to provide information in a suitable format.	C	Low	Severe to business. Severe to customer.		Jun 2023
					Jun 2023
Failure to recognise signs of problem gambling.	C	Low	Severe to business Severe to customer	<ul style="list-style-type: none"> - Additional aspects to training incorporating guidance on identifying problem gambling, procedure for interaction and sources of help. - Clear policy to detail the procedure for interaction and level of staff that can 'intervene'. - New 'Stay in control leaflets' with QR codes to Playnice.org and GAMCARE and Gambleaware. - All recorded SR data subject to a quarterly compliance review by senior management. - Staff have been trained to ask a customer to lower a face covering if necessary. This has the effect of allowing staff to adjudge the apparent age of all customers and if necessary, challenge for verification by the presentation of ID and also to identify if a customer attempting to enter is self-excluded. 	Jun 2023
Failure to interact with customer displaying signs of problem gambling.	C	Low	Severe to business. Severe to customer.		Jun 2023
Failure to sign-post customer to help and support.	C	Low	Severe to business. Severe to customer.		Jun 2023
	C	Low	Severe to business.		Jun 2023

Failure to properly administer self-exclusion.			Severe to customer.		
Failure to impose exclusion in locality and in same types of establishments.	C	Low	Severe to business. Severe to customer.	<ul style="list-style-type: none"> - Staff training incorporates policy and procedure for self-exclusion. - The Casino is a member of the Casino National Self Exclusion Scheme, SENSE. - The SENSE enrolment gallery is cross checked daily to ensure any existing casino member who has enrolled on SENSE within the past 24hrs is excluded from the venue. - The casino will offer two ways in which a customer can self-exclude: SENSE and 'Operator only' self-exclusion. While SENSE excludes a customer from all casinos partaking in SENSE, 'Operator only' excludes a customer from only those casinos managed by the operator. - Casino Managers also have the ability and authority to 'enforce exclusion' on any customer they believe may be at risk, using this Operator only self-exclusion system. - All self-excluded casino members are highlighted to the AGC Management team to ensure an interaction takes place and action is taken in line with the ACG policy, should the customer ever visit the AGC. - Digital cameras or suitable tablet devices are provided at all sites to take an image of customers wishing to self-exclude so that the exclusion can be effectively enforced. - The location of the site in relation to the customer's home address and any regular routes to work for example will be considered if the customer requests a wider exclusion. - All SR returns data subject to a quarterly compliance review. 	Jun 2023
Customer breaches of self-exclusion.	C	Low	Severe to business. Severe to customer.		Jun 2023
Customer breaches self-exclusion by using another to gamble on their behalf.	C	Unknown	Moderate to business. Severe to customer.		Jun 2023
Money Laundering	A	Low	Low – Severe		Jun 2023

(Dye-stained notes and Criminal spend).					
Commission of criminal offences to fund problem gambling	A	Low	Low – Severe	<ul style="list-style-type: none"> - The company have a Money Laundering Reporting Officer (MLRO). - Staff training at induction and refresh training. - Luxury Leisure/Talarius have a corporate AML Risk Assessment and policies and procedures relating to AML. - Automated alerts via Sentinel relating to machine note levels and handpay limits. - Technical parameters on note acceptors designed to reject poor quality notes. (Often notes obtained by way of robbery are perished). - Manufacturer activity alerts from machines on independent networks. - TITO tickets not transferable between sites. - Slim change machines set up so that notes cannot be changed 'up'. - Comprehensive CCTV coverage with recording of approx. 30 days of footage. - Partnerships with local police where appropriate to identify and discourage criminal spend. 	Jun 2023
Anti-social behaviour associated with late night operation	A	Low	Low – Severe	<ul style="list-style-type: none"> - Stringent policy and procedures in place to identify and intervene with customers who may be vulnerable to harm through problem gambling. See above under Information to players, Customer Interaction and Self-Exclusion. 	Jun 2023
Poor security increasing vulnerability to robbery or theft.	A	Low	Low – Severe	<ul style="list-style-type: none"> - Access control measures either through door supervision or physical controls, utilised at night where appropriate - Policy of non-players refused entry or asked to leave. - Refreshments offered only to players and known customers. 	Jun 2023
				<ul style="list-style-type: none"> - A 'live-monitored' hold-up alarm system is used so that monitoring station staff can communicate with 	Jun 2023

				<p>and support shop staff through CCTV and two-way audio using mics and speakers mounted in the ceiling.</p> <ul style="list-style-type: none"> - All staff have personal attack 'hold-up' alarms and there are some strategically placed static alarms also. - The premises are fitted with an intruder alarm which can also be live monitored from the monitoring station, meaning alarm activations are verified, using sight and sound, by the monitoring station thus reducing the number of false alarms to police. - Extensive CCTV coverage with recording of approx. 30 days of footage. - Strict key storage procedure. - Time lock and/or time delay safes utilised. - Drop safe used for banking. - Staff personal floats limited to £100. 	
Advertising Standards and Marketing	A	Low	Low - Moderate	<ul style="list-style-type: none"> - All advertising and marketing by the Company comply with standards set by the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP). We ensure that our marketing communications, advertisements, and invitations to purchase (within the meaning of the Consumer Protection from Unfair Trading Regulations 2008), including 'free bet' offers, do not amount to or involve misleading actions or misleading omissions within the meaning of those regulations. We adopt the general principles that our advertising is: - legal, decent, honest and truthful - Prepared with a sense of responsibility to consumers and to society - Respectful to the principles of fair competition generally accepted in business - Not intended to bring advertising into disrepute. <p>Specifically, we ensure that:</p>	<p>Jun 2023</p> <p>Jun 2023</p>

				<ul style="list-style-type: none"> - Advertising contains nothing that is likely to lead people to adopt styles of gambling that are unwise - Advertisements and promotions are socially responsible and do not encourage excessive gambling - Care is taken not to exploit the young, the immature or those who are mentally or socially vulnerable - Advertising is not directed at people under the age of 18 years through the selection of media, style of presentation, content or context in which they appear. No medium is used to advertise gambling if more than 20% of its audience is under 18 years old - Persons shown gambling are not, nor do they appear to be, under 25 years of age - There is honesty at all times with regard to the chances of winning, the likelihood of a big win, and the odds or payout ratio that applies to the gambling on offer - Advertising and promotional material carries a reference for the need to keep gambling under control - It is never suggested or implied that gambling is a means of getting out of financial difficulty. - Advertising and marketing material should not appear on any primary web page/screen or micro-site that provides advice or information on responsible gambling. - Marketing decisions are controlled by the central marketing department and a system is in place for local managers to apply for marketing initiatives that are approved by the Head of Marketing to ensure they are legal, honest and compliant with the Gambling Act/License Conditions & Codes of Practice. 	
Failure to display Terms and Conditions	B	Low	Low – Moderate	<ul style="list-style-type: none"> - Terms and Conditions displayed prominently within the premises. 	Jun 2023
Failure to deal with customers making complaints about the outcome of gambling	B	Low	Low – Moderate		Jun 2023

				<ul style="list-style-type: none"> - Machines only acquired from licensed suppliers. - Machine maintenance carried out by qualified technician. - Clear service complaint protocol to deal with machine or game performance related customer complaints. - Customer complaints policy and procedure. - Complaints policy and procedure displayed prominently in each site. - Complaint forms available at each site. - Luxury Leisure head office complaints telephone line. - Novomatic UK group complaints channel. - The casino is registered with IBAS (Independent Betting Adjudication Service). IBAS customer leaflets are displayed throughout the venue detailing how customers can raise disputes via this independent channel. 	Jun 2023

Page 16

- (A) Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
 (B) Ensuring that gambling is conducted in a fair and open way; and
 (C) Protecting children and other vulnerable people from being harmed or exploited by gambling.

Requirement to Comply

All non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences

Effective as at 6 April 2016

Social responsibility code provision 10.1.1

1. Licensees must assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in the licensing authority's statement of licensing policy.
2. Licensees must review (and update as necessary) their local risk assessments.
 - a. to take account of significant changes in local circumstances, including those identified in a licensing authority's statement of licensing policy;
 - b. when there are significant changes at a licensee's premises that may affect their mitigation of local risks;
 - c. when applying for a variation of a premises licence; and
 - d. in any case, undertake a local risk assessment when applying for a new premises licence.

Ordinary code provision 10.1.2

1. Licensees should share their risk assessment with licensing authorities when applying for a premises licence or applying for a variation to existing licensed premises, or otherwise on request.

Access to Gambling by Children and Young Persons

(Including Employment of Children and
Young Persons)

Section 10.1

Overview

10.1.1 Scope of the policy

This policy sets out the framework for the Companies' governance of all matters relating to the Codes contained under 3.2 and 3.6, ensuring that they fulfil their regulatory obligations under the Gambling Commissions Licence Conditions and Codes of Practice (LCCP).

The Companies operate land based Adult Gaming Centre's (AGCs), Family Entertainment Centre's (FECs), Bingo premises and non-remote Casinos in Great Britain (GB) only and this policy confines itself to that jurisdiction and all of the relevant legislation and regulation that govern such activity within GB.

10.1.2 Policy Statement

The Companies intend that they should always be compliant with all relevant laws and regulation governing their licenced activities. The Companies strive to uphold the Licensing Objectives as set out in The Gambling Act 2005 and with particular relevance to this policy, protecting children and the vulnerable from being harmed or exploited from gambling. The measures set out in this policy and all associated documents are the plans by which it is intended that this compliance is achieved.

10.1.3 Linked Documentation

- a. Fair and Open Practice policy.
- b. Assessing Local Risk policy.

Section 10.2

Key Terms and Definitions

Child – A person under the age of 16 years old.

Young person – A person who is 16 or 17 years old.

Adult gaming area – An area within a Family Entertainment Centre (FEC) premises, entry to which is restricted by age to those over 18 years old because of the gambling activity available in that area.

Test Purchase – Often also referred to as Age Verification (AV) testing, this term is used to refer to the process employed by an independent external body we instruct to test the implementation of our age verification processes.

Section 10.3

Policy

10.3.1 The companies recognise and acknowledge their obligations in respect of these codes of practice relating to children and young persons.

10.3.2 The companies have in place policies and processes designed to prevent underage gambling and monitor the effectiveness of these.

10.3.3 Our procedures include, for AGCs, FECs with adult gaming areas, and bingo, those for checking the age of those apparently underage, removing those who appear underage and who cannot produce a suitable form of identification to verify their age and taking action when there are repeated attempts by young persons to enter. In order to achieve this, we operate a 'Think 25' Policy at all of our venues so that anyone who appears to be under the age of 25 is challenged to verify their age by producing identification.

10.3.4 At our casino premises we designate a supervisor for each entrance. The role of the supervisor includes, verifying a customer's age with an acceptable form of identification should they appear to be under 25, refusing entry to those who cannot upon request verify their age and taking steps should someone repeatedly attempt to enter who has been refused entry or is clearly underage.

The supervisor is responsible for compliance with the applicable codes relating to access.

10.3.5. In all of our premises our policies and processes take account of the structure and layout of the premises.

10.3.6 In our casino and AGC premises, we do not deliberately provide facilities for gambling in such a way as to appeal to children or young persons.

10.3.7 We refuse service in our Casinos, bingo, FEC adult gaming areas and AGCs where an adult is accompanied by a child or young person and they are required to leave the premises. We do not allow adults to play in our premises where they have left a child or young person outside of the premises to wait for them.

10.3.8 The Company will consider a permanent ban from the premises of an adult who on more than one occasion or who knowingly or recklessly brings a child into our premises.

10.3.9 We only accept identification that contains a photograph and from which the individual can be identified, states the date of birth, is valid and is legible and shows no evidence of tampering or being counterfeit.

10.3.10 The only acceptable forms of identification are those carrying a PASS logo such as a Citizencard, a military identification card, a driver's licence photocard, passport or European national identity card.

10.3.11 We employ independent test purchasing operations for age verification processes in all of our age restricted premises.

10.3.12 It is a matter of gross misconduct to allow entry to our AGCs, Adult Gaming Area(s), bingo or casino premises (knowingly or otherwise) to a person who appears to be under 25 and who cannot provide satisfactory proof of age, which may lead to dismissal. This includes test purchase visitors.

10.3.13 It is a matter of gross misconduct for a member of staff to knowingly allow entry by any person who is under the age of 18 years to our AGCs, Adult Gaming Area(s), bingo or casino premises, which may lead to dismissal. This includes children in the company of an adult such as babies in prams or buggies etc.

10.3.14 All staff are expected to uphold the licensing objectives and in doing so it is expected that, regardless of their role or whether they are off duty, if a staff member is on one of our premises they take appropriate action to prevent children or young persons from entering the premises and gambling.

10.3.15 We do not employ anyone under the age of 18 years old in any capacity in any of our premises.

Section 10.4 Key processes

10.4.1 We display clear and prominent signage at all of our premises where entry is restricted by age.

10.4.2 The companies operate a 'Think 25' policy, so that anyone who appears to be under 25 is required to verify their age.

10.4.3 All attempts to enter our premises where a person is asked to verify their age by presenting identification are recorded on a log.

10.4.4 We employ an independent company to conduct test purchasing operations in in our AGC premises and participate in the scheme offered by the BGC in our casino premises, in order to provide reasonable assurance that our policies and procedures to prevent underage gambling are effective, in particular Think 25.

Failed test purchase visits are reported to the local licensing authority and also the Gambling Commission and the venue retested within a month of the failed test date.

All premises are tested at least twice in a rolling 12-month period and some venues such as adult gaming areas within an FEC or premises in a traditional 'seaside' location are tested more often and particularly in the lead up to school holiday periods.

Test visits are conducted in the evening and at night where we operate later opening times.

10.4.5 The Companies take a firm stance on failed AV test purchase visits and so the process is underpinned by a robust investigatory process and stringent disciplinary framework.

10.4.6 Where it is appropriate and necessary to do so the Companies invest in technology to help in its efforts to prevent underage gambling, such as the deployment of a notification system that uses CCTV cameras and video analytics to inform staff when someone has moved into an adult gaming area from an FEC.

10.4.7 Staff conducting interviews for employees must see proof of age before an interview can commence in order to ensure the Companies do not employ anyone under the age of 18 years old. Furthermore, a new employee cannot start until their right to work and age have been confirmed and proof uploaded onto the Companies HR system.

Section 10.5 Training

10.5.1 Staff receive specific training on induction and regular refresh training including on the requirements of this code.

10.5.2 Staff training on induction is delivered through the Admiral Academy eLearning platform, as well as face to face training with an experienced member of staff or manager using a series of workbooks. Refresh training modules are completed via on the Admiral Academy and there are periodic face to face sessions delivered by the compliance team and managers.

10.5.3 Core SR modules and refresher modules include the legal requirement to return stake and not pay prizes to underage customers.

10.5.4 All staff complete an eLearning module on Child Sexual Exploitation (CSE).

Section 10.6

Review

10.6.1 This policy is subject to ongoing review to ensure it remains appropriate, up to date and fit for purpose, based on regulatory updates and guidance, industry feedback and internal experience and learnings. It is reviewed as part of the compliance review framework at the quarterly meetings or as a minimum it is reviewed annually.

Self-Exclusion

Section 11.1

Overview

11.1.1 Scope of the policy

This policy sets out the framework for the Companies' governance of all matters relating to the applicable Codes of Practice under 3.5 ensuring that they fulfil their regulatory obligations under the Gambling Commissions Licence Conditions and Codes of Practice (LCCP).

The Companies operate land based Adult Gaming Centre's (AGCs), Family Entertainment Centre's (FECs), Bingo premises and non-remote Casinos in Great Britain (GB) only and this policy confines itself to that jurisdiction and all of the relevant legislation and regulation that govern such activity within GB.

11.1.2 Policy Statement

The Companies intend that they should always be compliant with all relevant laws and regulation governing their licensed activities. The Companies strive to uphold the Licensing Objectives as set out in The Gambling Act 2005 and with particular relevance to this policy, to protecting children and the vulnerable being harmed or exploited from gambling. The measures set out in this policy and all associated documents are the plans by which it is intended that this compliance is achieved.

11.1.3 Linked Documentation

- a. Data protection policy.
- b. Customer interaction policy.
- c. User guides relating to the self-exclusion systems in each of the AGC, Bingo and Casino sectors.

Section 11.2

Key Terms & Definitions

Self-exclusion – A customer-led arrangement whereby they ask a gambling provider to exclude them from using the facilities they provide for gambling for a period of time, usually between 6 and 12 months.

Multi Operator Self-Exclusion Scheme (MOSES) – Operators within a sector of gambling contribute to and support schemes that provide customers with the ability to self-exclude from facilities for gambling provided by other licensed operators in the local area.

Self-Enrolment National Self-Exclusion (SENSE) – Non-remote casino operators all participate in the national self-exclusion scheme administered by the Betting and Gaming Council, which excludes customers from all casinos in Great Britain for a minimum of six months.

Section 11.3

Policy

11.3.1 The companies recognise and acknowledge their obligations in respect of the codes of practice relating to self-exclusion.

11.3.2 The companies have in place policies and processes to promote safer gambling and provide tools, including self-exclusion, to allow our customers to manage their gambling but self-exclusion should be seen as last resort. It is our position that it is entirely more desirable that customers do not reach the position where they are suffering from gambling related harms so that the only option is to stop altogether. We do not take this position from a commercial perspective but from a social responsibility perspective. Our customer interaction processes allied with the

gambling management tools we offer are designed to arrest any descent towards behaviour that causes harms.

11.3.3 We take reasonable steps to prevent those who have self-excluded from participating in gambling.

11.3.4 We take all reasonable steps to prevent marketing materials being sent to self-excluded customers and also to remove their details from any marketing databases used by group companies.

11.3.5 When self-excluding, a customer is required to show suitable identification and provide a photograph of sufficient quality that it can be used to identify them should they try and re-enter. If a customer will not provide such a photograph they cannot self-exclude.

They must also provide a signature acknowledging the terms of the agreement between the customer and the companies.

All customers who self-exclude are recorded on a company register as well as the national databases for the AGC MOSES schemes and SENSE in relation to casinos.

11.3.6 Our staff are trained in self-exclusion and in particular they understand that any self-excluded customer found in our premises must be removed.

11.3.7 All customers who self-exclude can do so without entering our premises, are spoken to discreetly and in private where they wish and are signposted to sources of help at that point as well as having previously been so during any interaction that may have preceded the self-exclusion.

11.3.8 Customers who self-exclude are offered the opportunity to also exclude from other premises operated by the companies in the customers local area and are encouraged to exclude from other types of gambling. They are provided with a helpful information leaflet explaining how they can do this.

11.3.9 All of the self-exclusion agreements we make with our customers are for a minimum of 6 months and for no more than 12 months at a time. They can be extended by one or more period of 6 months at a time.

11.3.10 A customer who wishes to self-exclude immediately can do so. However, if they wish to speak with a more senior and experienced member of staff about their gambling, they can arrange a meeting with the Area Manager or consult other sources of help first (such as discuss with problem gambling groups) and complete the self-exclusion at a later time.

11.3.11 When a self-exclusion agreement period ends it is automatically extended for 6 months if the customer does not take positive action to return to gambling.

If a self-excluded customer takes positive action to return to gambling within the 6-month period after the expiry of the exclusion, then we enforce a cooling off period of at least 24 hours. Although there is no requirement to do so we also enforce a 24-hour cooling off period for every customer that returns to gambling even if they return beyond the 6 months at the end of the exclusion period. Clearly this is subject to us being able to identify them as returning from a self-exclusion.

11.3.12 In order to identify someone who breaches their self-exclusion Staff are required to check the MOSES or SENSE (as appropriate to the premises) system gallery of current self-excluded

customers at least once per week and the duty manager is required to check the gallery at the start of every shift.

11.3.13 When a customer self-excludes, we will permanently suppress their details on our marketing database as soon as practicable and in any event within two days of completing the self-exclusion agreement.

11.3.14 We offer customers with whom we enter into a self-exclusion agreement, the opportunity to exclude from facilities for the same type of gambling offered in the locality by other operators through participating in Multi Operator Self-Exclusion Schemes (MOSES) available to the sectors in which we operate.

11.3.15 Where a customer self-excludes on three or more separate occasions, they will automatically be banned from our venues for life (or a minimum period of 10 years).

Section 11.4 Key processes

11.4.1 When a customer requests that we prevent them from gambling using the facilities we provide, the customer and the duty manager (the most senior person on duty is in effect the duty manager and is the appointed person for this purpose) will formally document the request by completing a self-exclusion request form. (This can be a paper form but also by entering the customer details directly into the MOSES system as applicable).

11.4.2 The companies participate in the MOSES systems appropriate to the premises they operate, the BACTA scheme for AGCs, the Bingo Association SMART exclusion in their Bingo premises and the SENSE (Self enrolment national self-exclusion scheme) system in their casino premises.

11.4.3 When a customer requests to self-exclude there must always be an accompanying customer interaction record. (Please see the Customer Interaction Policy and associated training and guidance). A customer interaction relating to a request by the customer to self-exclude or on the basis of concerns held by members of staff monitoring a customer, should always include discussion of the available gambling management tools and the duty manager providing the customer with information on how to find sources of help and support.

11.4.4 Once it is established between the customer and the staff member conducting the interaction that self-exclusion is the best option for the customer to manage their gambling behaviour, the terms and conditions applicable to the scheme must be explained clearly. A copy of the terms and conditions will be signed by the excluder as acknowledgement of understanding.

11.4.5 A customer can self-exclude immediately, subject to verifying their identity, allowing staff to photograph their face and agreeing to it being shared on the appropriate MOSES system so that the exclusion can be enforced by staff at relevant premises.

Photo identification and a signature of the customer are required for self-exclusion agreements except where an alternative means of identification is at least as effective. Photographs should be taken using the tablet device wherever possible. The image of the person should be of the shoulders upwards to include a clear picture of the face with a plain background where possible.

If a customer becomes abusive or is aggressive, regardless of their distress, our staff reserve the right to ask them to complete the self-exclusion process at a later time. This does not have to be at one of our premises but allows for the duty manager to consider the risks and plan accordingly.

11.4.6 If the customer is not known to staff in any way or there is any doubt about the identity of someone requesting to self-exclude, suitable photographic identification is required before the self-exclusion can be processed.

11.4.7 In addition to the record the self-exclusion on the applicable MOSES system, it is also recorded in either the customer interaction and self-exclusion file in AGCs and Bingo premises or on the customers profile on the casino management system.

11.4.8 Customers may not revoke a self-exclusion during the exclusion period. They will be refused entry to our venues and prevented from gambling by our staff. Members of staff are trained to be alert to self-excluded customers attempting to breach agreements and also to beware of the possibility that they may enlist another person to gamble on their behalf.

11.4.9 Where the customer requests to self-exclude from other premises operated by The Companies outside of the local area, we will try to facilitate this request, but it is subject to the limits of the applicable system. The duty manager must contact the Compliance team to establish what extended area of exclusion can be set for the customer in the particular circumstances. On the SENSE system, national self-exclusions are entered automatically.

11.4.10 Customer data relating to self-exclusion is handled in line with The Companies Data Protection Policy. Records held on the applicable MOSES system remain on the database for the duration of the self-exclusion period plus an additional 6 months unless extended at the request of the customer. After that period the data is automatically deleted by the system.

11.4.11 The names of customers who have self-excluded along with the dates of the exclusion period and the primary venue they excluded from are retained on a central record in the compliance department for up to 10 years so that a customer's behaviour over a longer period can be monitored, especially in relation to multiple self-exclusions.

11.4.12 Where a customer is excluded by the Companies in their own interest because of concerns over the harms they may be suffering because of their gambling behaviour, the data is retained for a period of 10 years. The most common example of this is where a customer is self-excluded on 3 separate occasions, it is our policy to ban them from our premises for life. In order to enforce this then we must retain their personal data. (See part 6 below).

Section 11.5 Return to gambling

11.5.1 A customer must take positive action in order to return to gambling after the end of a self-exclusion period.

11.5.2 If the customer takes positive action within 6 months of the end of the period then they must serve a 24 hour 'cooling off' period.

If the customer returns after the end of the 6 month period we still enforce a cooling off period if we are able to identify that the customer has returned from a self-exclusion. This is usually as a result of the staff recognising the returning customer or if the customer makes it known to staff that they are returning after a period of self-exclusion.

11.5.3 A 'return to gambling' meeting is held with the venue (or duty) manager so that they can a) check that they have considered their decision and the implications of a return, and b) to explain and implement the 'cooling off' period.

11.5.4 In addition we discuss with the customer, using the gambling management tools available, to stage their return and avoid a resumption of harmful play.

11.5.5 This is recorded in the customer interaction and self-exclusion file for AGCs and bingo premises or the customer profile on the casino management system. If the customer interaction and self-exclusion file for that customer has been archived, then a new interaction is logged. The applicable MOSES system is also updated if the return is within the 6 months of the expiration of the exclusion and therefore still on the system.

Section 11.6 Company imposed exclusions

11.6.1 There are occasions, although rare, when it is clear that a customer's gambling behaviour is harmful and either they don't recognise it or don't wish to deal with it. One such circumstance is when a customer repeats a cycle of gambling then self-exclusion.

11.6.2 The companies can and will impose bans on these customers to permanently exclude them in their own best interests. For example, once a customer self-excludes for the third time it is our position that this is an indication that they cannot control their gambling sufficiently and so in the best interests of the customer we ban them from gambling in any of our premises for life (minimum period of 10 years).

11.6.3 These imposed exclusions are not catered for on the sector MOSES systems and so are managed by an internal process.

Section 11.7 Cross sector exclusions

11.7.1 The requirement of SR code 3.5.6 is only that licensees, in respect of those with whom they have a self-exclusion agreement, must offer the ability to self-exclude from facilities for the same kind of gambling offered in their locality by any other holder of an operating licence to whom this provision applies only. This means that there are sector specific MOSES schemes that do not cater for cross sector self-exclusions.

11.7.2 If a customer self-excludes from an AGC or bingo premises and there are casino premises operated by the companies in the locality we will automatically ensure that they are also excluded them from those casinos.

11.7.3 If a customer self-excludes from a casino premises then we will not automatically exclude them from AGC and Bingo premises so that they may opt to play a lesser category of machine as a means of managing their gambling behaviour. This is discussed and agreed with the customer.

11.7.4 All customers who self-exclude are given an information leaflet containing details of how they can exclude from other gambling sectors to the one they have entered into the agreement with.

Section 11.8 Training

11.8.1 Staff receive specific training on induction and regular refresh training including the requirements of these codes.

11.8.2 Staff training is delivered through the Admiral Academy eLearning platform, as well as periodic face to face sessions delivered by the compliance team and managers.

Section 11.9	Review
---------------------	---------------

11.9.1 This policy is subject to ongoing review to ensure it remains appropriate, up to date and fit for purpose, based on regulatory updates and guidance, industry feedback and internal experience and learnings. It is reviewed as part of the compliance review framework at the quarterly meetings or as a minimum it is reviewed annually.

Customer Interaction

Section 12.1

Overview

12.1.1 Scope of the policy

This policy sets out the framework for the Companies' governance of all matters relating to the Codes of Practice under 3.3 and 3.4, ensuring that they fulfil their regulatory obligations under the Gambling Commissions Licence Conditions and Codes of Practice (LCCP). Also, the Gambling Commission formal guidance note relating to code 3.4.1 provides a framework, through outlining its expectations of operators, so that they may fulfil their obligations with regards to customer interactions. The company's procedures relating to customer interactions are designed to be in keeping with the regulator's guidance.

The Companies operate land based Adult Gaming Centre's (AGCs), Family Entertainment Centre's (FECs), Bingo premises and non-remote Casinos in Great Britain (GB) only and this policy confines itself to that jurisdiction and all of the relevant legislation and regulation that govern such activity within GB.

12.1.2 Policy Statement

The Companies intend that they should always be compliant with all relevant laws and regulation governing their licensed activities. The Companies strive to uphold the Licensing Objectives as set out in The Gambling Act 2005 and with particular relevance to this policy, ensuring gambling is conducted in a fair and open way and also protecting children and vulnerable people from being harmed or exploited by gambling. The measures set out in this policy and all associated documents are the plans by which it is intended that this compliance is achieved.

12.1.3 Linked Documentation

- a. The company's overall social responsibility policies and procedures document.
- b. Customer Interaction: formal guidance for premises-based operators. (Formal guidance under 3.4.1)
- c. Self-exclusion policy.
- d. Casino operating procedures
- e. MLTF policy.
- f. MLTF risk assessment.

Section 12.2

Key Terms and Definitions

Gamblewise – This is an 'app' based gambling management tool that uses iBeacon technology to allow customers to manage their gambling behaviour via an app on their mobile device. Users can manage their time and spend using the facilities on the app and even elect not to attend on elected days or times. The beacon detects the presence of the device and reminds both the user and the venue staff of the users' restrictions. It is provided to our customers free of charge.

Vulnerable people - The Gambling Act requires that we safeguard the interests of vulnerable people as well as young people from being harmed by gambling. Vulnerable people are not defined by the Act or the LCCP but the Commission says the following in its guidance for local authorities,

The Commission does not seek to define 'vulnerable persons' but it does, for regulatory purposes, assume that this group includes people who gamble more than they want to, people who gamble beyond their means and people who may not be able to make informed or balanced decisions about gambling due to, for example, mental health, a learning disability or substance misuse relating to alcohol or drugs.

The companies' position on this is to adopt a broad definition of vulnerability.

For example, someone could be considered to be vulnerable for the following reasons:

- Suffered a recent bereavement
- Mental health problems
- Long-term or terminal illness
- Dementia or brain injury
- Difficulty in communicating, for example reading or speaking on the phone
- Learning disability
- Relationship breakdown
- Addiction

This list is **not** exhaustive, and there are many other reasons why someone could be considered to be vulnerable. Vulnerability may also be temporary.

Section 12.3 Policy

12.3.1 The companies recognise and acknowledge their obligations in respect of the applicable codes of practice associated with their operating licence.

12.3.2 The companies will put into place systems for effective customer interaction so as to minimize the risk of customers experiencing harms associated with gambling.

12.3.3 We will implement the guidance set out in the Commissions formal guidance on customer interaction for premises-based operators so that we will **Identify** customers who are at risk, **Interact** with them to reduce the risk of suffering harms and **Evaluate** the outcome.

12.3.4 We will use the latest technologies to assist us identify and record our interactions.

12.3.5 We will monitor a range of appropriate indicators in order to identify customers who may be experiencing harms.

12.3.6 We offer a range of gambling management tools to our customers. (This is also covered in our combating problem gambling policy but also here for completeness).

12.3.7 We will ensure that our processes relating to customer interaction, information about safer gambling for our customers, the gambling management tools we offer, and our self-exclusion processes provide a substantive framework for player protection.

Section 12.4 Key processes

12.4.1 In all of our venues, whether AGC, Bingo or Casino, we adopt the guidance from the Commission and implement a framework to Identify, Interact and Evaluate. The main difference in the processes that follow from this are based on the amount of information we know about the customer.

12.4.2 Identify

In our AGC and Bingo premises, where no membership or customer details (other than verification of age where it is not clear) are required by the operator in order to play, the primary indicator

likely to alert staff to customers potentially suffering or at risk from suffering gambling related harm, is their behaviour and changes in it. This can be used with observations about the amount of, or changes in the amount of time they spend gambling. Such observations may also be used by staff in conjunction with knowledge of the machine category being played or any anecdotal information known to staff about the habits or background of a customer, in order to inform a judgement about whether they should interact with that customer.

If a member of staff has concerns that a customer's behaviour may indicate problems related to their gambling, the venue manager is to be informed at the earliest available opportunity. Indicative behaviour may include, but is not limited to, signs of distress, agitation, aggression, intense mood swings, hysteria or remorse. All staff are trained to recognise such behavioural indicators, and which may further manifest themselves in the following ways:

- Chasing losses
- Paranoia that games are fixed
- Complaining of money difficulties
- Arguing with staff over losses or repeatedly asking for promotions
- Rude or aggressive behaviour
- Frequently spends all the money they have brought with them
- Tries to borrow money from staff or customers
- Repeated trips to ATMs either in the venue or externally
- Repeated requests to withdraw cash via the venue PDQ
- Assaults on staff
- Damage to machines or other property

As a minimum such behaviours should be recorded as observations in an interaction log and the most senior person on duty informed.

We do not and cannot currently monitor a customer's spend through our data management system used in our AGCs and Bingo premises, primarily because the data is anonymous because it is not associated with a customer through any electronic or automated means.

In our Casino premises, although membership is not required, many of our customers are signed up to a loyalty scheme which identifies their play to our casino management system. This system allows us to tag and more effectively monitor play than in an AGC for example and therefore more indicators are available to our staff such as spend as well as frequency and length of play. This information will be used to automatically flag when agreed triggers are met, and to mark customers' profiles as 'Action on Entry' to initiate an interaction on their next visit.

Our Casino staff are trained to observe and recognise the same behavioural indicators listed above and to interact with customers as appropriate. They also have access to additional data which can be used in conjunction with these observations to inform decisions about customer interactions. This data can be in relation to a player's level of spend for example and also information about how a player deals with limit setting.

12.4.3 Interact

An effective interaction has three parts. Observation, Action and Outcome. An initial interaction could well be the Observation of behaviour. For instance, a member of staff identifies a change in the behaviour of a customer, either throughout their period of play or over time if they are a more regular customer.

AGC/Bingo

Having made this **Observation**, they then make a first entry on the Customer Interaction Log.

If the behaviour continues then a second entry may be required to record that the change in behaviour was more than fleeting. In an AGC or Bingo premises a 'Customer Interaction & Self Exclusion file' is then opened and the initial entry copied across before the second observation is recorded thus creating a single record for this customer.

Venue managers (and duty managers of any rank) are designated persons for the purpose of customer interaction, and it is their responsibility for making the decision as to whether there should be contact with the customer to prompt them to think about their gambling (**Action**) such as speaking with the customer. If there is any doubt, then an area manager or a member of staff from the compliance department should be consulted on the telephone.

In an AGC or Bingo premises an **Outcome** should be recorded on the 'Customer Interaction & Self Exclusion file'.

Casino

In a Casino, having made an initial **Observation**, this is recorded on the customer profile on the casino management system.

If the behaviour continues then a second entry on the customer profile may be required to record that the change in behaviour was more than fleeting.

The duty PML holder or supervisor on the premises, are designated persons for the purpose of customer interaction, and it is their responsibility for making the decision as to whether there should be an **Action** such as speaking with the customer.

Notwithstanding any initial urgent action taken to deal with the customer's behaviour by any member of staff, the venue manager (or most senior member of staff on duty - AGC) or the duty PML holder or supervisor (Casino) is required to record what has or is to happen next as an **Outcome** of this interaction. This could range from continuing to observe the customers behaviour to speaking to them about gambling management tools such as 'Gamblewise' to signposting them to sources of help. It is essential that details of any conversations are recorded on the customer profile, including advice given and actions agreed by the customer.

In a casino premises there is a breakout area for customers to take a break and reflect or they can serve as a quiet and discreet area for interactions by staff.

In a casino an **Outcome** should be recorded in the customer profile on the casino management system.

Staff should not tolerate any form of abusive or anti-social behaviour during an interaction with a customer. This policy and associated procedures are consistent with and implemented with due regard to the company's duty in respect of the health and safety of members of staff.

12.4.4 Evaluate

By maintaining individual logs for customers in our AGC and Bingo premises and customer profiles in our Casino premises, we are able to monitor behaviour and the effectiveness of our controls over time.

Each log is specific to the customer, meaning that all future interactions at a venue relating to that customer are stored in a single record allowing us to understand the impact of an interaction. This is further underpinned by the company's compliance review framework whereby all compliance

data, including interactions are reviewed by board members and stakeholders from the senior management team.

The data from our casino management system is interrogated daily and reviewed weekly at formal meetings between managers from both operations and the compliance department. As a minimum, the following are reviewed: -

- All interactions
- All customers who have reached the threshold for verification of identity
- All customers subject to CDD
- All customers subject to EDD
- All customers identified as 'high spend customers'

Section 12.5 High Spend Customers

AGC/Bingo

12.5.1 In our AGC and Bingo premises we identify our top spending customers using the knowledge of our venue staff. Each venue then produces a list of either their top 5, 10 or 20 highest spending customers according to the model below.

Small venue – with average weekly income of under £10k = Top 5

Medium venue – with average weekly income of under £20k = Top 10

Large venue – with average weekly income of over £20k = Top 20

12.5.2 In order to monitor these customers there is an arbitrary reporting model whereby the venue manager reports any changes in the behaviour of those customers each week. In order to identify changes in behaviour, and therefore a potential indication of gambling related harm, we must first benchmark the customers behaviour. We achieve this by asking the following questions about each of the customers in the list.

What is their typical stake?

How long is their typical session?

How many visits per week?

Other known factors about the customer?

Each customer on this 'High Spend Log' is then given a pseudonym, as their true identity may not be known to us.

12.5.3 The customer is then monitored through a process whereby the venue manager comments on each customer on the 'High Spend Log' once per week, noting any changes in behaviour and adding any commentary as required.

12.5.4 Any changes in behaviour are then evaluated by the venue manager to determine if and what kind of interaction is required. If necessary, the venue manager can consult with their operational seniors or members of the compliance department.

Casino

12.5.5 In our casino premises, although membership is not required, our staff encourage everyone entering the premises to register as a member of the rewards scheme, collecting basic information and verifying ID at that point. If a customer declines to give personal information they are still reminded of the threshold requirement. The casino management system also allows us

to tag players and create customer profiles in circumstances where they decline personal information.

12.5.6 We consider a high spend customer in a casino premises as a customer who conducts any single transaction of over £10,000; any cumulative transactions in a single identifiable session of play of over £10,000; or any monthly cumulative transactions of over £50,000.

These customer profiles are monitored and reviewed at the weekly casino compliance meetings. Interactions with these customers are recorded on their profile.

Section 12.6 Gambling Management Tools

12.6.1 In all of our premises we use the following methods and advice to provide our customers with appropriate tools to manage their gambling.

- To visit less often.
- To shorten their periods of play.
- To take a 'time out' from visiting our premises.
- To play a lesser category of slot machine.
- Utilise the Gamblewise app to manage their time and location with regards to gambling.
- Machine limit setting.
- Self-exclusion (see section 12).

12.6.2 Gamblewise is a gambling management tool that we offer to our customers for free. It is operated through an app available for customers to download onto their mobile device and use to manage their time spent gambling. They can set themselves limits as to where and when they wish to gamble. The settings in the app and the location of the phone will then be used to remind them of their chosen limits and encourage them to plan and reflect on their time spent gambling in our venues.

The Gamblewise system will also notify staff via a manager's app on the venue tablet if someone enters a venue at a time when they have previously chosen not to. This will then instigate an interaction. Customers will not be asked to leave the venue but will be reminded by staff that they have set a limit on the app that they are not adhering to and advised to reflect on this before commencing play. These interactions are recorded as appropriate to the premises type and accompanied by signposts to sources of help through staff providing a 'Stay in Control' leaflet or pointing out where information relating to sources of help is available in the venue.

Section 12.7 Training

12.7.1 Staff receive specific training on induction and regular refresh training including the requirements of these codes.

12.7.2 Staff training is delivered through the Admiral Academy eLearning platform, as well as periodic face to face sessions delivered by the compliance team and managers.

Section 12.8**Review**

12.8.1 This policy is subject to ongoing review to ensure it remains appropriate, up to date and fit for purpose, based on regulatory updates and guidance, industry feedback and internal experience and learnings. It is reviewed as part of the compliance review framework at the quarterly meetings or as a minimum it is reviewed annually.

15

Assessing Local Risk

Section 15.1 Overview

15.1.1 Scope of the policy

This policy sets out the framework for the Companies' governance of all matters relating to the Codes contained under 10.1, ensuring that they fulfil their regulatory obligations under the Gambling Commissions Licence Conditions and Codes of Practice (LCCP).

The Companies operate land based Adult Gaming Centre's (AGCs), Family Entertainment Centre's (FECs), Bingo premises and non-remote Casinos in Great Britain (GB) only and this policy confines itself to that jurisdiction and all of the relevant legislation and regulation that govern such activity within GB.

15.1.2 Policy Statement

The Companies intend that they should always be compliant with all relevant laws and regulation governing their licenced activities. The Companies strive to uphold the Licensing Objectives as set out in The Gambling Act 2005 and with particular relevance to this policy, ensuring gambling is conducted in a fair and open way and also protecting children and the vulnerable being harmed or exploited from gambling. The measures set out in this policy and all associated documents are the plans by which it is intended that this compliance is achieved.

15.1.3 Linked Documentation

- a. Fair and Open Practice policy.
- b. Customer interaction policy.
- c. Self-exclusion policy.
- d. Information Requirements policy.
- e. Local Risk Assessment form.
- f. Risk maps.

Section 15.2 Key Terms and Definitions

Local Risk Assessment – A process to identify, assess and manage risk in accordance with the requirements of the codes of practice. The document used to record this is often referred to as an LRA.

Mapping Tool & Risk Maps – The Companies use a bespoke, open-source tool that assists with the identification of locations within the locality of our premises that may present a risk to the licensing objectives. The tool produces risk maps that accompany the local risk assessment.

Statement of policy/principles (under the Gambling Act 2005) – Local authorities are required to produce a statement of licensing policy (sometimes called a statement of principles) relating to gambling. They must be considered in the assessment of local risk.

Section 15.3 Policy

15.3.1 The companies recognise and acknowledge their obligations in respect of this code of practice associated with their operating licence.

15.3.2 The companies have in place policies and processes for the assessment of local risk to the licensing objectives at each of their FEC, bingo, AGC and casino premises.

15.3.3 The local risk assessments are conducted by an Area Manager so that they are dealt with by someone with local knowledge but also a level of seniority.

15.3.4. We will use technologies, where available and as appropriate, to assist in the identification of local risks.

15.3.5 The local authority statement of policy is considered when conducting an assessment.

15.3.6 The local risk assessments are reviewed at least annually or in the event of significant changes at our premises or significant changes in the local circumstances.

15.3.7 A local risk assessment is reviewed if the Companies apply for a variation to their licence or a new risk assessment is completed if an application is made for a new licence.

15.3.8 We will implement processes to ensure that a local risk assessment document can be shared on request.

Section 15.4 Key processes

15.4.1 The risk assessment documents are stored at each venue along with its local risk map and the local authority's statement of policy.

15.4.2 A copy of all local risk assessments are stored digitally on a central 'Compliance' drive.

15.4.3 The companies have commissioned the development of a bespoke open-source tool that assists the assessment process by identifying places that may pose a risk to the licensing objectives because they are locations where vulnerable people might congregate for example.

15.4.4 Local risk assessments are completed by a local manager, usually the Area Manager, with assistance and support from the Compliance department.

15.4.5 A Venue Manager is required to notify the Area Manager and the Compliance department immediately if any significant changes occur in the locality to allow for the risk assessment to be updated.

Section 15.5 Training

15.5.1 Staff receive specific training on induction and regular refresh training including the requirements of this code.

15.5.2 Staff training is delivered through the Admiral Academy eLearning platform, as well as periodic face to face sessions delivered by the compliance team and managers.

15.5.3 Specific training on the requirements relating to local risk assessments is provided.

Section 15.6**Review**

15.6.1 This policy is subject to ongoing review to ensure it remains appropriate, up to date and fit for purpose, based on regulatory updates and guidance, industry feedback and internal experience and learnings. It is reviewed as part of the compliance review framework at the quarterly meetings or as a minimum it is reviewed annually.

Customer Entry & Door Entry Control

Luxury Leisure - Standard Operating Procedures

Contents

Section 1	Overview	Page 3
Section 2	Policy	Page 3
Section 3	Training	Page 6
Section 4	Review	Page 8

Section 1 Overview

1.1 Scope of the policy

This policy sets out the framework for the Companies' approach to customer entry and door entry control, ensuring that they fulfil their regulatory obligations under the Gambling Commissions Licence Conditions and Codes of Practice (LCCP).

1.2 Policy Statement

The Companies intend that they should always be compliant with all relevant laws and regulation governing their licensed activities. The Companies strive to uphold the Licensing Objectives as set out in the Gambling Act 2005.

Section 2 Policy

New & Non-Registered Guests - Screening entry - process & requirements

- The Casino will adopt a “hybrid approach” to control customer entry and access to the casino gaming floor.
- The control measures will manage the entry for both registered customers (members) and non-registered guests (non-members)
- This approach will ensure that consistent vigilance is maintained during all operating hours and all persons wishing to gain access are identified and assessed.
- All persons permitted entry are 18+ years of age – all employees will be trained to “Think 25” and challenge any person who does not look clearly over the age of 25 years of age, for recognised and acceptable photo identification for example, Passport, Driving License, recognised ID cards with pass logo, warrant cards, etc.
- Any person who cannot provide suitable Identification will be refused entry and asked to leave immediately, all challenges will be recorded on the “Attempts by Children and Young Persons to enter log”.
- Requirements and actions for persons who are challenged:
 - a) Non-registered customers (non-members) appearing under 25 years of age have their ID checked by the Receptionist to ensure they are over 18. No ID, no entry to the casino. This refusal of entry is recorded in the ‘Refusals Register’.
 - b) Non-registered customers who are challenged for looking under 25 but are over 18 (confirmed on production of valid ID) are asked to register and become casino members.
- Prevent access to vulnerable persons, undesirables, barred or self-excluded persons and those who appear to be overly intoxicated with alcohol or under the influence of any drug or any other substance.
- Any person who appears to be or is suspected of being overly intoxicated or under the influence of drugs and/or substances the receptions will seek the support of the duty manager (PML). The duty manager (PML) will assess the situation and decide if entry will be permitted or not. If entry is not permitted the duty manager will instruct the person to leave immediately.

- Any person who attempts to enter the casino who is found to be registered as an active self-excluded customer will be refused entry and asked to leave immediately, all attempts to enter made by active self-excluded customers will be recorded as an attempt to breach on the “breach Log” by the duty manager (PML).
- Ensure the “Threshold” limit of €2000 spend or win, is monitored, tracked and addressed in line with Money Laundering Regulations. (Current Company policy measures this threshold amount as £1,500 pound Stirling however may change in the future, in line with British Stirling/Euro exchange rates).

The above approach will minimise the risk of any person gaining entry undetected to the premises that fall into any of the criteria detailed and will ensure that every person seeking access will be assessed at the reception area enabling the appointed person to quickly assess their membership/guest status and suitability before being granted access.

New & Non-Registered Guests – Enabling access to play - processes and requirements.

- Non-registered customers (non-members) are asked to register however registration is not compulsory. These customers may enter as guests (provided entry assessment has been passed) following the guest entry process).
- Registration includes the required elements of ‘Customer Due Diligence’ (CDD), electronically saving the following to a membership profile on the Casino Management database: taking a photograph of customer, scanning a copy of a valid ID, details of ID (issue date, expiry date, issue number), D.O.B. home address and Nationality. A dedicated, individually numbered membership card is then issued to the customer.
- All electronic roulette terminals and B1 machines will only operate with either; a guest card or an active membership card.
- No machine will be able to be played without a card at any time. Guest entry includes the issue of a ‘guest’ membership card assigned to a guest profile within the Casino Management System ensuring their play can be tracked and monitored in line with the threshold limit.
- Guest cards will only be issued once the screening for entry process has been verified and entry to the casino gaming floor has been granted.
- Guest cards will only be active for a specified period of time and will expire within 24 hours of issue, this process will be automated and will ensure non-members are unable to reuse the guest card on any additional visits.

The above process will ensure that access to play any gaming machine in the casino is managed on a visit by visit basis, and also serve as a secondary safe guarding measure to guarantee that no person can actively play any machine who is under age, overly intoxicated, self-excluded or considered vulnerable from gambling, furthermore this process also assists in the monitoring and tracking of non-members who are reaching or have reached the “Threshold” limit of €2000 spend or win, in line with Money Laundering Regulation.

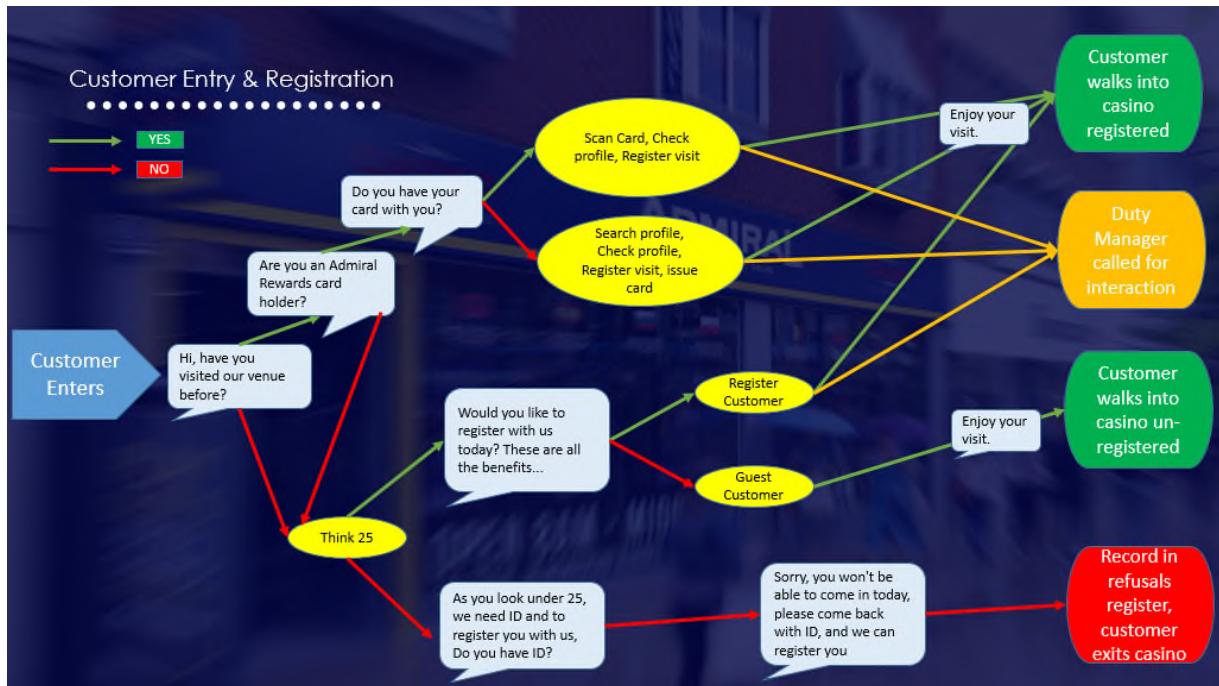
Existing Members - Entry - processes & requirements

- Challenge 25 applied by Receptionist:
 - a) Registered customers (members) appearing under 25 are asked for their membership card. Their identity is verified by the Receptionist using the PC to search the customer database to ensure scanned, valid ID is held for that customer and is over 18.
- Existing members may be greeted by the Receptionist and enter the casino by scanning their membership card. On scanning their card, their membership profile (from the membership database) appears on the PC screen in front of the Receptionist. The Receptionist checks the customer photo to ensure correct card usage and check details held on the membership profile, such as the scanned ID. Existing members who do not have their membership card are checked via accessing the membership database to verify status and identity and a new card will be issued.
- Should the Receptionist discover a 'soft suspension' or customer message has been applied to the customer, the Receptionist asks the customer to wait in Reception area for the Duty Manager. The Duty Manager is called to hold an interaction. Examples of where a soft suspension may be applied;
 - Customer has been identified for an interaction, further enhanced due diligence is to be requested,
 - customer has appeared on Pubwatch and been barred from the casino.
 - The Duty Manager will assess if customer entry is to proceed, or the customer asked to leave.
- Should an existing member be found to have a 'suspension' applied to their membership profile while attempting to enter, entry is denied, and the Duty Manager called to assess the situation. Suspensions are applied for customers who :
 - are enrolled on SENSE
 - who have excluded for Safer Gambling reasons from only this venue (either via self-exclusion or enforced exclusion)
 - who are included in the local Pubwatch scheme
 - are barred for behavioural issue
 - are suspended due to AML concerns (Enhanced Due Diligence not submitted upon request or a SAR submitted to the Nominated Officer (NO) with NO agreement to suspend) etc.

Existing Members – Enabling access to play - processes, and requirements

- All electronic roulette terminals and B1 machines will only operate with either, a guest card or an active membership card.
- No electronic roulette terminals or B1 machines will be able to be played without a card at any time. Guest entry includes the issue of a 'guest' membership card assigned to a guest profile within the Casino Management System ensuring their play can be tracked and monitored in line with the threshold limit.
- All registered members will be able to play roulette terminals and gaming machines by using their membership cards on each visit.

Guest / Registered customer journey flow chart



Note: Customer will be asked to leave larger bags (backpacks, shopping bags etc.) at Reception. Small bags (handbags, purses, shoulder bags etc.) will be allowed. This is to enhance security and minimise H&S risks.

Section 3 Training

Staff Training - (in relation to customer entry & monitoring threshold limit)

- 1) Receptionist training includes:
 - Customer entry procedures
 - Casino Management Systems training
 - AML training, Safer Gambling training including recognising vulnerability / behaviours / markers of harm
 - Challenge 25
 - Selling Alcohol Responsibly including effects of alcohol and recognising signs of drunkenness and sobriety
 - LRA and AML Risk Assessment
 - Reception Procedure Manual training
 - Customer Registration process, what constitutes suitable ID
 - SENSE and self-exclusion training

2) Electronic Gaming Host Training includes:

- Customer entry procedures
- Casino Management Systems training (including tracking members and guests)
- Cash Desk training
- AML training
- Safer Gambling training including recognising vulnerability / behaviours / markers of harm
- Challenge 25
- Selling Alcohol Responsibly including effects of alcohol and recognising signs of drunkenness and sobriety
- LRA and AML Risk Assessment
- Reception Procedure Manual training
- Electronic Gaming Manual training
- Customer Registration process, what constitutes suitable ID
- SENSE and self-exclusion training

Door Security

- 1) Door Security will be present in line with the liquor license (not yet granted) with Door Supervisors being the first line check (for Challenge 25, vulnerability, sobriety etc.) when on duty.
- 2) The Receptionist checks still apply giving an enhanced, 2 layered level of control.

Player Tracking & Threshold limit monitoring

- 1) A trained, PFL holding team member (Electronic Gaming Host) will be on duty on the Gaming Floor monitoring the machines and customers play, at all times.
- 2) All electronic roulette terminals or B1 machines require a membership card to be inserted to unlock and allow play. Every customer who enters will be in possession of a card (membership card or guest card) ensuring 100% of customer 'buy-in' is tracked.
- 3) Electronic Gaming Hosts will continually monitor the inside of the casino and interact with customers regularly. The Electronic Gaming Host will be in possession of a tablet linked to the Casino Management System with the functionality to monitor customer play in real time via a 'customer gallery'. This gallery clearly shows all registered customers and guest customers and their current levels of play.
- 4) Monitoring Thresholds :
 - £500 threshold - An interaction will take place with the customer when they reach the lower threshold of £500 spend or win.
 - £1,000 threshold - a further interaction takes place should the customer reach £1,000 spend or win.
 - £1,500 threshold - should the customers play reach £1,500, the customer will be informed that they cannot buy-in with any more cash or cash out until valid ID is produced and CDD is completed via customer registration (becoming a member).
- 5) Automatic teller payment machines will be set to cash out a maximum of £1,000 and are continuously monitored by the Electronic Gaming Hosts.

- 6) All transactions ('buy-ins' and 'cash outs') made at the Cash Desk are 'tagged' to the customers play profile in the Casino Management system.

Exclusion (Safer Gambling)

- 1) The casino will partake in the SENSE (Self Enrolment National Self Exclusion scheme):
 - a. Allowing customers to enroll on SENSE in our venue
 - b. Ensuring customer who have enrolled on SENSE at other venues and are members of our casino, are barred from entering our venue.
- 2) The casino will also have a procedure for self-excluding from only our venue, ensuring that a customer who wishes to self-exclude but does not wish to enroll on SENSE have the option.
- 3) Our PML's Management team reserve the right to 'enforce exclusion' on any customer they feel at risk of gambling harm but does not wish to self-exclude. This will be known as 'enforced exclusion'.
- 4) All customers excluded due to Safer Gambling concerns will be barred on the Casino Management System and entry always denied.
- 5) Any customer wishing to self-exclude will be spoken to by a trained, PML holding Duty Manager.

5.1 All staff receive training relating to the licence conditions and codes of practice relevant to our licences during induction and also regular refresh training.

5.2 PML holders are also required to complete an additional training module specifically on the topic of their responsibilities as personal licence holders. This is delivered by the compliance team.

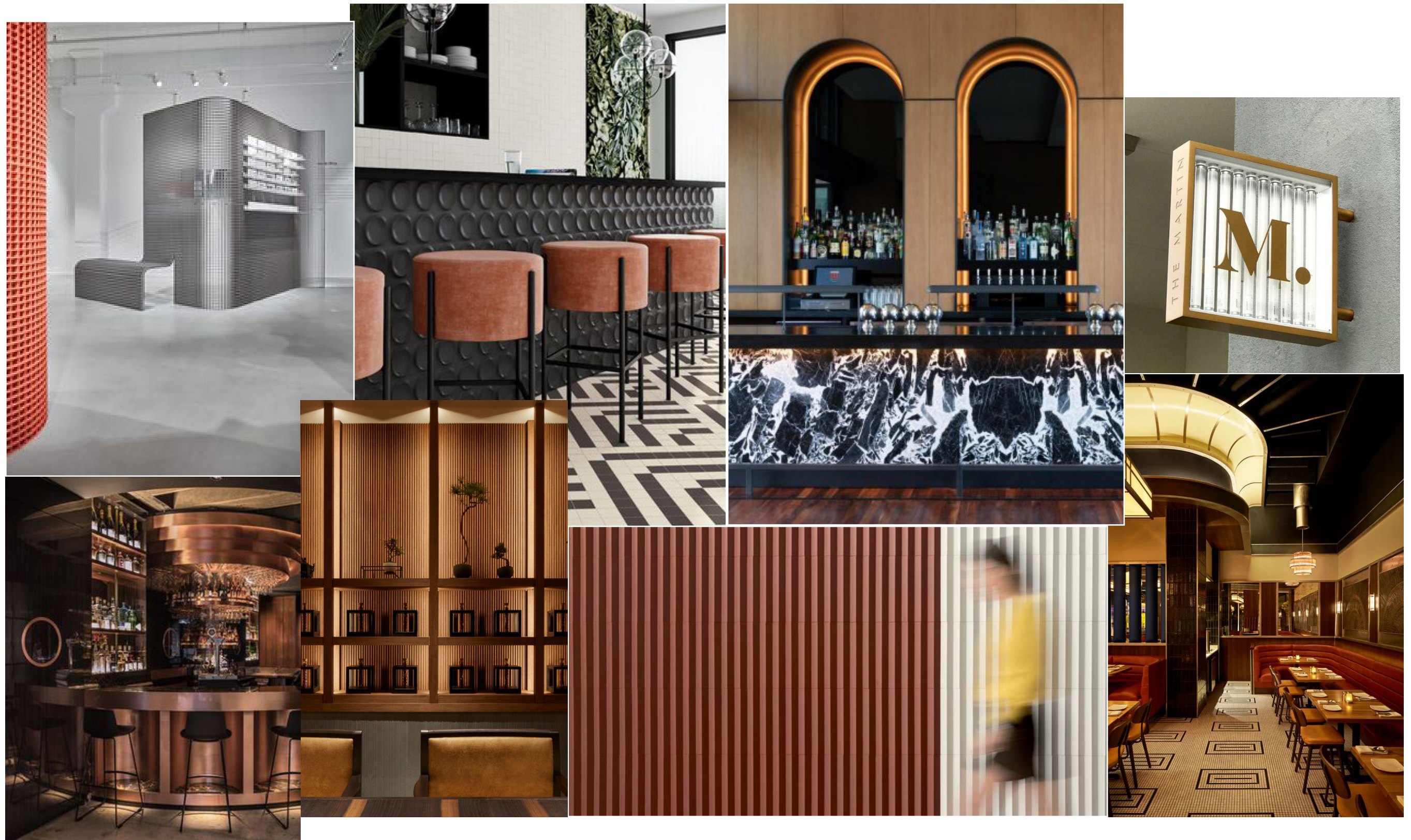
Section 4 Review
--

This policy is reviewed as a minimum every 12 months, usually in line with the review of all the company policy and procedures relevant to Social Responsibility.

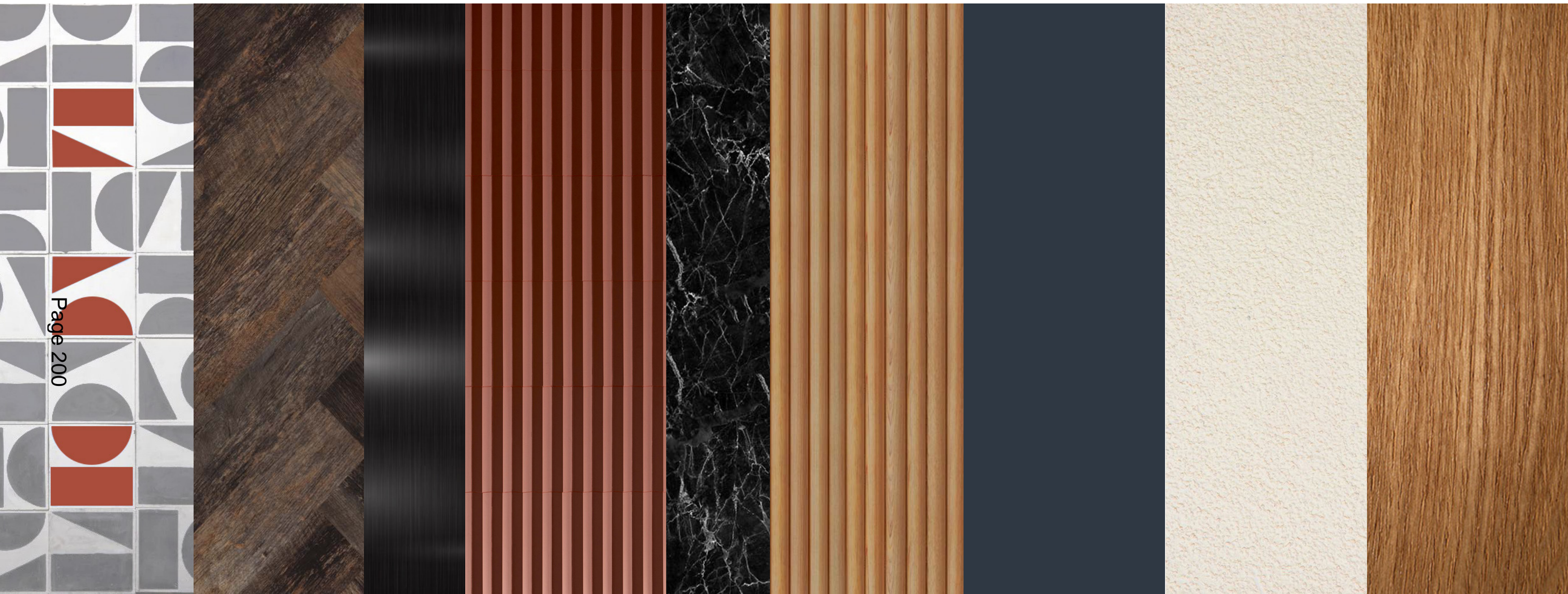
Look & Feel

Nostalgic Details, Warm Textural Finishes, Soft Curves

Page 199



Palette



- 1. Floor Tile (Burt & May Grey Split Tile,; Random Pattern)
- 2. Laminate Flooring (Herringbone Wood)
- 3. Skirting and Channels (Powder-coated Black Metal)
- 4. Bar Front (Domus Rombini Tile)
- 5. Bar Worktop (Silvestone Et Marquina Stone)
- 6. Wall Panelling (Round Fluted Wood)
- 7. Wall Paint (Dulux Heritage - DH Oxford Blue))
- 8. Wall Render (Textured Cream Finish)
- 9. Wood Panelling (Warm Oak - Spec TBC)

Lighting Inspiration

Page 201



Linear Wall Sconce, Brass
Manufacturer: Vraiment Beau



Samba Hanging light, opal glass/black
Manufacturer: Euluna



Opal glass ball sconce
Manufacturer: ClearHalo



Pennon, Pendant light
Manufacturer: Bert Frank



Rift, Pendant light
Manufacturer: Bert Frank

Furniture Inspiration



Revolver bar stool

Manufacturer: HAY



Obi Swivel Counter Stool

Manufacturer: Powell & Bonnell



Heidi stool

Manufacturer:
Established and Sons



Robin Day Chevron Chair

Manufacturer: twentytwentyone



Barcelona Chair

Manufacturer: Knoll



T1 Chair,

Manufacturer: OMK 1965

Ceiling Applications



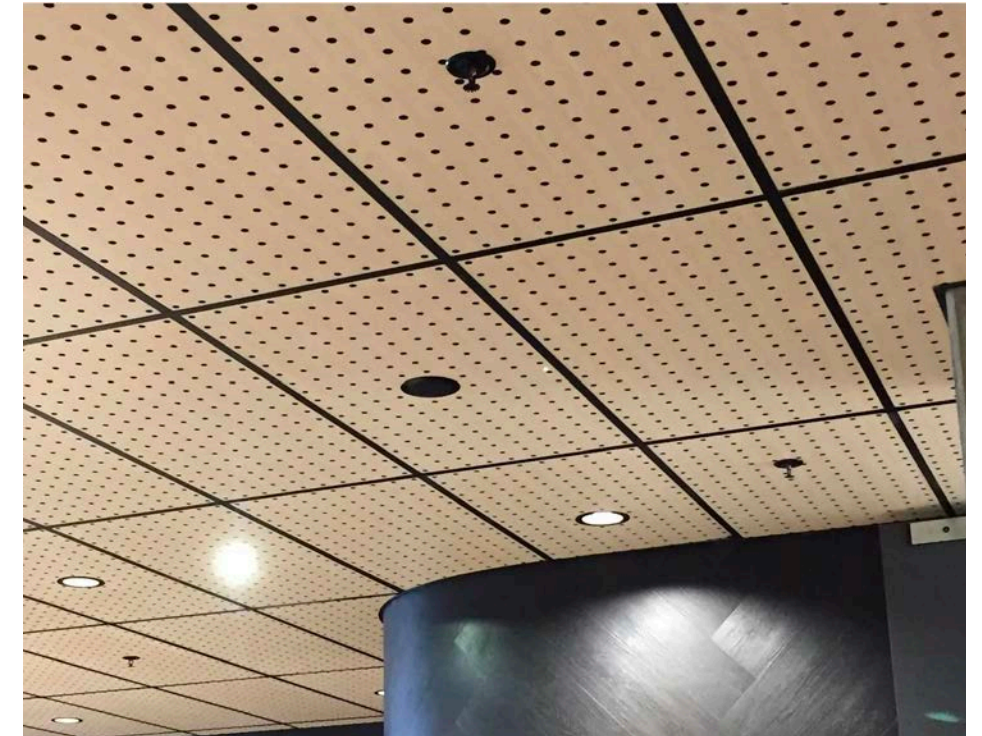
Wood grid system

Wood veneer panels to sit in
standard grid system
(Dimensions TBC)



Open Grid System

Suspended open grid system
(Colour and Dimensions TBC)



Acoustic Wood panel system

Perforated Wood veneer panels
to sit in standard grid system
(Dimensions TBC)

Bar Area (Opt 01)



Bar Area (Opt 02)



Service Area



Bar and Service Area

Bar Includes Straight And
Curved Modules To Allow
Different Configurations

Adjacent Service Desk.
Can Be Separated
Depending On Site



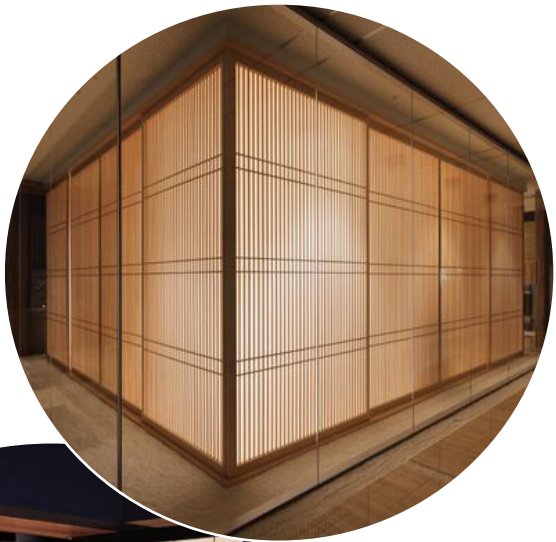
Seating Area



Seating Area



- Modular system includes:
- Back illuminated Panel
 - End Panel (Concave curve)
 - Central Panel (Convex Curve)



Roulette Area

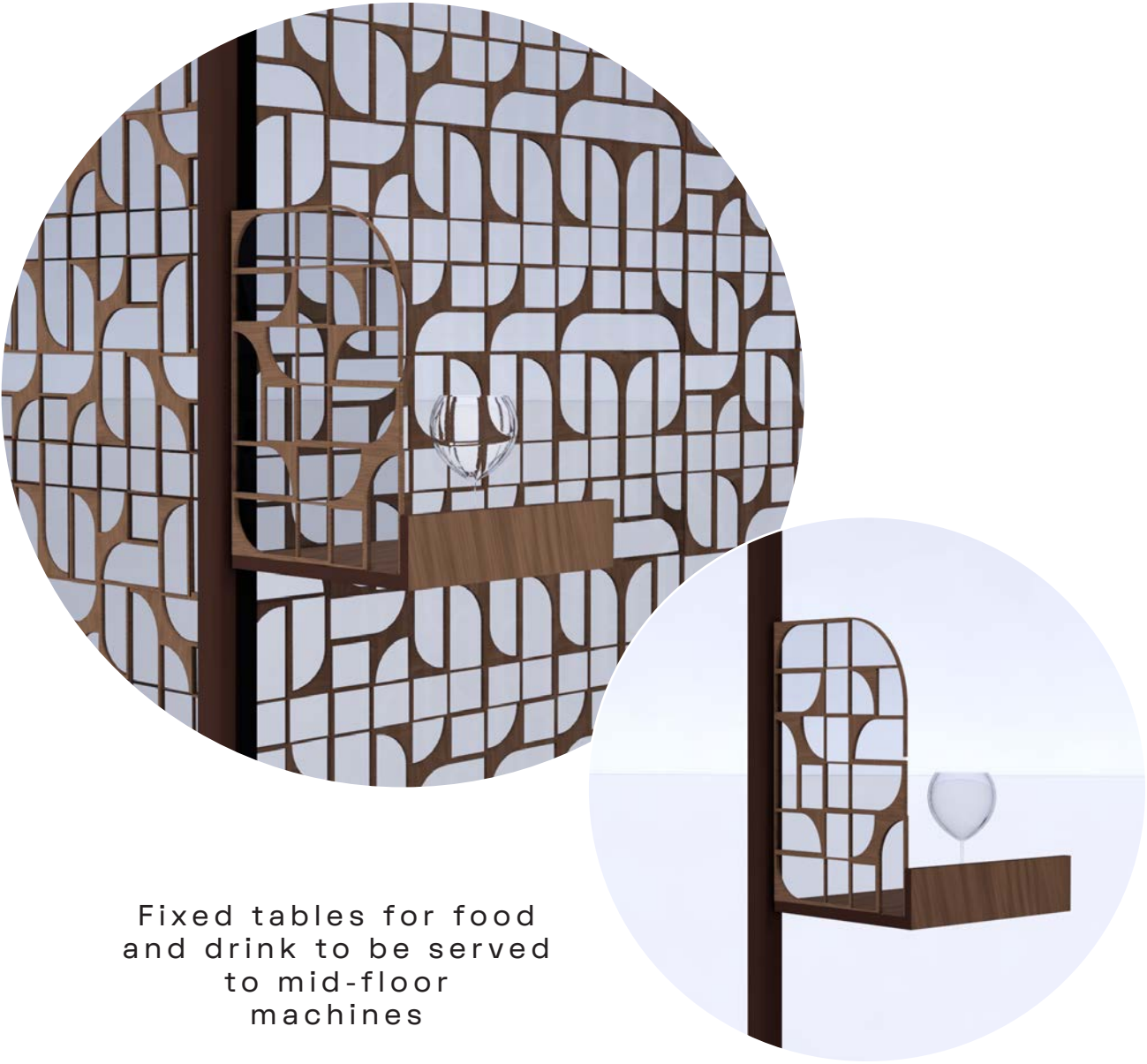


Roulette Area



Fixed Tables

Page 212



Fixed tables for food and drink to be served to mid-floor machines



Games Area

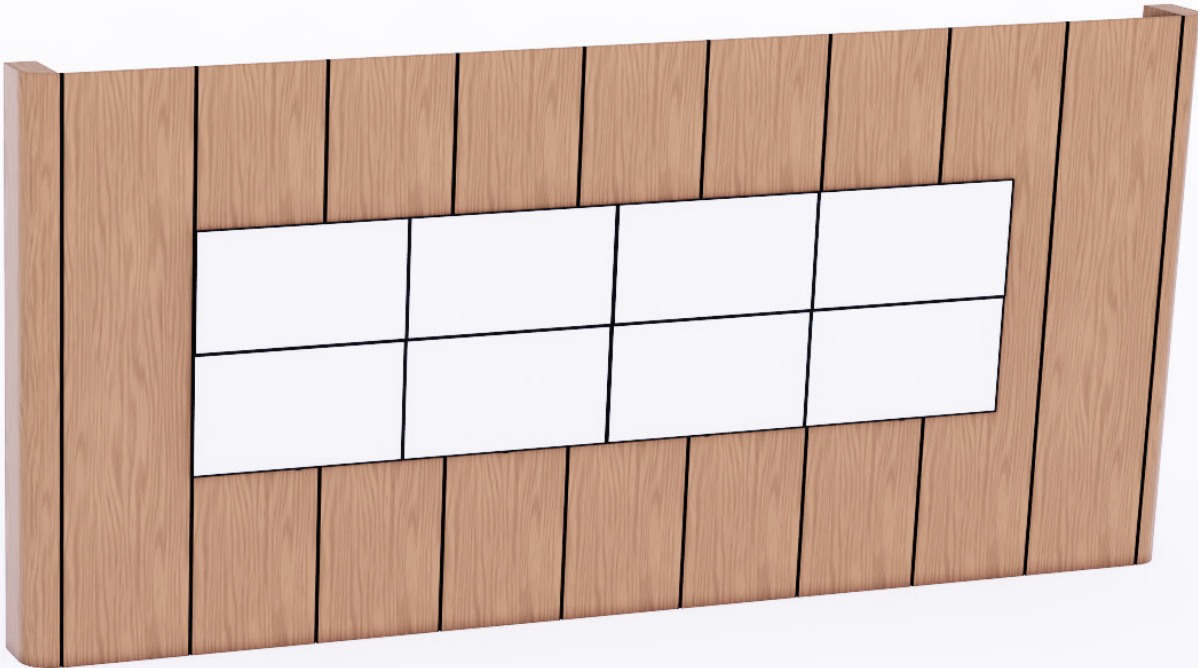


Modular Panels

TYPE A: WALL MACHINES
Fluted wood panel
2.2m in height to sit
below bulkhead



TYPE B: MID-FLOOR MACHINES
Acrylic with cnc cut pattern.
Self-illuminated with power
through floor/ceiling mount



TYPE C&D: TV WALL AREA
Wood veneer panels with metal
u-channel including curved end
module.

Games Area



Page 215

This page is intentionally left blank

SECTION 4



House of Lords
House of Commons

Joint Committee on the Draft
Gambling Bill

Draft Gambling Bill

Session 2003-04

Volume I

*Report, together with formal minutes and
annexes*

*Ordered by The House of Commons
to be printed Thursday 25 March 2004
Ordered by The House of Lords
to be printed Thursday 25 March 2004*

HL Paper 63-I
HC 139-I

Published on Wednesday 7 April 2004
by authority of the House of Lords and the House of Commons
London: The Stationery Office Limited

Page 218

£0.00

The Joint Committee on the Draft Gambling Bill

The Joint Committee on the Draft Gambling Bill was appointed by the House of Commons and the House of Lords on 9 September 2003 “to consider and report on any clauses of the draft Gambling Bill presented to both Houses by a Minister of the Crown” and to report by 8 April 2004.

Membership

Mr John Greenway MP (Conservative, Ryedale) (Chairman)

Janet Anderson (Labour, Rossendale & Darwen)

Mr Tony Banks (Labour, West Ham)

Jeff Ennis (Labour, Barnsley East & Mexborough)

Mr Alan Meale (Labour, Mansfield)

Mr Richard Page (Conservative, South West Hertfordshire)

Dr John Pugh (Liberal Democrat, Southport)

Mr Anthony D. Wright (Labour, Great Yarmouth)

The Rt Hon Lord Brooke of Sutton Mandeville (Conservative)

Lord Donoughue (Labour)

Viscount Falkland (Liberal Democrat)

Lord Faulkner of Worcester (Labour)

Baroness Golding (Labour)

Lord Mancroft (Conservative)

Lord Wade of Chorlton (Conservative)

Lord Walpole (Cross Bencher)

Powers

The Committee has the power to require the submission of written evidence and documents, to examine witnesses, to meet away from Westminster, to meet at any time (except when Parliament is prorogued or dissolved), to appoint specialist advisers, and to make Reports to the two Houses.

Publication

The Report and evidence of the Joint Committee are published by The Stationery Office by Order of the two Houses. All publications of the Joint Committee (including press notices) are on the Internet at www.parliament.uk/parliamentary_committees/jcdgb.cfm

Committee staff

The staff of the Joint Committee were drawn from both Houses and comprised Sarah Davies (Commons Clerk) Audrey Nelson (Lords Clerk until December 2003) Jake Vaughan (Lords Clerk from January 2004) Jago Russell (Legal Specialist) Abigail Plenty (Economic Specialist) Alison Mara (Committee Assistant) Francene Graham (Committee Assistant) Lisette Pelletier (Secretary) and George Fleck (Office Support Assistant)

Contacts

All correspondence should be addressed to the Clerks of the Joint Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 8388; the Joint Committee's email address is scrutiny@parliament.uk

Contents

Report	<i>Page</i>
Summary	7
1 Introduction	9
The Committee's inquiry	9
The publication of the draft Bill	11
The Committee's approach to pre-legislative scrutiny	12
Key issues	14
2 The regulatory framework	15
Introduction	15
The objectives of the draft Bill	15
Detail to be issued by the Gambling Commission	16
Delegated powers	17
Regulation, taxation and planning: three legs of a stool?	19
3 The regulatory system	20
The Gambling Commission	20
<i>Transition from the Gaming Board to the Gambling Commission</i>	20
<i>Day to day Gambling Commission resources</i>	23
<i>The powers of the Gambling Commission</i>	24
The remit of the Gambling Commission	27
<i>Should the Gambling Commission regulate spread betting?</i>	27
4 The National Lottery	30
Regulation of the National Lottery	30
Proposed changes to the licensing process	30
<i>The multi-licence approach</i>	31
<i>Should the Gambling Commission regulate the National Lottery?</i>	33
5 Licensing	37
Introduction	37
Operating licences	37
<i>Duration and renewal of operating licences</i>	38
<i>Licence conditions</i>	39
<i>Licence fees</i>	40
Personal licences	41
<i>Extent of personal licensing requirements</i>	41
<i>Small-scale operators</i>	42
Sanctions	43
<i>General</i>	43
<i>Unlimited fines</i>	44
Appeals against the Gambling Commission's decisions	44
Premises licences	45

<i>Restricted discretion</i>	47
<i>Duration of premises licences</i>	48
<i>Resources</i>	49
<i>Relationship with planning</i>	50
"Need" and cumulative impact	52
<i>Provisional statements</i>	53
<i>Appeals</i>	54
Transition	54
6 Social implications of the draft Bill	57
Problem gambling	57
Impact of the draft Bill	59
<i>Prevalence study and other research</i>	59
<i>Potential impact of the draft Bill on problem gambling</i>	60
Safeguards in the draft Bill	61
The industry-funded trust	63
<i>Relationship with industry</i>	64
<i>Relationship with service providers</i>	66
<i>Level of funding</i>	66
<i>Contributions in proportion to risk</i>	67
<i>Method of funding</i>	69
<i>Government responsibility</i>	70
The young	71
<i>A uniform age limit of 18</i>	71
<i>Employment of young persons in gambling premises</i>	73
<i>Children and gaming machines</i>	73
Ambient gambling	79
<i>Destination gambling</i>	79
<i>Children</i>	80
Problem gambling: additional recommendations	81
<i>The National Lottery and spread betting</i>	81
<i>Advertising, inducements and credit</i>	81
<i>Casinos</i>	82
<i>Bingo</i>	82
<i>Gaming machines</i>	82
<i>Remote gambling</i>	82
7 Advertising, Inducements and Credit	82
Advertising	82
<i>Unlawful advertising</i>	83
<i>Other restrictions on advertising</i>	84
<i>Regulator</i>	85
Inducements	88
<i>Loyalty cards</i>	89
Credit	90
8 Casinos	91
Unresolved issues	92

The Government's proposals	93
<i>Evidence received</i>	955
Size categories	95
The cliff-edge	96
Alternative size formulas	96
The 3:1 ratio	97
Definition of 'gaming machine'	98
Three size categories	98
<i>Small casinos</i>	98
<i>Large casinos</i>	99
<i>Resort casinos</i>	102
<i>Regeneration: general issues</i>	103
<i>Regional regeneration: Free market v. locational controls</i>	106
<i>Planning for resort casinos</i>	108
Planning and licensing	110
<i>Planning Use Class</i>	110
<i>Planning at the local level</i>	113
<i>Interaction between planning bodies</i>	114
Miscellaneous Issues	114
<i>Linking Machines</i>	114
<i>Available for use</i>	116
<i>Membership of casinos</i>	117
<i>Employment in casinos</i>	117
<i>Smoking in casinos</i>	117
<i>Alcohol in casinos</i>	118
9 Bingo	120
Provisions in the draft Bill	120
Bingo in casinos	120
<i>Soft v. hard gambling</i>	121
<i>The social aspect</i>	121
Bingo in pubs and clubs	122
10 Gaming Machines	122
Categories of machines	123
Category A machines	123
Category D machines	124
Returns to customers	125
Machine numbers in licensed premises	125
<i>Pubs and clubs</i>	125
<i>Tenpin bowling centres</i>	126
Machine testing	127
Linking of machines	127
Fixed Odds Betting Terminals (FOBTs)	128
<i>Categorisation</i>	129
<i>FOBTs and problem gambling</i>	130

11 Betting and bookmakers	130
Betting Exchanges	132
<i>The fiscal and regulatory regime</i>	133
<i>Non-recreational layers</i>	139
<i>Regulation</i>	140
<i>Sporting levy</i>	140
<i>Voiding of bets and cheating</i>	141
12 Remote gambling	142
Regulation	143
<i>Principles of regulation</i>	145
<i>Licensing requirements</i>	146
Social responsibility	147
<i>Safeguards</i>	147
<i>Controlling access</i>	149
Other jurisdictions	150
<i>Prohibited territories offence</i>	151
<i>Advertising by offshore operators</i>	151
13 Lotteries (except the National Lottery)	152
Enforcement	153
Definition of "lottery"	154
<i>Payment to Enter</i>	154
<i>Skills Test</i>	157
<i>Statutory definition of "lottery" and the National Lottery</i>	160
Rapid-draw lotteries	160
Statutory limits	161
Customer Lotteries	163
14 Economic impact	163
Economic research	164
Economic regeneration	165
Displacement	165
Cannibalisation	166
Winners and losers	166
Overall net benefit	167
Taxation	167
<i>Changes to the taxation regime</i>	167
Inward investment	168
Conclusions and recommendations	170
Annex 1: Schedule of detailed comments on the draft Bill	192
Annex 2: Programme of visits undertaken by the Joint Committee on the draft Gambling Bill during the course of its enquiry	265
Annex 3: List of acronyms	268

Formal minutes	270
Witnesses	294
List of written evidence	297

94 per cent of the population feel that allowing people to gamble with credit cards would put people at a greater risk of incurring gambling debts. It sounds obvious.”⁴⁹⁶

330. Professor Orford told the Committee, “I think credit cards are dangerous. We live in a society now where credit card debt is a major national problem, so I would have thought allowing people to bet with credit cards was a bad thing”.⁴⁹⁷ The Royal College of Psychiatrists has commented on the anomaly that, although the use of credit will be controlled elsewhere, “the use of credit cards will be allowed for remote gambling”.⁴⁹⁸

331. During our visit to GamCare we saw at first hand the very high levels of debt that are common for problem gamblers and heard about the immense difficulties that this can cause. We were told at the same time about the irresponsible attitudes of some credit providers, including repeated offers of credit to problem gamblers who had requested that they should not be given credit. We consider this to be incompatible with responsible lending practices.

332. When asked about the proposals on credit the casino industry noted that, given the proposal to permit a wide range of gambling products to be offered within a casino:

“We see that there is a rather strange anomaly in that the betting component will be allowed to issue credit but the casino component will not, so that if you were in one part of the facility you could get credit but in the rest of the place you could not.”⁴⁹⁹

333. We have been told that, while casinos would like to be able to offer credit, “we are not talking about the issuance of wholesale credit as you see with high street credit cards and store cards” and “[i]t is pre-authorised and it is for high net worth clients only”.⁵⁰⁰

334. We do not believe that the use of credit should be prohibited on the face of the Bill. We do, however, recommend that the Gambling Commission should be required to issue codes of practice under Clause 16 and to attach licence conditions under the Clause published on 12 March, regulating the offer and acceptance of credit by operators. We note that, in line with the licensing objective under Clause 1 “to protect the vulnerable”, such codes of practice should restrict the use of credit where necessary to protect problem gamblers.

8 Casinos

335. The proposals relating to the regulation of casinos contain some of the most significant provisions in the draft Bill and could transform the casino industry in the UK and have a significant impact on the rest of the gambling industry. We received a substantial amount of evidence on this matter, much of it pointing in different directions. Our task was not assisted by confusion in the Government’s apparent thinking on a number of key issues, namely the mechanism for preventing proliferation, the extent to

496 Q 288 [The Salvation Army]. See also Mr John Wainright, Ev 722

497 Q 252 [Professor Orford] HC 139 - iii

498 Royal College of Psychiatrists, Ev 66, para 20

499 Q 528

500 Q 528 [Mr Tottenham]

which it sees casino development as an engine of regional regeneration, how planning gains will be achieved and the application of grandfather rights. We think it useful first to provide a summary of the principal changes in the regulation of casinos that the draft Bill proposes, followed by a resumé of the main issues to which they give rise. We will then turn to consider the evidence and to make our recommendations.

336. Under the Gaming Act 1968, casinos are highly regulated. They can only be located in designated ‘permitted areas’, of which there are 53 in the UK. Local authorities have a responsibility to consider demand before granting a licence. If the demand criterion is not demonstrated an application can be refused. Casinos are required to operate as private members’ clubs with a 24 hours statutory interval between membership and play. This means that casinos in the UK tend to operate as small members’ clubs serving specific and often local social groups rather than the general public.⁵⁰¹ They can only open between 2pm and 6am on weekdays and until 4am on Sundays. Advertising is currently restricted and casinos are limited to having a maximum of 10 gaming machines, offering a maximum prize of £2,000. As the policy document accompanying the draft Bill notes “the casino sector is restricted by a series of controls that unnecessarily discourage innovation and restrict consumer choice”.⁵⁰²

337. Under the draft Bill there will be a significant deregulation of the controls governing casinos, including:

- removing the requirement to operate as private members’ clubs, with a statutory interval between membership and play;
- extending the gambling products casinos can offer, including betting and bingo, and the linking of gaming machines within a casino;
- abolishing the demand criterion and ‘permitted areas’ rules;
- allowing *large* casinos to have an unlimited number of gaming machines with unlimited stakes and prizes; and
- allowing casinos to offer live entertainment and to advertise.

Unresolved issues

338. The modernisation of the law relating to casinos represents a major area of change and uncertainty. The policy, as presented, lacks clarity in a number of areas. First, there are a number of issues relating to the development of casinos and the question of proliferation that could compromise the realisation of the licensing objectives. Second, there is an issue concerning the Government’s policy regarding securing economic benefits that could accrue from casino developments. As we discuss below, this centres on whether, contrary to the provisions in the draft Bill for *large* and *small* casinos, the Government intends to create a third category of casino that is specifically intended to provide regeneration benefits. This could lead to the kind of casino developments that the Committee delegation

⁵⁰¹ Gambling and the Public Interest, Professor Peter Collins (London, 2003).

⁵⁰² DCMS, Draft Gambling Bill: Policy document, Cm. 6014 – IV, November 2003, para 4.6

saw in Australia, which are far more substantial than anything that the law currently allows, and which the Gambling Review Report suggested might be permitted by its recommendations.⁵⁰³ Sometimes referred to as *resort* casinos, an essential question is how, if at all, they should be differentiated from *large* and *small* casinos. Unless *resort* casinos are differentiated, and given special treatment within the gambling environment, it is questionable whether the concept will succeed in the UK.

339. Another crucial element relating to the issue of preventing proliferation and securing economic benefits is the planning environment. We welcome the Government's intention to "make it possible for different parts of the country to consider how gambling developments might play a role in securing economic benefits for their area".⁵⁰⁴ However, under the proposals in the draft Bill, it is not clear to the Committee how the Government expects planning authorities to achieve local and regional planning gains. As Lord McIntosh of Haringey, Parliamentary Under-Secretary of State, DCMS, conceded when he gave evidence to the Committee, "it is very difficult to know how to 'require' economic benefits".⁵⁰⁵ The Committee is also concerned that planning applications that have already been made, many in anticipation of the likely expansion in slot machine entitlements, could compromise the possibility of securing both local and regional planning gains.⁵⁰⁶ We are concerned at the lack of agreement between ODPM and DCMS on some of the key details in this area. Planning issues relating to casino developments are discussed in more detail below.

340. Finally, there is the question of grandfather rights. The Committee's understanding of the Government's position is that all casino operators holding certificates of consent from the Gaming Board and gaming licences issued by the licensing authorities, prior to the enactment of the Bill, will, in effect automatically, be granted an operating licence by the Gambling Commission and a premises licence from the local authority. This could lead to undesirable proliferation and local and regional planning authorities missing out on the opportunity to achieve local planning gains and regeneration benefits. **There is a considerable urgency to this issue as plans for the development of a number of large scale casinos are well advanced. If permitted, such developments would seriously undermine the licensing objectives and whatever policy objectives on regeneration the Government decides to adopt.**

The Government's proposals

341. On 7th August 2003, the Government published for consultation a joint position paper by ODPM and DCMS, "The Future Set out For UK Casinos"⁵⁰⁷ which proposed new definitions for the size and type of new casinos which would be permitted under the draft Bill.⁵⁰⁸

503 DCMS, Gambling Review Body Report, Cm. 5206, July 2001, para 24.37

504 DCMS, Draft Gambling Bill: Policy document, Cm. 6014 – IV, November 2003, para 2.7

505 Q 66

506 Q 1111 [Mr Haslam]

507 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

508 The Committee assumes that the function of Clause 10(5)(c) is to enable the Secretary of State to make special provisions for the grandfathering of existing casinos which are below the minimum size for a small casino.

- *small* casinos, with a table gaming area of between 5,000 sq ft and 10,000 sq ft, with a minimum of 20 gaming tables and a maximum of three gaming machines for each table; and
- *large* casinos, with a table gaming area of over 10,000 sq ft and an unlimited number of gaming machines provided the casino has more than 40 tables.

342. Currently casinos are only allowed to have up to 10 jackpot gaming machines with a maximum stake of 50p and maximum prize of £2,000. The gaming machines permitted under the draft Bill will be categorised as Category A machines with no limit on stakes and prizes.

343. The Government's proposal for new casinos to have a table gaming area of not less than 5,000 sq ft, with a gaming machine to gaming table ratio of 3:1, is designed to prevent the proliferation of small casinos. Lord McIntosh, Parliamentary Under-Secretary, DCMS, told the Committee, "our view is that as of 2003 we need greater restriction on the numbers of machines in smaller casinos, and we need a complete ban on new casinos below 5,000 square feet—[...] we do not wish to see the proliferation of small casinos on every street corner".⁵⁰⁹

344. However, many existing casinos have a gaming area of significantly less than 5,000 sq ft. The Government has proposed that existing casinos which do not meet the minimum size requirement for *small* casinos will be granted grandfather rights, and can continue to operate under the draft Bill.

345. Although the November policy document and the Government's 7th August Position Paper,⁵¹⁰ both refer to *resort* casinos, these are not separately defined in the draft Bill. The lack of a definition has generated speculation that the Government's policy implies three categories of casino. In written evidence to the Committee Leisure Parks note "In relation to the definition of a large casino, we are unclear as to whether a distinction is intended between a resort casino development and other large casinos. In other words, is the Government proposing two sub-categories of 'large' casinos?"⁵¹¹ It is not clear from the draft Bill how the very largest casinos will be separated, and treated differently from other casinos that also fall into the *large* category. The North-west Development Agency told the Committee that "the absence of a definition about resort casinos [...] is unhelpful".⁵¹²

346. A separate definition of *resort* casinos has been suggested as a means of overcoming this problem.⁵¹³ In its written evidence to the Committee, Gala propose "that the legislation recognizes the fundamental difference between the very largest Resort Casinos of 'regional significance' and other large (40+ table) casinos".⁵¹⁴

509 Q 87 [Lord McIntosh]

510 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

511 Ev 164. See also London Clubs International, Ev 627 and Kerzner International, Ev 161, section 3

512 Q 1110 [Nick Gerrard]

513 Q 1111 [Nick Gerrard]

514 Ev 598, para 6.3

Evidence received

347. While the clauses on casinos represent a small part of the draft Bill they have generated a large amount of evidence on a wide range of issues, including the proposals set out in the Government's 7th August Position Paper⁵¹⁵ and the policy document accompanying the draft Bill. The proposed size categories have prompted much of the evidence we have received.

Size categories

348. The size requirements proposed in the Government's Position Paper,⁵¹⁶ could lead to a major change in the size of casinos that currently operate in the UK, where "three quarters of British casinos are below the minimum size for a new-entrant Small casino".⁵¹⁷ The Committee received evidence from Rank suggesting that differentiating between *small* and *large* casinos will give a competitive advantage to large operators while smaller operators miss out.⁵¹⁸

349. The Office of Fair Trading is opposed to the 5,000 sq ft threshold, believing that a minimum table gaming area for new casinos could restrict competition, "we believe that the proposal for a minimum size of 5,000 sq ft will be a significant barrier to entry for new casinos".⁵¹⁹

350. However, in its Regulatory Impact Assessment the DCMS states that "the proposed casino reforms in the Bill assist the development of an open, well-informed and competitive casino market".⁵²⁰ The 5,000 sq ft minimum size for *small* casinos is also supported by Gala who believe that it will be "sufficient to control proliferation without restricting economic growth".⁵²¹ **The Committee is not minded to support the Office of Fair Trading's view and agrees with the Government that a 5,000 sq ft minimum size will aid the objective of preventing proliferation so as to avoid an unacceptable rise in problem gambling and thereby help to secure the statutory objective of protecting the vulnerable.**

351. There has also been criticism of the proposed 10,000 sq ft threshold for *large* casinos and the entitlement that *large* casinos would have for an unlimited number of Category A machines. For example the Committee received evidence from the Hilton Group suggesting that "10,000 sq ft is too small and could result in an increase in the number of resort casinos which in turn could end up causing a number of social problems".⁵²² This view was echoed by Rank which noted that:

515 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

516 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

517 Ev 693, para 3

518 Ev 594

519 Ev 707

520 DCMS, Draft Gambling Bill: Regulatory Impact Assessment, Cm. 6014 – III, November 2003, para 4.38

521 Ev 599

522 Ev 638

“a 10,000 sq ft casino is not a large casino by today’s standards [...] the Government has set the threshold much too low, and risks opening the way to the proliferation of large, machine-dominated gaming sheds, of the kind that have developed in Australia and certain parts of the US, and which carry an increased risk of problem gambling.”⁵²³

The cliff-edge

352. The dividing line between *small* and *large* casinos prompted further evidence from various sources as set out below, suggesting that the proposals could lead to an unnecessary increase in the number of *large* casinos as firms seek to gain the advantage of having 40 gaming tables and an unlimited number of gaming machines.⁵²⁴

353. The Committee heard evidence from the British Casino Association that the threshold of 40 tables was too drastic. “We consider that the jump from a maximum of 120 machines in a casino having 40 tables, on a gaming floor of 10,000 sq ft or less, to an unlimited number at 10,001 sq ft is too great a leap”.⁵²⁵ Caesar’s Entertainment (formerly Park Place Entertainment) believed that “the proposals in the draft Bill create a ‘cliff-edge’ between ‘small’ casinos which will be allowed a maximum of 120 machines, and the unlimited number of machines permitted in ‘large’ casinos”.⁵²⁶ The British Greyhound Racing Board referred to the “quantum leap into unlimited gaming machines.”⁵²⁷

354. The cliff-edge situation could lead to a large number of developments of just over 10,000 sq ft, with only a small number of casinos between 5,000 sq ft and 10,000 sq ft in operation. Lady Cobham, of the British Casino Association, told the Committee “it is quite hard to imagine large numbers of applications for developments between the 5,000 and 10,000 sq ft gaming floor size, because if you go just over that, you can have unlimited machines”.⁵²⁸

355. It has been suggested that this could be overcome by a combination of staggering the number of machines permitted for casinos of different square footage, increasing the floor space at which unlimited numbers of machines are permitted or removing the right for any casino to have unlimited numbers of gaming machines.

Alternative size formulas

356. The Committee has received several suggestions for formulas to determine the number of gaming tables and machines that different sized casinos should be permitted. Caesar’s Entertainment (formerly Park Place Entertainment) suggest that “the maximum number of gaming machines permitted in any casino should be three times the number of gaming tables with the following exception: up to 30 gaming machines per table may be permitted in large casinos that incorporate more than 40,000 square feet of gaming area on

523 Ev 595

524 Q 436 [Lady Cobham]

525 Ev 139, para 2.3

526 Ev 181

527 Q 989

528 Q 436 [Lady Cobham]

one floor, of which a minimum of 40 table games occupy at least 10,000 square feet of the available gaming space”.⁵²⁹ Alternatives to the Government’s formula have also been suggested by MGM Mirage,⁵³⁰ the Casino Operators Association of the UK,⁵³¹ Gala,⁵³² the British Greyhound Racing Board,⁵³³ the Casino Machine Manufacturers Group,⁵³⁴ and London Clubs International,⁵³⁵ amongst others.

The 3:1 ratio

357. The 3:1 ratio of gaming machines to gaming tables prompted much evidence. The aim of the 3:1 ratio is to address the issue of proliferation and to ensure that machines do not unduly dominate the gambling activities.⁵³⁶ However, this represents a significant shift from the position that the Gambling Review Body took with respect to gaming machines in casinos. The Gambling Review Report recommended that “the maximum number of gaming machines in a casino is determined by the number of gaming tables that are available for play. We suggest that the maximum should be determined by a ratio of eight machines to each table, but that where the number of tables exceeds eighty there should be no maximum on the number of gaming machines”.⁵³⁷ The 8:1 ratio suggested by the Gambling Review Body remains popular with some. Leisure Link argue that “this ratio has the logic of maintaining a fifty-fifty balance between machine and table gaming, thus preventing casinos becoming dominated by machine gaming”.⁵³⁸ The Casino Operators’ Association “feel strongly that the [3:1] ratio flies in the face of all previous proposals and understanding that it would be an [8:1] ratio”.⁵³⁹ We have already referred to evidence from the British Casino Association that the 3:1 ratio was encouraging casinos to be bigger than necessary.⁵⁴⁰

358. More significantly the Gaming Board expressed concern that the ratio of 3:1 gaming machines to tables may be too low to satisfy customer demand.⁵⁴¹ Gala argue that the proposal will leave *small* casinos at a competitive disadvantage.⁵⁴² The Casino Operators’ Association also have concerns that the 3:1 ratio could be harmful to *small* casinos, “because of the low numbers of tables (40) after which the ratio moves towards infinity, the fairness of competition between small casinos and large ones would be radically removed”.⁵⁴³

529 Ev 181

530 Ev 185

531 Ev 161

532 Ev 598

533 Ev 386

534 Ev 349

535 Ev 719

536 DCMS, Draft Gambling Bill: Policy document, Cm. 6014 – IV, November 2003, para 4.13

537 DCMS, Gambling Review Body Report, Cm. 5206, July 2001, recommendation 57

538 Ev 691. The same point was made by the Casino Machine Manufacturers Association (Ev 349).

539 Ev 161

540 Q 446 Chairman: Is it your view that, if the ratio were more generous than 3:1 and it was the eight Budd originally recommended, that some of these casino developments would not be Quite so big?

Mr Ramm: Yes, very much so.

541 Ev 22, para 8

542 Ev 598, para 6.2

543 Ev 161

359. The Committee has also received evidence from Rank suggesting that the ratio of gaming machines to tables should be the same for all casinos, regardless of size; “a much more preferable and even-handed approach would be to maintain a fixed ratio of machines to tables, and maintain that ratio irrespective of the size of the casino”.⁵⁴⁴

360. The Government’s proposals for the 3:1 ratio did receive some support. MGM Mirage “believe the limitation of three slot machines to one table in casinos of between 5,000 square feet and 10,000 square feet in size is appropriate”.⁵⁴⁵ Kerzner International also supported this view, “we believe the increase to 3 machines per table [...] will allow most existing ‘small’ casinos a significant increase over the existing number of machines as well as allowing higher machine stakes and prizes into this environment”.⁵⁴⁶

Definition of ‘gaming machine’

361. The Government’s proposed ratio permits three gaming machines for every gaming table. The draft Bill, however, does not set out a definition of a gaming machine. In written evidence to the Committee, Gala note that “the Government is asking for a considered industry response on a 3 to 1 ratio without clearly defining what is captured by the term ‘machine’”.⁵⁴⁷ Rank “requests the Government to establish a more robust definition of gaming machines, regardless of the level of stake or prize”.⁵⁴⁸ The status of electronic games has caused some concern from operators. Gala note, “we do not believe that electronic versions of bankers games in Casinos should be classified as machines, as they are clearly extensions of existing bankers game offers. If indeed they were, the 3 to 1 ratio would even further disadvantage existing operators”.⁵⁴⁹ Kerzner International also queried the existing position.⁵⁵⁰

362. We recommend that the Government should set out a definition of gaming machines which takes account of current and anticipated developments in the technology through which gaming products are delivered.

Three size categories

363. Given the evidence we have received, we believe that the Government’s policy objectives would be better achieved if the draft Bill is amended to accommodate three categories of casino; *small* casinos; *large* casinos and *resort* or destination casinos.

Small casinos

364. We support the Government’s intention to prevent the proliferation of *small* casinos. For this reason a minimum size threshold of 5,000 sq ft and a gaming machine to gaming table ratio of 3:1 seem on balance to be a suitably cautious approach. We note that even a

544 Ev 596

545 Ev 166, para 2.2

546 Ev 161, para 4

547 Gala response to 7th August Position Paper.

548 Ev 594

549 Ev 598, para 3.1

550 Ev 181

ratio of 3:1 gaming machines to tables will result in significant additional availability of gaming machines in *small* casinos and the localities which they serve.⁵⁵¹

365. We therefore support the proposal for *small* casinos to be defined in the regulations made under Clause 10(5)(b) as having a minimum table gaming area of 5,000 sq ft and a maximum table gaming area of 10,000 sq ft. We agree that casinos of this size should be permitted a 3:1 gaming machine to table ratio, as currently proposed under Clause 142(4)(a) of the draft Bill.

366. We are aware that retaining the 3:1 ratio will disappoint some sectors of the casino industry. The Committee therefore, supports a review of the 3:1 ratio by the Gambling Commission three years after Royal Assent, with a view to recommendations being made to the Government on whether the ratio set out in Clause 142(4)(a) should be adjusted. Such changes could be made pursuant to the delegated power contained in Clause 142(10) of the draft Bill and we agree that any such amendment should be subject to the affirmative procedure.

367. With respect to planning consent for *small* casinos Yvette Cooper MP, Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister, told the Committee that this should be the preserve of local authorities.⁵⁵² We endorse this view and given the likely limits on floor space and gaming machine numbers we do not feel it is necessary for *small* casinos to be required to contribute to local planning gains. However, we do anticipate that most *small* casinos will include additional facilities such as restaurants or entertainment facilities. Provision for such facilities should be incorporated into guidance to local authorities.

Large casinos

368. Having confirmed our support for the Government's proposal for *small* casinos we now look in detail at the proposed regime for *large* casinos. We have already drawn attention to evidence from the British Casino Association and Caesar's Entertainment (formerly Park Place Entertainment) suggesting that the 40 table threshold for unlimited gaming machines in *large* casinos is too low.⁵⁵³ Whilst the current total number of gaming machines in casinos in the UK is fewer than 900, recent research by the Henley Centre suggests that the proposals in the draft Bill if implemented could eventually lead to as many as 81,000 casino gaming machines.⁵⁵⁴ This would present a significant change to the current casino landscape. The Committee has heard evidence from Rank that allowing unlimited numbers of gaming machines is unnecessary and risks creating "the very proliferation that government is seeking to avoid".⁵⁵⁵

369. Linked to concerns about proliferation are fears that unlimited numbers of Category A machines could encourage problem gambling. The Committee received evidence from

551 Ev 161

552 Q 1783

553 Ev 139, para 2.3 and Ev 181

554 Economic and Social Impact Study of the Proposed Gambling Bill, A Henley Centre Study commissioned by BACTA, February 2004

555 Ev 594

Professor Jim Orford, Professor Mark Griffiths and Dr Emanuel Moran warning about this risk,⁵⁵⁶ which was echoed by the British Beer and Pub Association (BBPA) and Operators of Adult Gaming Centres.⁵⁵⁷ The BBPA argued that “the expansion of hard gambling will increase problem gambling chiefly through large numbers of unlimited stakes and prize gaming machines in casinos”.⁵⁵⁸ This concern was also shared by Helena Chambers of Quaker Action on Alcohol and Drugs: “What we would be looking for is no premises to have unlimited numbers [of machines]”.⁵⁵⁹

370. Evidence from the British Casino Association suggested that unlimited numbers of gaming machines should be reserved for *resort* casinos.⁵⁶⁰ Blackpool Council went further and proposed that casinos with unlimited numbers of gaming machines should be required to make a contribution to regional regeneration: “large casinos which could have an unlimited number of unlimited/big prize machines should be located only in areas where the Regional Economic Strategy (RES) and the Regional Spatial Strategy (RSS) identifies them as contributing to the regeneration and economic prosperity of the region and communities within which they are to be located”.⁵⁶¹

371. The Committee also heard opposing evidence from the Casino Operators’ Association of the UK to the effect that “all large casinos should have unlimited gaming machines”.⁵⁶² They believed that having an unlimited number of gaming machines was vital to attract the investment necessary to develop a very large casino. The Association noted that “machines are core to the operations [of resort casinos] and without them the entrepreneurs involved would not contemplate the project”.⁵⁶³ This view was shared by Ameristar Casinos: “in order to justify the level of capital investment to build this type of facility (large scale casino development) [...] casinos must include a large number of slot machines to satisfy free market demand”.⁵⁶⁴

372. We have received evidence in favour of a cap on the number of gaming machines in casinos. Stanley Leisure suggest “consideration of a cap at a maximum of say 1,000 [gaming machines] per location, to avoid a “machines dominated” Casino environment”.⁵⁶⁵ The Committee delegation to Australia observed that even the internationally renowned Star City casino in Sydney was limited to 1,500 gaming machines. Evidence from MGM Mirage shows that in casinos across several jurisdictions, including South Africa, California, and France, a maximum number of 1,500 machines in casinos is common.⁵⁶⁶

373. Having weighed up all the arguments, we feel that allowing unlimited numbers of gaming machines will conflict with the objectives set out in Clause 1 of the draft Bill.

556 Qq 262-65

557 Ev 350

558 Ev 355, para 1.4. See also the memorandum by the British Greyhound Racing Board, Ev 386

559 Q 303 [Ms Chambers]

560 Ev 139, para 2.3, Ev 158, para 3

561 Ev 409

562 Q 412 [Mr Love]

563 Ev 161

564 Ev 701, para 3.3.2

565 Ev 645, para 4

566 Ev 185

374. Whilst we appreciate the significant contribution gaming machines can make to a casino's profits, and their ability to contribute to planning gains for local communities, we believe that allowing certain casinos unlimited numbers of gaming machines as of right will result in a damaging proliferation of gaming machines and risk a significant increase in problem gambling. We therefore recommend that no casino should be permitted an unlimited number of gaming machines and that Clause 142(4)(c) should be amended accordingly.

375. Having concluded that *large* casinos should not have an unlimited number of gaming machines the Committee considered whether *large* casinos should be entitled to a bigger ratio of gaming machines to gaming tables than that allowed for *small* casinos. Whilst we understand the view of *small* casinos that a bigger gaming machine to gaming table ratio might give *large* casinos a competitive advantage, *large* casinos are more likely to be situated in major cities and be part of much larger leisure developments than would be appropriate for a *small* local casino. It is unrealistic to expect *large* casinos to provide more gaming tables than the market demand will support, simply in order to gain an entitlement to an increased number of gaming machines which would meet market demand and generate the income required to support other leisure developments and planning gains for the local community. The Committee has therefore concluded that *large* casinos should be entitled to a greater ratio of gaming machines to gaming tables than that permitted for *small* casinos.

376. The Committee is attracted to the 8:1 ratio recommended by the Gambling Review Body as a more appropriate ratio for *large* casinos. We believe that there is merit in the rationale behind the Budd recommendation, that a gaming table accommodates up to eight playing positions.⁵⁶⁷ Before confirming the precise ratio for *large* casinos we would want the Government to consult the Gambling Commission and the industry, on whether *large* casinos should have a statutory maximum number of gaming tables and the appropriateness of the 8:1 ratio applying to each table. This consultation should take into account the recommendation we make below about *resort* casinos and the outcome of discussions within Government as to which casinos should be considered to be regionally significant and might therefore, be termed *resort* casinos.

377. We therefore recommend that *large* casinos should be defined in the regulations to be made under Clause 10(5)(a) as those with a minimum table gaming area of more than 10,000 sq ft and a minimum of 41 gaming tables. We consider that a higher gaming machine to table ratio than that for *small* casinos should be allowed and that the ratio should be set by the Government following consultation with the industry and further policy development. Any agreed ratio should be subject to review by the Gambling Commission after three years.

Additional facilities for large casinos

378. During the Committee delegation visits to Australia and France, we saw the benefits that can be derived from casinos having additional leisure and cultural facilities, such as restaurants and theatres. A similar arrangement for casinos in the UK would help to create

⁵⁶⁷ DCMS, Gambling Review Body Report, Cm. 5206, July 2001, recommendation 57

an all round leisure experience which could help to attract visitors and boost tourism. The Committee heard evidence from Professor Vaughan Williams that “if it (the plans for large scale casino development) is going to work properly [...] then it has to be as part of the entertainment industry, not as part of gambling [...] if we cannot make it an entertainment experience then the future is bleak”.⁵⁶⁸ Additional facilities, ancillary to gambling, could help to regenerate areas in which such developments are located through providing increased jobs and attracting visitors. During its visit to France the Committee witnessed the positive benefits that can be derived from establishing additional facilities alongside gambling developments which we discuss in more detail below.

379. At this point, and as part of the definition of a *large* casino, we recommend that *large* casinos should be required to provide leisure and cultural facilities ancillary to gambling.

380. The planning process for *large* casinos is dealt with below.

Resort casinos

381. The lack of a definition of *resort* casinos has led to confusion over how such developments will be dealt with in the planning process. **We feel that a separate definition of *resort* casino is necessary to provide clarity and ensure that regeneration benefits can be achieved. ODPM and DCMS have not yet decided where the line will be drawn to distinguish between *large* and *resort* casinos.⁵⁶⁹ The lack of a definitive policy in this area is regrettable and has made the Committee’s work much more difficult.**

382. *Resort* casinos will be large leisure developments consisting of a wide range of gambling activities as well as wider leisure facilities such as hotels, entertainment complexes and restaurants. The Committee accepts that they will be entitled to at least the same ratio of gaming machines to gaming tables as is agreed for *large* casinos, with the potential for a larger entitlement if considered appropriate by the Gambling Commission. The Committee has received evidence on the size of casinos located in other jurisdictions. Evidence from MGM Mirage shows that international casino sizes vary, from 14,000 sq ft of casino space in the Casino Barriere de Montreaux in France, to 110,000 sq ft of casino space in the Sunset Station Casino in Las Vegas.⁵⁷⁰

383. The Committee supports the need for a definition of *resort* casinos that will clearly differentiate them from *large* casinos, offering them a sufficient margin to ensure that the appropriate regeneration benefits can be achieved in the planning process. However, the Committee feels unable to recommend a minimum floor space for *resort* casinos because ODPM and DCMS have yet to conclude their deliberations in this area. This is an issue to be determined by ODPM and DCMS as a matter of urgency.

384. The Government proposes that “Regional Planning Bodies will set out planning policies for leisure developments of regional significance, including casinos”.⁵⁷¹ A

⁵⁶⁸ Q 353 [Professor Vaughan Williams]

⁵⁶⁹ Q 1783

⁵⁷⁰ Ev 185. International comparisons of machine entitlements were provided by Accor casinos (Ev 711) and the American Gaming Association (Ev 714).

⁵⁷¹ DCMS, Draft Gambling Bill: Policy document, Cm. 6014 – IV, November 2003, para 5.16

definition of what is regionally significant has yet to be agreed by ODPM and DCMS; an announcement is expected “by the summer”.⁵⁷² When this happens we recommend that this Committee should be reappointed to help the Government determine the correct gaming machine to gaming table ratio for large casinos and the appropriate threshold at which a casino is considered to be a resort casino.

385. The Committee recommends that the draft Bill is amended by the inclusion in the regulations made under Clause 10(5) of an additional definition of a *resort* casino. Whilst we are not yet in a position to make a detailed recommendation on the definition of *resort* casinos, we nevertheless believe that the Gambling Commission should be given the discretion to allow *resort* casinos a greater ratio of gaming machines to gaming tables than that provided for *large* casinos. For the reasons outlined above regarding the issues of proliferation and risks associated with problem gambling the Committee believes that no casino should have an unlimited number of gaming machines. We recommend that the Government provides in regulations, for a statutory maximum number of machines for *resort* casinos, in the range of 1,000 or 1,250. We recommend that *resort* casinos must be subject to requirements to contribute regeneration benefits as discussed below.

386. *Resort* casinos will have a substantial impact on the economic and social environment of the regions in which they are sited, placing great importance on the way they are planned. The planning process for *resort* casinos is considered below.

387. We regret that we are unable to make a definitive recommendation on the definition of *resort* casinos. Given that the gaming machine to table gaming ratio and size thresholds are not in our view issues that should be on the face of the Bill, we do not believe that this should cause unnecessary delay to the progress of the Bill.

Regeneration: general issues

388. There has been much talk of the opportunities for regeneration which new casinos might bring, though much of this has been somewhat vague. We think it is useful, therefore, to begin our discussion of casinos and regeneration with an account of what regeneration means in this context and what different types of regeneration project are most commonly associated with casinos. This account is based on what we have learnt about other jurisdictions from our visits to Australia and France and from other sources.

389. Regeneration, in relation to casinos, refers to the economic benefits which accrue to a previously disadvantaged area as a result of locating a casino there. From the point of view of the residents of the area the benefits are of two types: those which enhance the opportunities for enjoyment by local residents and those which enhance their opportunities for employment.

390. Examples of ways in which the kind of additional non-gambling amenities and facilities which a casino may make available for enjoyment by locals are live entertainment, cinemas, museums, restaurants, subsidising by the casino of improvements to transport

572 Ev 566

infrastructure, the restoration of historic buildings or the provision of facilities which would otherwise have to be publicly funded, such as recreational centres for the young, the elderly or the disabled. More generally casinos often deliver regeneration by utilising and rehabilitating previously derelict sites in rundown areas which subsequently become safe, attractive and popular.

391. The increased employment opportunities which a casino may generate are of two main kinds: those which occur during the development and construction of the project and those which result from attracting visitors to spend money in the area.

392. From the point of view of the casino developer, investment in regeneration projects is also of two main types: those which are undertaken in order to increase the profitability of the business and those which are undertaken in order to secure a licence. The former will include the additional non-gambling facilities mentioned above. The latter will typically include the funding of public interest projects identified by local or regional authorities which would otherwise have to be publicly funded. Most commonly these take the form of contributions to cultural and tourism-promoting infrastructure of which conference centres and conservation projects which increase non-gambling tourism, are good examples.

393. Successful regeneration projects associated with casinos of very different kinds include Melbourne, Australia where a derelict area was converted into a tourist attraction with many attractive amenities for locals; Sydney, Australia which saw the enhancement of its Waterfront; Biloxi, Mississippi where the previously impoverished town was transformed into a resort destination for casino gamblers; Cape Town, South Africa where a casino funded a conference centre and the building of a canal linking the waterfront to the city centre. As noted previously, casinos in France have to agree with municipal authorities what local projects, usually of a cultural sort, they will subsidise. It should be noted that it is also possible to point to examples where regeneration opportunities have not been successful. New Orleans is perhaps the most notorious example. Also, unless carefully planned, the benefits of regeneration may be offset by undesirable displacement as happened to some extent in Atlantic City.

394. The Government's proposals for the largest casinos have been seen by many as providing an opportunity to regenerate run-down urban areas and deprived seaside towns. "International experience suggests that the proposals in respect of casinos will have an overall positive effect upon the economy, with the attendant regeneration of local economies".⁵⁷³ Lord McIntosh of Haringey, Parliamentary Under-Secretary of State, DCMS, told the Committee that "they [resort casinos] create jobs themselves; they create ancillary jobs from people supplying them—caterers, hotels and so on; and the experience is that, if it is done well, there can be a very beneficial effect on the local economy".⁵⁷⁴ His view was echoed by Brigid Simmonds of Business In Sport and Leisure who told the Committee that "there is no doubt that resort casinos will contribute to regeneration".⁵⁷⁵

573 Ev 641, para 3.2

574 Q 65 [Lord McIntosh]

575 Q 349 [Brigid Simmonds]

395. The term *resort* casinos is used in relation to regeneration but the lack of a clear definition has caused confusion as to which size casinos would be expected to make regenerative contributions to the area in which they locate. Sun International suggest that “with respect to ‘large’ casinos with unlimited slots there will be a two-tier system: one for some ‘very large’ casinos which will make a contribution to regeneration, tourism and economic development and another for casinos which are merely large”.⁵⁷⁶ Sun International believe that the ability to regenerate areas will help to get public approval for the largest casinos.⁵⁷⁷

396. The creation of *resort* casinos has also been hailed as an opportunity for job creation. Mr Kelly of Gala told the Committee, “I have no doubt whatsoever that the expansion of the destination gaming business that might be facilitated by new legislation would have a beneficial effect on jobs. It is going to mean a significant amount of employment service in order to deliver the opportunity”.⁵⁷⁸ The Transport and General Workers Union, however, dispute claims that casinos can lead to job creation. “There is some data to suggest that, jobs actually created by casinos are minimal”.⁵⁷⁹

397. The Committee also received evidence that cast doubt on the regenerative properties of the largest casinos: “resort and large casinos will be adult gambling environments providing scant impetus for social and tourism led regeneration”;⁵⁸⁰ “Experience elsewhere is that new gambling opportunities are developed by integrated companies who offer accommodation, leisure and gambling facilities within a single complex so that their visitors spend entirely within the complex and have no need to visit the remainder of the town.”⁵⁸¹ Similar points were made by Councillor Steven Bate from Blackpool.⁵⁸² The Henley Centre Report for the British Amusement Catering Trades Association (BACTA) sounded a cautionary note that “regeneration is fundamentally very difficult to achieve. Though improving the economic situation may go some way towards statistically proving regeneration has been achieved, it often takes some time to change the attitude and perspectives of residents in those areas”.⁵⁸³

Securing regeneration benefits

398. The Government is keen that local areas benefit from the creation of gambling developments. This objective is set out in the policy document accompanying the draft Bill,

“planning arrangements enable local authorities to ask for contributions towards any area that has a more than trivial connection to the proposed development. The scale and purpose of contributions will be negotiated with the developer but could include improvements to local transport arrangements or contributions to improved

576 Ev 169, para 2.4

577 Ev 169, para 2.1

578 Q 346 [Mr Kelly]

579 Ev 491, paragraph 9

580 BACTA, Ev 295, para 2.2b)

581 Park Baptist Church, Ev 591, para 6.1

582 Ev 685

583 Economic and Social Impact Study of the Proposed Gambling Bill, A Henley Centre Study commissioned by BACTA, February 2004, page 158

community safety. This means casinos can offer additional benefits to local communities”.⁵⁸⁴

399. The Committee heard evidence from Yvette Cooper MP, Parliamentary Under-Secretary of State, ODPM, that regenerative benefits could be secured in the form of planning gains from casinos through Section 106 agreements. “It is very standard practice to have Section 106 agreements which do exactly the kind of thing you are talking about, and would require investment in affordable housing, perhaps, or new community facilities and things like that as part of the agreement for getting planning permission on a particular site”.⁵⁸⁵ The Committee saw on its visit to France the extent to which local areas benefit from *large* casino developments. Economic benefits are derived in the form of facilities ancillary to gambling such as theatres, high quality restaurants and conference facilities. In its written evidence to the Committee, Accor casinos noted that “on an equal footing to gaming, the operator must develop tourism and cultural oriented activities, entertainment and an appropriate food and beverage offer”.⁵⁸⁶ We were given the example of a recent casino development that had been required to build a 700 seat theatre as part of the agreement to develop the casino. This can have a significant effect not only on the economy but also on the cultural life of areas in which casinos develop.

400. The Committee visited a casino in Enghien les Bains, where the casino operator makes a considerable contribution to the cultural life of the area through arranging festivals and staging an annual jazz show. The relationship between a casino and the area in which they locate was described as being like a marriage, and as Accor note in their written evidence, “Casinos are economic and social partners of their municipalities”.⁵⁸⁷

401. As recommended in paragraph 379, the Committee recognises the potential benefits that can be derived from *large* casinos for a local community. We therefore recommend that, in addition to requiring *large* casinos to provide leisure and cultural facilities, local authorities should also seek appropriate planning gains from all *large* casinos, as part of the planning process.

Regional regeneration: Free market v. locational controls

402. In its 7 August Position Paper, the Government states that it envisages “that the market will determine the number, size and character of casinos, and where they will be located” but also notes that it is “keen to secure [...] benefits where they can make the greatest contribution to its objective of encouraging economic development and creating sustainable communities”.⁵⁸⁸ London First Centre note that “the draft legislation appears to be unclear as to whether it allows for a free market system to determine location [...] or whether regional planning bodies will have the right to determine the location of the (as yet undefined) ‘casinos of regional significance’”.⁵⁸⁹

584 DCMS, Draft Gambling Bill: Policy document, Cm. 6014 – IV, November 2003, para 5.17

585 Q 1802 [Yvette Cooper MP]

586 Ev 671

587 Ev 671

588 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

589 Ev 687

403. The Committee received evidence suggesting that a free market would be incompatible with achieving regeneration benefits from *large* casino developments. “If you want to get significant regeneration benefits in any area then if there are too many casinos, the investment will be smaller and therefore consequently the regeneration benefits are going to be less. The Government has to decide what it wants out of it”.⁵⁹⁰ Research by the Henley Centre for the British Amusement Catering Trades Association (BACTA) supports this point:

“The efficacy of allowing the market to determine where investment is made, for example in new casinos and at the same time meet requirements for regeneration is uncertain. If they have a choice, operators will site the new casinos in affluent areas where their return will be higher. There is a significant risk therefore that market-determined growth may not occur in the areas most needing regeneration or that regeneration investment may be challenged by investment in a neighbouring area”.⁵⁹¹

404. Yvette Cooper MP, Parliamentary Under-Secretary of State, ODPM, conceded that “there is a tension between an unfettered free market and a planning system – there is. Those tensions are in-built”.⁵⁹² Research by Ernst & Young for Business In Sport and Leisure suggests that “demand for resort casinos will only be able to support a limited number [of resort casinos] in the UK as there is doubt regarding the size of the potential increase in tourist levels both from overseas and also from within the UK. Accordingly we believe the number of resort locations is more likely to be closer to 3 than 20”.⁵⁹³ It is not clear from the Government’s proposals how the number of *large* casinos could be limited. Experience from overseas has shown that auctioning of licenses and the granting of exclusivity is one way of limiting the number of casinos and achieving regenerative benefits.

405. The Committee received mixed views on the possibility of limiting the number and location of casinos. Lady Cobham of the British Casino Association told the Committee, “I do not think the BCA could support what might be termed exclusion zones”.⁵⁹⁴ Other witnesses suggested that exclusion measures would be necessary for *resort* casinos to succeed.⁵⁹⁵ But Yvette Cooper MP, Parliamentary Under-Secretary of State, ODPM, told the Committee that there would not be a national strategy for the location of casinos, “I do not think it would be appropriate for us to have pinpoints on a map strategy from a national level as to where a casino should go”.⁵⁹⁶

The viability of resort casinos

406. While having a national plan for the location of casinos may not be the most appropriate way of deciding where such developments are sited, the Committee has heard

590 Q 499 [Mr Byrne]

591 Economic and Social Impact Study of the Proposed Gambling Bill, para 2.4

592 Q 1798 [Yvette Cooper MP]

593 A Winning Hand – The Modernisation of UK Gambling – Ernst & Young, commissioned by Business in Sport and Leisure

594 Q 423

595 Q 431 [Mr Love]

596 Q 1786 [Yvette Cooper MP]

evidence expressing concern over the viability of *resort* casinos if there are *large* casinos located nearby. This point was made by Leisure Parks, who questioned the viability of a *resort* casino development in Blackpool, if there are *large* casinos in, for example, Manchester and Liverpool.⁵⁹⁷ Blackpool Council note that

“the major UK and international casino operators are excited by the ambition and vision in Blackpool’s Master Plan and will participate in its realisation but only if investment in Blackpool is not threatened by competition in locations more convenient to the region’s urban populations”.⁵⁹⁸

407. In oral evidence Mr Love of the Casino Operators Association told the Committee, “if you put a major resort casino costing millions of pounds in Blackpool, I find it very difficult to believe that it will work unless they have an area of non-exclusion or non-commercial intervention.”⁵⁹⁹ This is another area where the Government’s policy lacks clarity. It is unclear from the proposals in the draft Bill how Government policy would resolve this dilemma.

Regional Planning Bodies

408. The ODPM has confirmed that it would be for “Regional Planning Bodies to set out, where they deem it appropriate, planning policies for leisure development of regional significance, including the largest casinos, which identify suitable locations within the region that would optimise their contribution to tourism and regeneration.”⁶⁰⁰ Ameristar Casinos are opposed to “giving regional planning bodies the power to mandate the location of casinos”.⁶⁰¹ The Government’s view was reinforced by Yvette Cooper MP, Parliamentary Under-Secretary of State, ODPM, who told the Committee that “big-scale resorts which are going to have a massive impact need to fall into the category of those that should be dealt with at the regional level, and should be considered as part of the regional spatial strategies and so on”.⁶⁰² Local planning bodies will also be involved, with responsibility to “develop policies and identify sites for such development in their local plans which are consistent with regional policies”.⁶⁰³

Planning for resort casinos

409. The Committee heard evidence that in order to achieve regenerative benefits from the largest casinos, “investment must be guided and directed. Without it, we will not see the regeneration benefits”.⁶⁰⁴ Harnessing regenerative benefits will depend greatly on how the largest casinos are planned for and located. The Henley Centre Report notes that “the

597 Ev 164

598 Ev 419

599 Q 431 [Mr Love]

600 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

601 Ev 701

602 Q 1783 [Yvette Cooper MP]

603 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing, para 4

604 Q 1110 [Mr Reg Haslam]

siting of these new casino developments is a critical issue, whatever their size”.⁶⁰⁵ Evidence from Mr Anthony Jennens indicates the importance of the planning process in this regard: “The large casino is an extraordinary animal which is entirely new to the Planning system and special provision must be made if it is to prosper”.⁶⁰⁶ This view was echoed by the Local Government Association, “casino developments of the scale envisaged are unprecedented in this country and therefore has not been tested through the current statutory planning process”.⁶⁰⁷ John Kelly of Gala expressed the importance of the planning system in relation to attracting investment, “if the planning regime around the new legislation was not investment encouraging, that would again impact almost inevitably on that £5bn estimate of inward investment”.⁶⁰⁸

410. The Committee heard evidence stressing the importance of Regional Economic Strategies in ensuring that the economic impacts of major developments are taken into account. The Government’s proposals do not make specific reference to Regional Economic Strategies. Nick Gerrard of the North-west Development Agency believed this to be a mistake. “The fact that there is no reference to the only existing statutory document which identifies the tourism and economic development priorities for the region is a weakness and does need to be specifically included”.⁶⁰⁹

411. DCMS and ODPM are as yet unclear on where the line will be drawn between designating a casino as *large* or *resort*. This will determine whether planning for the casino takes place at the local or regional level. Yvette Cooper MP, Parliamentary Under-Secretary of State, ODPM told the Committee:

“The issue we are still in discussion with at DCMS is what the dividing line should be. Clearly, you can imagine that big-scale resorts which are going to have a massive impact need to fall into the category of those that should be dealt with at the regional level, and should be considered as part of the regional spatial strategies and so on. However, equally, the very small-scale ones [...] should simply be dealt with by the local planning authorities as part of their normal processes. Where I think we have not made the decision yet is exactly where you draw the line between those two”.⁶¹⁰

412. **The Committee has grave concerns that the lack of clarity in this area, particularly the failure of DCMS and ODPM to have decided where to draw the line between *large* and *resort* casinos, could have serious consequences. Regeneration cannot be achieved until the process for achieving planning gains and regenerative benefits has been resolved. This has become a matter of some urgency as casino licences are being granted without relevant planning gains having been negotiated.** This issue is discussed in more detail below.

413. ***Resort* casinos have the potential to have a significant impact on the economies of the regions in which they are located. The Committee recommends that plans for *resort***

605 Economic and Social Impact Study of the Proposed Gambling Bill, A Henley Centre Study commissioned by BACTA, February 2004

606 Ev 418

607 Ev 405

608 Q 344 [Mr John Kelly]

609 Q 1110 [Nick Gerrard]

610 Q 1783 [Yvette Cooper]

casino developments are considered in line with Regional Economic Strategies and the regional planning process to ensure that the economic impacts of any such developments are properly considered. This will encourage the benefits ensuing from such a development to be maximised.

414. Given the potential for regeneration from *resort* casinos we believe that planning for such developments should be the responsibility of Regional Planning Bodies. As recommended in paragraph 385, we reiterate our view that all *resort* casinos should provide regenerative benefits. They should be required to do so by Regional Planning Bodies. We so recommend.

Planning and licensing

Planning Use Class

415. Under the proposals in the draft Bill, prospective operators of premises, such as casinos, which require a premises licence will need to obtain a licence before using the premises for that purpose: “The licensing requirements are additional to, and not in place of, the normal planning process”.⁶¹¹ An operator will not need to obtain planning permission if they intend to use the premises for a business that is in the same planning Use Class as the existing premises.⁶¹²

416. Within the planning system, buildings and areas of land are categorised according to their use. Casinos currently fall within the D2 Use Class: Assembly and Leisure.⁶¹³ Under the Use Classes Order, where a building or land is used for a purpose within a specified class, its use for any other purpose in the same class does not require planning permission. This means that premises that share the D2 Use Class with casinos, for example, bingo halls, could convert their premises into a casino without the need for further planning permission or consultation with their local authority, as long as this did not involve making alterations to the premises.⁶¹⁴ The Local Government Association has expressed concern about this:

“Should casinos remain in the same Use Class as community uses such as cinemas and sports facilities some member authorities have expressed concern that operators will target such premises which could be changed to a more profitable gambling use without the need for planning permission”.⁶¹⁵

417. However, Clause 125(1) provides that subject to Clause 143(4) in respect of casinos, a premises licence can only authorise the premises to be used for one category of gambling activity. Therefore, a licence permitting premises to be used for the provision of betting could not also be used to enable those premises to be used for bingo and vice versa. Furthermore, Clause 125(2) provides that only one premises licence can be held for a single set of premises. This would mean that bingo clubs would not be able to convert to casinos

⁶¹¹ DCMS, Ev 1, para 2

⁶¹² DCMS, Ev 1, para 2

⁶¹³ www.odpm.gov.uk

⁶¹⁴ DCMS, Ev 1

⁶¹⁵ Ev 405

without applying to the local authority to ask for a new casino premises licence. The extent to which this would enable local authorities to prevent a bingo club converting to a casino will depend on the discretion that local authorities can lawfully exercise under Clause 127. This is a particular example of the general point concerning a local authority's discretion to refuse a premises licence that we discussed in paragraphs 186-189. The Committee is concerned at the potential for proliferation of *small* casinos developing through conversions of this sort, over which a local authority may have inadequate control. This general issue must be addressed in the guidance given to local authorities by the Gambling Commission.

Change of Use Class

418. If a change of Use Class is intended, or if the building requires significant alterations, planning permission would have to be sought in the normal way.⁶¹⁶ This would lead to interaction between the planning and licensing system. The draft Bill:

“seeks to cater [...] for the needs of prospective operators who have secured planning approval for building work but do not want to incur the risk of undertaking it without a reasonable measure of assurance that an application for a premises licence will be successful. Clauses 166 and 167 accordingly provide for a local authority to issue a provisional statement that has the effect of restricting its ability subsequently to refuse a licence application or grant a licence on different conditions”.⁶¹⁷

A separate planning use class for casinos

419. The Committee received evidence suggesting that it would be appropriate for casinos to be categorised as *sui generis* and afforded a separate use class. Mr Haslam of Blackpool Council told the Committee, “large establishments are able to slide out of one entertainment use into casino use. I think the casino use has to be *sui generis*.”⁶¹⁸ Mr Anthony Jennens was in favour of having a separate planning use class, “In the first instance any variance in ownership or substantial change in the operation of the premises would require a new consent, in the second, casino operators would be afforded more latitude”.⁶¹⁹ This view was not shared by representatives from the Local Government Association, “why create another class? What is so special about casinos that they should have a particular class?”.⁶²⁰ Having a separate use class for casinos would prevent other businesses from being able to turn their premises into casinos without having to obtain planning permission.

Casino applications prior to Royal Assent

420. The Committee has heard evidence suggesting that there should be no granting of applications for casinos that were made after the Government published its position paper

⁶¹⁶ Ev 1, para 3

⁶¹⁷ Ev 1, para 4. See also paras 190 to 191 on Provisional Statements.

⁶¹⁸ Q 1111

⁶¹⁹ Ev 418. See also memorandum from Councillor Audrey Lewis, Westminster Council, Ev 708.

⁶²⁰ Q 1104 [Cllr Brown]

on casinos on 7 August 2003. Mr Haslam, of Blackpool Borough Council, told the Committee, “there is a need [...] to ensure that new licences for casinos emerging from the new legislation should be associated with planning applications considered and granted after that legislation is enacted”.⁶²¹

421. Licences granted since August 7 2003 could give casinos grandfather rights without ensuring that where appropriate, they have been considered in line with regional and local plans. This could mean that the opportunity for Regional Planning Bodies and local authorities to achieve planning gains is lost. There have been numerous press reports of casino developments that are already underway, highlighting the risk of losing planning gains.

Grandfather rights

422. Under the proposals in the draft Bill, it is not clear whether all existing casinos will receive grandfather rights or whether this will be limited to those below 5,000 sq ft that were operating before the Government produced its position paper on casino sizes on the 7 August 2003.⁶²² The Gaming Board believe “there is a need for clarity about the grandfather rights of casinos falling below the new minimum area of 5,000 sq ft”.⁶²³ The Committee has received evidence from Sun International suggesting that grandfather rights should be limited to those casinos that were operating before the 7 August.⁶²⁴

423. The aim of grandfather rights is to protect the position of casinos with a table gaming area of less than 5,000 sq ft that would otherwise not be able to continue to operate under the new regime. In its 7 August Position Paper, the Government notes that “there are a number of casinos with gaming areas of less than 5,000 sq ft already in use. We are clear that these will continue to operate as small casinos under the licensing framework which we envisage”.⁶²⁵ Due to the lack of clarity surrounding the issue, it now appears that grandfather rights could be used by operators to establish *large* or *resort* casinos without having to involve local authorities or Regional Planning Bodies, something that would be necessary once the Bill is passed. Mr Anthony Jennens, a planning consultant, told the Committee, “If I were a casino operator and I were now to purchase the David Lloyd tennis clubs throughout the land of which there are 28, I could turn all of those immediately into casinos and put in 40 tables, and whatever the statutory amount is now for machines, wait and get grandfathered in and have 28 very large casinos around the country”.⁶²⁶

424. The Committee is concerned that the lack of clarity over grandfather rights could lead to the undesirable proliferation of casinos and to the loss of planning gains and regeneration benefits in some areas. Planning permission and casino licences granted prior to the Bill achieving Royal Assent could invalidate much of the Government’s

621 Q 1111 [Mr Reg Haslam]

622 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

623 Ev 22, para 8

624 Ev 169, para 5.2

625 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

626 Q 1111 [Mr Anthony Jennens]

policy in this area. It could also result in there being considerable inconsistency in the interpretation of grandfather rights in different areas.

425. Casino licences can currently be granted for premises in permitted areas only. There have been numerous press reports of proposals for large scale casino developments in a number of cities including London, Glasgow, Newcastle, Manchester and Liverpool.⁶²⁷ Such developments are likely to fall into the Committee's recommended *large* or *resort* categories of casino, with the ensuing benefits of Category A gaming machine entitlements. Because planning permission and a casino licence would have been granted before the Bill gained Royal Assent, it will be very difficult for the situation to be reversed. Under the proposals in the draft Bill, planning permission previously granted will not be able to be reversed and the local authority will be required to grant a premises licence. While the Gambling Commission is not required to grant an operating licence, there would have to be a justification for not doing so. If the casino continues to operate then local authorities and regional planning bodies will not be able to negotiate planning gains or regeneration benefits from a development that already exists. This is a considerable cause for concern as while the situation could only arise in existing permitted areas, this means that large areas of the country could miss out altogether on the positive benefits that can arise from such developments. Mr Haslam of Blackpool Borough Council told the Committee, "permissions granted now by sleight of hand in the hope that licence will come automatically could also puncture a sensible regional strategy".⁶²⁸

426. This is unfortunately another area where government policy has failed to take account of developments in the industry. The lack of clarity on grandfather rights could lead to a series of missed opportunities for certain areas and risks an inconsistent approach being taken across the country. The Committee considers this to be most regrettable.

Planning at the local level

427. While *resort* casino developments will be for consideration by Regional Planning Bodies, large and small developments will be the preserve of the local planning process. "Proposals for casino developments which are not of regional significance should preferably be brought forward through local development plans in order to capture the benefits for the local evening economy by locating them in locations, such as town centres, consistent with government planning policy on the location of development".⁶²⁹ Yvette Cooper MP, Parliamentary Under-Secretary of State, ODPM told the Committee "the very small-scale ones [...] should be dealt with by the local planning authorities as part of their normal processes".⁶³⁰

428. While local authorities will no longer be able to refuse planning permission for casinos using the demand test, there is concern that planning permission may be refused on grounds of 'need'. Anthony Jennens, a planning consultant, told the Committee "one

627 See for example, 'Casino plan to raise stakes in soccer rivalry' Evening Chronicle (Newcastle) March 19 2004 and 'Council happy to bet on blue-chip plan for Ibrox casino and resort' The Herald (Glasgow) March 25 2004

628 Q 1111[Mr Haslam]

629 Ev 571, para 5

630 Q 1783 [Yvette Cooper MP]

stated aim of the Gambling Bill is the removal of the unstimulated demand test, yet the Planning System can reimpose it by means of the requirement to demonstrate ‘need’.⁶³¹ This will be an area in which the Gambling Commission guidance to local authorities will be very important. We deal with the demand test in the Chapter on licensing (paragraphs 186 to 189).

Interaction between planning bodies

429. As it is currently outlined, the planning process for *resort* casinos will involve a range of stakeholders, including Regional Planning Bodies, Regional Development Agencies and local authorities.⁶³² Operators of Adult Gaming Centres noted that “the roles and responsibilities of local authorities/Regional Development agencies need to be clarified to ensure fairness and consistency of approach”.⁶³³

430. The Government “expects Regional Planning Bodies to set out, where they deem it appropriate, planning policies for leisure developments of regional significance, including the largest casinos [...] Local planning authorities will need to develop policies and identify sites for such developments in their local plans which are consistent with regional policies”.⁶³⁴

431. The interaction between the Gambling Commission, Regional Planning Bodies, Regional Development Agencies and local authorities will be vital to the success of the Government’s proposals. The Local Government Association expressed concern about how interaction might be achieved in practice, “although it is unclear whether regional planning bodies would be given direct powers over councils, the proposals might set up a worrying framework that could see input from councils and local residents vetoed at regional level”.⁶³⁵

Miscellaneous Issues

Linking Machines

432. The Gambling Review Report contained no restrictions on linking machines (also known as wide area progressives) between casinos.⁶³⁶ The 7th August Position Paper outlined a change to Budd’s approach stating that

“casinos, while free to install gaming machines with no fixed prize limits, are not able to link them to machines on other premises to create progressive jackpots. Such linking would undercut effective controls over the availability of machines which

631 Ev 418

632 See diagram in earlier section.

633 Ev 350, para 22

634 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

635 Ev 389

636 DCMS, Gambling Review Body Report, Cm. 5206, July 2001

evidence from overseas suggests importantly influence the incidence of problem gambling”.⁶³⁷

433. Accordingly Clause 203(1) generally prohibits the linking of machines. This general prohibition on linked machines is, however, subject to the exception in Clause 203(2) that machines may be linked within a single casino. The Committee received mixed views on this subject. Those in favour of the proposals include Kerzner who concur that “linking gaming machines between premises would lead to further proliferation in the number of small casinos”.⁶³⁸ Those against, including Rank and Gala which argued that the Government’s rejection of proposals to allow gaming machines to be linked across a number of premises would be detrimental to their ability to compete with larger casinos:

“We believe that the proposal is illogical because we can see no difference in practice between the linking of, say, 500 machines in one casino and the linking of 500 machines located in a number of different casinos [...]. We consider that the proposal is unfair because it further disadvantages operators of existing small casinos. If they cannot link machines in different casinos they will not be able to match the prizes offered by larger new casinos and will therefore be unable to compete [...]. The inability to link machines would only exacerbate the two-tier nature of the Government’s proposals”.⁶³⁹

This view is shared by the British Casino Association, which argued that the restriction on linking machines between casinos “would be a serious anti-competitive restriction particularly for existing casinos, which would only be able to link a small number of machines, whilst a new competitor which opens a casino in the same catchment area could link 1000+ machines, thereby offering more attractive prizes”.⁶⁴⁰ Leisure Link endorse this view, arguing that restrictions on limiting machines “will undermine the economic viability of many smaller casinos”.⁶⁴¹

434. The evidence that linking machines can lead to problem gambling was disputed by the Casino Machines Manufacturers’ Group. In oral evidence to the Committee, Mr Wimsett said “we, through our best endeavours [...] have failed to find any such material”.⁶⁴² However, Professor Griffiths told the Committee of the importance of the size of the jackpot, “the jackpot prize for instance is most important in why people first start to play an activity”.⁶⁴³ Leisure Link,⁶⁴⁴ the Casino Machine Manufacturers’ Group⁶⁴⁵ and the Barcrest Group⁶⁴⁶ have all suggested that a delegated power should be included in the Bill to enable the linking of machines.

637 Future Set Out For UK Casinos – Joint Position Paper ODPM and DCMS, August 2003, www.culture.gov.uk/gambling_and_racing

638 Kerzner, Ev 161, para 5

639 Rank, Ev 594

640 Ev 158, para 2.1

641 Ev 691

642 Q 906 [Mr Wimsett]

643 Q 246 [Professor Griffiths]

644 Leisure Link, Ev 600, para 5 and Ev 691, para 2.

645 CMMG, Ev 323 para 6.7.

646 Barcrest Group, Ev 641, para 3.2.1.

435. Most existing casinos are small. If, as is likely, grandfather rights permit such casinos to install their entitlement under the Bill of new Category A machines immediately after Royal Assent, linking of machines would enable small local casinos the opportunity of offering very high jackpots in a number of locations where until now there has been only a limited gaming machine availability, if any.

436. **On balance, we agree with the general prohibition on the linking of gaming machines situated in different casino premises, contained in Clause 203 of the draft Bill. We consider the prohibition to be necessary at this stage to prevent the proliferation of high-value gaming machines which, as discussed elsewhere, we consider to pose a considerable threat to the prevalence of problem gambling. However, we recommend that Clause 203 should be amended to give the Secretary of State the power to remove this prohibition at a future date, subject to the affirmative procedure. The Committee recommends that the Gambling Commission and Ministers monitor the extent to which the ability to link machines within premises results in a proliferation of high value jackpot offers and what effect, if any, this has on competition between *small* and *large* casinos.**

Available for use

437. The Government's proposals provide for a link between the number of gaming tables and the number of gaming machines. In order to avoid casinos increasing the number of gaming tables they have, to increase their entitlement to gaming machines, gaming tables must be 'available for use'. Disappointingly DCMS have yet to have come to an agreement with the industry about what 'available for use' means. The Committee received evidence from the Casino Operators Association that "the definition in our opinion should be a table which has a live operative".⁶⁴⁷ The British Casino Association concurred with this view.⁶⁴⁸

438. There is a risk that casino operators will increase the number of tables that they have, in order to increase their machine entitlements by having 'dummy tables'. Stanley Leisure have suggested that the Gambling Commission should be responsible for checking that gaming tables are actually in use, "we strongly recommend that there is an Audit by the Gaming Commission on 'Table utilisation' measurements to ensure that the 40 Gaming Tables are substantiated by 'customer demand' and not simply 'made available' in large Casinos".⁶⁴⁹

439. **Given the importance of the issue DCMS need to agree a definition of "available for use" as soon as possible. The Committee encourages the Gambling Commission to monitor the availability of gaming tables and the levels of consumer demand. If tables are not being used on a regular basis then the corresponding number of gaming machines should be removed from play. We so recommend.**

647 Q 448 [Mr Love]

648 Q 448 [Lady Cobham]

649 Ev 549. See also MGM Mirage, Ev 166, para 2.4.3

Membership of casinos

440. The draft Bill removes the requirement for casinos to operate as private members' clubs and abolishes the 24 hour rule, which creates a statutory interval between membership and play. This means that casinos will be able to attract spontaneous, walk-in customers. However, under the EU Directive on Money Laundering, casinos will still have to positively identify customers who participate in gaming activities, in order to satisfy 'know your customer' regulations. As it would be very difficult for a casino to differentiate between customers who gamble, and customers who do not, they will effectively have to identify anyone who enters the gaming floor.

441. The Committee has received evidence in favour of maintaining some record of membership. Stanley Leisure "would like to retain a membership position even though people can come in off the street. By continuing to have a membership form to be completed, it does give us control over the people who may come into the casino".⁶⁵⁰ The Evangelical Alliance is in favour of maintaining the 24 hour rule for playing in casinos, to "avoid the dangers of people walking off the street to gamble in highly vulnerable states".⁶⁵¹

Employment in casinos

442. The Committee heard evidence from the Transport and General Workers Union about the risks involved in working in a casino. "It is [...] our contention that jobs in the casino industry are often very low paid with poor conditions. The casino business is mainly night work which according to recent research is a severe danger to an employee's health".⁶⁵²

Smoking in casinos

443. The Committee has received evidence suggesting that the ability of customers to smoke in casinos should be restricted. One basis for this argument is that smoking in casinos is harmful to casino employees. The Transport and General Workers Union have told us that:

"To go back to passive smoking, very often in a casino there is poor ventilation and poor air-conditioning and the legal protection from health and safety is just not there, so there is a big problem for casino workers".⁶⁵³

444. It further noted that: "there are particular problems in casinos in that mainly a lot of gamblers do smoke, but the Code of Practice, as far as we are concerned, gives us no protection whatsoever and we just suffer in silence."⁶⁵⁴ **We are concerned by the evidence we have received regarding the detrimental impact of passive smoking on casino employees.**

650 Ev 679

651 Ev 72, para 10

652 Ev 491, para 9

653 Q 1466 [Mr Bunn]

654 Q 1467

445. In addition, banning smoking in the gaming areas of casinos has been proposed as a means of addressing problem gambling. For example, we have received evidence from the Blackpool Coalition Against Gambling Expansion that the Bill should:

“Allow local authorities to introduce smoking bans in the slot machine areas if Public Protection Committee Councillors vote to do so. Evidence from Australia indicates smoking breaks get people away from the slots, enough to significantly halt the addictive hold they have on some people”.⁶⁵⁵

During our visit to Australia, we learnt that smoking bans in casinos had been introduced in the State of Victoria in September 2002. Mike Hill, of Community Action on the Pokies Problem, has been reported as saying that, while the intention was not to reduce the time problem gamblers spend at machines, “it has been by far the most effective thing the Government has done to address the high levels of addiction.”⁶⁵⁶ In addition to the arguments regarding the health of casino workers, TGWU has also commented that “More important to this legislation, it would make the majority of customers break from play. There are no figures on the prevalence of gamblers that smoke, but in casinos the percentage is high.”⁶⁵⁷

446. We believe that non-smoking policies in the gaming areas of casinos would be an effective means of helping to protect casino employees from the dangers of tobacco smoke. We accordingly recommend that the Gambling Commission should incorporate provision for a non-smoking policy in either licence conditions or the codes of practice to be issued under Clause 16 of the draft Bill.

Alcohol in casinos

447. While Budd was generally “anxious that gambling and alcohol should not mix more than they do already”,⁶⁵⁸ it considered restrictions preventing alcohol being taken onto the gaming floor of casinos to be artificial, noting that alcohol was already available a few feet away from the gaming floor.⁶⁵⁹ Budd therefore recommended that “the current restrictions on alcohol on the gaming floor should be lifted.”⁶⁶⁰ The Government has accepted this,⁶⁶¹ and the current law has already been amended accordingly.⁶⁶²

448. We have, however, received a number of criticisms of this policy. For example, the Evangelical Alliance has commented that it “firmly opposes the proposed relaxation of alcohol rules and urges the complete ban on the sale of alcohol in gaming establishments”;⁶⁶³ and Stanley Leisure have stated that “the permission of people to drink alcohol at tables and at machines is wrong and we would like the Scrutiny Committee to

⁶⁵⁵ Ev 21, para 12

⁶⁵⁶ Reported in *The Age*, 29 February 2004.

⁶⁵⁷ TGWU, Ev 491, para 10.

⁶⁵⁸ DCMS, *Gambling Review Body Report*, Cm. 5206, July 2001, para 24.19

⁶⁵⁹ DCMS, *Gambling Review Body Report*, Cm. 5206, July 2001, para 24.18

⁶⁶⁰ DCMS, *Gambling Review Body Report*, Cm. 5206, July 2001, para 24.19

⁶⁶¹ DCMS, *A safe bet for success – modernising Britain’s gambling laws*, Cm. 5397, March 2002, para 4.24

⁶⁶² DCMS, *Draft Gambling Bill: Regulatory Impact Assessment*, Cm. 6014 – III, November 2003, para 4.5

⁶⁶³ Evangelical Alliance, Ev 72

change the recommendation as this in itself can cause problem gambling”.⁶⁶⁴ The Transport and General Workers Union explained that:

“It is accepted that alcohol may be obtained at a bar, which is situated nearby, but because the punter has to physically leave the gaming tables in order to drink, this acts as a disincentive to excessive alcohol intake and may create a break in play.”⁶⁶⁵

449. Dr Moran has told us of the risks of mixing alcohol and gambling:

“It has also been found that normal, social levels of drinking alcohol alter self-control over decision-making. This results in regular gamblers finding it more difficult to decide at what point to stop, when losing.”⁶⁶⁶ [and] “Alcohol impairs judgment. It clearly increases impulsivity. Therefore, the association between gambling and alcohol is, I think, a very hazardous one.”⁶⁶⁷

Inter Lotto has countered this evidence, stating that “The link between drinking and gambling is anecdotal, as little relevant research has been undertaken, but in its 1996 Report ‘Casinos and Bingo Clubs’, the Home Office states ‘We are not aware of any evidence to suggest that this (alcohol) is a factor in excessive gambling or other problems.’”⁶⁶⁸

450. A number of commentators have suggested that further research should be conducted into the link between alcohol and problem gambling. Quaker Action on Alcohol and Drugs has recommended that “the effects of alcohol consumption on gambling be a priority area for research by the Gambling Trust [and] that evidence will result in government willingness to use “the flexibility available in the legislation” to review and amend these provisions if necessary.”⁶⁶⁹ The Drug and Alcohol Foundation has urged “why not use the change in gambling regulations as the opportunity to research the link between gambling and alcohol usage?”⁶⁷⁰

451. We agree with the decision to remove restrictions on alcohol on the gaming floor of casinos. However, in view of the fact that serious concerns have been expressed as to the relationship between gambling and alcohol the Committee considers it is an aspect that needs to be monitored by the Commission and included in its third year report.

⁶⁶⁴ Stanley Leisure, Ev 679, para 5

⁶⁶⁵ TGWU, Ev 491, para 17

⁶⁶⁶ Dr Moran, Ev 64, para 3.3

⁶⁶⁷ Q 256 [Dr Moran]

⁶⁶⁸ Inter Lotto, Ev 666, para 8

⁶⁶⁹ QAAD, Ev 30, para 4.3

⁶⁷⁰ Drug and Alcohol Foundation, Ev 664, para 5.4

- [Accessibility](#)
- [Email alerts](#)
- [RSS feeds](#)
- [Contact us](#)

www.parliament.uk Search

[Home](#)
[Parliamentary business](#)
[MPs, Lords & offices](#)
[About Parliament](#)
[Get involved](#)
[Visiting](#)
[Education](#)

[House of Commons](#)
[House of Lords](#)
[What's on](#)
[Bills & legislation](#)
[Committees](#)
[Publications & records](#)
[Parliament TV](#)
[News](#)
[Topics](#)



House of Commons

Session 2003 - 04
[Publications on the internet](#)
[Standing Committee Debates](#)
[Gambling Bill](#)

Gambling Bill

Column Number: 139

Standing Committee B

Tuesday 16 November 2004**(Morning)****[Mr. Roger Gale in the Chair]****Gambling Bill****9.30 am**

The Chairman: Order. Before we commence this morning's proceedings, I have to report that the Programming Sub-Committee has met and that there will be a half-hour debate on an amendment to the programme order.

The Minister for Sport and Tourism (Mr. Richard Caborn): I beg to move,

That—

Page 254

187

(1) the order of the Committee made on 8th November, as varied by the order made on 11th November, shall be varied so as to provide for consideration of clause 7 immediately after schedule 4; and

(2) the resolution shall also be varied so as to provide that the words "5.30 pm on Tuesday 16th November" shall be deleted.

By way of explanation—[Interruption.]

The Chairman: Order. I am sorry to interrupt proceedings, but it is clear that we are having difficulty getting some strangers into the Gallery. May I ask hon. Members who wish to hear the proceedings but are not members of the Committee to take the seats available to the rear of the Opposition Benches? That should allow sufficient space for those who wish to listen. I am also prepared to allow House of Commons pass holders to use those seats.

Mr. Caborn: By way of explanation on the programme resolution, I shall make a short statement. We have taken careful note, as promised, of the concerns raised on Second Reading about the casino proposals in the Bill, particularly the provisions for regional casinos. In the debate, there was a large measure of support for the view that the proposed licensing controls, working alongside the planning system, would not be strong enough to guard against the proliferation of gambling facilities hitherto untested in this country, or against the location of regional casinos in unsuitable areas.

The Government regard the regional casino framework, which was much strengthened by pre-legislative scrutiny, as robust and comprehensive. However, we are happy to provide additional reassurance to those who prefer a more cautious approach. We have therefore decided to amend the Bill, if possible in Committee, but at the latest on Report, to address concerns without losing the opportunity to broaden consumer choice and add to the regeneration of areas that might benefit from regional casinos.

Our analysis has always suggested that the number of regional casinos would increase gradually in the early stages of the new licensing environment because

Column Number: 140

of the safeguards that we are putting in place. As an additional reassurance, we will limit the number of regional casinos in the first phase to eight. They will be able to open after the Bill is brought fully into force, which we expect to be in 2007.

Whether more regional casinos will be allowed in due course will depend on the results of careful evaluation of their impact after the initial period. We will expect the independent gambling commission, supported by expert research, to advise on whether the introduction of such casinos has increased the risk of problem gambling. What happens then will depend on the assessment and on judgment about protection of the public from social harm. We will also want to know, with the help of the regional development agencies and regional planning bodies, what regeneration and other economic affects there have been in the areas concerned.

Within the tough regulation framework established by the Bill, it will be for the market to decide whether there is a true demand for regional casinos. However, if Parliament agrees that the first phase has provided the expected level of reassurance, more regional casinos will follow. If the Government decide on the basis of the assessment to allow more regional casinos to be established, an order will need to be approved by resolution of both Houses.

When tabling amendments, we shall set out in detail our proposed arrangements for determining where regional casinos will be located and how licences to run them will be awarded, any consequential changes relating to other categories of casino to avoid the proliferation of small or large casinos, and other such matters on which a number of views have already been expressed.

At this stage we do not propose to rule out any part of Great Britain as a suitable area for one or more of the eight regional casinos that will initially be authorised. We are clear that there should be an overarching national policy statement that brings together the requirements of gambling regulation and the roles of planning and economic regeneration. That will set out the principles that should guide decision making about casinos. We intend to publish a draft of that statement when we table the amendments so that Parliament and the public can fully understand the overall policy context.

The Chairman: Order. Before we proceed to a short debate on the programme resolution I want to clarify one or two points. Under the Standing Orders of the House the debate will terminate not later than three minutes past 10. I also want the Committee to be clear on two things. First, the resolution effectively means that today's sitting is open-ended and will terminate only with the motion to adjourn moved by the Government Whip. Secondly, while that is literally the case, private indications from the Programming Sub-Committee suggest that it is intended that the Committee will rise at 6 pm. The programme resolution does not say that, and further considerations between the usual channels later in the day could affect that. Should the Committee determine

Column Number: 141

that it wishes to sit later than that time I shall suspend the sitting automatically, either for a Division of the House, or for a comfort break for the staff, or both.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): May I first make it clear that we support the resolution of the Programming Sub-Committee? In response to the Minister's statement, I say to the Committee that making such a fundamental change to the most controversial element of the Bill at this stage in our proceedings is an extraordinary development. It is a humiliating climbdown for the Government. It might not have been necessary had they listened to the concerns that had been expressed for some considerable time by Members from all parties and by outside organisations ranging from all the Churches through to the UK casino industry itself, not to mention a wide spectrum of the media.

Having said that, we welcome the fact that the Government have now agreed to set a limit on the number of regional casinos and that there will be a pilot scheme subject to assessment after a period. Indeed, what the Minister has announced bears a remarkable similarity to our amendment No. 70 to clause 7, which proposed exactly such a pilot scheme. The only difference is that the Minister has announced that the limit should be eight rather than four. We will wish to explore that when we come to debate clause 7 itself. A number of areas remain of concern to us. We will want to hear more about the location of the casinos and the Government's proposals for assessing their impact. We undoubtedly welcome the nature of the scheme that has been announced this morning but will we wish to examine it in detail.

This is a step forward, however, and to facilitate it, the intention of Front-Bench Members—obviously I cannot speak for all my colleagues—is to withdraw our original amendments to clause 7 so that we can have a full debate on clause stand part about the whole regional casinos industry. We will then want to see the exact detail of the amendments that the Government are to table, either during the remainder of the Committee proceedings or on Report. I hope that the fact that we will withdraw our amendments at this stage will allow us to table amendments on Report, should we feel that the Government's changes are not useful enough.

Later in our consideration of the Bill, we will press on the Government one or two other measures that will provide additional safeguards that we believe to be necessary. At this stage, I can say that we welcome the Government's last-minute change of mind.

I have one further point to make. When we debated the emergency amendment to our programme order last Thursday, to provide for a delay so that the Minister could consult his colleagues before agreeing to these changes, the hon. Member for Bath (Mr. Foster) specifically asked the Minister

"for a clear undertaking that any announcement that he makes about major changes to clause 7 . . . will be made first to the Committee and to no other organisation."

Column Number: 142

The Minister said in his response that

"there will be no public statements or announcements before I come to Committee."—
[Official Report, Standing Committee B, 11 November 2004; c. 89-90.]

It was, therefore, with some surprise this morning that I heard on the radio that the Secretary of State had briefed the parliamentary Labour party last night on the changes that have been announced. The report was not based on a speculative briefing or on sources close to the Secretary of State, but on a statement by the right hon. Lady, on the record, to the parliamentary Labour party rather than to the Committee. That seems to be a breach of the undertaking given to the Committee by the Minister a few days ago. I will be interested to hear his observations on that matter.

Mr. Don Foster (Bath) (LD): I join the hon. Gentleman in saying that we are happy to support the programme resolution and to follow the Conservatives' approach in agreeing to withdraw any of our amendments to clause 7, so that we can have a full debate on the Minister's proposal and also consider those other matters at a later stage.

I make it clear, however, that two important issues arise from our amendments which I hope the Government will take on board when they table their amendments. First, there is a need for a clearer definition of casinos, not least to enable a definition of the area in which only certain categories of people are to be allowed, and for entry to which identification will be required. Secondly, we would like the opportunity at a later stage to discuss a point mentioned by the Minister in his statement—the location of any new super, or as he calls them, regional casinos. There will no doubt be lengthy debate about the joint scrutiny Committee's proposal that any new super-casino be a destination casino, to avoid the problems of ambient gambling that would occur were those casinos to be sited, for example, on the main streets in major towns and cities.

That said, we welcome the brief draft proposals that the Minister has given us in respect of the significant U-turn that the Government are now making on this most controversial clause. We said that we were concerned about the potential for huge proliferation of those untried super-casinos, and about the impact that that might have on public health if there were an increase in problem gambling. We also expressed concern that those casinos might not produce the large regeneration benefits that the Government has claimed for them. I hope, therefore, that there will be an opportunity during the stand part debate on clause 7 to discuss those matters with the Minister in more detail.

Many of us find it surprising that there was no reference in the Minister's statement to the number of category A machines. I suspect that Members on both sides of the Committee hope that the Minister will shortly make proposals at least to limit to a small percentage—preferably to zero—the number of category A machines in the eight new trial, or pilot, super-casinos proposed by the Government.

9.45 am

I share the anxiety expressed by the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) about the fact that the statement was made elsewhere before it was given to the Committee a few minutes ago. The hon. Gentleman said in a previous sitting that he would like the Minister to give us

"a clear undertaking that any announcement that he makes about major changes to clause 7, or any other part of the Bill, will be made first to the Committee and to no other organisation."

As the hon. Gentleman said, the Minister gave the Committee the following assurance:

"In reply to the hon. Member for Bath, there will be no public statements or announcements before I come to Committee." —[Official Report, Standing Committee B, 11 November 2004; c. 89-90.]

It is clear from what many hon. Members will have heard on the radio and read in our newspapers this morning that an announcement was made last night to a body of people other than members of the Committee. Although I do not question the Minister's integrity, I am deeply concerned that someone from his Department—namely the Secretary of State, who I am sure was well

aware of the assurance that the Minister gave the Committee—nevertheless was prepared to break that clear undertaking.

[Continue](#)[Commons](#)[Parliament](#)[Lords](#)[Search](#)[Enquiries](#)[Ordering](#)[Index](#)

[©Parliamentary copyright 2004](#)

Prepared 16 November 2004

- [A-Z index](#)
- [Glossary](#)
- [Contact us](#)
- [Freedom of Information](#)
- [Jobs](#)
- [Using this website](#)
- [Copyright](#)

You can find out more about cookies below, otherwise by continuing to use the site you agree to the use of the cookies as they are currently set.

[I agree](#)

[I want to find out more](#)

- [Accessibility](#)
- [Email alerts](#)
- [RSS feeds](#)
- [Contact us](#)



www.parliament.uk

[Search](#)

[Home](#)
[Parliamentary business](#)
[MPs, Lords & offices](#)
[About Parliament](#)
[Get involved](#)
[Visiting](#)
[Education](#)

[House of Commons](#)
[House of Lords](#)
[What's on](#)
[Bills & legislation](#)
[Committees](#)
[Publications & records](#)
[Parliament TV](#)
[News](#)
[Topics](#)

Gambling Bill

[\[back to previous text\]](#)

Mr. Moss: The clause allows the gambling commission to void a bet if it is satisfied that the bet was substantially unfair. Again, although the intention is laudable, problems may emerge because of the way that the provision is constructed.

Let us consider a situation in which the connection of a racehorse lays his horse on a betting exchange at an attractive price, in the knowledge that the horse will not run, is unfit or will be stopped by his jockey. That is known as laying to lose, and that type of activity has generated a great deal of adverse publicity for racing in recent months. Let us say that the commission becomes aware of that corrupt activity and voids the bet. As I read the clause, only the bet or bets entered

Column Number: 617

into by the person who interfered with the outcome of the event will be voided. However, thousands of other people are likely to have placed bets on the same race, and all of those bets will have been affected in some way by the corrupt activity. For example, hundreds of betting shop punters may have backed the horse that did not try to win, and were therefore defrauded. Equally, the horse that wins the race might have lost if all its opponents had run on their merits.

It is not difficult to imagine that there would be considerable unrest and disillusionment if betting shop punters were to learn that, although a particular bet had been voided because of corrupt practice, all other losing bets in the race would stand. The effect would be that anyone who backed the non-trier along with the perpetrator of the fraud would get their money back, but other punters who had backed the same horse with a bookmaker would lose.

Voiding all bets on a horse or race would not be a practical solution because the majority of cash bets are settled quickly, and it could be some time after the race that the alleged corruption was exposed. It would then be impossible to inform, trace or identify punters entitled to their money back.

There is no suggestion that the perpetrator of that type of fraud should be allowed to benefit, or that those with whom they bet should be disadvantaged, but it would be interesting to hear the Minister's explanation of what other sanctions he feels a perpetrator might face. For example, will the commission have the power to ban the perpetrator from betting in future? Can the commission prosecute the individual, or will it refer matters to the Crown Prosecution Service?

I do not think that the industry as a whole is opposed to the Government's aims as outlined in the clause, but it is keen to know what measures would be put in place as a real deterrent to the return of the circumstances that we have discussed. Would the Government take strong action against the offender in addition to ensuring that he received no benefit from his corrupt activity?

Mr. Caborn: I shall give the Committee the general background, and then come to the specifics that the hon. Gentleman raised.

The clause gives the gambling commission the power to make an order voiding bets. The order will cover bets accepted by, or through, the holder of any of the licences mentioned in the clause. When the order is made, the unfair bet in question will be void, and any

contract or other arrangement relating to the bet will also be void. Any money paid in relation to the bet must be returned to the person who paid it. That mechanism is an essential safeguard to customers and betting operators, and will enable the commission to support sports regulators.

We recognise that the power must come with some qualifications. The commission can make an order only once it is satisfied that a bet is substantially unfair. In deciding whether a bet was unfair, the commission must consider the factors listed. The

Column Number: 618

commission can issue an order to void a bet only within six months of the result of the bet being determined. When a party has been convicted of cheating, the commission will be allowed an unlimited time to issue an order. We can remedy injustice through voiding, but it is unfair and unnecessary to void all bets on the race. We cannot deal with everything. The point does not apply. So, on the specific point, the answer is yes, but on the general point, it is no.

Question put and agreed to.

Clause 315 ordered to stand part of the Bill.

Motion made, and Question proposed, That further consideration be now adjourned. ♦[Mr. Watson.]

10 am

Mr. Caborn: On 16 November, I set out to the Committee our proposals to set an initial limit of eight on the number of regional casinos. I promised that there would be a statement of the Government's overarching national policy on casinos and that we would describe in more detail how the initial limit would work in practice. There is considerable interest in Parliament and elsewhere about the proposals, and with your permission, Mr. Pike, I will use this opportunity to set them out in more detail.

The Government's policy on casinos is, as everybody knows, based on the three broad objectives of the Gambling Bill: to protect children and the vulnerable, to prevent gambling from being a source of crime and to ensure that gambling is conducted in a fair and open way. Britain has a low level of problem gambling, and we are committed to maintaining that record. Casinos are already tightly regulated and the Gambling Bill will strengthen the strict controls that are in place.

There are, however, a number of regulations that the Government believe are outdated. The 24-hour rule, the ban on advertising and the permitted areas rule unnecessarily restrict customer choice and discourage investment and economic regeneration. The tourism and leisure industries are increasingly important sectors of our economy. The casino proposals in the Bill, with the emphasis on increased regulation, can make a positive contribution to those sectors. Regional casinos, in particular, offer clear potential for regeneration. They not only provide gambling activities but may also include a range of other facilities such as hotel accommodation, restaurants, live entertainment and other leisure attractions. Many parts of the country could benefit greatly from regeneration through such leisure developments.

The Government recognise, however, that the casino proposals in the Bill represent a significant change and that we need to take a cautious approach to assess whether their introduction will lead to any increase in problem gambling. We have taken the view that the risk of an increase in problem gambling will be reduced if a limit is imposed on the number of casinos. We announced our intention to set a limit on the number of regional casinos, and I said at the time that the Government would consider whether any

Column Number: 619

consequential changes were necessary to avoid proliferation of other categories of casino. Our conclusion is that the limit on the number of regional casinos will lead to a significantly greater rise in the number of small and large casinos than would otherwise have been the case.

That has made us reconsider the potential risk posed by small and large casinos. We now believe that, as with regional casinos, it is right to set an initial limit of eight each on the number of large and small casinos. The Government believe that, in order properly to assess the impact of those new casinos, there needs to be a sufficient number of casinos in each category to allow their impact to be assessed in a range of areas and types of location that might be suitable. Those include, for example, urban centres and seaside resorts in different parts of Britain. A limit on regional, large and small casinos of eight each is consistent with that aim and ensures that any risk is minimised.

The Government will appoint an independent advisory panel to recommend where the locations of the regional, large and small casinos should be. No earlier than three years after the award of the first premises licence, the Government will ask the gambling commission to advise on whether the introduction of the new types of casino has led to an increase in problem gambling or is increasing the risk of that. We believe that such a period is necessary to ensure that a full assessment can be made.

Once that assessment has been made, it will be easier to judge the continuing need for a limit. If, on the basis of that assessment, the Government decide to allow more casinos to be established, the order allowing that will need to be approved by Parliament. None of those provisions will affect the ability of a local authority to refuse to have any new casinos of any size category in their area. Today, we are making available a document that sets out our policy in detail, including the role of the advisory panel on new casino locations and arrangements for existing casinos.

I will briefly set out how the different parts of the process will fit together. The independent advisory panel will make recommendations on the locations of the new casinos. It will be appointed by the Secretary of State and will need to have knowledge and expertise in a range of issues, including planning, securing regeneration, tourism and addressing the social impacts of gambling. In order to ensure that the impact of the new casinos can be assessed on the basis of a broad range of information and experience, the advisory panel will be asked to identify areas for the new casinos that will provide a good range of types of location and a good geographical spread of locations across Britain.

Subject to those criteria, the panel will be asked to choose areas likely to benefit from a casino in economic development terms. It will be asked to present the Minister with a list of up to eight recommended areas for each of the three categories of casino. After consulting the Scottish Executive and the Welsh Assembly, the Secretary of State will decide which location to choose.

Column Number: 620

I will say a few words about the role of the planning system. In England, regional planning bodies, as part of their development of the regional spatial strategies, will need to consider possible broad locations for regional casinos within their region, taking into account national planning policy guidelines. Before the panel finalises its recommendations on regional casinos, it will need to ensure that they are compatible with the broad locations identified in the regional spatial strategies. The identification of specific sites for all three categories of casino will be a matter for the local planning authorities in their local development frameworks, having regard to national policy and the regional spatial strategy.

Local planning authorities will also be responsible for deciding applications for casino development. Operators will be required to apply for planning permission in the usual way and all applications will be considered on their merits and in line with national and local planning policy. Applications may come forward at any stage. The decision on whether they should be called in ♦the decision by the First Secretary of State ♦will be made in light of the Government's call-in policy and the particular circumstances of the case.

On the licensing system, the gambling commission will award operating licences to companies on the basis of the usual licensing criteria, but the process will incorporate an additional stringent test on social responsibility, to reflect the fact that the casinos will present new risks in relation to social harm. Operators will need to demonstrate a commitment to reduce the risk posed to vulnerable people and to make information and assistance available to people using the casinos who may be affected by problems related to gambling.

There will be no limit on the number of operating licences that may be granted. The initial limit on the number of new casinos will be given effect through the premises licensing. A local licensing authority will only be able to award a casino premises licence if one has been identified for its area. The process for awarding a premises licence will have two stages. The first will be a regulatory test to ensure that all proposals satisfy the premises licensing requirement, which is in the Bill. The second stage will be triggered where there are more applications for a casino premises licence than the local licensing authority is permitted to grant.

The second stage will involve a competition held by the local authority on the wider casino proposals. We will consult the Local Government Association and others about how the competition should be conducted. The competition could be judged on a wide range of issues, reflecting the issues, concerns and priorities that are important to that area. Those might include, for example, employment and regeneration potential, the design of a proposed development, the financial commitments by the developer to local projects, the location, the range of facilities and other matters. The local authority may also wish to provide an opportunity for consultation with local people. It would set out its priorities and concerns in a set of objective key considerations and then invite operators to submit entries to the competition.

Column Number: 621

The eventual winner will be eligible for a full premises licence once planning permission has been obtained and the casino has been built. The operator will therefore need to have an operating licence, a premises licence and planning permission. Planning permission is likely to be conditioned with the planning obligations. The premises licence process and the planning consent process will need to be conducted taking account of the need to separate clearly the licensing and planning functions.

The Office of the Deputy Prime Minister and the DCMS will issue guidance to local authorities on the propriety issues surrounding those processes. The applicants proposed in the preferred option would not be a material consideration in the planning decision. However, once planning permission has been granted and the casino built, the operator will be able to apply for a full premises licence, which it could expect to obtain provided that there had been no material change in the proposals since the competition.

Finally, I shall say a few words about existing casinos. The arrangements for regional large and small casinos are aimed at minimising the risk of problem gambling that would come from a large increase in the number of casinos, particularly from a proliferation of the high-stake and high-prize gaming machines. Existing casinos must be allowed to continue to operate and to have the opportunity to compete for the new licences. We do not believe that it would be appropriate to allow them to have all the new casino entitlements in circumstances where a limit is imposed on the establishment of new casinos. Accordingly, we propose that there should be no size requirements on those casinos and that they should not be subject to the ban on advertising and the 24-hour rule. However, they will be restricted to the equivalent gaming machine entitlement of 10 gaming machines of up to category B and they will not be allowed to provide bingo or betting on real or virtual events.

To achieve that, there will be a separate category of premises licence for casinos that already had a licence under the Gaming Act 1968. A company operating one of those casinos may apply for a regional, large or small casino premises licence. If one is awarded to an existing casino, it will be able to operate with all the new entitlements authorised by the new licence.

My officials and parliamentary counsel have been working pretty hard to prepare amendments that give effect to this new policy. It is important that the Committee should have the opportunity to debate the amendments before the Bill returns to the Floor of the House on Report. The Government intend to table the amendments as soon as possible. Some will be new clauses and new schedules, which we will be able to consider during our sitting on 11 January. I hope that we will be able to table the amendments before the House rises for Christmas. If that is not possible, I shall write to all Committee members to give them notice of the amendments before we table them, which will be as soon as possible in the new year. I want to make sure that all Committee members can consider

Column Number: 622

the details proposed in good time, before the Committee meets.

If Committee members want to communicate during the recess, they should leave their addresses, which may be different from those of their constituency offices, with us. We shall make sure that we communicate directly with them.

In conclusion, it is clear that the range and framework of casinos need to be reformed. As I have said, casinos have the potential to contribute to the leisure and tourism sectors, and to the economy's economic development much more widely. However, we are clear that we need to take a cautious approach to avoid the proliferation of casinos in high streets across the country and to maintain Britain's good record on problem gambling. The proposals offer that balance, and a cautious approach.

[Previous](#)[Contents](#)[Continue](#)[Commons](#)[Parliament](#)[Lords](#)[Search](#)[Enquiries](#)[Ordering](#)[Index](#)

©Parliamentary copyright 2004

Prepared 16 December 2004

- [A-Z index](#)
- [Glossary](#)
- [Contact us](#)
- [Freedom of Information](#)
- [Jobs](#)
- [Using this website](#)
- [Copyright](#)

You can find out more about cookies below, otherwise by continuing to use the site you agree to the use of the cookies as they are currently set.

- [Accessibility](#)
- [Email alerts](#)
- [RSS feeds](#)
- [Contact us](#)



www.parliament.uk

[Home](#)
[Parliamentary business](#)
[MPs, Lords & offices](#)
[About Parliament](#)
[Get involved](#)
[Visiting](#)
[Education](#)

[House of Commons](#)
[House of Lords](#)
[What's on](#)
[Bills & legislation](#)
[Committees](#)
[Publications & records](#)
[Parliament TV](#)
[News](#)
[Topics](#)

You are here: [Parliament home page](#) > [Parliamentary business](#) > [Publications and Records](#) > [Lords Publications](#) > [Lords Hansard](#) > Daily Hansard
[Previous Section](#) [Back to Table of Contents](#) [Lords Hansard Home Page](#)

Consolidated Fund (Appropriation) Bill

Brought from the Commons endorsed with the certificate of the Speaker that the Bill is a money Bill, and read a first time.

Gambling Bill

The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport (Lord McIntosh of Haringey): My Lords, I beg to move that the House do now resolve itself into Committee on this Bill.

Moved, That the House do now resolve itself into Committee.—(*Lord McIntosh of Haringey*.)

On Question, Motion agreed to.

House in Committee accordingly.

[The DEPUTY CHAIRMAN OF COMMITTEES (Lord Lyell) in the Chair.]

Lord Clement-Jones moved Amendment No. 1:

Before Clause 1, insert the following new clause—

"CONVERSION OF CURRENT ENTITLEMENTS

(1) The Secretary of State shall by order make provision for the conversion of all entitlements to the operation and citing of gaming pursuant to the Gaming Act 1968 (c. 65) and related legislation into premises licences under this Act.

(2) Such an order, as set out in subsection (1), shall provide that these pre-existing rights may not be in any way limited by the Secretary of State, the Commission or any licensing authority."

The noble Lord said: It is a great pleasure to start this Bill. I hope that colleagues will be gainfully occupied for most of the rest of today with the Gambling Bill, which is very appropriate, although I would not want to place a bet on the outcome of today's business.

10 Mar 2005 : Column 921

The Minister is well aware of the concern in the gaming industry about "grandfather" rights; that is, the retention of machine numbers on premises or the ability to offer particular games to customers in accordance with existing entitlements. The uncertainty is created because the Bill leaves to secondary legislation the detail of how effect will be given to that intention. It is therefore impossible, because that secondary legislation is not available in draft, for the industry to identify all the circumstances where current entitlements would stay or would be removed.

The Government have accepted that certain matters are fundamental to the principles of the Bill. Indeed, they are enshrined in Clause 1. They are not left to the discretion either of local authorities or to the Secretary of State. The Government argue that Schedule 18 deals with grandfather rights, but it does so only in the sense that it gives the Secretary of State powers to make orders to deal with transitional arrangements to cover existing licences or permits without specifying the detail of how that will be applied.

It is particularly important to the gaming industry that the principle of grandfather rights is spelt out, given that the new licensing powers that are being given under the Bill to local authorities increase their ability to curtail or remove existing entitlements. Without greater certainty, industry does not have the stable environment in which to plan and invest.

The devil is in the detail as regards grandfather rights in particular. A specific example of how the Government's general assurances about grandfather rights do not provide any comfort at a detailed level can be seen in relation to their application to family entertainment centres.

The Secretary of State wrote to Mr Tony Wright MP on 12 November 2004, giving the impression that all amusement arcades will benefit from those grandfather rights. She wrote:

"I know the issue of 'grandfather rights' is also of concern for some amusement arcade operators. Amusement arcades with the lowest stake and prize machines currently operate under permit from local authorities, and this will be the case under the Bill (they will become unlicensed family entertainment centres). Such arcades will not be regulated directly by the Gambling Commission, although the Gambling Commission will be required to issue guidance to local authorities about a whole range of matters, including arcades that local authorities will have to take into account. When the Bill comes fully into force, probably some time in 2007, then at this point all arcades will be entitled to new grandfathered permits, entitling them to the same number of machines as under the current arrangements".

In reality, only about 5 per cent of arcades would be covered by the terms of that assurance because it covers only those arcades that have only category D machines and are therefore not licensed by the local authority. While the bulk of their machines are category D machines, 95 per cent of arcades also have segregated over-18 only areas, which have entitlement

10 Mar 2005 : Column 922

to offer category C machines. So there are issues there about which the arcade industry, in particular, is concerned. I beg to move.

Baroness Buscombe: In speaking to support the amendment tabled by the noble Lord, Lord Clement-Jones, I speak also to my Amendment No. 9, which is on similar points. The noble Lord's amendment raises significant, important issues regarding the support and maintenance of existing rights to games and machines by the current industry—be it pubs, bingo halls or small casinos.

The industry, as we will discuss, believes that this Bill proposes an unequal playing field. It wishes to ensure that not only is there no reduction in the number of machines on premises, but also that there is no reduction in the ability to offer particular games to customers.

As the noble Lord has explained, the Bill only appears to give parts of the industry these grandfather rights, which some have argued as undue bias. The new clause in my name after Clause 6 aims to look at the detail of a particular concern about Sections 16 and 21 machines, alluded to by the noble Lord, Lord Clement-Jones, while speaking to Amendment No. 1.

The adult gaming centres are arguably faced with a double whammy. As currently drafted, a number of gaming areas do not fit neatly into the Bill. They include Sections 16 and 21 machines, which have been in operation since 1976 and 1968 respectively. Sections 16 and 21 machines currently operate under a voluntary code of conduct that is approved by the Gaming Board. Those machines are well regulated and controlled. On that basis, I ask the Minister why the use of those machines cannot be permitted to continue with the current level of stakes and prizes under a separate machine category—for example, a B5.

I question whether Part 10 of the Bill gives adequate safeguards to secure current entitlements to existing games operating under Sections 16 and 21 licences, which the Government will no doubt argue in a moment. Moreover, a recent DCMS memorandum and the RIA suggest that those machines will not be able to operate as they do under existing legislation. I would appreciate details from the Minister on the position of those machines in this legislation and their operation under it.

Lord Greaves: Can the Minister provide me with some information that I cannot find elsewhere on existing casinos? According to different sources, there are between 131 and 137 existing casinos in operation. Perhaps the Minister knows exactly how many. If those casinos were new casinos, under the Bill would they be classified as small or large casinos?

Lord McIntosh of Haringe: I am very sympathetic to the motivation behind the amendment tabled by the noble Lord, Lord Clement-Jones. I want to give him the reassurance that he seeks about the clarity of grandfather rights. I know where these amendments come from and I well appreciate that the grandfather rights available in the Bill are scattered throughout it.

10 Mar 2005 : Column 923

Many of the assurances that have been given on them have been in the form of letters to Members of Parliament or in other ways. It is important that the grandfather rights, which are enshrined in the Bill and which I believe to be comprehensive, should be read into the record, as I propose to do now.

The Government published a position paper on grandfather rights in February 2004, which might not have been brought to the attention of the noble Lord, Lord Clement-Jones. It made clear that the Government would use the powers in the Bill to convert, automatically, a number of existing permissions into permissions under this legislation. I shall give the Committee the detail.

Those promoting lotteries, subject to the registration requirements in Sections 5 or 6 of the Lotteries and Amusements Act, will be deemed, where necessary, to have a lottery operating licence under the Bill. Licences for betting offices, betting tracks and approved horse racecourses under the Betting, Gaming and Lotteries Act 1963 will become betting premises licences under Part 8 of the Bill. A machine permit under Schedule 9 to the Gaming Act 1968 for all cash amusement-with-prizes machines will become either an adult gaming centre premises licence or a family entertainment centre premises licence.

Gaming or bingo licences under Part II of the 1968 Act will become premises licences too. Permits for miners' welfare institutes and other clubs will convert automatically into club gaming permits under the Bill. Machine permits for coin or token amusement-with-prizes machines will be converted automatically into new style category D machine permits, although new permits will not be available for premises such as fish and chip shops, and so on. Lastly, premises licensed for the sale of alcohol that have a gaming machine entitlement now will, where necessary, be granted a permit under the Bill to carry on with exactly the same number of gaming machines as they have now.

The House will know that it is quite normal for detailed transitional arrangements under legislation to be dealt with through secondary legislation, such as that in Schedule 18 to the Bill to which the noble Lord, Lord Clement-Jones, referred. The Delegated Powers and Regulatory Reform Committee, in its 11th report, passed no comment at all on the Bill's powers in that respect. So I hope I have been able to answer the first question posed by the noble Lord, Lord Clement-Jones.

The noble Baroness, Lady Buscombe, asked me about Sections 16 and 21 machines and why the current level of stakes and prizes will not be the same under the Bill as it is now. We shall debate that on subsequent amendments and perhaps I can go into more detail then. Fundamentally, the principle is that the number and power, in terms of stakes, prizes and speed of play, of machines is proportionate to the nature of the premises; in other words, whether children are allowed in and the degree of hard gambling that takes place. I am very willing to defend our proposals for Sections 16 and 21 machine stakes and prizes on the grounds that that will be the theme of everything that I say on the precautionary principle in this Committee.

10 Mar 2005 : Column 924

The noble Lord, Lord Greaves, asked how many existing casinos are small or large. We do not have exact figures because we do not measure the table gaming areas in casinos. We have no authority to do that and I do not believe that he would wish us to do so. Our understanding is that only a minority of the existing casinos meet the minimum size requirements of the new casinos.

While I am totally sympathetic to the purpose of the amendments, I believe that they are unnecessary. All the powers necessary to deliver fair grandfather rights are already in the Bill. A more substantial point on the amendments is that if they were accepted they would prevent the Government or the Gambling Commission or a licensing authority using their powers in future to control entitlements to gaming and gambling machines. I submit that that would undermine the central purpose of the Bill.

The main reason for introducing the Bill now is because the present law is being outpaced by technology. That is more than just a debating point. As the law is out of date, operators have tried to exploit loopholes to introduce new products that were never intended to be authorised under the law. I am sure that the noble Baroness, Lady Buscombe, will agree that Sections 16 and 21 machines were never envisaged when the 1968 Act was passed, any more than fixed-odds betting terminals in betting shops were envisaged at that time. The reason we have roulette gaming machines in betting offices and family arcades is because the law is inadequate and in doubt and that is why we need the Bill.

Section 16 of the 1976 Act and Section 21 of the 1968 Act were never intended to authorise the provision of gaming machines. So, the fact that these machines are being provided, in reliance on parts of the law never intended to authorise machine gaming, is part of the problem we are trying to solve. Our policy in the Bill, which I hope I have spelt out by the list that I have given, is to apply a single, coherent and comprehensive regulatory framework for gaming machines. We want to move away from the position where, because of supposed loopholes, it has been possible to provide gaming machines outside the regulatory framework of Part 3 of the Gaming Act 1968.

It is absolutely essential that all of the regulatory authorities can use their powers to change licence conditions or entitlements if there is evidence that a particular product, or the way in which a product is being offered, is driving problem gambling or is causing a risk to the licensing objectives of the Gambling Commission. I will not compromise on that point. I know it has not been suggested, but I want to make it clear for the future that I shall not compromise on that point because our concern is to protect the public.

We accept, of course, that the trade associations have agreed a code of practice with the Gaming Board that governs the provision of such machines. But that does not at all change our view on whether they should have been provided under these provisions in the first

10 Mar 2005 : Column 925

place. Given what I have said, and taking into account the use of the transitional powers under the Bill, I ask for these amendments to be withdrawn.

[Next Section](#)

[Back to Table of Contents](#)

[Lords Hansard Home Page](#)

[A-Z index](#)

[Glossary](#)

[Contact us](#)

[Freedom of Information](#)

[Jobs](#)

[Using this website](#)

[Copyright](#)

EXPLANATORY MEMORANDUM TO
THE GAMBLING ACT 2005 (COMMENCEMENT No. 6 AND TRANSITIONAL
PROVISIONS) ORDER 2006

2006 No. 3272 (C.119)

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

2. **Description**

2.1 The Order provides for the commencement of the remaining provisions of the Gambling Act 2005 which have not been commenced. Its effect is to provide for gambling to be regulated under the Gambling Act 2005 from 1st September 2007. It also contains detailed transitional provisions which ensure that those with authorisations under the existing gambling legislation are able to continue operating without interruption from 1 September 2007. The transitional provisions also give effect to commitments made by the Government for converting certain permissions under the existing legislation into equivalent permissions under the 2005 Act.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 None.

4. **Legislative Background**

4.1 The Gambling Act 2005 ("the 2005 Act") gives effect to the Government's proposals for reform of the law on gambling. The 2005 Act contains a new regulatory system to govern the provision of all gambling in Great Britain, other than the National Lottery and spread betting. It effectively replaces and updates regulation of gambling under the Betting, Gaming and Lotteries Act 1963 ("the 1963 Act"), the Gaming Act 1968 ("the 1968 Act") and the Lotteries and Amusements Act 1976 ("the 1976 Act").

4.2 Two comprehensive offences are established: providing facilities for gambling or using premises for gambling, in either case without the appropriate permission. Such permission may come from a licence, permit, or registration granted pursuant to the 2005 Act or from an exemption given by the 2005 Act.

4.3 The 2005 Act introduces a unified regulator for gambling in Great Britain, the Gambling Commission ("the Commission"), and a new licensing regime for most forms of commercial gambling. A person providing facilities for gambling will require an operating licence from the Commission. Except in the case of small-scale operators (as defined in the 2005 Act), it will be a condition of each operating licence that at least one person occupying a specified management office holds a personal licence issued by the Commission. Where premises are used to provide commercial gambling, a premises licence must be obtained from the licensing authority (which is the local authority) for the area in which the premises are situated. Special arrangements exist for the licensing

of casinos. Under the 2005 Act limits are placed on the numbers of each category of casino premises licence which can be issued.

4.4 Other forms of authorisation are provided for under the 2005 Act in those cases where the provision of facilities for gambling does not require an operating licence or a premises licence. The 2005 Act requires a club gaming permit to be held where a members' club or miners' welfare institute provides facilities for gaming, or a club machine permit where gaming machines are made available. There is also provision in the 2005 Act for gaming machines to be made available in alcohol licensed premises. Where more than 2 gaming machines are made available a licensed premises gaming machine permit is required. In some cases, persons promoting a lottery require a lottery operating licence from the Commission. However, there is provision for the registration of non-commercial societies which promote lotteries whose proceeds do not exceed £20,000.

4.5 In general, the permissions under the 2005 Act replace permissions previously required under the 1963, 1968 and 1976 Acts, although in many cases the nature of the permission is quite different.

4.6 The Government has previously announced that it intended to bring into force the 2005 Act so that the regulation of gambling under that Act would begin on 1st September 2007. This Order gives effect to that commitment in providing for the 2005 Act to come into force for all purposes (except a few limited purposes) on 1st September 2005.

4.7 During the passage of the 2005 Act as a Bill through Parliament, the Government made it clear that transitional provisions would be made in connection with the Act's commencement which ensured that existing operators were able to continue operating despite the move to regulation under the 2005 Act. The Government also made the commitment that operators with a premises based permission under the existing legislation would be able to get that permission converted into the equivalent permission under the 2005 Act. The Government made it clear however that this commitment did not extend to operating licences under the 2005 Act. Existing operators, in the same way as everyone else, must establish their suitability to be granted an operating licence. The Order however contains transitional provisions which ensure that existing operators are able to continue operating on and after 1st September 2007 if their application for an operating licence has not been determined by that date.

4.8 The commitments that the Government made during the passage of the Bill were summarised by Lord McIntosh in House of Lords on 10 March 2005 (Col 922-923).

4.8 In order to facilitate the smooth transition from regulation under the existing legislation to regulation under the 2005 Act on 1 September 2007, the order makes the following provision:

- The Order brings into force on 1st January 2007 the provisions of the 2005 Act required to enable advance applications to be made to the Gambling Commission for operating and personal licences. The Order specifies periods within which such applications are to be determined where made by existing operators, and provides for an interim licence to be treated as having been issued where the application is not determined within the relevant period.

- The Order brings into force on 30th April 2007 the provisions of the 2005 Act required to enable advance applications to be made to licensing authorities for premises licences and certain permits (family entertainment gaming machine permits and prize gaming permits). Again the Order contains provisions which ensure that, where an application is made by an existing premises operator, the operator is able to continue operating on and after 1 September 2007 if the relevant licence or permit has not been issued by that date.
- In certain cases, the Order provides for the permission under the existing legislation to continue in force on and after 1st September 2007 until a specified date (generally the date on which the permission would have expired under the existing legislation). For example, this approach is adopted for gaming machine permits under section 34 of the 1968 Act in respect of alcohol licensed premises. In other cases (for example members' club registrations under the 1968 Act), the permission does not continue in force on and after 1 September 2007 but the operator is treated as having the equivalent permission under the 2005 Act until a specified date (again generally the date of expiry of the old permission). Provisions of the 2005 Act are brought into force on 1st June 2007 to ensure that advance applications can be made for club machine and gaming permits and licensed premises gaming machine permits. This is necessary to ensure that, where the date of expiry of the permission under the 1968 Act is shortly after 1 September 2007, it is possible for the equivalent permission under the 2005 Act to be granted to have effect from that date.

4.9 The Order also gives effect to the commitment made by the Government to convert premises based permissions under the existing legislation into the equivalent permission under the 2005 Act. An operator is required to make an application for the equivalent permission under the 2005 Act, but provided he holds the relevant permission under the existing legislation, the licensing authority is required to grant the application and issue him with the relevant permission.

4.10 Special provision applies in the case of converted casino premises licences. The Act provides for new types of casino (regional, large and small). The nature of the gambling facilities which may be provided at such casinos is different and a far greater number of high prize gaming machines may be made available at them. For this reason, the Government decided to restrict the number of such casinos which initially could be established. In accordance with its general commitment to convert permissions under the existing legislation, the Government made it clear that this restriction would not affect casinos established under the 1968 Act; but that such casinos would be restricted in the facilities for gambling they would be able to provide. In particular, the Government made it clear that the transitional arrangements would restrict the number of gaming machines casinos operating under a converted casino premises licence could provide to a number which was broadly equivalent to the entitlement under the 1968 Act. The transitional provisions in the Order give effect to these commitments made by the Government.

4.11 These commitments were made in the Government's national policy statement on casinos published on 16 December 2004, and summarised in a statement made by Richard Caborn to Standing Committee B the same day (Hansard Standing Committee B Hansard 16 December 2004 col 618 – 622).



Final report of the Casino Advisory Panel

Recommendations to the Secretary of State for Culture
Media and Sport on locations for one regional, eight
large and eight small casinos allowed under section 175
of the Gambling Act 2005

30 JANUARY 2007



Final report of the Casino Advisory Panel

Recommendations to the Secretary of State for Culture
Media and Sport on locations for one regional, eight
large and eight small casinos allowed under section 175
of the Gambling Act 2005

30 JANUARY 2007

Page 268

201

1

Contents

NB: This report and many of the related documents can be found on the Casino Advisory Panel website at <http://www.culture.gov.uk/cap/>

Preface	7
Summary	8
Map of recommended areas	10
Part 1: Our work	11
Chapter 1:	
Panel appointment, our remit and criteria	12
Background	12
The appointment of the Panel	12
Membership of the Panel	13
Members' interests	13
The Panel's criteria	13
Consultation, openness, transparency and the views of the public	15
How many casinos?	15
Relationship of our remit to licensing and the problem of contracts	16
Gaming duty	17
Chapter 2:	
Panel procedures	17
Our process	17
Process phase 1: scoping and invitation of proposals	18
Process phase 2: submission of proposals, sifting and shortlisting	19
Process phase 3: finalisation of the shortlists, further examination and testing of proposals	21
Process phase 4: decision and reporting	26

Part 2: General considerations (lessons learned).....27

Chapter 3:

Best possible test of social impact28

What would be a good test?28

Particular demographic and social characteristics29

Local demographic and social data29

Ease of identification of social changes.....29

Lessons from present casinos30

Likelihood and timeliness of implementation30

The test and individual proposals.....30

The test and the whole selection31

Chapter 4:

Social considerations31

What is regeneration?31

Multiple deprivation31

Employment.....32

Ambient and impulse gambling32

Crime32

Chapter 5:

Some questions of regeneration33

Government policy33

Demand and economic modelling.....33

Job creation35

Location, profitability and social benefit35

Chapter 6:

Willingness to license.....36

Part 3: Appraisal of proposals.....37

Chapter 7:

Appraisal of the shortlisted proposals for a regional casino.....38

Blackpool38

Cardiff.....42

Glasgow.....45

Greenwich.....48

Manchester51

Newcastle54

Sheffield57

Chapter 8:**Appraisal of the shortlisted proposals for large and small casinos60**

Bath and North East Somerset.....	60
Bournemouth.....	61
Brighton and Hove.....	63
Chelmsford.....	65
Chesterfield.....	66
Dudley.....	68
Dumfries and Galloway.....	69
East Lindsey.....	71
Great Yarmouth.....	72
Hastings.....	74
Kingston-Upon-Hull.....	75
Leeds.....	77
Leicester.....	79
Luton.....	80
Mansfield.....	82
Middlesbrough.....	83
Milton Keynes.....	85
Newham.....	87
North East Lincolnshire.....	88
Peterborough.....	90
Restormel.....	92
Scarborough.....	93
Sefton.....	95
Solihull.....	97
South Tyneside.....	99
Southampton.....	100
Swansea.....	102
Torbay.....	103
Wolverhampton.....	105

Part 4: Conclusions and recommendations	107
Chapter 9:	
The regional casino	108
Conclusions	108
Recommendation	109
Chapter 10:	
The large and small casinos	109
Conclusions	109
Recommendations (large casinos)	110
Recommendations (small casinos)	110
Annexes	111
Annex A: Personal profiles of Panel members	112
Annex B: Independent Casino Advisory Panel – Terms of reference	114
Annex C: Casinos – Statement of national policy.....	115
Annex D: Framework Document	120
Annex E: Call for proposals 31 January 2006	125
Annex F: List of proposals submitted and withdrawn	132
Annex G: The first-stage sifting process.....	133
Annex H: List of documents submitted to the Casino Advisory Panel	135
Annex I: Casino Advisory Panel: Selected matters for discussion at the Examinations in Public into the shortlisted proposals for a regional casino	164
Annex J: Schedule of Examinations in Public of shortlisted proposals for a regional casino, and persons and organisations who participated.....	169
Annex K: Final stage of the evaluation process.....	175
Annex L: List of existing permitted areas for the licensing of casinos	177

Consultations and regional considerations

357. The proposal is supported by the East Midlands Regional Assembly who draw attention to the aim in the draft East Midlands RSS to strengthen sub-regional centres in the former coalfield.⁴⁴⁰ The proposal is also supported by East Midlands Development Agency on the basis of Mansfield being a priority for economic renewal.⁴⁴¹

Consideration

358. Mansfield might be a useful example of a decayed industrial town in which to test social impact.
359. Regeneration needs are undoubtedly acute in Mansfield, and the proposal would bring to the area some useful employment. The council has Local Enterprise Growth Initiative funding to provide outreach work in disadvantaged neighbourhoods in order to bring long term unemployed into work.
360. Mansfield town centre currently attracts 10,000 mainly young people on Friday and Saturday nights. A casino, by attracting more older people, would help balance the age composition of the night-time population.⁴⁴² The extensive journey to work catchment and the fact that over a million people live within a 30 minute drive time suggest the viability of a casino.⁴⁴³ However, little evidence was presented of a relevant tourism strategy for tourism development and the place that a casino would fit into it.
361. The proposal has the support of Full Council following local consultation, indicating, to our mind, willingness to license.
362. We have decided that other proposals have more merit in regard to a large casino. However while there are acute regeneration needs in Mansfield, even the proposal for a small casino is in some respects not as strong as others before us.

Middlesbrough*About Middlesbrough*

363. The Borough of Middlesbrough, situated on the estuary of the River Tees is noted as the birthplace of Captain Cook. As an iron and steel town it is noted for being the first to use the Bessemer process for steel making in 1879.⁴⁴⁴ It also developed as a port for the export of coal. Being in the Tees Valley, Middlesbrough is also adjacent to major chemical industries. The current (2005) population of the borough is 137,000.⁴⁴⁵ With other contiguous and nearby towns it forms a conurbation of 651,000,⁴⁴⁶ the "Tees Valley City". A regeneration company is assisting in the delivery of a number of important development projects in the Tees Valley.⁴⁴⁷

⁴⁴⁰ Letter dated 22/6/2006 from EMRA to CAP. Draft RSS was submitted in September 2006 and will be examined in public in May-June 2006

⁴⁴¹ Letter to CAP dated 27/06/2006

⁴⁴² Response to Additional Questions, p.4

⁴⁴³ Response to Additional Questions, p.3

⁴⁴⁴ www.spartacus.schoolnet.co.uk/ITmiddlesbrough.htm, accessed 29/6/2006

⁴⁴⁵ NOMIS data (www.nomisweb.co.uk, accessed 22/11/2006)

⁴⁴⁶ Proposal Document, p.4

⁴⁴⁷ Ibid, p.11

364. However, with its former economic role gone, Middlesbrough suffers from considerable levels of deprivation⁴⁴⁸ including high levels of unemployment.⁴⁴⁹ Currently the borough is the 19th most deprived local authority area in England,⁴⁵⁰ lying in the very lowest 10 percentile band of multiple indices of deprivation.⁴⁵¹ The proportion of economically active in the population of working age in the period April 2005 – March 2006 was 73.8%, of whom 68.1% were in employment. Unemployment stood at 4.9% in October 2006 against a national average of 2.5%.⁴⁵²

The proposal

365. Following the lack of success of a proposal for a regional casino, a large casino is now being considered as a fall-back, as requested. The proposed regional casino was seen as assisting in the redevelopment of the former dock area of Middlehaven,⁴⁵³ but there would be a wider selection of sites in and around the town centre for a large casino.⁴⁵⁴

Consultations

366. The proposal is supported by both the North East Assembly⁴⁵⁵ and by “ONE NorthEast”, the regional development agency for the North East Region.⁴⁵⁶

Consideration

367. With an ethnic composition not too far from the national average⁴⁵⁷ and representative of a former industrial area in the course of restructuring, Middlesbrough could be a useful site for the testing of social impact.
368. Although one or more of the sites proposed would put the casino close to further and higher education campuses, consultation with the institutions concerned indicates that no problems are likely to arise.⁴⁵⁸ The council is of the view that casinos need to be located in areas needing regeneration and that their social effects will be no worse than anywhere else. The proposal would be supported by targeted investment in training.⁴⁵⁹ The council has undertaken research into problem gambling in the borough, which, while somewhat inconclusive, has led them to develop a partnership with Gamcare and the Citizens’ Advice Bureau.⁴⁶⁰

⁴⁴⁸ *Ibid*, p.3

⁴⁴⁹ *Ibid*, p.4

⁴⁵⁰ ODPM (2004) *Indices of Deprivation 2004*

⁴⁵¹ *Ibid*. percentile bands of average score

⁴⁵² *NOMIS data* (www.nomisweb.co.uk, accessed 22/11/2006) The national average given is for Great Britain and the unemployment data is the claimant unemployed as a % of the working age population

⁴⁵³ *Ibid*, pp.11 & 12

⁴⁵⁴ Response to Additional Questions, response to Q2

⁴⁵⁵ Letter to CAP dated 28/12/2005

⁴⁵⁶ Letter to CAP dated 28/6/2006

⁴⁵⁷ 6.26%, cf. average for England of 9.08%. <http://www.statistics.gov.uk/StatBase/Expodata/Spreadsheets/D8296.xls>

⁴⁵⁸ Response to Additional Questions, Q2

⁴⁵⁹ *Proposal Document*, p.7

⁴⁶⁰ *Ibid*, p.8

369. However, as a city, Middlesbrough lacks city assets and the council is working with neighbouring Stockton Borough Council in a 20-year programme to create a city scale environment. Leisure and tourism are identified as key potential drivers in this programme.⁴⁶¹ A casino development is seen as creating a favourable perception of the tourist assets of the area and adding considerably to the critical mass of the town as a leisure and entertainment destination.⁴⁶²
370. The regional policy context is favourable.⁴⁶³ There is evidence of market interest leading to a timely development of the proposal.⁴⁶⁴
371. Notwithstanding some local opposition of principle,⁴⁶⁵ the proposal has been endorsed by full council and continues to have the support of the council and the Mayor.⁴⁶⁶
372. Middlesbrough offers a good opportunity to test the social impact of a large casino development in a city region necessarily undergoing substantial regeneration.

Milton Keynes

About Milton Keynes

373. Forty years ago, what is now the City of Milton Keynes was a number of small towns and villages set in a rural area. Designated as a New Town in 1967,⁴⁶⁷ it has in recent decades been the fastest growing city in England⁴⁶⁸ and now (2005) has a resident population of 218,500.⁴⁶⁹
374. Better off than the national average in terms of multiple deprivation (it is the 220th most deprived local authority area in England,⁴⁷⁰ lying in the seventh lowest 10 percentile band of multiple indices of deprivation.⁴⁷¹) and with the proportion of economically active in the population of working age in the period April 2005 – March 2006 as high as 88.6%, of whom 78.9% were in employment, the city is generally successful and prosperous. Unemployment stood at 2.2% in October 2006 against a national average of 2.5%.⁴⁷²
375. Nevertheless there are pockets of deprivation within the city in terms of unemployment, low activity rates, poor numeric and literary skills, and lack of qualifications.⁴⁷³

⁴⁶¹ *Ibid*, pp.3 & 4

⁴⁶² *Ibid*, p.6. Response to Additional Questions, Q3

⁴⁶³ *Proposal Document*, p.19, and see consultations above

⁴⁶⁴ Further submission dated August 2006, pp.1, 8-10

⁴⁶⁵ Letter dated 10/4/2006 from the Darlington District Synod of the Methodist Church

⁴⁶⁶ Response to Additional Questions, Q4

⁴⁶⁷ Cherry, G E. (1974) *The Evolution of British Town Planning*, London, RTP1

⁴⁶⁸ *Proposal Document*, paragraph 2.2

⁴⁶⁹ *NOMIS data* (www.nomisweb.co.uk, accessed 22/11/2006)

⁴⁷⁰ ODPM (2004) *Indices of Deprivation 2004*

⁴⁷¹ *Ibid*. percentile bands of average score

⁴⁷² *NOMIS data* (www.nomisweb.co.uk, accessed 22/11/2006). The national average given is for Great Britain and the unemployment data is the claimant unemployed as a % of the working age population

⁴⁷³ *Proposal Document*, paragraph 2.4

Annex C:

Casinos: Statement of National Policy

1. This statement (was) issued on behalf of Her Majesty's Government (on 16 December 2004).
2. The Government's policy on casinos is based on the three broad objectives of the Gambling Bill:

- To protect children and other vulnerable people from harm;
- To prevent gambling being a source of crime or disorder and;
- To ensure that gambling is conducted in a fair and open way.

Britain has a low level of problem gambling compared to other countries (less than 1% of the population) and the Government is committed to maintaining this record. Casinos are already tightly regulated and have strict controls in place. The Gambling Bill will strengthen the existing safeguards. There are currently a number of regulations, however, which the Government believe are outdated. The 24-hour rule, the ban on advertising and the permitted areas rule unnecessarily restrict customer choice and discourage investment and economic regeneration.

3. The tourism and leisure industries are increasingly significant elements of the economy. Tourism alone accounts for 4.4% of our GDP. The Government believes that the casino proposals in the Bill, with its emphasis on increased regulation, have the potential to make a positive contribution to the success of these sectors. In addition Regional casinos, as major developments, offer clear potential for regeneration of areas across Britain. They will provide not just a range of gambling activities, but may include hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure attractions. The benefits of such a development could go much wider than the location of the casino itself. There are many parts of the country which could benefit from the regeneration that these kinds of leisure developments can offer.
4. The Government recognises, however, that the casino proposals in the Bill represent a significant change and we need to take a cautious approach in order to assess whether their introduction leads to an increase in problem gambling. The Government has taken the view that the risk of an increase in problem gambling will be reduced if a limit is imposed on the number of casinos. We have therefore decided to set an initial limit on the number of Regional, Large and Small casinos of 8 each. The identification of operators and locations for the new casinos will be subject to broadly the same arrangements in each case.
5. The Government believes that, in order properly to assess the impact of these new casinos, there needs to be a sufficient number of casinos in each category to allow the impacts to be assessed in a range of areas and types of location that might be suitable (including, for example, urban centres and seaside resorts across different parts of the Britain). A limit on Regional, Large and Small casinos of 8 each is consistent with this aim while at the same time ensuring that any risk of problem gambling is minimised.

The Government has decided to appoint an independent Advisory Panel to recommend the areas for the Regional, Large and Small casinos. Following the Panel's advice the Government will decide the areas where each of the new casinos may be licensed.

6. Once an assessment has been made of the impact on problem gambling of the limited number of new casinos, it will be easier to judge the continuing need for a limit. No earlier than three years after the award of the first premises licence, the Government will ask the Gambling Commission to advise on whether the introduction of the new types of casinos has led to an increase in problem gambling or is increasing that risk. We believe such a period is necessary to ensure a full assessment can be made of the impact of the new casinos. If the Government, on the basis of the Gambling Commission's advice decides to propose that more casinos may be licensed then the Order providing for this will need to be approved by Parliament. We will also want to assess, with the help of regional bodies, what the regeneration and other economic outcomes have been.
7. This policy statement sets out our policy on casinos in more detail below, including the role of the Advisory Panel in recommending areas for the new casinos and arrangements for casinos which already have a licence under the Gaming Act 1968. The proposals for casinos outlined here are for England, Scotland and Wales. Responsibility for the planning system in Scotland and Wales is for their respective devolved administrations. None of the proposals here will affect the ability of local authorities to refuse to have a new casino of any size category in their area.

The Advisory Panel on new casino locations

8. The Secretary of State for Culture, Media and Sport will appoint an independent Advisory Panel to advise her on the areas in which the new casinos should be located. The Panel will collectively have knowledge and expertise in a range of matters including planning, securing regeneration, tourism and addressing the social impacts of gambling. Clearly, all Panel members must be able to demonstrate independence from any potential interested parties and must have an appreciation of the need for impartiality.
9. In order to ensure that the impact of the new casinos can be assessed on the basis of a broad range of information and experience, the Advisory Panel will be asked to identify areas for the new casinos which will provide:
 - a good range of types of areas, and a good geographical spread of areas across Britain;
 - The Panel will also want to ensure that those areas selected are willing to license a new casino.

Subject to these criteria, the Panel will be asked to choose areas in need of economic development and regeneration (as measured by employment and other social deprivation factors) and likely to benefit in regeneration terms from a casino.

10. The Advisory Panel will invite views from interested parties. In taking forward its work it will in particular invite the Regional Planning Bodies in England to identify a list of broad locations for Regional casinos emerging from their work on the Regional Spatial Strategies. Before the Advisory Panel finalises its recommendations on areas for Regional casinos it will need to ensure that these areas are compatible with the broad locations identified in England in Regional Spatial Strategies or in any draft revisions of Regional Spatial Strategies before the First Secretary of State.
11. The Advisory Panel will be asked to offer Ministers a list of up to 8 recommended areas for each of the three categories of casino. The Secretary of State will consider the Panel's recommendations. After consulting the Scottish Executive and the Welsh Assembly Government, the Secretary of State will then decide which areas to designate.
12. The Panel will be able to begin its work in the course of 2006, taking account of views put forward to Regional Planning Bodies as they progress the preparation of revisions of Regional Spatial Strategies, and of local authorities as appropriate. We do not expect it to complete its work before the end of 2006.

Planning for casinos

13. In England, Regional Planning Bodies as part of their revision of Regional Spatial Strategies will need to consider possible broad locations for Regional casinos within their region. Their proposals will then feed into the recommendations of areas for the initial eight Regional casinos by the Advisory Panel. In revising their Regional Spatial Strategies, Regional Planning Bodies need to take into account national planning policy guidance. Planning Policy Guidance Note 6 "Planning for Town Centres and Retail Developments"/ draft Planning Policy Statement 6 "Planning for Town Centres", Planning Policy Guidance Note 13: "Transport" and the two joint statements already provide a comprehensive policy framework for casino development.
14. The Government does not consider that a separate national planning policy statement on casinos is required. However, it will consider whether there needs to be further clarification or development of its planning policy in respect of casinos in particular, in finalising PPS6.
15. For all three categories of casinos, the identification of specific sites will be for local planning authorities in their local development framework, having regard to national policy and the Regional Spatial Strategy. Local planning authorities will also be responsible for deciding applications for casino developments.
16. Operators will be required to apply for planning permission in the usual way and all applications will be considered on their merits in line with national and local planning policies. Applications may come forward at any stage. Decisions on whether they should be called in for decision by the First Secretary of State will be made in light of the Government's call-in policy and the particular circumstances of the case.
17. It will be for the devolved administrations to decide to what extent these considerations should apply to them.

The operating licence

18. The Gambling Commission will award operating licences to companies on the basis of the usual licensing criteria, but incorporating an additionally stringent test of social responsibility to reflect the fact that Regional, Large and Small casinos will present hitherto untested risks of social harm. Therefore, operators will need to demonstrate a commitment to: ensuring effective measures for reducing the risks posed to vulnerable people by casino gambling products and the environment in which they are supplied, and making available information, advice and assistance to people using the casino who may be affected by problems related to gambling. The Commission will take account of the fact that greater commitment and resources is likely to be needed in the case of Regional casinos because of the greater risk they pose, particularly because of the availability of Category A machines. There will be no limit on the number of operating licences that may be granted.

The premises licence

19. A local licensing authority will only be able to award a casino premises licence if one has been identified for its area. The process for awarding a premises licence will be open to all operators. It will have two stages. The first stage will be a regulatory test to ensure that all proposals satisfy the regulatory premises licensing requirements already in the Bill. The second stage will be triggered where there are more applications for casino premises licences than the local licensing authority is permitted to grant.
20. The second stage of the process will be a competition held by the local authority on the wider casino proposal. We will consult with the Local Government Association and others on how the competition should be conducted. The competition could be judged on a wide range of issues, reflecting the issues that are important in the local area, local concerns and priorities. These may include, for example, employment and regeneration potential, the design of the proposed development, financial commitments by the developer to local projects, location, range of facilities and other matters. The local authority may wish to provide an opportunity for consultation with local people. The local authority would set out its priorities and concerns in a set of objective key considerations and it will then invite operators to submit entries to the competition. The eventual winner of the competition will be eligible for a full premises licence once he has obtained planning permission and the casino has been built.
21. The operator will therefore need to have an operating licence, a premises licence and planning permission. The planning permission is likely to be subject to a planning obligation.
22. The premises licensing process and the planning consent process will need to be conducted taking account of the need to clearly separate the licensing and planning functions. ODPM and DCMS will issue guidance to local authorities on the propriety issues surrounding these processes. The fact that an applicant's proposal may be the preferred option in the competition will not guarantee planning permission. Once planning permission has been granted and the casino has been built, the operator will

be able to apply for a full premises licence, which he could expect to obtain provided there has been no material change in the proposals since the competition.

Casinos which already have a licence under the Gaming Act 1968

23. The arrangements described above for Regional, Large and Small casinos are aimed at minimising the risk of problem gambling from an increase in the number of casinos, particularly from a proliferation of high stake and high prize gaming machines. Existing casinos will be allowed to continue to operate, and to have the opportunity to compete for the new licences. But the Government does not believe it would be appropriate to allow them to have all the new casino entitlements in circumstances where a limit is imposed on the establishment of new casinos.
24. Accordingly, we propose that there will be no size requirements on existing casinos and they will not be subject to the ban on advertising and the 24-hour rule. They will, however, be restricted to their current gaming machine entitlement of 10 gaming machines of up to Category B and they will not be allowed to provide bingo or betting on real or virtual events.
25. Arrangements will be made to ensure that existing casino businesses can in the future be transferred to new owners and to new premises if the current premises for some reason become unavailable (such as end of lease or fire), so long as it is within the existing licensing area. A company operating a casino which already had a licence under the 1968 Act may apply for a Regional, Large or Small casino premises licence. If it is awarded one of them for an existing casino, then it will be able to operate it with all the new entitlements authorised by the new licence.

16 December 2004



House of Commons
Culture, Media and Sport
Committee

The Gambling Act 2005: A bet worth taking?

First Report of Session 2012–13

Volume I

*Volume I: Report, together with formal
minutes, oral and written evidence*

*Additional written evidence is contained in
Volume II, available on the Committee website
at www.parliament.uk/cmscom*

*Ordered by the House of Commons
to be printed 12 July 2012*

HC 421
(Incorporating HC 1554-i to vii of Session 2010-12)

Published on 24 July 2012
by authority of the House of Commons
London: The Stationery Office Limited
£30.50

The Culture, Media and Sport Committee

The Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Culture, Media and Sport and its associated public bodies.

Current membership

Mr John Whittingdale MP (*Conservative, Maldon*) (Chair)
Dr Thérèse Coffey MP (*Conservative, Suffolk Coastal*)
Damian Collins MP (*Conservative, Folkestone and Hythe*)
Philip Davies MP (*Conservative, Shipley*)
Paul Farrelly MP (*Labour, Newcastle-under-Lyme*)
Louise Mensch MP (*Conservative, Corby*)
Steve Rotherham MP (*Labour, Liverpool, Walton*)
Mr Adrian Sanders MP (*Liberal Democrat, Torbay*)
Jim Sheridan MP (*Labour, Paisley and Renfrewshire North*)
Mr Gerry Sutcliffe MP (*Labour, Bradford South*)
Mr Tom Watson MP (*Labour, West Bromwich East*)

Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at www.parliament.uk/parliament.uk/cmscom. A list of Reports of the Committee in the present Parliament is at the back of this volume.

The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some of the written evidence are available in a printed volume.

Additional written evidence is published on the internet only.

Committee staff

The current staff of the Committee are Elizabeth Flood (Clerk), Sarah Heath (Second Clerk), Victoria Butt (Senior Committee Assistant), Keely Bishop/Alison Pratt (Committee Assistants) and Jessica Bridges-Palmer (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Culture, Media and Sport Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 6188; the Committee's email address is cmscom@parliament.uk

Contents

Report	<i>Page</i>
1 Introduction and context	3
The situation prior to the 2005 Act	3
Criticisms of the 2005 Act	5
Our inquiry	6
The conduct of the inquiry	7
2 The three objectives of gambling regulation	8
Gambling and crime	8
A fair and open industry	8
Problem Gambling	9
Defining problem gambling	9
Extent of problem gambling	10
Under-age gambling	13
Preventing problem gambling	14
Gaming machines	15
Stakes and prizes	24
Tackling problem gambling	25
Self-exclusion	26
Research, education and treatment	27
The tripartite structure for raising and distributing the levy	28
Distribution of funds	30
3 The industry, tax and regulation	32
Factors external to the Act	32
Tax policy	32
Bingo tax	33
Casino tax	34
Online gambling	35
Regulation and the impact of the Act	38
Triennial reviews	38
Online gambling	39
4 Casinos	48
New Large and Small Casinos	48
1968 Act Casinos	51
Regional Casinos	52
A future for Regional Casinos?	54
5 The Gambling Commission	56
Cost and value	57
Regulatory activities of the Commission	58
Licensing fees	60
Champion or regulator?	62
Relationships and communication	63

The future: Merging Commissions and the move to Birmingham	65
The Health Lottery	67
Society Lotteries	68
Conclusions and recommendations	70
Annex 1: Information gathered in Australia and Macao	81
Annex 2: Methodology of the British Gambling Prevalence Surveys	84
Annex 3: Full Tilt	86
Formal Minutes	88
Witnesses	89
List of printed written evidence	90
List of additional written evidence	91

8 November 2011 Clive Hawkswood, John Coates, Peter Reynolds, Martin Cruddace and Charles Cohen

Q402 Philip Davies: Can I just have one sentence from all of you for when we do our report. Just so I am clear, what is the one thing that each of you would like to see us do that would help your legitimate licensed remote gambling industry?

Clive Hawkswood: I think the bottom line aspect must be commercial viability.

Q403 Philip Davies: So tax, is that what you are saying?

John Coates: A nuance on that is we would like to be able to remain in the UK, and there needs to be a change in the tax regime to allow us to do that.

Charles Cohen: I agree.

Martin Cruddace: I am a lawyer, I cannot do one sentence. I think fiscal policy is important, and my plea is to work with us—those that you may think are responsible—to help frame the proper licensing conditions and regulations to make sure the UK is attractive.

Peter Reynolds: I think, as I have said earlier, the UK regime is working well from a consumer's perspective. I think if the Government decides that it is going to go down this change route, on the basis of taxation, then it needs to be perfectly aware that it will increase the scale of the combined fiscal and regulatory wedge between regulated and unregulated, and it is this wedge that you need to make as small as possible.

Q404 Damian Collins: Chair, can I just ask Mr Coates—Paul Farrelly has gone now so you can speak

freely—your answer was slightly less clear than some of the answers you gave earlier on. Are you saying that if the regime stays as it is that you could leave the UK?

John Coates: As I alluded to earlier, we are getting to a stage where we cannot deal with double taxation now. The situation that we are starting to encounter now where we are taking licences in Denmark and Spain and perhaps Greece—it is unsustainable for us to be subject to double taxation. We would have to do something about that.

Q405 Steve Rotheram: Conversely then, if that is the case then given what Martin said about fiscal changes, would that attract Betfair to come back and relocate into the UK?

Martin Cruddace: Let us put it this way, I think that where we are licensed for the purpose of our business will depend on any number of factors. Clearly, an attractive fiscal regime in the UK will be a significant factor in any decision that we make.

Q406 Steve Rotheram: There might be a spot for you in Liverpool—I have got it all sussed out.

Martin Cruddace: That is great, thank you for that. I appreciate it.

Chair: Good. Thank you very much.

Examination of Witnesses

Witnesses: **Cllr David Parsons CBE**, Chairman of Local Government Association Environment and Housing Board and Leader of Leicestershire County Council, **Mike Holmes**, Local Government Association Advisor on Planning, **Richard Dowson**, Chair, Casino Network and Senior Business Development Officer, Middlesbrough Council, **Stuart Baillie**, Former Chair, Casino Network, gave evidence.

Q407 Chair: Good morning. Let us move to the second session this morning where we are looking at local authority responsibilities in this area. Can I welcome Councillor David Parsons, the Chairman of the LGA Housing and Environment Board and Leader of Leicestershire County Council, Mike Holmes from the LGA, Advisor on Planning, Richard Dowson, the Chair of the Casino Network and Stuart Baillie, who is formerly the Chair of the Casino Network.

Just to start off, obviously one of the consequences of the Act was that local authorities now have a role in granting premises licences. There have been complaints from the industry that no local authority has the same interpretation of the Act and the rules as another local authority, and as a result there is a lot of inconsistency. Do you think that is fair and to what extent do you think that the responsibility going to local authorities has been achieved successfully?

Cllr David Parsons: I am not sure whether it is fair or not. We are partnership bodies, as you know, local authorities, and we are used to dealing with a variety of people so we would expect the industry to become partners with local government. There are a large number of local authorities and, dare I say, we even

get on with Government Departments now. We would like to see partnership working and I do not think that that is particularly fair. I think the average council now is very good at working with a variety of different organisations.

Richard Dowson: I can only speak on behalf of the 16 authorities in terms of the casino but we have made a conscious effort to work together as the 16 authorities specifically on the casino process. In terms of working together across the board, I think hopefully with the Casino Network there is some evidence of good working in that particular area.

Q408 Chair: Councillor Parsons, can I just press you a little. The LGA view is essentially that the Act was a sensible move in giving responsibility to the local authorities and that it has worked reasonably well and you have no major problems?

Cllr David Parsons: I think that is true, yes.

Q409 Damian Collins: We have heard in previous sessions from the bookmakers with regards to clustering of betting offices. I want to ask you from a planning point of view, do you have concerns about

8 November 2011 Cllr David Parsons CBE, Mike Holmes, Richard Dowson and Stuart Baillie

the impact of the 2005 Act? Do you feel this has prevented local authorities' communities deciding they do not want any more betting shops in their centres and high streets?

Mike Holmes: I think it is an issue. It was almost an unintended consequence of the Act. Obviously the issues are of benefit in some high streets, but in many high streets where you get a large number of these betting shops coming, it is not regarded as attractive for the high street. In terms of the unintended consequence, I think there was no debate at the time about what the consequence was. There was a lot of debate about casinos, and the Gambling Act regulatory impact assessment by the DCMS in 2005 contained very little reference to betting shops and what would be the impact of any changes in the Act. There was a lot of attention to casinos and the culmination of that was the fact that casinos were taken out of the use class order. They were made *sui generis*, not in a particular use class, and that meant that planning permission would be required each time. Betting shops were not subject to the same treatment and, therefore, it was possible—taking away the demand criteria that the Act did—for betting shops to open up in places where they never envisaged they might go, using ex-banks, building societies, estate agents and that sort of thing, even takeaways. It did seem to be a little odd that there was not that consideration for what should happen at the time. I think there are issues then about when you do get planning permission, which Councillor Parsons might want to speak about. I am not saying it is an issue all over the country, but certainly in certain places where perhaps you would have concern about the social issues that arise from this, it has become an issue.

Q410 Damian Collins: Did you want to add anything, Councillor Parsons?

Cllr David Parsons: Local authorities have said to us that clustering is an issue and I think that the problem at the moment is the ability of local authorities to control that if they want to—I am a localist, so I would want them to—it is limited. There are limited planning powers and they are also pretty tight. If you are trying to control them via licensing there are pretty tight regulations that probably will not enable you to do so. The trouble is that if a locality decides that it does not want these betting shops and they make the decision locally, they would possibly be overturned nationally by the Planning Inspectorate. That I find unacceptable and I think that is somewhere where we need to move.

Q411 Damian Collins: Do you think that in practice, there is nothing that local authorities can do to stop a reasonable application to open a new betting shop?

Cllr David Parsons: It is beginning to look like that, I agree. I think if a locality wants to limit this clustering then it needs new powers.

Mike Holmes: Can I add to that? In terms of the way the Coalition Government is proposing to move with the National Planning Policy framework, it is a very high-level document and does not go into any detail to help local authorities on that side and I would suspect that many local plans of local authorities do

not, at the moment, contain policies that relate to that sort of issue. Therefore, one of the concerns is if there is nothing mentioned in the National Policy framework, nothing mentioned in the local plans, local authorities do not have any degree of policy backing for any planning reviews of these issues. We can talk about Article 4 directions, and so on, which is perhaps an expense for local authorities—it is perhaps difficult to introduce potential compensation—but they do not give local authorities real control in this situation.

Q412 Damian Collins: The expansion of the number of betting shops you could say has been driven by the demand to play B2 gaming machines. That seems to be one of the resources that are commercially viable. If that is the case, would you rather have no expansion at all or would you say, rather than having more betting shops, let us just have more machines in the shops that we have and let them expand and have more than four machines?

Cllr David Parsons: I think that is up to local authorities locally. This is what we have been saying. There is an argument—I do not know how strong this is—that you only allow four B2 machines in a particular facility. They are highly profitable and so to get more of these you need to open more betting shops. I think that is a tragedy.

Q413 Damian Collins: As a localist, Councillor Parsons, do you think that councils should be able to allow adult gaming centres to have B2 machines in their arcades as well? It seems strange that you could have a betting shop next door to an adult gaming centre and one is allowed to have one and the other is not.

Cllr David Parsons: The simple answer to that is, I am not being pestered by members of the LGA to do that.

Damian Collins: You have issued the challenge now.

Cllr David Parsons: I am more than happy to take that challenge up but I have no specific instructions from my members on that.

Q414 Damian Collins: But as a point of principle, do you think there should be this distinction between different types of gaming centres? I can think of a high street in my constituency that has an adult gaming centre and two bookmakers. Should there be restrictions on what can go in one type of premises and not another?

Cllr David Parsons: I do not see the logic myself, particularly.

Q415 Damian Collins: Do you have any views?

Mike Holmes: No view. It does not seem right in one way to have that artificial divide.

Q416 Damian Collins: Just one final question. If the betting shops were here, the bookmakers were here, they would probably say that without any change in the regulations all applications will be stopped. Do you think that there is a reluctance from local authorities to give planning consent to new gaming centres because of their interpretation of what the local population wants?

8 November 2011 Cllr David Parsons CBE, Mike Holmes, Richard Dowson and Stuart Baillie

Mike Holmes: I am not sure it would stop completely. It would be a decision based on the merits, but debating what the issues are locally rather than not having any control at all. It may be a good use of an existing building, or something like that—the arguments could be there—or bring some life to an area. But, on the other hand, the other issues that we have heard about—people standing on street corners and perhaps not providing the right atmosphere to attract other businesses—is to the fore.

Q417 Philip Davies: Mr Holmes, you said earlier about the social problems that clustering of betting shops brought. What social problems?

Mike Holmes: I think they create an atmosphere in an area that is not conducive to attracting businesses or customers to their businesses. It is partly to do with issues around smoking and so on, but people standing around and perhaps appearing slightly threatening in certain circumstances would not be attractive if you want to get people investing in high streets and similar areas.

Q418 Philip Davies: Where have people been standing around threatening outside their betting shops?

Mike Holmes: I have read the evidence from a number of local authorities that that is the case.

Q419 Philip Davies: Have you ever been into a betting shop?

Mike Holmes: Yes.

Q420 Philip Davies: Did you find it a threatening environment?

Mike Holmes: Not the ones I have been into.

Q421 Philip Davies: So where were these threatening environments that you are talking about?

Mike Holmes: As I understand it, there are certain areas where there are eight of these establishments in a cluster and that is the atmosphere that is created when people—perhaps down to the smoking regulations, and so on—are standing outside. It is not perhaps the family type of atmosphere that you would want.

Q422 Philip Davies: You talk about the demand test for the local authority. There is an ultimate demand test. It is a far better demand test than any local authority has about whether or not a local councillor fancies having a fish and chip shop somewhere or a betting shop somewhere—it is called customer demand. Betting shops, presumably, only open because there is a customer demand. Surely that is a more ultimate demand test than whether or not some worthy people on the local council feel that there should be a shop down a particular street or not, is it not?

Mike Holmes: It does not give any opportunity for local people to determine that.

Q423 Philip Davies: It is a demand test, though, is it not?

Mike Holmes: It is a demand that may be fuelled from outside an area, rather than inside the area or the locality itself.

Q424 Philip Davies: But if it is from outside the area—surely local authorities are for ever saying that they want people to come from outside into the town centres? If you are saying that this is providing a demand from people coming outside into an area, surely the local authority would be all over that like a rash; surely they would be welcoming this infiltration of people from outside?

Cllr David Parsons: There is a natural logic to your argument; maybe a town should consist all of betting shops, and then we would perhaps—

Q425 Philip Davies: That is a ludicrous argument, is it not? I am talking about the demand.

Cllr David Parsons: I am talking about the direction you are—

Q426 Philip Davies: There would not be the demand for that, would there? We are talking about a local authority. Betting shops open where there is a demand for their product. If there was not the demand amongst your local residents for that product they would not be opening up, would they, because there would be nobody in there?

Cllr David Parsons: I think that is what we are here to discuss. If you want a personal opinion, I would not like to live in a town that consisted of a large number of betting shops.

Q427 Philip Davies: Why not?

Cllr David Parsons: Because I want a nice, prosperous, vibrant town that has a lot of variety around it.

Q428 Philip Davies: I find this slightly nauseating, because here we have—

Cllr David Parsons: It is only a personal opinion.

Philip Davies: Local authorities have probably single-handedly done the most to run down town centres through things like high car parking charges, a restricted amount of time that people can park somewhere. We were wondering about why nobody goes to the town centres any more. I am a former retailer who used to open out-of-town shops. Why do people go to those places? Why is it that town centres have gone downhill? It is because local authorities say, “You can park here for half an hour. By the way, it will be £2 for half an hour’s parking. If you are a minute late the old warden will have put a sticker on your car; so don’t bother coming back here—there will be a £60 fine.” Then local authorities are wondering why nobody wants to open up in the high street apart from local betting shops. Perhaps if you were a bit more sympathetic to the high street there might be all these people wanting to open up in the high street apart from betting shops.

Cllr David Parsons: I think there is something in that; I have to agree with Mr Davies. If he wants to come to Leicestershire he will see that we follow, broadly, the line that he is pursuing, with great benefit to our town centres.

8 November 2011 Cllr David Parsons CBE, Mike Holmes, Richard Dowson and Stuart Baillie

Mike Holmes: I was just going to say many of our authorities are doing their best to recruit people into High Streets. There is an argument about all these car parking charges and congestion, and so on, which we could have another debate about. But I do not want to go there. The point I make is I can take my children into Bournemouth, Christchurch Road, for example, and they can go into all the premises in there apart from one or two betting shops. We do not have big clusters there. In other places where there is cluster, they are creating premises that are not family based. You cannot take your children into them and that creates a different atmosphere than would otherwise be the case.

Q429 Philip Davies: You just walk past that shop and into the next one that you can go into.

Mike Holmes: But if there are fewer of those other shops—

Q430 Philip Davies: The point is, though, about these betting shops—you were saying earlier that they were in ex-banks, ex-building societies. That is the whole point, is it not? The reason why betting shops are moving into premises is for one reason only—because they are vacant. Is it really the local authorities' stance that they do not like betting shops because somebody here thinks that they are slightly threatening places, because somebody there thinks, "I don't want a shop there that I cannot take my child into"—that because of that kind of prejudice and bias, they much prefer to have a boarded-up shop than an extra betting shop in the high street? Because ultimately, it is not a question of whether you have a bank or a betting shop, a building society or a betting shop, or a takeaway or a betting shop; it is a question of, do you have a boarded-up shop or a betting shop, is it not?

Mike Holmes: I think the situation with betting shops is they have been able to outbid a lot of other users that might have gone into those premises, and prime premises as well. That has been a consideration.

Q431 Philip Davies: Why is it so unattractive for other retailers and other people to want to open up in your wonderful high streets?

Cllr David Parsons: It is not.

Q432 Philip Davies: Why are they not doing it then?

Cllr David Parsons: I have invited you to Leicestershire and we will have a look round.

Q433 Philip Davies: Why are they not doing it? If there is all this clustering of betting shops, why are all these people not wanting to open up?

Cllr David Parsons: We are responding to our members of the LGA who say that this is a problem and we can provide you with areas where this is becoming a big problem.

Q434 Philip Davies: Isn't it a fact that there are no more betting offices now than when the Gambling Act was first introduced?

Mike Holmes: That is true, but obviously the locations of those betting shops have changed over

time as well. A lot of the older premises were not suitable for modern use.

Q435 Chair: I think it was Budd who suggested that in the spirit of localism, local authorities could or should be able to say that they do not think gambling is an appropriate activity to take place in their area and they do not want any such shops at all. Would you support that?

Cllr David Parsons: I would support that. Did you say Barnett?

Q436 Chair: Budd. The *Budd Report*, originally on the Gambling Act.

Cllr David Parsons: My line is that I would support local councils saying that, if they so desired, because I am a localist—as is this Government, I understand.

Chair: Let us not go down that road.

Q437 Steve Rotheram: I was interested in that because it depends on how local "local" is. Just 100 yards from where I live there are now three betting shops, with the potential of a fourth, clustering their way along what used to be quite a vibrant little shopping area. It had charity shops and other stuff and as Mike just mentioned, they have outbid the likes of the charity shops to enable them to take over these premises. But conversely, I walked down the Kings Road—having now been in London for some time—and I did not see one betting shop. It seems that they are very much located in more working-class areas than well-off areas. If it is all about cluster demand, I am sure there are plenty of people in the Kings Road who have a few bob who would not mind a flutter. I would have thought it is about the activism of the people around there preventing betting shops coming in.

Is the proliferation partly due to what was said earlier about the restriction of the B2 machines—and, therefore, if you can only have a few in each shop they would rather open more shops—which I am told generate about 50% of the betting shops' profits?

Cllr David Parsons: I have recently met this B2 machines argument. I must admit I have never played them. It seems to me to be bizarre that more betting shops will be opened because they want more B2 machines, but this seems to be what is happening. I have already said I do not particularly see the logic of limiting that.

Q438 Chair: Can we turn now to casinos, probably to the Casino Network to begin with. You represent the 16 authorities that were successful in applying for the ability to award licences to new casinos. You know as well I do that since that process took place not a single casino has opened, although there are some in the pipeline. How confident are you that in due course new casinos will be opening in all your 16 areas?

Richard Dowson: We are very confident. You mentioned the one that is about to open next month, which will be open for Christmas. There are a number of the 16 now that are well on with their competition process and probably in the position to issue licences within the next three to six months. There are a

8 November 2011 Cllr David Parsons CBE, Mike Holmes, Richard Dowson and Stuart Baillie

number of others who are closely following behind in terms of launching, or are just at the outset of their competition process. The issue there is—maybe we will come back to the actual process for issuing the licences—obviously, it is one thing to issue a licence, but a lot of the proposals that have come in are for new build developments as well. The one that is just about to open next month is part of an existing development, but a number of others are coming forward with new build or major refurbishment projects. You have to build in there the time for the development of the casinos as well. As I say, in terms of the process itself, a lot of the authorities are moving forward and we are confident that the 16 will be developed.

Q439 Chair: You will be aware of the controversy over the whole casino history. What did you think of the process under which the licences were awarded?

Richard Dowson: Obviously there was a bidding process and I think it is fair to say at the time of that bidding process we were in a completely different economic climate than we currently are. Having said that, we bid and the process itself transpired and obviously, as it was, 17 authorities were issued with the proposals to grant licences. I think in our view what we were left with was an outline framework to run these competitions and issue the licences and, therefore, a lot of time and effort has had to go into developing the processes, more around stage 2 of the competition. Stage 1 is a fairly standard regulatory process but regarding stage 2, where the greatest benefit test came into play, the legislation gave no real detail as to how local authorities might undertake that process. As I said in answer to your very first question, Chair, the 17 came together in order to develop a consistent approach so that we did not find Middlesbrough coming up with a completely different scheme to Newham. It has taken a bit of time, due to other factors as well, but we think we have a fairly robust system to issue these licences now.

Stuart Baillie: If I could just add to that, Chair. In the way the Act was prescribed the authorities have been left a lot of responsibility to get their processes in place and the Network Group has been an effective group in doing that. Each of the authorities is acutely aware of the likelihood of legal challenge in the decision making, so we have proceeded with a lot of caution in the process to get to the stage that we are at today.

Q440 Chair: I think it is fair to say that when we had representatives of the casino industry in front of us they were not quite as optimistic as you about the likelihood of all these licences being taken up and new developments occurring.

Richard Dowson: In terms of the authorities that have undertaken or are in the process of their competitions, I think it is fair to say that there has been interest. Going back to 2006, you might have envisaged a higher level of interest than has transpired, but each authority that has gone through the competition to date has developed a relatively good interest in their individual competitions. I think there is one authority

that obviously did not get to the competition stage but the rest are all proceeding to stage 2.

Q441 Chair: We have this slightly strange position where you have the lucky 16 who were selected in what is a fairly strange process. You then have another set of authorities who are permitted under the original 1968 Act on permitted areas, and then you have ones that are not permitted at all because they are not covered by either Act. Would you agree that that does seem a pretty unsatisfactory position?

Richard Dowson: It is the position we found ourselves in. Obviously it is not down to the 16. We had some areas that are permitted areas and others that are not. I think, from the 16 authorities that have the permission to grant licences, where we find ourselves is that when Parliament passed the Act it was very much about pushing these 16 forward as a test, an experiment if you will, in terms of liberalising some of the rules and regulations around machines and the size of the floor space, and so on. The issue of putting forward the 16 was almost a controlled measure to help see the impact of that. Obviously we are now hopefully into a process where these casinos will start to open their doors and we can start to measure that impact, and that may well come back into the argument at a later stage about whether more licences are passed, whether there is more liberalisation, and so on. As the 16, our task at the moment is very much to get these casinos up and running and see the impact of that, and it is obviously for Parliament to govern whether that leads to further changes in the regulations or not.

Stuart Baillie: Just to elaborate a little bit on that, the 16—and other authorities, indeed—went into the casino advisory panel pitching process, if you like, and had their eyes opened to that process and understanding it. They went into that process on the basis that at the time there would be 17 casino licences granted, with the new regs and requirements satisfied. I think where certain elements of the industry are coming into this—to maybe allow some of the existing 140 casinos under the 1968 Act to report into other authority areas—was not on the table when the 16 authorities pitched in for this process. It would be quite a dramatic change in the circumstances.

There is also a significant implication for the 16 authorities who are looking to attract regeneration benefits—that if another casino is allowed to move into a neighbouring area, for example, then that could be detrimental to the impacts and the benefits that could be achieved.

Q442 Chair: Perhaps I should put the question to the LGA as well, because there were local authorities that were very keen to have casinos but are not in permitted areas and are not among the 16 that were chosen. So, in the spirit of localism, would the LGA say that they should be allowed to have casinos?

Cllr David Parsons: I did check before I came and we have had no feedback from local authorities whatsoever on this issue. For us, it is a pretty niche, 16 local authority enterprise. We have had no feedback, and as for extra to the 16, it is probably a different economic climate from when these 16 were

announced. We do not anticipate there will be huge interest from local authorities.

Q443 Chair: As I recall, I think 40 or so local authorities originally applied, so there were 24 or 23, I suppose, who were wholly unsuccessful. Your view is that they have just completely lost interest now and gone off and thought of something different to do.

Cllr David Parsons: The fact is that we have had no feedback from those and that is the state at the moment.

Mike Holmes: Some of those authorities do have casinos within their areas anyway.

Q444 Chair: But they will not be allowed the new ones?

Mike Holmes: That is right, but they have existing ones in their area so it might not be so much of an issue. The other issue is, if there is a new casino it will require planning permission, so it gives a degree of local input into the decision-making process.

Q445 Mr Sanders: On the casino point, how significant a blow was it to local authority regeneration plans when the regional casino concept was shelved?

Richard Dowson: I think there were a number of authorities that bid for both regional and large, or large and small, and so on. As I said before on an earlier point, 2006 was a different economic climate and I think, yes, there was a lot of potential thought around the fact that the regional casino might develop greater regeneration benefits. If we put that into play today—i.e. granted a new regional casino—there could well be authorities that wished to pursue that. As a local authority that has a large casino, or permission to grant a large casino, where we are left at the moment is that the benefits that have been proposed in my particular authority area are reasonable. To an area like mine there are some good potential benefits that could accrue out of the competition process.

I think the regional casino would rely on international operators. Forgive me—I did read some transcripts from previous sessions, and I believe the operators themselves have made the point that international operators might take up the regional casino mantle. Again, in terms of whether there is the interest from industry to do that, I am not entirely sure. It is certainly not something that has been pushed to us by operators that we have been in discussions with or through organisations such as the National Casino Industry Forum. I think originally, yes, there were some fairly grand regeneration plans that were put on the back of potential regional casino bids.

Mike Holmes: I think, as Richard has already said, the world has moved on a little bit. Things have changed since then and, speaking as one of the authorities that were unsuccessful, we have moved on and something different that is coming forward is our regeneration element. I think if it is to change, there needs to be a re-evaluation of all those benefits that potentially come forward. Of course, there was a document in 2008 produced by CLG, I think, that tried

to evaluate the potential for regeneration. In my view, it was slightly inconclusive regarding the regeneration benefits. There is still a lot more understanding to be had about the subject.

Q446 Chair: The one authority, obviously, that I think still is extremely keen is Blackpool. You do not detect any others who would still view a regional casino as something that might provide major benefits?

Cllr David Parsons: Correct.

Q447 Mr Sanders: What assessment do local authorities make about the social impact of problem gambling in their localities?

Cllr David Parsons: The LGA has not made an assessment itself. As we have said, we would need powers on the issue of clustering and we have said that to stop clustering we need those planning powers. But we have not made an assessment.

Q448 Mr Sanders: You have not got a composite view of the extent of problem gambling, just a problem of clusters?

Cllr David Parsons: Yes.

Q449 Mr Sanders: Would the answer be to change their designation within the planning regime—betting shops?

Mike Holmes: I think they should be made sui generis in the way casinos were made sui generis. It would have enabled local authorities to have an input into the decision-making process, which they do not have in many cases at the moment.

Q450 Mr Sanders: Am I right in thinking that if a bank closed, you do not need a planning change? A betting shop is not a bank.

Mike Holmes: Or if a takeaway closes, or something like that.

Q451 Chair: Finally, obviously the enforcement role is now primarily one undertaken by the Gambling Commission, but local authorities do have an involvement as well. How is that working and what sort of relationship is there between local authorities and the Gambling Commission?

Cllr David Parsons: I am told that that is good. I do not have personal experience of that but I am told that the two bodies used to meet bi-monthly.

Q452 Chair: When you say two bodies, the Gambling Commission is one?

Cllr David Parsons: The LGA and the Gambling Commission. I am told they get on well and that there is a degree of understanding between the two bodies.

Q453 Chair: Your members essentially have confidence in the Gambling Commission—in what they are doing?

Cllr David Parsons: Yes.

Chair: All right, I think that is all we have. Thank you very much.

Oral evidence

Taken before the Culture, Media and Sport Committee

on Tuesday 18 October 2011

Members present:

Mr John Whittingdale (Chair)

Dr Thérèse Coffey
Damian Collins
Philip Davies
Paul Farrelly

Mrs Louise Mensch
Mr Adrian Sanders
Jim Sheridan

Examination of Witnesses

Witnesses: Roy Ramm, Director, NCiF, and Compliance Director, London Clubs International, Peter Brooks, Member, NCiF, and President and Chief Operating Officer, Genting UK, and Simon Thomas, Member, NCiF, and Chairman, Hippodrome Casino, gave evidence.

Chair: Good morning. This is a session of the Committee's inquiry into the implementation of the Gambling Act. We have received apologies for our first session from Michael Silberling, who is unable to be with us, but can I welcome Peter Brooks, the President of Genting UK, Roy Ramm from London Clubs International and Simon Thomas, who is developing the Hippodrome, and all three of you also sit on the National Casino Industry Forum.

Q1 Mrs Mensch: Has the Gambling Act of 2005 overall put the casino industry in a better or a worse position?

Roy Ramm: If I may kick off and then refer to my colleague, Mr Peter Brooks, to pick up some of the comments there. Thank you very much indeed for the opportunity to be here. We represent about 90% of the casino industry through the National Casino Industry Forum.

The Gambling Act of 2005 was intended to construct a pyramid of regulation and the casino industry was intended to be at the top of that pyramid, so there was intended to be a structure of regulation around us that was reflective of the kind of gambling products that we had to offer, and I think that one of the main messages that we wish to get across to this Committee is that we feel that that pyramid has been inverted to some degree and the Act has not delivered what it should have done. So at the top of that pyramid, we do have the measures in place to offer a well-protected, well-regulated gaming product, but when you look at the casino industry as one brief statistic—and we will try not to throw thousands at you—but there are 248,000 slot machines in the UK, less than 1% of them are in British casinos. There is a lack of differential now between the product that we offer in casinos and what is offered in other gaming establishments. The last comment I would make before turning to Peter to pick up is that taxation since the Act passed has also made it very difficult for us to maintain our position at the top of that pyramid. Peter.

Peter Brooks: Picking up on the detail in response to your question, and in particular picking up on the tax point, I realise the Committee is not concerned with tax, but when you look at the gambling industry and

the casino industry in particular, it is impossible to avoid the tax impact on what has happened to us as part of the package. So in answer to your question, the Gambling Act has undoubtedly given the casinos some positives, but in the overall picture, it has failed to do two things for us. One, as Roy has said, it has inverted the pyramid between the highest levels of responsibility and security from a supervision and access perspective with the highest level of gaming product. Roy touched on that. The other thing that it has done is that it has in effect created a twin-track process, so you have the new casinos that are capable of being created under the 2005 Act—but, and I am sure we will come back to this, none yet opened, although I think one is due to open next month, the first one four years past the Act coming into effect—and on the other, the 1968 Act original casinos, of which there are over 140 today, which are frozen in aspic. We are stuck for the existing industry. It is almost as though the Act ignored the existing industry altogether.

In terms of impacts, there is what we refer to as the 2007 package, so it is a combination of the smoking ban—which applied to all premises, of course—tax, which dramatically increased as a cost burden, and finally the Act itself, which importantly in the context of machines removed the ability for casinos to have a category of machine, so we are now limited to 20 machines. What you have seen since then, and this is reflected in the Ernst & Young report, which is part of our evidence, is after an optimistic period leading up to the Act with considerable investment, a big decline in investment. We have seen more than, up to now, 23 casino closures. The net number is like a dozen if I ignore the small electric format—which doesn't really compute—that is just using an existing licence. We have seen a reduction in jobs of the best part of 1,100 rising to 1,300. It varies, so whereas there has been an employment reduction generally of about 3%, within our industry it has been about 11%, and you have, as I say, seen this big reduction in capex. Therefore part of the points that we are making and the measures that we have included in our evidence that we are promoting are about creating a better framework, both in the context of the regulatory

pyramid and to encourage us to do what we want to do, which is to invest more to create more jobs, and by the way, pay more taxes, which we recognise is part of the package.

I have not touched on profitability, but again, the Ernst & Young report shows that with variations, depending on the category of casino, be it high-end London or low end and outside London, you are seeing very significant reductions in casino revenues, as great as 20% in some instances. Now, I should say in closing there has been some improvement since then, certainly in terms of profitability, because a great deal of cost has been taken out of the industry and that has been how we have been keeping things going forward. I hope that gives you a picture in response to the question.

Mrs Mensch: Do you have anything to add, Mr Thomas?

Simon Thomas: I think it has all been covered.

Q2 Mrs Mensch: Let me just ask for clarification. You have spoken about the deficiencies in the Act and what it didn't do, but just going back, you have spoken about the many problems in the casino industry, not all of which are attributable to the Act, that come from the smoking ban, the tax regime and so forth. Would you say overall though that the 2005 Act helped or hindered your business as casinos?

Roy Ramm: Hindered.

Q3 Mrs Mensch: You would say it hindered it. You touched briefly at the end there on the revenue that casinos have generated. What effect has the Act had on the number of people coming to visit casinos and spend money? There are two parts to this question. First of all, how has it affected revenues overall, and secondly, how has it affected visitor numbers coming in to use casinos and enjoy your product?

Peter Brooks: In terms of visitors, we have seen growth in admissions although not enormous growth. That has been helped by one of the early freedoms, which was to remove the requirement for membership and removal of the 24-hour wait period. No doubt that has helped. What has also helped is that the industry, despite the impediments, if you like, under the Act, has continued to modernise in the sense of producing a more modern, entertainment-orientated product, so it is attracting a broader audience, so you are seeing admissions going up, but at the same time you are seeing revenue per head going down. So it is a mixed picture on that. In terms of revenues, I only have the numbers up to the end of 2009, but in the high-end London casinos, they were about 20% down; in the outside London estate, it is a figure of a little bit more than 11%.

Mrs Mensch: These are revenue numbers?

Peter Brooks: These are revenue numbers. They are in the Ernst & Young report at pages 11 and 12.

Q4 Mrs Mensch: It is very important if we are to have responsible gambling that the casino industry attracts a broader range of people, rather than raising revenues from a static number of people who may have a gambling problem and spend too much on gambling. Attracting greater numbers is extremely

important. Can you summarise how the Act has affected different types of casinos? Has it had a differential impact on sort of smaller casinos versus larger ones or has the impact been widely shared across the board?

Roy Ramm: The Act has created a twin track, which Peter alluded to in his opening remarks. What we have is an industry—the 1968 industry, if I may bracket it like that—which is simply not moving forward because we had this other track of the 2005 Act casinos, and there is this notion that we should see the outcome of the 2005 Act casinos before anything happens with the 1968 Act. The 2005 Act is simply going nowhere very quickly at all. The majority of the industry is not moving forward.

Mrs Mensch: Sorry, just to clarify, you are saying that the 2005 Act prevents liberalisation of regulations affecting those casinos operating under the 1968 Act because of the wait and see period?

Roy Ramm: Yes. The wait and see period is endless, because there were 16 licences, and as Peter has said one is due to open soon. There are a number of local authorities that have not even begun the process. Some local authorities have no intention of beginning the process, so the idea that we wait for the outcome of 16, it is just never going to happen. So that is the main difference between the current industry and, if you like, the 2005 Act industry.

On the second part of your question on how the Act affects the different segments of the industry, at the high end, across the industry, we have had to reduce costs, so our ability to compete in the international market, where people are looking for air travel, hotel accommodation, all that kind of stuff, has been narrowed. Our profitability has been squeezed, so we are not competing well with the high end of the market. I guess lower down the market, where we have got more volume—I look to colleagues to pick up on this—but where we have got more volume, this is where the almost 18 million visitors is coming from, and that has been reasonably positive, I would say.

Peter Brooks: Yes, I think one could add two things to that, the first in terms of the volume clubs, the loss of that category of gaming machine, which I described, that had to be removed, for a large club that is a much more adverse impact than a small club, in terms of footprint. The example of that is in that in the very busy clubs—and my colleague has one of these in Leicester Square, the Empire, and there is another good example in Newcastle—regularly on a Friday and a Saturday night, there are people queuing for the 20 slots that are available. So you have 1,000 people in a club, plenty of tables being occupied, but they are queuing to get on the slots. So at that end, you have a more stark impact. At the smaller end, much less so, because it is a small footprint, and in many cases you could not even take up your full allocation of 20 slots. Then in the international market, again it is very stark, because the maximum stake in a slot machine is limited to £2, two things happen. First of all, for players within a high-end club, they are never going to play slots, so we do not have them, because they might have a minimum bet of £25

18 October 2011 Roy Ramm, Peter Brooks and Simon Thomas

on the blackjack table, why are they going to put £2 in a slot machine? It isn't going to happen.

You will find internationally what happens with the very large numbers of slots that more typically they will have, what they are offering is a very wide range of stakes and prizes. Being limited to 20, quite apart from the production problem in procuring slot machines with such a small market, you have very limited opportunity to offer a range of choice, whereas when you go to major gaming centres, or indeed if you go as far as Rotterdam, where I was six months ago, you find 800 slot machines in their casino there. You have got a full range, so you can offer a machine, if you choose to, with a stake and a prize which is much more commensurate with the experience people are having on the tables. Those I think are the differential impacts.

Chair: We are going to come on in greater detail to slot machines.

Q5 Damian Collins: I was interested in the answers you gave to my colleague: where does a casino make its money? Where is the greater part of its revenue coming from? Is it from the slot machines or is it from the tables or other gaming or entertainment that might happen within the building?

Roy Ramm: In the UK, if you look at slot machine revenue versus table gaming revenue, it is 15% of revenue comes from slot machines, 85% from tables. That is the second lowest in Europe. There are 23 countries that provide evidence to the European Casino Association and we sit at number 22, just above Hungary. At the top of the pile is France, where I think they are about 90%, it is 15% in the UK.

Damian Collins: That is the revenue, but what are the profits?

Roy Ramm: Well, that is quite difficult to tease out, frankly. I do not have those statistics and I will happily try and find them for the Committee and send them in to you, but I do not have them readily at hand.

Damian Collins: I would be very grateful if you could do that, but are slot machines more profitable than tables?

Peter Brooks: May I expand for one minute? The difficulty in allocating the profit is how you allocate manpower cost. By far our biggest single expense as an industry is manpower cost, and for our clubs outside London, it is—and I think this is not far off typical, so I hope I am not sharing confidential information with my colleagues—more than 40% of revenues, so manpower costs are very high. Now, when you come to profitability, how much you allocate to table gaming, which requires much higher levels of manpower, and how much you allocate to slots is an open issue. That is the underlying dilemma, but we will surely feed into the Committee what we have.

Damian Collins: So slot machines are more profitable than tables?

Roy Ramm: I mean, you know, it stands to reason. If you are running a roulette table on which you have got a dealer and maybe half an inspector or whatever, in comparison to running a slot machine, then clearly the labour cost is less. But as Peter says, it is difficult to be very clear about how you apportion those costs

Q6 Damian Collins: One of the reasons I was asking is that, in the written evidence from NCiF, you talk about the table to machine ratio for large and small casinos, and you said there that you repeatedly urged there should be a simple uniform ratio of five machines to one table, capped at 150, which seemed to suggest that the smaller casinos in particular had too great an obligation placed on them. Therefore the number of machines in a casino has quite a big impact on its profitability, its viability, and therefore may also have an impact on whether it is attractive to open new casinos within those criteria.

Roy Ramm: Just to be clear, when you say “smaller casinos” are you talking about small casinos within the UK?

Damian Collins: Yes.

Roy Ramm: I think the small casino in the 2005 Act is an economic model that very few people in the industry can ever see working. It is certainly not going to work in all eight of the locations. We, as an industry body, do not believe that anybody will build a small casino with 40 tables to get the 80 slot machines in any of the areas that were identified by that committee.

Q7 Damian Collins: To get the 80 slot machines—is that because you have to maximise the number of slot machines you have got in the casino to make it pay?

Roy Ramm: Yes.

Peter Brooks: I should just add, going back to the profit point, our second biggest item of expense is real estate, our property space, so if you have to provide enough space and manning for 40 tables in order to allow up to 80 slots, your fixed cost base has then become very high. That is why the economic model doesn't really work well.

Q8 Damian Collins: That is why I would be interested to see the figures on the profitability for the contribution of the slot machines to overall profitability, because if it is only 15% of revenue, it seems to be a disproportionately large part of the business if the failure to maximum the number of slot machines within a casino is a big impediment on its profitability or whether you might open one, which seems to be what you are saying.

Peter Brooks: Well, the 15% is under the current regime with its maximum of 20 slots. The picture in a new casino, large or even small, would be different.

Damian Collins: So it would be much higher?

Peter Brooks: It would be a higher percentage, we would hope, but I think you are right, really.

Simon Thomas: But equally, the large and small casinos will have a much more international style operation. They will have more bars, restaurants, and when you look at the American examples, I think 60% of revenue is non-gaming. It is all contribution to the overall business and it is all a valid part of it. I know we are talking about machines now. Do you want to come back to it?

Q9 Damian Collins: I want to ask one or two questions about casinos and then I will happily hand over to colleagues who want to get to games and

machines, because I suppose it is a question of, “I think it is interesting because it is how we see casinos.” There is the kind of James Bond/Aga Khan level—you know, people jetting in from all round the world to spend thousands and thousands of pounds on the turn of a card, and that is one level of it, and that is a million miles away from problem gambling and all the other issues we have talked about. But there is the kind of underbelly of it, which is slot machines, which seem to be quite crucial to the viability and profitability of the casino.

Roy Ramm: I think it is not an underbelly, if I may say so. You know, they are important—when people go into a casino, they expect to see slot machines and tables. You are right that there is a segmentation in the market that we have talked about already, and we have made the point that if you go into one of the high-end London casinos, you are unlikely to see slot machines, because as Peter says, the stakes and prizes that we are able to offer on those machines are not relevant to the people that are playing there. If you are talking about people who are prepared to wager several thousand pounds on tables, they are not going to go to a slot machine if it takes £2. Moving down the industry, what we try to do is to provide a mix of table games and machine play and bars and dining and entertainment across the piece to make it a genuine adult leisure offer, and Simon, I am sure, can talk about what he is trying to put into the Hippodrome, but it is not that slots are only for the masses at the bottom. That is not the way we would like to see the industry go. We do not want to see machine sheds, that is not what we are asking for.

Simon Thomas: We talked about the regulatory pyramid. That is based around common sense and protection of the vulnerable, and at the bottom end the regulatory pyramid has always been there. It was picked up by Budd and absolutely clarified, and it has been enshrined in the 2005 Act; at the bottom end, we have the seaside arcades, 10 pence slot machines, very light regulation. In the middle, we have the high street access premises, the arcades, the bingo halls, the betting shops, moderate regulation; and then at the top end we have the casinos, and we are sitting there with effective active door control, effective active voluntary self-exclusion schemes, the highest rate of tax. We have money-laundering control, all our gambling staff are certificated by the Gambling Commission and are social responsibility and problem gambling trained, and it is accepted that the casinos are the correct place for the higher stake gaming.

Q10 Damian Collins: Okay, I am sure we are going to get on to that. Why do you think that only one new casino licence has been approved under the Gambling Act?

Roy Ramm: Well, there are about four reasons. First, of the 16 new licences, 10 are in existing permitted areas. If I can just use one of my own businesses as an example, Leeds has five licences under the 1968 Act, so there are businesses in Leeds operating. We have a casino in Leeds that has got two restaurants with James Martin from the Saturday Kitchen, Vineet Bhatia producing fantastic Indian food. It has about 60,000 square feet of public-facing space. It has a

cinema, it has everything that you could possibly want, we would suggest, in a modern leisure destination. Now, Leeds City Council has a large casino licence to offer. Frankly, if we didn’t get that licence and somebody else did, that would make our business unviable. So you have this ridiculous situation where you have 1968 Act casinos competing against 2005 Act casinos.

The process itself of granting these licences is horrendously complicated and expensive. I am sure that if Newham were giving evidence to this Committee and you were to ask, I suspect that the cost to Newham, one of the poorest boroughs in London, has probably been well north of £1 million to grant their licence. I think it is probably a good deal more than that. We know that—I think it was in Hull, and one of my colleagues will probably correct me—but a council spent £750,000. So what local authorities are now worried about is are they going to recoup their costs if they run this competition? Only one of those three licences that has been granted at the moment was competed for, and that was the Newham licence. The other two that have been granted, there was only one applicant, and again we come back to this model of the small casino in particular with two slot machines to one table. It makes no sense at all. You end up with a small casino having to have a bigger gaming floor than a large casino to get its slot machine allocation. So there is whole mix of factors there that mitigate against anybody applying for all 16 of these licences, and I would have a bet that all 16 never get developed.

Q11 Damian Collins: So your view is that the slot machine allocation ratio is the most important aspect in deciding whether a casino is viable or not, particularly for a small casino?

Roy Ramm: I would say yes, and that is why we have advocated in our evidence that for a whole range of reasons, including clarity for the public, who, walking into a casino, do not know whether they are going to see 150 slot machines, bingo and betting, or 80 slot machines and no bingo, but betting, or 20 slot machines and no betting or all bingo, we are simply saying, “Let’s just clear away some of this nonsense of regulation and have a simple model that says, ‘One table, five slot machines’ and that is it.”

Peter Brooks: I just wanted to add one other thing, which is not for this Committee, but again it comes back to the tax. When the gaming duty was increased in April 2007, it made a material difference to the economics. Particularly when you are looking at the Small model—with a capital S—it is very hard to make the numbers work, because you quite rapidly get to the top 50% gaming duty level. I don’t know whether local authorities really hoisted on board the impact of that, but it meant that a very significant shift of potential regenerative funds that authorities were looking for moved to the centre, and for the potential competitors, the industry, the suppliers of the product, we were never really involved in that key piece of the whole process, which is, “Can this be a commercial proposition which will warrant making an investment?” So that was an absolutely central

18 October 2011 Roy Ramm, Peter Brooks and Simon Thomas

missing piece, and the situation then made more stark with the gaming duty change.

Roy Ramm: We did offer a sort of solution to some of this, which was the portability issue.

Q12 Chair: Indeed, and that is what I want to ask you, because you have specifically cited the fact that 10 of the licences have been given to local authorities within permitted areas and you have suggested that local authorities should be allowed to just decide whether or not they want to permit casino development. Are you suggesting that if we adopted that and got rid of the CAP recommendation and just said, "There are all these new licences, anybody who would like to bid for one within a local authority that wants to have a casino should be able to do so", that that will lead to investment which hasn't so far taken place?

Roy Ramm: Yes.

Chair: So there are local authorities that want them, but because they were not chosen by the CAP—

Roy Ramm: Just to be really clear about what the proposal is, what we are saying is that currently there are 53 permitted areas, and the 1968 licences are locked into those areas. We are saying that those areas are defined by data from the 1960s, that time has moved on and local authorities should be able to decide for themselves within their three-year licensing policy whether they want casinos. If they don't, then fine. Nobody wants to move to an area where, frankly, the local authority is not supportive. But if they decide that they do, the next lock is planning consent; you get planning consent for the property, and finally, there is the lock which is the premises licence. So there are three steps, and if a local authority decides that, we suggest that it is perfectly possible just simply to move a 1968 Act licence into one of those areas, and the important thing is that you could see some of them moving away from the other 16.

Q13 Chair: But there are places that are not currently within permitted areas, that have not been identified by the CAP, but where if the local authority said, "Yes, we would like a casino," your company or one of your colleagues in the industry would want to build?

Roy Ramm: Fifty-seven local authorities applied to have a casino, 57. That was wheedled down to the 16, but we were talking outside the Committee room saying that on a regular basis, we get approached by entrepreneurs, by property owners who say, "We have spoken to our local authority in X area, they would like us to build a casino. Would you like to come and operate it for us?" and we say, "I am sorry, but you are not a permitted area. We can't do it".

Peter Brooks: We believe that with the security of the three locks, if there is local demand from both customer and local authority—and logically there should be out of that 57 that did not succeed in the CAP process; there is definitely appetite among operators to take advantage of that in respect of their existing licences that aren't being used—and, to paint a picture, if a typical size is about 25,000 square feet, you could expect to see about 125 jobs. You would see about £600,000 in taxes, £250,000 in local taxes and gross value added for the area, if you take in

supplies and so on, about £4.5 million per annum. Individually it is not a lot, but not to be sneezed at by a community that would like to have this opportunity, which it might either because it is a tourist destination or because it wants to improve the attractions for its community.

Q14 Mr Sanders: Can I just pick up something that Simon Thomas said? I think you will find that seaside arcades also feel that they are quite heavily regulated, and I think, with the industry as a whole, it is relative to size. I do not think there is any part of the industry that is not suffering at the moment. Seaside resorts, arcades, whatever—they would probably take exception to other people thinking they were lightly regulated. Can you see any merit at all in reviving the regional casino concept through secondary legislation?

Peter Brooks: We think it is really a matter of demand. It is not something we are seeking. We have a great deal of scepticism that there is really a public demand and acceptance for it. We think there are more important things to be getting on with right now, like the existing structure, rather than worrying about adding new things.

Q15 Mr Sanders: In terms of where we are at, do you see that the restriction on the numbers of licences was really a fudge in the run-up to a general election rather than a considered view of what the market could tolerate?

Roy Ramm: I worked with civil servants on this Bill for months and about four hours before it was published I had no idea that it had changed so much. It was clearly a piece of political expediency, frankly, and what has come out of it is not good. To add to what Peter said about the regional issue, the fuss and furor, we don't want to go there, simply because we think there are three things you need. You need political consensus, you need public consensus, and you need a company that is prepared to invest, and frankly, unless you have the first two, the third will not follow.

Q16 Chair: Can I press you? The legislation is there to allow a regional casino to be built. Many people felt that the place that was identified was the wrong place, which was why it never happened. If the Government were to say, "Right, we still think there is a case for having one regional casino, and where would you, O industry, like to build it?" and if the Government then agreed, do you think it would happen, or have you just lost all enthusiasm for this completely?

Roy Ramm: If you say to Caesars Entertainment, which builds huge resort destinations—and Peter will speak for himself—but huge resort destinations, thousands of bedroom hotels, the top class shows and so on, taking 60% of its revenue from non-gaming activity, "Do you want an opportunity to develop a business?" the answer would normally be yes, but always with the caveat that you have genuine public and political support for it. You are never going to go into an environment where you don't want it and where you are not wanted, and in a way, it doesn't

18 October 2011 Roy Ramm, Peter Brooks and Simon Thomas

matter whether it is a regional or a tiny casino that you want to transfer from one place to another. You have to have the public and regulatory support.

Q17 Chair: But I mean, having lived through this, as I recall, the entire House of Commons was of the view that the best place to build a regional casino was Blackpool. Blackpool was falling over itself to get a regional casino. There is no doubt there was public support and political support for Blackpool. The CAP, for reasons which are still something of a mystery, came up with a completely different recommendation, but if it came back and they said, "Okay, Blackpool" do you think the industry would still be interested?

Peter Brooks: I am going to pick up on what Roy said, Chairman. If you are talking about very large sums of investment, you are probably mostly looking at international investors. My own company has just spent about \$500 million in New York. We spent SGD\$4.5 billion in Singapore in 2010. If you asked us to do something equivalent in the UK, I don't think there's going to be a take up for that. If, perhaps a bit more controversially, I go back to the process, it began life as a sort of Budd Unlimited, went to an experiment with eight, eight and eight, and frankly, the experiment was completely flawed; it was some sort of a fig leaf. Then it came down to one, eight and eight for reasons of political expediency, and then people didn't like the one, so now you have got eight and eight. I think there is a genuine question of whether there is public demand for that type of product, and if customers don't want it then we certainly would not want to invest in it. Don't forget again the fiscal regime has changed. People wanted it for Blackpool because it was going to regenerate a very popular seaside resort which has huge affection, but it is very hard to make the numbers work.

Q18 Chair: Because of the tax regime?

Peter Brooks: Because of the tax regime. You know, what happens with gaming duty is, it is by volume of gross gaming revenue. By definition, if you have a large establishment, the volume will be greater, so you will get up to the ceiling of 50%, so just to remind people, for every £1 of gaming win, 50% has gone to the Customs and Excise or whatever it is now, HMRC, before anything else has happened at all.

Roy Ramm: One last thing, the stakes and prizes in the slot machines that we do have, have not been reviewed for six years. They were last reviewed in 2005. We have had two sets of tax increases since, so that has reduced the profitability still further. It really does come back to political will—people have got to be prepared to want this and to provide the regulatory framework for it before any business will consider it.

Q19 Mrs Mensch: On a point of clarification, you say it is a 50% tax rate before any of your costs are taken into account, so it makes the numbers not work for a big Atlantic City style resort in Blackpool. What are the comparable tax regimes in, for example, where you have just invested—in Singapore and the US? What are the comparable tax regimes there?

Peter Brooks: For Singapore, the equivalent to gaming duty is between 10% to 12% for what is called

a premium player, so that is somebody who deposits SGD\$100,000 before they start to play, so call that £50,000, and for a non-premium player, it is of the order of 20%, and the corporation tax rate is 17%.

Q20 Mrs Mensch: What about the United States?

Roy Ramm: I was hoping you weren't going to ask me that, because I cannot remember. It is much less than here.

Mrs Mensch: Roughly.

Peter Brooks: It is lower.

Roy Ramm: I think it is 15%, from memory.

Dr Coffey: That is state duty though, isn't it, as opposed to federal?

Q21 Mrs Mensch: You have to add up your state and federal tax burden, and I am just interested to know how much greater the burden is on the industry in the UK than in the United States, because you have just said that your primary reason for not investing in a giant super-casino in Blackwell is the tax law, so what is the differential?

Peter Brooks: I was trying to distinguish between where the rate was, at 40%, to explain why there might have been a change of appetite. Amongst the factors is this shift of the top rate from 40% to 50%. It is very hard to actually elide the two together because gaming duties are gross profits tax. Then you have all your other expenses and so on to come off before you calculate the corporation tax, so you are getting a multiplier effect because it is a gross profits tax.

Q22 Mrs Mensch: I understand that. I am trying to see how much worse are we in Britain than in the United States where you have just made an enormous \$500 million investment in New York. How much better is it for your industry over there?

Peter Brooks: If the gross profits tax is 15%, if it is, versus our 50%, you are at that point 35% on your gaming.

Mrs Mensch: That is a state tax. So you would have state and federal taxation to put together to calculate your tax.

Peter Brooks: That is true and I think at the corporation tax level, combining state and federal, broadly it is the same, US and UK.

Q23 Chair: Would the NCiF like to give us a document setting out the international comparisons? Although you said at the beginning our remit did not cover tax, we will be raising matters of tax and possibly talking to the Treasury about that, so I think that would be helpful.

Peter Brooks: We would certainly welcome that approach, because looking at the future of the gambling industry—as you are doing and we really welcome that—in isolation from fiscal policy doesn't actually compute.

Chair: No, that is why we reached the same conclusion.

Peter Brooks: We welcome that.

Q24 Philip Davies: Can I start by asking you about these permitted areas, because I do not think anybody who looks at it could think that the current system

18 October 2011 Roy Ramm, Peter Brooks and Simon Thomas

makes any sense at all, basically only allowing licences based on town population levels of 40 years ago, which totally ignores new towns and things like that. I remember moving an amendment to the Localism Bill to try and scrap them but it fell on deaf ears. What I don't quite understand with your approach is that you want to be able to transfer the licences from one place to another, where they want them, but not to increase the number of licences overall. If casinos are such a well regulated place, which I am sure they are, why should as many licences as the market can stand not be allowed? Why do you still argue that there should be a limit to the number of licences across the country? Surely the thing that should determine the number of licences is the market, isn't it?

Roy Ramm: That is what Budd said and quite clearly in a free market that is what should happen but, to be candid about it, I think that as an industry trade body we looked at what we felt was the art of the politically possible. I think if the outcome of this Committee was casino industry seeks unlimited licences we would have a struggle on our hands. So what we are trying to say is, "Look, let us at least move our businesses, the existing licences, to where we can operate them with a chance of profitability". It is about getting the public comfortable and accepting of the industry.

Q25 Philip Davies: But you generally in principle agree with my premise, which I think is something that Tony Blair said in Prime Minister's Question Time just before he retired hurt. He said that if a place wants a regional casino, if they want two, if 10 places want one then they should be allowed to have them. That generally would be your view in principle as well, would it?

Roy Ramm: It might be mine personally, but our NCiF position—and I don't get want to get torn limb from limb by my colleagues—is that we want to see the licences that are extant able to be moved and to be built first.

Q26 Philip Davies: What I am getting at is that what I would not want to see is your industry trying to argue for some kind of protectionism, in the sense that, "Hold on a minute, I've got the licence for such and such a place and let's just leave the number of licences as they are because that means I've got the licence for here and while we've got that regime nobody else can come and tread on my toes." I would not want your industry to be divvying up the licences between your members and saying, "Well, that's it, now we've got them all covered everybody is a winner. We've now got a monopoly."

Roy Ramm: We are between a rock and a hard place. We are damned if we ask for more and damned if we don't.

Philip Davies: You don't want to protect the sort of—
Roy Ramm: No.

Q27 Philip Davies: Okay. On to machines. Damian pressed you earlier about how important machines are to your business and you have the proposal of five machines to one table. Why five machines to one

table? What is the rationale? Why not four? Why not six? Why five?

Roy Ramm: We picked five because the large casino, under the 2005 Act, has a ratio of five machines to one table. We felt that it would be consistent with that piece of policy to level everything up to that large.

Philip Davies: So it is simply you just want to follow what the Government at the time thought was the right number?

Roy Ramm: Yes.

Q28 Philip Davies: What impact would that number of machines have on the profitability of your business? I know Damian tried to tease this out of you. If we have the five-to-one ratio, what would that do to the profitability of the casino industry?

Roy Ramm: It is in the Ernst & Young report, where we think the profitability or the increased revenues would come. I think the first thing to say is don't anybody run away with the idea that if you go to five-to-one instantly you are going to have 150 machines in every casino in the UK. That simply cannot happen because of the size of the premises and so on. We would see it being evolutionary over time, but it would materially impact our profitability. I think the number is in the Ernst & Young report, and I wonder if my colleague has found it.

Peter Brooks: What the Ernst & Young report is talking about is the tax take at the end of it so you have to sort of work backwards, but I think the logic is it could add to the profitability of the industry of the order of £17 million, I think. My apologies, I am struggling to reach this.

Q29 Philip Davies: Okay, don't burst a blood vessel. Can you tell us about how important allowing category A machines in casinos is to your industry?

Simon Thomas: We have been discussing category A machines internally. There is no such thing as a category A machine anywhere in the world. There are no unlimited stake machines, and neither do we think there should be. As such, we don't see any demand for category A machines anywhere. All we are asking for is gaming machines, stakes, prizes and numbers proportional to our position on the regulatory pyramid and customer demand. I respect Mr Sanders' position on "Every industry believes they are the most regulated" but having operated seaside arcades, inland arcades, bingo halls, I can say with my hand on my heart there is no level of regulation and protection like we are getting in the casino industry, particularly money laundering and every single member of staff being certificated.

On the machines, we are asking for a proportional number of machines and appropriate stakes and prizes relative to our position in that regulatory pyramid. We find it very challenging that we are limited to a £2 stake machine in a casino, with all our protections, where an arcade and a bingo hall and other premises are also allowed a £2 stake machines. It doesn't make any sense and that is even further complicated by the B2 machines in bookmakers being allowed a £100 stake, which is equally illogical. Bingo and arcades have many more £2 gaming machines than we do, again that doesn't make any sense. Our stakes and

prizes have not been addressed for over six years. We believe we have a very strong argument for correcting the number of machines and the stakes and prizes in casinos to where they should be and that can all be done under B1 by reviewing the stakes and prizes and just plain statutory instruments without any major complication.

Q30 Philip Davies: Just for clarity, what do you think the limit should be—the stake limit and prize limit?

Simon Thomas: We are proposing a £5 stake and a £10,000 prize. The challenge we are facing in the casinos, above us we have the internet with very high stake gaming machines available and below us we have the betting shops with £100 stake machines. We are asking for products that are commensurate with our position that will make us attractive to customers so people will come and gamble with us rather than online or in other places, because we believe we are the right place. I think it is universally accepted that casinos are the correct place for higher stake gaming.

Roy Ramm: We have had a dialogue with the Gambling Commission about how you deal with much higher stake slot machines, and one of the issues we have been talking about with the Commission is not having a blanket stake and prize regime at the higher end but it is about knowing your customer—so that the controls are more focused, more surgically addressed to individuals than a blanket that affects everybody.

Q31 Philip Davies: You talk a lot about what the regime is in other parts of the gambling industry. Do you think that one of the things that has held back the gambling industry over the years is that different sections of it have been, in effect, squabbling among themselves, arguing with each other, trying to do each other down, rather than each part of the gambling industry supporting other parts of the gambling industry? Would you say that the industry has been guilty in the past of trying to argue among themselves too much?

Roy Ramm: I will take that, if I may. I think there is something in that. I think that we haven't been the best, we haven't been terribly collegiate, but let's be really clear about it. As far as the National Casino Industry Forum is concerned, we had as a strapline "Positive about Gambling" and that simply meant that we would not attack other sectors. We supported BACTA in its application to increase the stakes and prizes on B3 slot machines and now, as Simon rightly says, the stake in a slot machine in Margate is the same as the stake in a slot machine in Mayfair. But we didn't choose to suggest that BACTA shouldn't get an increase; we just hoped that it is recognised that we should also. Equally, we are not suggesting that B2 machines in bookmakers or machines in bingo clubs are wrong. We are not about attacking other sectors at all and we hope that they will take that lead from us.

Q32 Philip Davies: So you are quite content that they have got those machines in their shops?

Roy Ramm: It is not for us to make comment on that. It is for Government and policymakers to decide whether they are content.

Q33 Philip Davies: We will ask the Government when they come. I am asking you whether you are content.

Roy Ramm: What we are saying is that there is a regulatory pyramid. We sit at the top of it. If it is right and proper for bookmakers or bingo clubs to have a certain category of machine, a certain style of gaming product there, as Simon says, we sit above them on the pyramid so, what should we have in advance of that? We are not arguing against the bookmakers.

Q34 Mr Sanders: How would you describe the relationship between online casinos and land-based casinos?

Simon Thomas: I will take that one. To be honest, we have a degree of envy of them. They have much lower operating costs and they have much lower taxation, if any, and much lower regulation but, being blunt, they are here to stay. We have to accept them as part of the competition. There is definitely a degree of concern for players who, because there are less attractive products offline, are encouraged to play in less protected and regulated environments. If I was the taxman I would be concerned as well because there is very little income coming from the UK players playing online on overseas sites. They are selling into our traditional market and they have obviously less costs so they have a material advantage.

We welcome the Government proposal for national licensing and hope that it goes some way towards levelling the playing field. It cannot be right that an overseas operator can prey on UK customers to the detriment of UK businesses, jobs and tax. You have to remember, it is not just online. It is smartphones. Everyone that has a BlackBerry; you can gamble on them. It is not just computers; it is digital television. It is very pervasive and we are in that same competitive space and with our regulations it is quite hard to compete against, which comes back to our proposals. What we are doing is striving to make our premises as attractive as possible to encourage customers who want to gamble to come and gamble with us in highly taxed, highly regulated, highly protective environments—that are paying lots of tax obviously—and we are just asking for products that are commensurate and give us a competitive chance.

Q35 Mr Sanders: Do you see the issue as one of trying to win back people from online gambling? Surely that is quite a difficult thing to do once people have the convenience of going online.

Simon Thomas: There are a lot of people who don't want to gamble online. There are a lot of people who are uncomfortable with gambling on a website in Antigua or Bogota or wherever, uncomfortable with putting their credit card numbers into an online site. I would certainly be very uncomfortable, personally. So there are differences between us and them and there will be people that are gambling online that are uncomfortable with it.

18 October 2011 Roy Ramm, Peter Brooks and Simon Thomas

Q36 Mr Sanders: I accept that but your point, Simon, was that you are losing and the Chancellor is losing revenue as a result of this development. So is it your intention to try and win back custom from online or is it to change how the online world operates?

Simon Thomas: I think there is an element of both. I think it has to be right for the online business to be forced by regulation to be based in the UK, pay UK tax and have UK regulation. At the same time, yes, we want to try to win back and be able to compete with the online companies and also to stop people feeling that they can only gamble at the level they want to online because there is no alternative. So it is a combination.

Q37 Mr Sanders: Do you have an estimate of how much business you think you have lost since the online industry was created?

Peter Brooks: Can I just have a shot at that? Let me declare an interest in the sense that we have some 40-plus land-based casinos in the UK and my group also has an offshore online business. It is just not possible to estimate how many people have gone; we know we have said farewell to some people; we know equally that we are able to persuade, if that is the right word, encourage, online customers to come and play in our shops and vice versa. So it is a very mixed pattern. The reality is online is here to stay, it is part of the competitive marketplace. We are advocating a much more level playing field and it is both tax and instantaneousness of product. So if a new game comes out from a new film, players can see that immediately online. It will take us ages to have anything equivalent like that in the land-based operation. So it is level playing field we are talking about. Online is here to stay. We are no different to retailers or anybody else as far as that goes.

Q38 Mr Sanders: Would you be in favour of legislation that only allowed online companies licensed and taxed in the UK to advertise in the UK?

Roy Ramm: Absolutely. I think one of the things that the Gambling Commission picks up on in its annual report is that most online play in the UK is now on sites that are not regulated by the Commission. If you look at the Commission's stats, they say, I think it is £630 million-odd in gross gaming revenue was declared by the sites that are here, so there is a big lump of money that is sitting out there that is available to the Exchequer and we would like to see just that level playing field, the same tax regime, the same regulatory regime, the same access to product that they have.

Q39 Mr Sanders: Is it possible, though, to have that in both online and offline without more regulation coming in? For example, would you not need to have ISP blocking of either payments or blocking of unlicensed operators, which would be a whole new set of regulations that you have been arguing against? Is it the case you are in favour of regulations so long as they are in your favour?

Peter Brooks: The fact is that there are different approaches around the world to this. The type of

approach that is being adopted in mainland Europe seems to be the right way to go, I think. Yes, it does involve a new level of regulation but it is not really additive, it is only additive for people who are currently unregulated.

Q40 Mr Sanders: There are some variations within Europe, I think?

Peter Brooks: There are variations.

Mr Sanders: Is there a particular country that you think has cracked it? There are big differences between Belgium, France and Malta, for example.

Peter Brooks: It is a big subject and I would hesitate to say one is right. My feeling is that Denmark is getting pretty close, but there is learning to be done. We just think it is right to bring it, if for no other reason than consumer protection. It was always thought that the Alderney Gambling Commission was as good as or close to as good as the UK Gambling Commission but look what has happened with Full Tilt.

Roy Ramm: I think on one aspect of that modernisation and us getting access to the products, we don't believe that it requires anything more than a couple of statutory instruments to give us electronic products of the same kind that you can get online.

Q41 Jim Sheridan: Can I move on to the question of problem gambling and ask just how big or small problem gambling is in the casino industry compared to other gambling organisations?

Roy Ramm: We welcomed the result of the prevalence study. We felt that that was reassuring for the whole of the industry. We also have drilled down into it and we are again reassured that as far as the casino industry is concerned we are very much on the right track. Having said that, this is not an issue for complacency, we think that one problem gambler is one problem gambler too many. What we try to achieve is a balance that really means that we provide a product for the great majority of our customers who don't have any problems with their gambling, but we also provide trained people, we provide literature, we encourage people to gamble responsibly, we engage with the major service providers of care and counselling. I think it would be good to get on record that the gambling industry broadly, including the casino industry, started GamCare. We funded GamCare for a decade before the 2005 Act. So we have not been dragged to the table to be responsible; we were there first. We are very pleased with the way that is going. We are very pleased with the relationship we now have with agencies like GamCare who tell us what their concerns are, help us to train our staff and to certificate our businesses that they think that we are doing the right things.

Q42 Jim Sheridan: What is your definition of a problem gambler?

Roy Ramm: Goodness me.

Jim Sheridan: What are the signals? Someone comes into your casino; what are the signals to tell you this is a problem?

Roy Ramm: There are a number of definitions of a problem gambler. It is somebody who loses control of

their gambling and gambles beyond their means. I am going to ask Simon to join in in a moment because Simon is a trustee of GamCare as well and has a lot to contribute here. What we look for is people who are chasing losses, we look for people who are distressed, that become distressed, and we will intervene. Our staff will go along and find out what it is that is affecting their behaviour. Sometimes it is their gambling and sometimes it is not, it is something completely different, and they will tell you, "It's not the gambling, I've got something else on my mind." Simon, why don't you pick up on that?

Simon Thomas: I have the unusual position of being the only person in the gambling industry who is a trustee of GamCare and it is something that I hold very dear. Nobody wants problem gambling but the challenge we all face is actually identifying what a problem gambler is and there is so much evidence as to comorbidity, issues with somebody being addicted to a whole range of things. It is almost impossible to really bore down to it. From a purely commercial point of view, we want a sound business that is reliant on happy customers spending their money, coming in; and in that respect a casino is a very good environment because people generally have made a decision to go. It is part of a planned trip out; it isn't just a spontaneous visit. In the prevalence study, we spent an awful lot of money trying to identify what problem gambling is and it identified that there is an element of society that has problems with gambling, but that is quite a fluid element. It has never come down to what a problem gambler is or what causes it, that is almost impossible. It has been tried worldwide. As a family man and a private business, I also want to sleep at night and hence why I am very comfortable working in the gambling industry knowing the protections that are put in place and the fact that our staff will intervene, will talk to people and have a chat. If they are showing signs of distress and they say, "Look, I'm just spending too much money on my gambling" we can say quite fairly to them, "Well, these are the avenues open to you. This is GamCare. They have very good counsellors. Talk to them. They will help you through this period. If you want to self-exclude we will self-exclude you." It won't just be from us. I know if Genting self-exclude from one of their casinos, they self-exclude from all of their casinos. We are, as an industry, looking at a piece of technology that sounds a bit like an Oceans 11 type thing, but it is facial recognition technology and they have got it to the point now where it is quite good. As an industry, we are looking to put it into the casinos and to have a common database for self-excluded people, so if a self-excluded person turns up it is not a case of they have never been in the casino before, if they are on the register they will be picked up and pointed out that they have self-excluded themselves from casinos. So we are working hard to try to prevent it.

Roy Ramm: Could I just add to that very particular point? That is the technological solution, but what we also do is we incentivise our staff to identify people who have self-excluded so if somebody does come in we will reward our staff for identifying somebody as a barred individual or a self-excluded individual.

Q43 Jim Sheridan: Your focus is very much on staff and training. The service and leisure sector are notorious for employing—or some people would say exploiting—migrant labour. Would your industry fall into that category?

Simon Thomas: As the person who is probably employing the next tranche of employees in the gaming industry, no, not really, because we need British as the first language. We are a service industry.

Q44 Jim Sheridan: Is that a condition of employment?

Simon Thomas: It is certainly not a condition but it will be an essential requirement for people that their English is actually brilliant because we are a British industry and we have British standards of service. We need that understanding otherwise you can lose the nuances of what is going on.

Roy Ramm: We employ a couple of thousand people around the UK and quite clearly sometimes in London you will find that there are quite a high proportion of foreign individuals, but one thing I have to push back to you is we do not exploit, that is for sure. We pay the wage for the job. As you move around the country, I think there are fewer foreign voices around the towns.

Peter Brooks: We have about 3,400 employees and a very high 80%, it is 87% or 88% of those are British.

Q45 Jim Sheridan: There have been a number of submissions that have argued for a consistent and evidence-based approach to gambling. Do you have any ideas or suggestions about that? Given your international experience as well, is there any other country you think that has a better system than we have?

Roy Ramm: I think there are bits that you can tease from lots of countries. I am the chairman of a business in South Africa where we have a casino with 600 slot machines, a restaurant, a resort area, a small zoo, and it is seen as part of the mainstream leisure fabric of that area. I think that for me, and my colleagues I am sure will speak for themselves, to see the casino industry not treated as an adjective to describe errant bankers, but rather embraced as part of the leisure fabric of the country is where I would like to see it, and people recognising that we have got a good, decent, honest, well regulated business and that for the great majority of people that come through our doors they have no problem with their gambling, they enjoy a night out.

Q46 Dr Coffey: The Gambling Commission was set up in 2005, taking over from the Gaming Board. What impact do you think it has had?

Roy Ramm: I guess my main portfolio is as a compliance director so I have probably had more to do with the Gaming Board as was and the Gambling Commission as is. It is our regulator. It has been more supportive and we have had a better dialogue with the Commission than we had with the Board. They have moved where they can. We have had a number of, for want of a better description, concessions from them around the way we introduce new games, the way we deal with gambling reserve and so on, and we have

18 October 2011 Roy Ramm, Peter Brooks and Simon Thomas

found that from our perspective it is a reasonably productive dialogue with mutual respect.

Q47 Dr Coffey: So you would say it has been effective in fulfilling its regulatory requirements?

Roy Ramm: Yes, in fulfilling its regulatory requirements. Our problem is that we are looking for somebody to sponsor us and in our submission we have said that we would like it if there was some imperative on the Gambling Commission to be more concerned about the economic welfare of the industry and seeing it as a good and vibrant industry. That is not there and I think that is a bit of a pity.

Q48 Dr Coffey: Building on that, there are some people who say the Gambling Commission is too close to the industry and then I think Mr Thomas also put in his evidence that you would like to see a bit more of a cheerleader. I think the BBC Trust is the only regulator I know who is both champion and critic. I am not sure that most people would see a regulator as being there as a cheerleader for the industry. Do you want to say anything, Mr Thomas?

Simon Thomas: Yes. My submission differs from NCiF. I am standing here as NCiF but I am happy to answer questions on my submission as well. The Gambling Commission are generally very good; all credit where credit is due. They are sometimes overly bureaucratic and slow to act, and I am sure many departments will suffer from lack of resource, but it is frustrating for an industry who is trying to be good. For example, the illegal poker clubs, the Gambling Commission will tell you they are illegal poker clubs but they say it is a local authority issue, they don't have the resource to deal with it. They pass it to the local authority and it gets lost between the two. So we are in a competitive industry with clubs, which everyone agrees are illegal, but are not being dealt with. We point the finger at the Gambling Commission and they point it at local authorities. It is frustrating.

In terms of being both regulator and advocate for our industry, Ofcom and Ofgem, for example, in their requirements Ofcom say, "We make sure the people in the UK get the best from their communication services and are protected from scams and sharp practice"—good regulator—"while ensuring that competition can thrive"—promoting the industry. Ofgem say, "Helping to secure Britain's energy supplies by promoting competitive gas and electricity markets and regulating them so that there is adequate investment." So they are both regulating and making sure the commercial side works.

Q49 Dr Coffey: Yes, but it is not trying to promote the electricity industry or the mobile phone industry.

Simon Thomas: No, but it is easier to regulate a healthy industry and we are asking for our regulator to help make sure that we are healthy.

Q50 Dr Coffey: There is a little bit here about the Gambling Commission being seen to be rather expensive, about how there would be new entrants into market. The Gambling Commission is taking on the lottery, with the potential change in legislation, it

hasn't quite gone through yet. Do you feel that there is an opportunity for them to save money, given what you have just said about how they do not have the resources to be tackling illegal poker clubs? Any thoughts from anyone about that?

Simon Thomas: The cost of the Gambling Commission compared to the Gaming Board was dramatically more and there was an anticipation they would be regulating a lot of very large casinos, which haven't happened, and to give them credit they have pared down the costs. They are still more expensive than the Gaming Board was. Taking on the National Lottery obviously changes their whole business model and you just hope they keep as competitive as they can. We want very good value for money from them. We don't mind paying for it but we do want value for money.

Roy Ramm: I would just like to pick up one point. You said some contributors have suggested that the Gambling Commission is too close to the industry. That is certainly not something that I have observed as a compliance officer. I think that they maintain a distance. I can think of a number of issues where we have had dialogue with the Commission over the last year where if they had been in some sort of cosy relationship the outcome would have been very different.

Q51 Chair: Can I just ask you one final question? Do you think the Government want to see a thriving casino industry or are they so scarred by the experience of the Act that they would rather pretend it didn't really exist?

Roy Ramm: I would sooner you asked the Minister that. It is quite clear that it was a very bruising time for parliamentarians generally when the Act went through, and it has not been easy for us to get traction with Government since then but we continue to try. In my reply to Mr Sheridan earlier, I said that I think that it is critically important that we get drawn in by DCMS into the mainstream leisure fabric of this country and that they see that we don't eat our own young and we can behave properly and that we have a contribution to make to the leisure industry. I think that the closer they get the more comfortable they will become.

Q52 Chair: You don't feel that is being recognised sufficiently at the moment?

Roy Ramm: More would be nice.

Peter Brooks: Could I just add one thing to that, if I may, which is it really is a case of getting it back in perspective or keeping things in perspective. I think I am right in saying that if you go back to Hansard and the debates about the Bill, approximately 70% of the time was devoted to casinos. Casinos are about, by revenues, 11% of the gambling industry, so it was massively out of proportion. Out of that time, an enormous amount was spent on regional casinos. So in a way, going back to your comment, a lot of what we are asking for is very much framed by the realities. There is no doubt there are scars from that debate. We have suffered from that in terms of reputation, we think quite wrongly. We really hope that the Government thinks there is enough time gone by that

18 October 2011 Roy Ramm, Peter Brooks and Simon Thomas

they can move on from that and keep us in perspective. One of the things that has gone wrong with the Act, going back to the pyramid, is simply not enough time was devoted to considering regulation of the industry as a whole—there was so much time spent on casinos. We hope that in this process you

will be able to help the Government get back to a proper overall view of the industry, and we have our rightful place to play in it.

Chair: Indeed. I think that is a good note on which to finish. Thank you.

Examination of Witnesses

Witnesses: **Dirk Vennix**, Chief Executive, Association of British Bookmakers, **Warwick Bartlett**, Chairman, Association of British Bookmakers, **Andrew Lyman**, Head of Public Affairs, William Hill, **David Steele**, Commercial Director, William Hill, and **Richard Glynn**, Chief Executive Officer, Ladbrokes, gave evidence.

Chair: For the second part of this morning's session we are now going to turn to the bookmakers. Can I welcome Warwick Bartlett, the Chairman of the Association of British Bookmakers and Dirk Vennix, the Chief Executive, together with Richard Glynn, the Chief Executive of Ladbrokes, Andrew Lyman who is from William Hill, as is David Steele.

Q53 Dr Coffey: Are bookmakers in a better or worse position since the implementation of the 2005 Gambling Act?

Dirk Vennix: We are saying that it is difficult for our businesses and that is why we are calling on the Government to provide assistance for us to continue creating more jobs in the industry and contributing to local economies. We also ask, to put it into context, that betting is a mainstream leisure activity, which is consumed safely by millions of customers up and down the country. I think it is fair to say that. In that context, we are therefore saying treat us like any other retail sector on the high street and therefore reduction of taxation and new regulations should be considered. I am thinking about the MGD rate that is coming in for electronic gaming machines and also thinking about looking at the gaming duty in the context of online gambling operators. On regulation, we are also calling for the triennial review, which Mr Ramm alluded to earlier, to include liberalisation of the number of machines in our shops. Also, as has been mentioned earlier, regulatory costs, which have increased as a result of the Act being implemented, should be looked at more closely.

We honestly and genuinely believe that there is a strong case for economic growth that we could fulfil if we are given the assistance by, for instance, DCMS, also the Gambling Commission has been mentioned in terms of a champion role. They could help us, I think, on the business growth agenda. We also think they could support us in terms of protecting us against any further unnecessary taxation and regulation.

Q54 Dr Coffey: Would Mr Glynn like to add anything? I understand the profitability of Ladbrokes has been struggling pre and post the Gambling Act, but I don't know if the two are exactly linked.

Richard Glynn: It has certainly fallen over that time. I would make a couple of comments. I think that the industry faces an awful lot of competition now and certainly profitability has fallen but I think we are very well regulated industry now. I think with the right ability to compete effectively this is a great industry

to drive jobs, to drive growth. It is a very tough time on the high street out there. It is a very tough time economically and I think the industry has a responsibility to make sure it continues investing very heavily in regulation and in making sure that it, in a way, over-serves the customers who come in and provide us with that revenue. But there is no doubt that it is an incredibly tough time economically for the industry and anything that we can get that helps us, through really strong competition, to grow this industry, to put more jobs into the UK, to keep on investing in the high streets in the UK and to keep on paying high rates of tax, then we would welcome that.

Warwick Bartlett: Can I just pick up on the cost of regulation? This is something that concerns particularly the smaller independent bookmakers. If you are operating a company say with 2,000 shops, you pay £152 per shop but a company with one shop pays £1,531. Under this fee structure, I wrote to a member over the weekend to ask of his experience and he said that a 50-shop company pays £17,514 a year to the Gambling Commission. If he adds another shop to take him up to 51 he pays £45,426, which is an increase of £27,912, which is a real disincentive for him to expand his business. These are the new proposals. Looking at it further along, he was talking about the visits that the Gambling Commission make and he said they visit six to eight shops out of 49 a year. Each visit lasts around 90 minutes. Two of them also visit head office per year for a couple of hours. It is basically a tick-box exercise. There is rarely anything worthwhile to discuss. So in total we receive no more than 20 man-hour visits at a cost of £17,514, which for him is hardly good value for money.

Q55 Dr Coffey: From William Hill, Mr Steele or Mr Lyman, I understand that you think that the vision hasn't materialised, and that actually there has been regulatory uncertainty discouraging investment. Can you say a bit more about that, please?

David Steele: Yes. Just echoing what Richard said, times have been tough in retail. I think if you look at our own estate we are probably something like 15% back on profit over the last three years. I don't put that in the hands of Gambling Commission because there are other things out there, not least a recession. I think the important thing to recognise with the Gambling Commission is the fact that in terms of the Act it didn't actually bring that much in terms of LBO estates. It brought regulation and, as Warwick has mentioned, the cost of regulation, but it didn't bring

12 January 2012 Richard Caborn and Tessa Jowell MP

Tessa Jowell: That is true—you've got me on that as well. The point is that that was an argument that got out of control.

To come back to your point, John, this was a policy that at the time reflected other fault lines in the Government, but I did not feel that I was being forced to do something about which I was unconvinced. Richard, who has years of experience in regeneration, looked very closely at the regeneration case. There is an argument for the regeneration case in Melbourne; the argument is less compelling for Atlanta. Again, I say to Paul Farrelly that part of the success of the Olympics was our determination to swim against the tide of what would otherwise have been inevitability. I think that a regional casino intent on regeneration could still be a means of regeneration. I doubt that we will ever see them in this country.

Richard Caborn: There were two schools of thought, as there always are when you take evidence on an Act like this. I am not blaming No. 10, but there were those who saw the regional casino purely as an economic and financial regenerator and there were others who argued that there should be one—in Blackpool. The argument was very strong on the Back Benches.

When I took the Bill through Committee, I had to adjourn the Committee, to take out the number of casinos, and come back. My very good friend, Tony Banks, was there, and he asked me how we came up with a figure of nine—it was one of the most interesting and funny speeches.

Chair: I remember it well.

Richard Caborn: You do. It was absolutely hilarious. Every half an hour, he asked how we had come to nine. I can assure you that, as a Minister having to defend it, it was not the best of defences, but Banks's speech was far better for its—

Tessa Jowell: It was the number of regions, I think.

Richard Caborn: It was, and it was also about getting the number down to under two digits and things like that—all the psychology. The two arguments were: do you go solely for regeneration, and if so, do you have one destination casino—the Los Angeles type? Or do you have regeneration in a number of areas?

That was a debate that took place. I do not know whether we fell between two stools. On reflection, I think that we ought to have gone for one. I don't know what Tess thinks, but my view was that we should never have involved Crewe in this. We took a political decision. Even those on the Committee who were very anti the Bill—even Julie Kirkbride, who probably scrutinised me more than anyone when I was a Minister—agreed that it ought to have gone to Blackpool. I got her—in fact, everyone—on board for Blackpool.

Q590 Chair: But when we suggested one, it never occurred to us that it would not be Blackpool.

May I press you slightly? You said that you were persuaded, and you also said that you were not an unwilling Secretary of State, but that does suggest that the genesis of this was No. 10 and that you were then persuaded by their arguments.

Tessa Jowell: I inherited this policy when I was Secretary of State. It was transferred from the Home

Office along with the Licensing Act, so quite a bit of the ground work had already been laid. From memory, I think that the then Deputy Prime Minister was also very keen on the regeneration potential of regional casinos. This became, in a way, a disproportionately large decision in Government, because it became in the wider media one of those iconic decisions that allowed people to judge what kind of Government we were. I would have said that, in relation to gambling, we were a Government that sought to ensure maximum public protection and protection for the vulnerable. At the same time, we were recognising that—I do not know how many members of the Committee gamble—it is a legitimate activity, and you have to ensure therefore that people can play in safety, but gamble if they wish to.

Richard Caborn: My mother doesn't because she is a very strong Methodist, so I have no problems at all.

Tessa Jowell: I don't think my mother does, either.

Q591 Jim Sheridan: Tessa, notwithstanding the general concerns of the public interest and the vulnerable and so on, on reflection and ignoring the politics of No. 10 at that time, do you think that the Act has had any impact whatsoever on the industry? In particular, the bingo and arcade industry claim that the Act has been a disaster for them.

Tessa Jowell: Five years ago, I would have been looking at these data all the time. I have not been looking at the trend data on bingo and arcades. We did obviously increase the protection and regulation of arcades in part through the devolution of responsibility to local authorities, but in a way that is exactly the point of the legislation. The legislation has the capability to monitor changing trends and, where those changing trends are undesirable, to intervene and act.

Richard Caborn: The refining of the Act, as Tessa has said, is important, but there are changing social trends as well. You know as well as I do. I happen to be the president of the trades and labour club in Sheffield, and I know about the decline in activity there. The change in cultures has made a change. The ITC has had a profound effect not just on gambling, but on all our lives. It has affected every aspect of our lives. What people have tried to do is measure where we were 10 years ago to where we are now and think that society has not changed, but it has. It has changed dramatically. The industry, in some parts, has not changed with it. It has challenged it in many ways, and it will continue to challenge it. I think the great success of the Act itself and the commission is being able to respond to changes in ITC and also changes in the political world and changes in culture, because if you had the old Act—the 1968 Act—to deal with, you just could not do that. You would need primary legislation for everything. There is now an enabling commission there that is able to deal with those changes.

Now, if the commission wants to come back and argue about the sorts of things that may well happen in bingo or the times, stakes, prices or number of machines, they have every right to do that, but the Act gives them the power to do that, not politicians, and that was a fundamental difference between the 1963

4 Casinos

157. The 2005 Act allows for four types of casino to operate in the UK: Small, Large, Regional and existing 1968 Act Casinos. The original Bill placed no limit on the number of Small and Large Casinos that might be set up, but concerns that a proliferation of casinos might lead to an increase in problem gambling meant that the final Act limited the number to eight of each. A Casino Advisory Panel was set up to make recommendations on where the Small, Large, and just one Regional, Casinos should be permitted. Though the Gambling Act allowed for one Regional Casino, the Statutory Instrument needed to approve its location was defeated in the House of Lords in 2007 and never reintroduced. Several aspects of the regime for casinos have been criticised as being problematic for the sector. The two most significant criticisms pertain to the licensing process for casinos, and the relationship between size limits and machine allowances.

New Large and Small Casinos

158. Sixteen local authorities were granted permission by the Casino Advisory Panel to host a new Small or Large Casino. Sixty-eight local authorities originally applied in 2006 for permission to have either a new Small or Large Casino.

159. The process of casino licensing created by the Act is complex, expensive and ambiguous. First, the local authority has to invite applications for a premises licence. If more than one application is received they are then subject to a two stage consideration process. The first is regulatory and operates in the same way as any other gambling premises licensing process. The second is a benefit test to establish which application would be most likely to provide the greatest benefit to the authority's area. The Casino Network—a group of the sixteen licensing authorities given permitted area status—told us that “neither the term ‘benefit’ [in relation to the benefit test] nor the mode of determination was prescribed, although Schedule 9 of the Act did provide for publication of a Code of Practice, with which authorities would be bound to comply”.¹⁹⁶ Such was the extent and complexity of the changes brought in under the Act that it was “necessary for authorities to devise, consult upon and adopt new gambling policies specifically for the casino licensing process”.¹⁹⁷ The Casino Network listed seven reasons cited by its members for the delays in granting licences to new casinos. These included the cost to authorities of running the process and concerns that any decision made by authorities could be subject to legal challenge.¹⁹⁸

160. The National Casino Industry Forum (NCiF) criticised the decision to allocate ten of the sixteen new casino licences to areas where 1968 Act Casinos were already in operation. This, it said, led to many licences not being utilised as they would either not be economically viable in competition with existing casinos or because casino operators of 1968 Act Casinos took up licences with no intention of constructing a new casino which

¹⁹⁶ Ev 199

¹⁹⁷ *Ibid.*

¹⁹⁸ *Ibid.*

would compete with their existing businesses. NCiF told us that, of the sixteen local authorities, six had abandoned plans to continue with the licensing process, adding that:

Only one licence was subject to a proper competition and is operating. Of the remaining nine, two LA's have just begun their process, three have gone to legal challenge, four licences have been granted but have not been developed and of that four only one is in a genuine development process.¹⁹⁹

161. The NCiF argued that investment in the casino industry “collapsed” following the Act partly due to this overlap in permitted areas between the 1968 Act provisions and those of the new Act.²⁰⁰ The NCiF and other casino groups called for existing licences to become portable between permitted areas. They argued that this would allow them to move existing unprofitable casinos into areas where they would be economically viable. BISL told us that portability would “mean that casinos can be established in areas where local authorities see a demand and actively want their presence”.²⁰¹

162. The industry told us that there was no clear way for the impact of the new licensing system to be assessed.²⁰² Subsequently, one Large Casino has been opened in Newham, close to the Olympic Park and, very recently, two Large Casino licences—in Milton Keynes and Great Yarmouth—have been awarded.

163. We believe that the stated aim of the Government—to test the impact of the new casinos—would be almost impossible to implement in a timely and cost effective manner due to the impracticality of identifying whether any increase in problem gambling was caused by the new casinos as opposed to the presence of any other forms of gambling including online. The Government should reconsider its plans to test the impact of the new casinos. Given that casinos have some of the most comprehensive measures for tackling problem gambling and in the light of some of our other recommendations we believe that casino operators will already be doing enough to enable the industry to grow safely.

164. The delays in the licensing process for new Small and Large Casinos are significant and the result of an overly complex and bureaucratic process imposed on local authorities. Insufficient guidance was provided by central Government to the licensing authorities which has led to increased consultation and administrative costs. The Government should review the licensing process for Small and Large Casinos with a view to developing a new simplified and less expensive licensing process.

165. Both the 1968 and 2005 Act provisions successfully prevented casinos from proliferating or clustering. However, there is no evidence that allowing local authorities to decide independently whether or not they wish to have a casino would lead to a significant increase in the total number of casinos. We believe that the decision as to whether a casino would be of benefit to a local area should be made by local authorities rather than central diktat. We recommend that any local authority be able to make the

199 Ev 297

200 Ev 247

201 Ev W 32

202 Ev 158

decision as to whether or not they want a casino. As a step towards this, we recommend that existing 1968 Act Casino licences are made portable, allowing operators to relocate to any local authority provided that they have the consent of that local authority. The portability of these licences would be constrained by the existing 'triple lock' contained in the Gambling Act: the need to obtain local authority approval, a premises licence and planning permission.

166. Industry representatives argued that Small Casinos—of which none has currently been opened—are not financially viable due to three factors, two of which have been discussed earlier in this Report: high casino duty rates, the cost of the licence application process and the restrictions on machine numbers. Moreover, we were told that there was a fundamental flaw in the design of the new tripartite classification of casinos. Each of the three types of new casino is permitted a different machine allowance according to its size and the number of gaming tables it has. New Large Casinos are allowed a machine/table ratio of 5:1, up to a maximum of 150 machines. New Small Casinos are allowed a machine/table ratio of 2:1, up to a maximum of 80 machines. Casinos operating under Gaming Act 1968 licences remain limited to 20 machines each. This means that, in order to qualify for the maximum number of permitted machines, Small Casinos would have to have 40 gaming tables, and therefore a larger floor space, than Large Casinos which would only be required to have 30 tables.

167. There were two reasons for linking machine numbers to tables. One was that it would encourage punters to take a break from machine play and turn to table play, which is less intensive. It was also thought that forcing Small Casinos to have a large floor space would prevent their proliferation on the high street. Providing tables to break up machine-based play assumes, however, that the same people will play on tables and machines, which may not be the case. Furthermore, we have seen no evidence that the ratio of tables to machines was developed on the basis of sound evidence. John Penrose MP, Minister for Tourism and Heritage, told us that “an awful lot of the numbers in the Act were plucked out of the air and were altered on an unscientific basis as the Bill went along”.²⁰³ However, DCMS argued that the ratios of machines to tables should not be changed, because there was no evidence for any alternative being any better.²⁰⁴

168. Concerns were expressed during the passage of the Gambling Act that the Small Casino model was not economically viable.²⁰⁵ This was in part due to their table/machine ratio. The National Casino Industry Forum argued that a uniform 5:1 machine to table ratio capped at 150 machines should apply to both Small and Large Casinos.²⁰⁶

203 Q 823

204 *Ibid.*

205 Joint Committee on the Draft Gambling Bill Report, Session 2003-4, vol. 1, para 348

206 Ev 247, See also Table 2 below

Licence category	Minimum (age restricted) table gaming area	Minimum additional (age restricted) table gaming area	Minimum non-gaming area	Minimum total customer area	Minimum number of gaming tables	Categories of gaming machines permitted	Machine/table ratio
Small	500m ²	0	250m ²	750m ²	1	Up to B	2:1 (cap 80)
Large	1000m ²	0	500m ²	1500m ²	1	Up to B	5:1 (cap 150)
Regional	1000m ²	2500m ²	1500m ²	5000m ²	40	Up to A	25:1 (cap 1250)

Table 2: Source: DCMS Draft Gambling Bill: Government response to the 1st Report of the Joint Commission on the Draft Gambling Bill, Session 2003-04, June 2004, CM 6253, p29.

169. The Act has created a situation where the Small Casino model is not considered financially viable. This is partly because a Small Casino must possess a larger floor-area for table play than a Large Casino in order to maximise its machine allowance. We note that not one Small Casino has been developed. It was not Parliament's intention in 2005 to make Small Casinos completely unviable. Given the fact that all casinos are highly regulated and access is limited regardless of the size, we see no rationale for the different gaming machine allowance. As 5:1 is the ratio presently in the legislation, we recommend that the Government introduce a single ratio of five machines to one table for both Small and Large Casinos. Local authorities should have the power to increase the number of machines permitted per table if they wish to do so and an operator requests it.

1968 Act Casinos

170. Existing 1968 Act Casinos, numbering about 140, are permitted to operate under the 2005 Act. Parliament's view at the time of the passage of the Act was that the existing 1968 Act Casinos should not share all the privileges enjoyed by the new 2005 Act Casinos, including being able to transfer their licences across administrative boundaries.²⁰⁷ The 1968 Act Casinos are, as one of our witnesses told us, "frozen in aspic".²⁰⁸ There are currently about 15 unused 1968 Act Casino licences. Some witnesses argued that the 2005 Act was partially responsible for the decline in investment in the UK casino sector. In particular, the Act created a disadvantage for existing 1968 Act casinos by, for example, limiting gambling machines to 20. The sector has also been adversely affected by a mixture of other factors including the smoking ban, the economic downturn and duty rates. The high-end of the casino sector has contracted, resulting in closures and job losses. The sector as a whole—as described by the NCiF—has grown to a degree but spend-per-customer has reduced.²⁰⁹

171. The casino sector enjoyed a number of liberalisations prior to the implementation of the 2005 Act, including the freedom to advertise. In a debate in the House of Lords, in 2005, Lord McIntosh, then the Minister with responsibility for gambling, set out the

207 Ev 199

208 Q 1

209 Ev 247

Government's position that 1968 Act Casinos could in the future be permitted some or all of the freedoms enjoyed by Small and Large Casinos if the latter were deemed not to pose a threat.²¹⁰ Lord MacIntosh argued that:

the impact of casinos with the additional entitlements needs to be tested and carefully evaluated before the door is opened more widely [but that] If the initial eight/eight/eight stage is satisfactory, it will certainly be possible to extend the entitlements more widely, including to existing casinos.²¹¹

172. There is now a two-track system for casinos, with existing 1968 Act Casinos unable to modernise and take advantage of the allowances granted to new Small and Large Casinos. However, as the development of these new casinos has been so slow following the Act—with only one Large Casino having opened to date and two more having been permitted—there is currently no way of assessing what impact allowing 1968 Act Casinos the same freedoms would have. In principle, we see no logical reason for maintaining different regulatory regimes and believe that 1968 Act Casinos should be given the same freedoms as new ones.

Regional Casinos

173. Regional (also termed “Resort”, or “Super”) Casinos proved to be one of the most contentious issues during the passage of the Gambling Bill.²¹² Despite twenty-seven local authorities applying for permission to host a Regional Casino, one tabloid newspaper chose to run a campaign to “Kill the Bill” on the basis of opposition to them.²¹³ Phrases referring to people carrying the “scars”, “a very bruising time” and even the “guns at Balaclava” were used by several witnesses to describe the experience of the passing of the Act as it related to Regional Casinos.²¹⁴

174. The Chair of the Gambling Review Board, Sir Alan Budd, defined a Resort Casino as a complex including:

hotel rooms, restaurants, bars, performance space, possibly conference facilities and most important, a range of gambling facilities. The gambling facilities usually include large numbers of casino table games, fruit machines (slot machines with unlimited stakes/prizes) some form of bingo and sports betting.²¹⁵

This type of casino was not allowed under the 1968 Act because of the then restrictions on entertainment, types of gambling and gaming machines. They are, however, an important feature of the regulated gambling industry in much of the English-speaking world, in Europe and other countries such as Macau.

210 Ev 199, and HL Deb, 10 March 2005, Col 982

211 HL Deb, 10 March 2005, Col 982

212 HC Deb, 7 Apr 2005, Col 1624

213 *Daily Mail*, 15 October 2004, p19

214 Q 51, 322 and 821

215 *The Gambling Review Report* p143

175. Sir Alan Budd noted that these casinos had been used in Atlantic City and in South Africa to promote economic regeneration. In each case, a local monopoly had been created to ensure profitability and attract commercial operators who were then obliged to deliver regeneration benefits.²¹⁶ This idea was taken up in a 2003 policy paper relating to gambling legislation, which indicated that casinos should provide regeneration benefits, possibly as a licensing condition.²¹⁷ The 2004 Joint Committee on the draft Gambling Bill noted that there was confusion as to what the Government meant by ‘regeneration benefits’ and which types of casino would be required to produce them. It urged the Government to make Regional Casinos a separate category of casino.²¹⁸ The second Joint Committee on the draft Gambling Bill, which concentrated on the government’s proposals for Regional Casinos, was told by the Rt Hon Keith Hill MP, the then Housing and Planning Minister, that Government policy on casinos included identifying areas for locating “regionally-significant casinos [...] on the grounds that such developments are likely to provide a major contribution to regeneration, tourism and economic development”.²¹⁹

176. Debate on the Bill, particularly during Second Reading in the House of Commons, focused on whether Regional Casinos were an effective agent of regeneration, whether they were viable unless they had a local monopoly and whether they would lead to an increase in problem gambling, an argument which was linked to numbers and categories of gaming machines. Ministers estimated at that time that the British market could sustain between 20 and 40 Regional Casinos.²²⁰ The Government was then pressed in Committee and in the House of Lords into restricting the number of Regional Casinos. In the run up to the end of the Parliamentary session, it was only possible to reach agreement to permit one Regional Casino in order to test its impact.²²¹

177. The Gambling Act established a Casino Advisory Panel (CAP) to make recommendations, rather than final decisions, to the Secretary of State for Culture, Media and Sport on locations for the proposed eighteen Small and Large Casinos, as well as the one Regional Casino.²²² The primary consideration for the CAP in recommending locations was their potential to act as an effective test of the social impact and regenerative effects of casinos. It was widely believed that Blackpool would be awarded the Regional Casino licence as it had a strong regeneration case.²²³

178. In January 2007, the Advisory Panel announced that its recommendation for the site of the Regional Casino was Manchester. In March 2007, the Statutory Instrument put forward by the Government to introduce the three types of new casino was defeated in the House of Lords. In July 2007, the new Prime Minister, the Rt Hon Gordon Brown MP, expressed the view that regeneration could be achieved by better means and put off the introduction of Regional Casinos pending a future review.

216 Budd did not take a view on whether resort casinos should be given monopoly rights.

217 Position statement by Lord McIntosh and Keith Hill: Future set out for UK casinos (August 2003)

218 Joint Committee on the Draft Gambling Bill, Session 2003-04, *Draft Gambling Bill*, HL 63, HC 139

219 HL Paper 146-I, HC 843-I. The Minister of State for Housing and Planning, Office of the Deputy Prime Minister.

220 HC Deb, 7 Apr 2005, Col 1625

221 HC Deb, 7 Apr 2005, Col 1624-5

222 Section 175 of the 2005 Act

223 HC Deb, 7 Apr 2005, Col 1625

179. The Local Government Association stated that “the eventual decision not to go ahead with the regional casino in Manchester was an unacceptable cost to local taxpayers”.²²⁴ NCiF described the CAP as “an unmitigated disaster”.²²⁵ The Regional Casinos would have fallen under the same tax rate as Large Casinos but, in order to obtain an operating licence, they would need to contribute to regeneration.

A future for Regional Casinos?

180. We have encountered, throughout our inquiry, a general reluctance openly to discuss the possibility of reintroducing a Statutory Instrument to permit the development of Regional Casinos. Neil Goulden suggested that “people are a little scared to put their head above the parapet on [... the issue of Regional Casinos] because I think a few people carry the scars. [...] from a personal point of view, I think that a regional casino could well be a good thing but I don’t think anyone in the current industry is going to put their head above the parapet and push for it”.²²⁶ However, the industry still holds that the concept of Regional Casinos is a sound one and that they can “generate visitation and leisure spend unachievable by other means”.²²⁷ The Minister argued that:

I think it would be a huge mistake for us to try and rerun the 2005 Act without enough facts, because all you would get is whoever has the best hotline into the largest circulation daily newspaper having a competing dialogue via megaphone, which is what happened then.²²⁸

181. We visited Macao and Australia to see how Resort-type Casinos were operated and licensed in other jurisdictions. Details of our findings can be found in Annex 1 to this Report. We found that Resort-type Casinos can be operated successfully in a situation where taxation is favourable and a monopoly or near-monopoly exists for licences and therefore category A machines with their unlimited stakes and prizes. About a third of Crown Limited’s revenue was generated from international visitors who were a vital source of income for Australian Regional Casinos. The company explained that its business model was to attract the high-end of the market by offering luxury hotels. It targeted the Asian market where there was significant wealth. Crown Limited operated three private jets bringing in Asian ‘high rollers’, and owned a yacht for their use whilst in Australia. Perth, where one casino resort complex was located, was, importantly, only a 4-5 hour flight from Singapore. The operators we spoke to observed that the Chinese high-rollers loved Australia not just for the gambling but because they had wider business interests there too. The operators saw themselves as in competition with Las Vegas, Singapore and Macao for the custom of the high-rollers. We heard that some Resort Casinos had suffered a drop in income when new Resort complexes opened in Singapore.

182. In Macao, we visited the Venetian and City of Dreams Casinos, two of the five Destination Casinos situated there. In total, Macao’s 33 casinos generated a gross gaming

224 Ev 270

225 Ev 297

226 Q 155

227 Ev 247 and Q 51

228 Q 765; see also Q 821

revenue of US\$ 23.7 billion (2010). This makes up the vast proportion of Macao's gross domestic product which, in 2010, was US\$ 27.2 billion. We spoke in detail to operators about the feasibility of introducing an integrated resort complex in the UK. The tax regime was identified as an extremely important factor, as was the availability of high-rollers and the means with which to attract them. Singapore and Australia set a 10-12% gaming tax rate for international players, compared to a rate of 8% in Las Vegas. The rate in Macao is 39%, but casinos there have the advantage of proximity to mainland China and are not liable to pay income tax until 2013. A relatively low tax rate for high-rollers enables the casino operator to offer a rebate. In the UK, higher-level casino duty rate is 50% and we were told that no resort complex would be able to offer a rebate to attract the high-rollers at that level. The operators said that London casinos currently attracted business from high-rollers because they were in London for other business. We were told, however, that realistically London was now the only place within the UK which might be attractive to operators as a site for a Regional Casino because of its size, number of visitors and the wider entertainment available there.

183. The current wariness of casino operators about re-entering the debate on Regional Casinos has partly resulted from the confusion created after the passage of the 2005 Act and the misjudged process for selecting a location. Another factor making the development of Regional Casinos in the UK relatively unattractive is the UK's comparatively high rate of casino duty. We recognise that changing this would be extremely contentious and is unlikely to be considered in the near future. We conclude therefore, that the opportunity to establish one or more Regional Casinos in the UK has passed and, without a change in the political and economic climate, is unlikely to reoccur.

EXECUTIVE REPORT**Gurney Street Triangle Redevelopment – Part A****Executive Member for Regeneration: Councillor Charlie Rooney****Kevin Parkes: Executive Director for Economic Development & Communities****Date 9th December 2014**

PURPOSE OF THE REPORT

1. The purpose of this report is to update the Executive regarding the first phase of development at the Gurney Street Triangle, including progress on the Middlesbrough Large Casino Premises project. It seeks approval to progress phase one, a Land Drawdown Agreement (LDA), which will enable the construction of a Premier Inn hotel to proceed further.

SUMMARY OF RECOMMENDATIONS

2. It is recommended that the Executive approves the proposals in respect of the phased delivery of the Middlesbrough Large Casino proposal, the delivery of the first stage of the redevelopment of the Gurney Street Triangle area, and notes the proposal for a Premier Inn hotel. The Executive will need to consider the separate confidential addendum on the associated capital receipt and Land Draw Down Agreement.
3. That further reports will be provided to the Executive setting out the arrangements for phases two and three of the Casino/Gurney Street Project. This will include:
 - a. information on further land deals;
 - b. proposals for the further phases; and,
 - c. proposals (including social contribution, etc.), for the casino.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

It is over the financial threshold (£150,000)
It has a significant impact on 2 or more wards
Non Key

X

DECISION IMPLEMENTATION DEADLINE

5. For the purposes of the scrutiny call in procedure this report is

Non-urgent
Urgent report

X

BACKGROUND AND EXTERNAL CONSULTATION

Middlesbrough Large Casino Premises Licence

6. The Gurney Street Triangle is a key gateway into central Middlesbrough. At present the area has fragmented appearance and is typified by the vacant Gurney House. For the past three years there have been discussions on the area accommodating a major redevelopment for casino, conferencing, and two hotels. This report provides an update on the casino project and then sets out the proposals for the bringing forward of phase one, for an 83 bedroom Premier Inn hotel.
7. Middlesbrough Council was given permission to issue a Large Casino Premises Licence in the town, via legislation introduced through the Gambling Act 2005. The Council Executive approved the method of issuing the licence in 2008/09.
8. A two-stage competition was held to invite bids from interested parties regarding the Large Casino Premises Licence. The first stage produced two bids, which met the Council's Licensing Criteria. Consequently both bids were granted Provisional Statements by the Council's Casino Licensing Sub-Committee in April 2011.
9. The second stage required the two bidders to submit further information, which would be judged on which would have the greater regeneration impact upon the town. The deadline for submissions was February 2012. One submission was received from Gurney Casino Ltd. However, this could not be fully considered as a complete application as there was no casino operator involved in the proposal and therefore a full judgement could not be made on a number of operational licensing issues.
10. Following an evaluation of the proposal, the Casino Licensing Sub-Committee granted a "Provisional Statement" rather than a full casino license to the applicant in May 2012.
11. The Provisional Statement in principle grants the company permission to open a large casino. However, to obtain a full premises licence, which is required to open the new casino, Gurney Casino Ltd is required to provide further information on its scheme to the Council's Casino Licensing Sub-Committee. This includes:
 - a. whether the proposed operator has an appropriate track record of managing casinos;
 - b. the financial contribution that will be made to support social causes in the town; and,
 - c. the quality of the proposals in terms of economic impact and physical regeneration.
12. The Casino Licensing Sub-Committee will carry out a further evaluation of the proposal before deciding whether to grant a full premises licence to Gurney Casino Ltd.

Gurney Street Triangle Phased Programme

13. There has been an extensive period of negotiation with the developer. Paragraphs 23-29 highlight that the economic downturn had a major impact in taking schemes forward nationally. A proposal submitted by the developer involves a 3-phase development consisting of the following elements (see appendix one for further detail and images).

- a. **Phase 1:** development of a new 83 bedroom Premier Inn Hotel upon the eastern part of the current Gurney Street car park.
- b. **Phase 2:** development of a 360 space multi-storey car park on the current Buxton Street car park.
- c. **Phase 3:** development of a 2-storey building housing a 30,000 sq.ft. casino and 2,500 sq.ft. restaurant unit; the refurbishment and conversion of the currently vacant Gurney House into a 150 bedroom 4* hotel; and a 105 space ground level car park, upon the remainder of the current Gurney Street car park.

14. The vision is to provide:

- a. two strong but distinct hotel brands providing in excess of 230 bedrooms with different levels of facilities and price points;
- b. a large multi-use area adjoining Gurney House for banqueting, conferences and live entertainment;
- c. a professionally managed casino operation incorporating a high quality restaurant, sports bar and gaming tables;
- d. substantial town centre parking in the form of modern, well-lit, weather protected multi-storey and surface car parks; and
- e. complementary restaurant facilities creating a new active frontage along Gurney Street.

15. As paragraph 13 highlights, the eventual scheme will be a comprehensive redevelopment of the area. The development will incorporate a wide range of other forms of entertainment. The phased programme is seen as being necessary to develop the confidence that such a major leisure and entertainment centre can evolve in logical building blocks. This will help attract the right casino operator and other entertainment facets. At this point in time Middlesbrough does not have the reputation of a regional destination that will attract visitors from a much wider catchment.

16. The proposed scheme will support, and be supported by, a series of other major developments and proposals in the town centre, including:

- a. the development of the Holiday Inn Express on Albert Road;
- b. the refurbishment of Rede House on Corporation Road;
- c. the refurbishment and development of Middlesbrough Town Hall;
- d. the refurbishment of buildings in the Albert Road and Exchange Square area, e.g. Sun Alliance House;
- e. the proposed refurbishment of Middlesbrough Railway Station;
- f. the development of Middlehaven;
- g. the continued development of Teesside University's campus; and,
- h. further development of the retail offer within the town centre, e.g. Bedford/Baker Street and the Hill Street Centre.

17. The proposal highlighted in paragraph 13 further enhances the town centre, and will also help attract more visitors to it. .

18. Such a major leisure destination will also support the development of the wider town centre economy. Users of the facility will inevitably generate significant secondary spend in local restaurants, shops, etc.

19. The developer estimates that approximately 323 new employment opportunities would be created throughout the construction and operation of the scheme. In addition, significant numbers of indirect jobs would be generated by the scheme. Furthermore the town will benefit from an increase in business rates generated by the scheme.
20. The proximity of the A66 and Marton Road interchange, make the Gurney Street area a key gateway to the town centre and Middlehaven. For a number of years the area has not provided an appropriate entrance point to the town, with its mixture of car parks and high profile redundant buildings. The proposed scheme and vision described in paragraphs 13-14 would change this situation and enhance the area significantly, whilst driving more footfall into the area. In addition, the proposed scheme would both support (by providing accommodation and additional leisure facilities), and help connect the different component parts of the town centre (by providing more buildings and activity), including:
 - a. Middlesbrough Leisure Park;
 - b. mima and Central Gardens;
 - c. Middlesbrough Town Hall;
 - d. retail;
 - e. Middlesbrough Railway Station/Exchange Square; and
 - f. Middlehaven.
21. By progressing the scheme in the manner suggested will mean that the Council not have any clarity on the casino operator (including their approach to ethics and standards), and the level of social contribution it will make. This is a risk (see paragraphs 23-24 below), but if only phases one and two are delivered then this part of the town centre will still be enhanced. The Council through its land ownership and licensing functions will retain the ability to reject an unsuitable casino scheme at a later stage.

Progress

22. However, as paragraph 13 highlights, it has proved difficult to progress all three elements of the proposal at the same time due to wider market conditions, which are highlighted below.

National Casino Market

23. Nationally, the casino market, whilst robust and having survived the recession relatively intact, has not shown a great appetite to take up the new Gambling Act 2005 casino licences. Of the sixteen Local Authority areas granted licences to issue (8 large and 8 small), to date only two casinos have opened (Newham and Milton Keynes), whilst one other is under construction (Solihull). Of the remaining thirteen, a number of provisional statements and licences have been issued, but none have yet progressed to development.
24. A number of reasons have been cited for the apparent lack of progress nationally, but it is clear that post 2008, the economic downturn has impacted significantly on the ability of the development to attract investment into speculative schemes.

UK Hotel Market

25. The UK hotel market suffered at the start of the recession but recent surveys by Price Waterhouse Coopers (Growth Beds in UK Hotels Forecast 2015) and BDO (Hotel Britain 2014), show that it is now growing and will become stronger during 2015.

Delivery

26. Due to the issues highlighted in paragraphs 23-25, casino and hotel development across the country have proved difficult and Middlesbrough has proved no exception to that, which is the reason why the development has not progressed as quickly as anticipated. However, with the upturn in the wider economy, development in Middlesbrough is improving across a number of sectors, including the hotel market, as proved with the development of the Holiday Inn Express (as highlighted in paragraph 16).
27. Unfortunately the casino market is not showing the same appetite for development regarding the Gambling Act 2005 licences as yet, but it is anticipated that as the economy continues to grow this will change accordingly. It is felt that enabling the wider proposed development would enhance the prospect of attracting an appropriate casino operator to Middlesbrough and therefore deliver the scheme in its entirety.
28. Consequently, it is proposed that the development highlighted in paragraph 13 is phased into the three distinct elements. Phasing the development in the manner proposed would enhance the deliverability of the overall scheme, because each phase would provide greater confidence to both investors and prospective occupiers that the scheme is both deliverable and successful.
29. The developer has secured an agreement with Premier Inn, in order to deliver phase 1, which if approved would enable the development of an 83 bed hotel at eastern end of the proposed scheme, i.e. closest to the A66/Marton Road interchange. The Premier Inn hotel would provide an enhancement of this critical road interchange and entrance to the town centre. The business plan for Holiday Inn Express, currently under construction on Albert Road, took full account of the potential of a new 83 bedroom Premier Inn, in this location. In addition, it would deliver the first element of the scheme, providing evidence to both investors and prospective occupiers of the scheme's viability.

Land Issues

30. A substantial part of the proposed development would be constructed on Middlesbrough Council owned land (Gurney Street and Buxton Street car parks). Consequently, the Council has been in negotiations with the developer for some time regarding proposed terms. This has required the consideration and mitigation of a number of issues and risks, which are further set out in paragraph 31 below.
31. It is now proposed that a Land Drawdown Agreement (LDDA) be put in place between Middlesbrough Council and the developer for Phase 1 with the summary terms highlighted below.
- a. The developer would submit a detailed planning application for phase 1 within 3 months of a signed agreement;
 - b. **Phase 1** land can be drawn down for development when:
 - planning permission is granted; and,

- alternative parking arrangements are offered to the Thistle Hotel to maintain its current level of car parking spaces.
 - c. If the development has not commenced within a 12-month period the agreement would become null and void.
 - d. A building licence would be granted to the developer for the construction period.
 - e. Upon completion the freehold interest of the site would be transferred to the developer at a price reflecting market value.
32. Currently, the draw down agreement will only apply to Phase One, but it is anticipated that Phases 2 and 3 will come forward in the future. A draw down agreement for Phases Two and Three have not yet been agreed, but discussions are ongoing and a summary of the proposed terms that would apply for these are listed below:
- a. **Phase 2** land can be drawn down when:
 - detailed planning permission is secured; and,
 - a minimum of the same number of public car parking spaces are provided within the new facility.
 - b. If the development was not to commence within a 12-month period the agreement would become null and void.
 - c. A building licence would be granted to the developer for the construction period.
 - d. Upon completion the Council would grant the developer a 125 year ground lease.
 - e. **Phase 3** land can be drawn down when
 - detailed planning permission is secured, and
 - a casino operator has been secured, along with a level of community contribution acceptable to the Council.
 - f. If the development was not to commence within a 12-month period the agreement would become null and void.
 - g. A building licence would be granted to the developer for the construction period.
 - h. Upon completion the Council would grant the developer a 125 year ground lease.
33. The attached addendum on grey paper (confidential) sets out the proposed financial arrangements in respect of Phase One. The Council will have property and financial interests in phases two and three; however, these phases will be subject to further reports as the scheme progresses.

IMPACT ASSESSMENT (IA)

34. No impact assessment has been carried out for this report because the Large Casino Premises Licensing process has been subject to various Executive and Licensing Committee reports, which have included various assessments and public consultation. In addition, this report is concerned with implementation rather than the development of a new service/policy.

OPTION APPRAISAL/RISK ASSESSMENT

Option Appraisal

35. At this stage of the project, the options can be summarised as:

Approve the proposals and associated Land Drawdown Agreement terms to enable development to commence

36. The proposals and the terms highlighted in paragraphs 31 and 32 have been constructed through negotiations with the developer over a period of time, and are designed to enable phased development of the casino proposal in a way that reflects current market drivers. They are also designed to protect the Council from identified risks.
37. The Council will retain a number of controls over the future of the development. These include the need for the full/final casino proposal to be evaluated and approved by the Council via the award of the full Casino Premises License, as well as the terms of the LDA/the Council's powers as landowner.

Reject the proposals and associated land agreement and renegotiate the terms

38. If the proposals set out above and the terms of the development agreement are not acceptable, they could be rejected, and Council officers could seek to renegotiate the terms highlighted in paragraphs 30 and 31. However, the proposals and terms contained within this report have been subject to lengthy negotiations with the developer and more favourable terms to the Council will not be readily secured. In this case it is very possible that the scheme would simply not progress, and the potential benefits would be lost. The Gurney Street Triangle could remain blighted for many years to come with the empty office block remaining.

Reject the proposals and land agreement and cease the project

39. The Council is not obliged to progress the casino scheme and enter into any agreement with the developer to dispose of its land to enable this development to take place. However, the Provisional Statement which has been issued (see paragraph 10) following the casino competition process cannot be transferred to another location, and therefore the project would cease and the potential benefits to the town would be lost.

Risk Assessment

40. The need to consider and mitigate a number of risks has underpinned the development of this approach. The three key risks considered are as follows:

a. The full development scheme proposal may not be developed leaving the Council with partial development only.

This continues to be a risk. The market has changed substantially since the new casino proposals were first introduced by the last Government, and the process has certainly not progressed as originally anticipated. There is less interest from casino operators than was anticipated, and developers are consequently taking a greater role. A number of other local authorities awarded casino licenses by the Government are experiencing similar difficulties and the proposals and the Land Draw Down Agreement (LDDA) will not protect the Council from this risk if a casino operator cannot eventually be secured.

However, there is development interest in the proposals for Middlesbrough, and the proposed strategy is based on securing the development with the keenest current interest, namely the Premier Inn development in Phase 1 to help support greater interest in the rest of the development. There is a risk here that only Phase 1 might be developed, but in this case only the Phase 1 site would be drawn down, and the Council would still be left with an additional hotel development in the town, which would in itself provide 40 additional jobs and other economic benefits, e.g. business rates, employment opportunities, etc. In addition, it will contribute to the town centre and night-time economies, and ensure that development demand was captured in Middlesbrough rather than leaking to another area.

b. The Council will not secure adequate revenue funding to support community causes from the casino development

Within the proposed LDA, Phase 3 cannot proceed without the developer securing a casino operator partner appointed on terms acceptable to the Council. Those terms will include the contributions to community benefit that the casino operator will make. There is obviously a need to be realistic about the level of benefit that can be secured, but it is essential to ensure that Middlesbrough gets its 'fair share' of the value of the development. The LDDA ensures that the Council retains control of this issue, as no further land can be drawn down unless the Council is satisfied on the terms of the agreement with the operator.

However, there is also value to be secured from the developer, and the LDDA proposes a structure of payments to the Council that will maximise revenues for community benefit in Phases 2 and 3 through the transfer of land on a leasehold, rather than a freehold, basis, with ground rents payable on an ongoing basis rather than payment of one-off capital receipts. This approach also ensures that should market conditions improve and become more favourable than at present, the council can continue to share in that increase in value through upward rent reviews in the future.

c. The developer 'land-banks' the transferred sites rather than pursue development of them

The LDDA ensures that certain 'triggers' have to be met to enable land to be drawn down, including provision that development commence within a 12-month period. In addition, the agreement requires significant commitment/investment to have been made by the developer which both demonstrates their willingness/intent to develop and represent significant penalties in terms of costs borne without returns if development did not progress. The LDDA also proposes building licenses with monthly fees to be paid by the developer during the construction period which again represent an incentive to timely development/significant penalty for any delays.

Ultimately there will be no transfer of any council land to the developer until the works that were the purpose of the transfers are completed which, along with the monthly fees to be paid under the building licenses, should be sufficient to remove any potential value from land banking.

d. Change in Government policy affecting the casino industry

Since enactment of the Gambling Act 2005, the Government has been lobbied by the gambling industry for further relaxation of legislation, which could lead to greater portability of casino licences. Such a move could lead to casino's being concentrated in areas with high potential spend, e.g. the South East of England, and adversely affect areas such as Middlesbrough. Thus far, Government has not been swayed by the gambling industry's argument and leading up to a General Election in 2015, appears in no mood to do so now. Furthermore, representatives from the Department of Culture, Media and Sport (which oversees gambling legislation), are keen to ensure all the Gambling Act 2005 casino licences are enacted and opened.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

Financial

41. In respect of the delivery of the whole scheme, Middlesbrough Council would lose parking income from both Buxton Street and Gurney Street car parks, although replacement parking would be provided within the Phase 2 development. However, the Council's Asset Register describes both car parks as development sites, i.e. available for development, which might cease their current activity. Phase One (Premier Inn) will result in the loss of part of the income. However, there is good provision of parking in the north of the town centre. Displaced parkers will no doubt use alternative car parks, some of which will be Council owned, thus mitigating the loss of income.
42. Middlesbrough would receive a mixture of licence fees, capital receipt and lease payments in return for agreeing the development, as highlighted in paragraphs 31 and 32, which have been calculated by taking the lost parking income into account.
43. In addition the scheme would generate significant business rate income (based upon similar facilities. The full three-phase scheme could have a rateable value of c. £800,000 per annum with rates payable c. £370,000 per annum), with the Premier Inn development alone having a rateable value of c. £80,000, therefore generating c.£50,000 of rates payable. The Council would also make savings from the payment of business rates on the existing car parks.
44. The development would boost the whole Gurney area, helping to underpin/boost land values in the area and the potential for further development. This would all help to sustain and increase business rates income from properties in this area further in future.

Ward Implications

45. The project is located in Middlehaven ward, although the economic benefits of any development is likely to extend across the whole of Middlesbrough and the wider Tees Valley.

Member Consultation

46. As highlighted in paragraph 34, the Large Casino Premises Licensing process has been subject to previous Executive and Licensing Committee reports. In addition, Middlehaven Ward Members were briefed on the Gurney Casino Ltd scheme when it was originally submitted at stage 2 of the competition.

Legal Implications

47. All agreements between Middlesbrough Council and Gurney Casino Ltd would be subject to appropriate legal documents and the Council's Legal Team would be used to implement these.
48. The proposed deal will operate like a development agreement, with freehold sale at the end. There can be a risk of procurement issues arising on agreements of this kind, i.e. there is a risk that it can look like a procurement of works, which would subject to the procurement rules, rather than a straightforward land sale. However, Middlesbrough Council won't be prescribing works, so the rules won't apply and the matter will progress as a land sale only.

RECOMMENDATIONS

49. It is recommended that the Executive approves the proposals in respect of the phased delivery of the Middlesbrough Large Casino proposal, the delivery of the first stage of the redevelopment of the Gurney Street Triangle area, and notes the proposal for a Premier Inn hotel. The Executive will need to consider the separate confidential addendum on the associated capital receipt and Land Draw Down Agreement.
50. That further reports will be provided to the Executive setting out the arrangements for phases two and three of the Casino/Gurney Street Project. This will include:
- a. information on further land deals;
 - b. proposals for the further phases; and,
 - c. proposals (including social contribution, etc.), for the casino.

REASONS

51. Enabling the scheme described in this report to proceed would lead to the development of a significant leisure and entertainment facility in Middlesbrough Town Centre, as well as regenerating a prominent site that is currently in a state of disrepair, and generating a series of direct and indirect benefits to the town's economy.

BACKGROUND PAPERS

The following background papers were used in the preparation of this report:

- **Casino Licensing Sub-Committee Report – 30th May 2012**
- **Casino Licensing Sub-Committee Report – 8th April 2011**
- **Executive Report – Casino Regulations – 6th November 2008**

AUTHOR: Richard Dowson

TEL NO: 729560

Address:

Website: <http://www.middlesbrough.gov.uk>

Controlling where gaming machines may be played

**Amendments to *Licence conditions and codes of practice*
(LCCP) and *Guidance to licensing authorities***

**Responses
July 2016**

Contents

1	Introduction	3
2	Background	4
3	Controlling where gaming machines may be played	7
	• Overall approach	7
	• Policy objectives	7
	• Primary gambling activity	10
	• Social responsibility code provisions	11
	• Actual use of named activity	17
	• Compliance approach	19
	• Licensing approach	20
	• Guidance to licensing authorities	22
Annex A	Summary of regulatory framework	28
Annex B	List of respondents	31

As part of that condition bingo operators are required to supervise those areas at all times. Supervision in the context of the premises condition is defined as through one or more persons whose responsibilities include preventing underage access to the area or CCTV which is monitored by one or more persons for the same purpose.

In the new social responsibility code provision the requirement for *‘appropriate supervision of those facilities by staff at all times’* goes beyond the relatively narrow scope of the bingo premises licence condition. Underage access is undoubtedly a key risk that would materialise where gambling facilities are not appropriately supervised. But we are equally concerned in respect of both machine gambling and the named licensed activity that operators are able to identify and react to risks associated with behavior or patterns of play which may indicate a player experiencing harm or indeed suspicious activity through the use of their gambling facilities.

In keeping with our approach to tackle particular concerns via targeted engagement, and where necessary additional specific conditions, we are not making sweeping judgements on the established customs and practice of any one sector. There are a variety of means by which in the first instance an operator can satisfy themselves of the appropriateness or otherwise of their supervision arrangements. Equally the Commission or licensing authorities can undertake compliance activities or investigate reported incidents and make assessments on the effectiveness of an operator’s arrangements.

Casinos

The Commission has carefully considered the legal arguments put forward during this consultation and we recognised the legal position is not clear cut. We therefore intend to adopt the position that an electric casino, where there is no live gaming but there is fully automated gaming on the premises (that is, an automated wheel is present and so all aspects of the gaming transaction have taken place on the premises), should be treated as non-remote gambling and as a result it will be acceptable for gaming machines to be made available (subject to the other parts of the code of practice provision being met). However in an electric casino where all the gaming is derived from real games of chance taking place on another premises, in reliance on a full remote casino licence, the provision of gaming machines will not be permitted. On a case by case basis, if the Commission is not satisfied that the environment and the range and scale of gambling on offer made the premises recognisably a casino, this would be addressed by imposing specific conditions.

The Commission has not adopted the suggestion that the words ‘non-remote’ be removed from the proposed drafting of the code, which would serve to widen things too far. However the wider interpretation of non-remote described above means that the majority of electric casinos will be compliant with the code as drafted.

Function, internal and external presentation

The Commission is not seeking to impose a single format or model of what a particular type of gambling premises should look and function like. The wider public may have stereotypical views of what a betting, bingo or casino premises would consist of and given the vast majority of premises within these sectors share certain core characteristics it is difficult for the industry to dispute that these facilities are not provided in response to consumer expectations. However this is not to suggest that all gambling premises must necessarily adhere to those expectations either now or in future. The Commission’s concern is that for a regulatory framework which seeks to control different machine entitlements by reference to the premises type to have any effect, it must be possible to distinguish between types of gambling premises or in fact whether a particular location is a dedicated gambling premises at all.

The final part of the new provision is therefore concerned with ensuring distinctions between types of gambling premises are maintained. This element has been amended to embed the evaluative and outcome based nature of the provision.

Review of Gambling

Adult Social Care and Health Select Committee

Final Report

October 2018

Adult Social Care and Health Select Committee
Stockton-on-Tees Borough Council
Municipal Buildings
Church Road
Stockton-on-Tees
TS18 1LD

Contents

	Page
Select Committee Membership and Acknowledgements	4
Foreword	5
Original Brief	6
1.0 Executive Summary	7
2.0 Introduction	9
3.0 Background	10
4.0 Findings and Recommendations	14
5.0 Conclusion	31

- 3.14 The Gambling Commission informed the Committee that it recognises the issue of extensive gambling advertising and work was underway to tackle the worst offenders. However the regulatory powers in this regard rest primarily with other regulators including Ofcom and the Advertising Standards Agency. Aside from bingo and sports advertising, there is a voluntary agreement to prevent gambling advertising before 9pm on television.
- 3.15 In its February 2018 Report – ‘Gambling, children and young people – a case for action’ – the RGSB outlines its concerns that advertising is increasing the normalisation of gambling within children and young people, and the lack of restrictions is leading to an ‘uncontrolled social experiment’.
- 3.16 As a result of the DCMS review, GambleAware has been commissioned to undertake a major promotional campaign focussing on safe gambling in later 2018.

example those with poor mental health or living in deprived areas. The existing research also indicates that gambling behaviour and problem gambling are not evenly distributed across England. Rates are higher in areas including: Northern areas and London; industrial / traditional manufacturing / prosperous / multi-cultural wards. Research as part of a major study in Leeds showed that problem gambling rates were broadly twice the national average. The report can be found here: <https://www.leeds.gov.uk/docs/Problem%20Gambling%20Report.pdf>

- 4.50 It is recognised that there is a need for further research into gambling related harm and this continues to develop at a national level. The RGSB and Gamble Aware have initiated new research to determine whether one type of gambling is more harmful than others. A request has been made to the National Institute for Health and Care Excellence (NICE) to develop treatment guidance for problem gambling.
- 4.51 Harmful gambling affects a range of people and the public purse. Some estimates indicate that for every problem gambler there are between 6 and 10 other people affected including family, friends and co-workers.⁴
- 4.52 Research commissioned from the IPPR in 2016 'estimated that the cost to government associated with people who are problem gamblers in Britain was between £260 million – £1.16 billion (based on problem gambling rates ranging from 0.4 to 1.1 per cent of the adult population). This was based on six identified specific costs covering primary and secondary health costs, hospital inpatient services, welfare and employment costs, housing costs and criminal justice cost'.⁵

Financial Inclusion

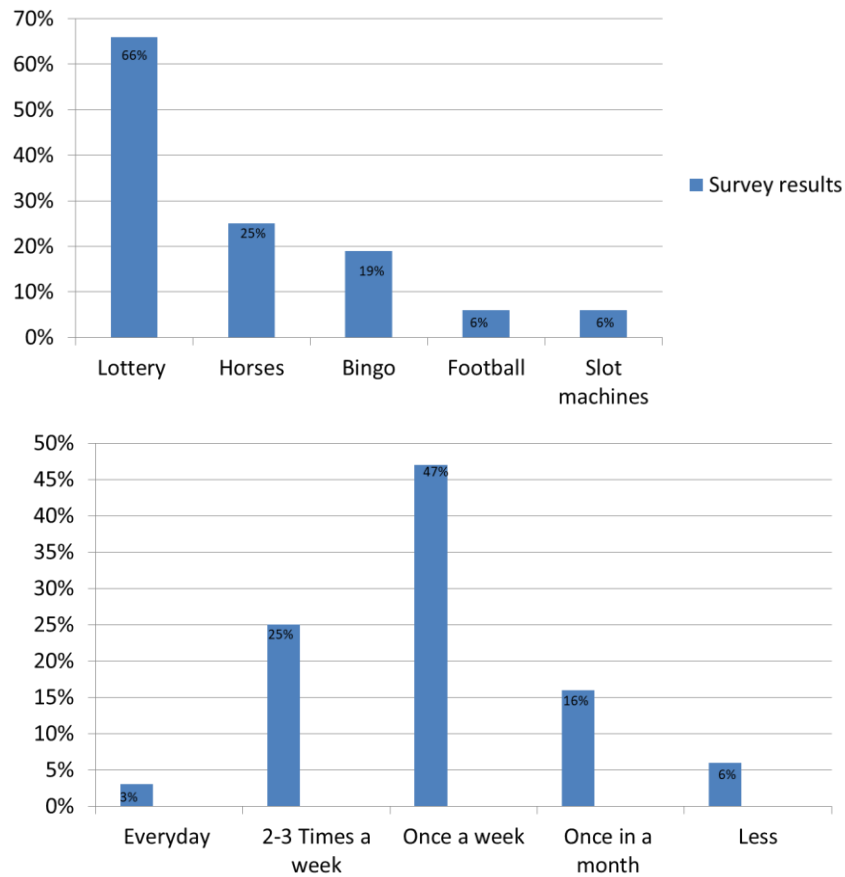
- 4.53 Gambling related harm is not exclusively linked to financial difficulty but by its nature lends itself to consideration by organisations involved in financial inclusion in many cases.
- 4.54 The National Citizens' Advice service produced a report on problem gambling. This was primarily through an online survey hosted on the CAB website, with some face to face interviews. Of those surveyed there was suggestion of significant losses over £10,000 for 65 % of those who responded. A range of harms were described in the report including emotional and relationship health. The impact on 'affected others' was described including the need for covering the costs and debts of gamblers: <https://www.citizensadvice.org.uk/out-of-luck-an-exploration-of-the-causes-and-impacts-of-problem-gambling/>.
- 4.55** Stockton District Advice and Information Service (SDAIS) conducted a survey in order to inform the review. Responses from 65 drop-in service clients were gathered over a four week period. Of those who responded:
- 49% had gambled in the past 4 weeks
 - 22% had two forms of gambling

⁴ Out of luck: An exploration of the causes and impacts of problem gambling, Citizens Advice, January 2018

⁵ Tackling gambling related harm: A whole council approach, LGA/PHE, 2018

- 6% had three forms of gambling

4.56 Of the people that gambled the following types were reported:



4.57 All respondents were asked for their opinions on gambling and the results showed a level of concern at the opportunities and impact of gambling:

	Gamblers	Non-Gamblers
Too many opportunities for gambling	87%	70%
People should have a right to gamble	78%	30%
Most people gamble sensibly	41%	9%
Gambling is bad for family life	78%	57%

4.58 Feedback from SDAIS indicated that clients had often normalised gambling within their everyday expenditure, and it was not seen as an issue by them; the issue was often first noticed by SDAIS when bank statements were examined. Clients were sometimes

- 4.64 However other evidence suggested that gambling could be a hidden issue within young people as it is with adults. Local organisations consulted did not regularly ask young people about gambling on a proactive basis and therefore it may continue to go unidentified. The Edinburgh based 'Fast Forward' charity noted that prior to their pilot work there was limited awareness of the issues around gambling amongst practitioners, and it was often thought that it was not an issue in the young people they worked with. But during sessions, once the issues had been raised with young people, they began to mention how it had affected them in more detail. Fast Forward have developed a training package for practitioners across Scotland. 41% of those working with 16-25 year olds had been in at least one situation where they needed to provide support for problematic gambling.
- 4.65 As noted above, it is highly likely that young people's awareness and exposure to gambling through advertising will have increased over recent years. There are also concerns around new forms of gambling / quasi-gambling in the space where gambling and computer gaming blur. This includes the use of virtual currencies including 'skins betting' where cosmetic items in games are wagered and 'bought', with the value in some cases turned into real cash.
- 4.66 Games that are not technically gambling cannot be regulated by the Commission, despite the risk of normalising gambling-type activity. The Commission was however working with computer game developers to ensure they avoided including aspects of games that would require them to have a license.
- 4.67 Feedback was gathered from Stockton Youth Assembly in a session attended by 7 young people. Comments were made regarding restrictions on the number of betting shops, avoiding showing promotional pictures of the Borough/events where gambling premises could be seen in the background, having awareness of advertising and online gambling, and whether young people would recognise activities such as bingo as being gambling. It was thought it was probably a niche activity for young people however it might not be seen as 'cool' and so may not be mentioned by a young person even if they were directly asked.
- 4.68 Stockton-on-Tees Secondary Schools engage with a questionnaire (SHEU survey) which covers relationships, safety and health. In 2018 additional questions around gambling were included (using the same as the Gambling Commission surveys) and the results will be used to inform local work once available.
- 4.69 As with other risk taking behaviours (e.g. smoking, alcohol and drug taking) there is evidence that education programmes that support young people to develop broader coping & resilience skills, and that focus on prevention, are effective. There are also examples of specific programmes available to reduce gambling related risks in young people:
- a) Demos and Gamble Aware – Teacher booklet and lesson plans for KS4 focusing on: How to identify risks, Developing strategies to recognise and manage impulsive behaviour, Recognising unhealthy behaviours in others and develop strategies to help them
<https://www.pshe-association.org.uk/curriculum-and-resources/resources/resources-promoting-resilience-gambling>
 - b) Young Gamblers Education Trust (YGAM) 'In The Know' resource- key stages 3 & 4: Resources designed to minimise gambling-related harm as part of a planned PSHE



Statement of Principles in relation to
the Gambling Act 2005

Middlesbrough Council Tel: 01642 728010
e-mail: licensing@middlesbrough.gov.uk
web-site: www.middlesbrough.gov.uk

January 2019 – January 2022

CONTENTS

	Page
Part A	
1. Introduction and the licensing objectives	3
3. Licensing Authority functions	5
4. Declaration	7
5. Responsible Authorities	7
6. Interested parties	8
7. Exchange of information	9
8. Enforcement	9
9. Reviews	11
10. Appeals	12
Part B - Premises licences	
1. General Principles	14
2. Adult Gaming Centres	21
3. (Licensed) Family Entertainment Centres	22
4. Casinos	22
5. Bingo	23
6. Betting premises	24
7. Tracks	24
8. Travelling fairs	26
9. Provisional Statements	27
Part C - Permits / Temporary and Occasional Use Notices	
1. Unlicensed Family Entertainment Centre gaming machine permits	28
2. (Alcohol) Licensed premises gaming machine permits	29
3. Prize Gaming Permits	30
4. Club Gaming and Club Machines Permits	31
5. Temporary Use Notices	32
6. Occasional Use Notices	33
Appendices	
Appendix A – Map of Middlesbrough	35
Appendix B – List of Consultees	36
Appendix C – Glossary	40
Appendix D - Responsible Authorities	50
Appendix E – Summary of Local Authority Designations	52
Appendix F - Large Casino Licence – Application Guidance: Principles for Selection and Application Process	54
Appendix G – Large Casino Licence – Competition Criteria	59
Appendix H – Local Area Profile	66

Part A

Introduction

1. Middlesbrough sits in the heart of the Tees Valley conurbation with an economy which is largely service based. The town is the main urban centre within the Tees Valley city-region and has a culturally diverse population with the highest concentration of ethnic minorities in the North East. The Council area has a population of approximately 139000 making it the second biggest borough in the Tees Valley in this regard. In terms of area however it is the smallest at approximately 21 square miles. A map is provided as Appendix A.
2. Across the Borough there is a unique social and economic mix, with areas of acute disadvantage situated alongside areas of affluence. Using Indices of Multiple Deprivation 2015, 10 of the 20 wards in the Borough (50%) are ranked in the most deprived 10% of wards in England (out of the 326 local authorities in England).
3. Middlesbrough is the most ethnically diverse local authority area in the Tees Valley and second in the North East behind Newcastle with a British Minority Ethnic population of 11.7% identified at Census 2011.
 - 88.18% of Middlesbrough's resident population were classed as White (with various sub-groups).
 - 7.78% were classed as Asian/Asian British (with sub-groups)
 - 1.71% of the population were identified as Mixed/Multiple ethnic groups (with sub-groups).
 - 1.25% of the population were identified as Black/Africa/Caribbean/Black British.
 - 1.08% of the population were identified as Other Ethnic Group.
4. By virtue of section 2(1)a of the Gambling Act 2005 Middlesbrough Council is a Licensing Authority. The Licensing Authority's Statement of Principles for premises licensed for gambling sets out the issues which the licensing authority will take into consideration when determining Premises Licences for establishments in the borough. In exercising functions under the Gambling Act 2005 ("the Act"), the Licensing Authority will have regard to the licensing objectives in section 1 of the Act. 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 that gambling is conducted in a fair and open way
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling. This requirement is explicitly to protect children from being harmed or exploited by gambling.
5. The Licensing Authority is aware that, having regard to Section 153 of

the Act in making decisions about premises licences and temporary use notices, it should aim to permit the use of premises for gambling in so far as it thinks it is:

- in accordance with any relevant code of practice issued by the Gambling Commission
- in accordance with any relevant guidance issued by the Gambling Commission
- reasonably consistent with the licensing objectives and
- in accordance with the Licensing Authority's statement of licensing policy

6. Gambling Participation Survey 2017 Findings

The Gambling Commissions research found that overall, gambling participation has decreased since 2016 with 45% of people aged 16+ having participated in at least one form of gambling in the past four weeks in 2017 (48% in 2016).

Men are more likely to have gambled than women and those aged 55-64 are most likely to have gambled in the past four weeks. This is predominantly driven by participation in the National Lottery draws as when people who have only gambled in the National Lottery draws are excluded, participation is highest among 16-34 year olds.

Overall, 18% of people have gambled online in the past four weeks. Those aged 25-34 and 55-64 have seen the largest increases in online gambling participation whereas those aged 16-24 have seen a decline in online gambling participation in 2017. In terms of gambling activities:

- The National Lottery draws remain the most popular gambling activity, followed by scratch cards and other lotteries.
- Football and horse racing are the most popular betting activities.
- All gambling activities have seen an increase in online participation with the exception of betting on horse races and spread betting.
- In-person participation has declined for most activities.

6.1 Problem Gambling Estimates

An estimated 0.8% of people were identified as a problem gambler according to the full Problem Gambling Severity Index (PGSI) 2 or DSM-IV screen with a further 3.9% identifying as at low or moderate risk.

6.2 Online Gambling Behaviour

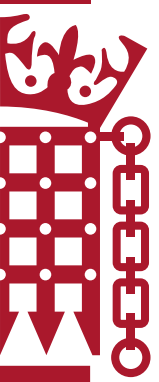
Although declining in use for gambling, laptops remain the most popular method of accessing online gambling in 2017 with 50% of online gamblers using a laptop. The use of mobile phones has seen the largest increase to 39% (an increase of 10 percentage points). The majority of online gamblers

(97%) play at home. Male online gamblers were more likely than females to gamble outside of the home including on their commute, at work, at a venue or in a pub/club –as were younger age groups. Among online gamblers, 27% have bet in-play, with rates highest in 25-34 year olds but the largest increase was seen in 55-64 year olds. On average, online gamblers have four accounts with online gambling operators. 6% of online gamblers have bet on eSports during the past 12 months, with rates highest among 25-34 year olds.

7. The statement of principles is to enable a good understanding of all the harms and benefits of gambling to society. The legislative framework for gambling recognises it as a legitimate leisure activity that many people enjoy. It generates income, employment and tax revenue for the local economy.
8. However, gambling also generates significant harms such as working days lost through disordered gambling and the cost of treatment for ill-health caused by stress related to gambling debt. There are also less easily measured significant impacts such as the negative effects of some gambling on family relationships, and the psychological and social development of children.
9. The statement of principles takes the approach that gambling-related harm is a significant public health issue. This means recognising that a successful strategy not only focuses on individual gamblers but also needs to include products, environments and marketing and the wider context in which gambling happens. Equal importance needs to be given to prevention and treatment of harm.
10. The statement of principles is underpinned by a profile of Middlesbrough to ensure an awareness of local risks and to facilitate constructive engagement with licensees and a coordinated response to local risks. The profile will help to inform specific risks that operators will need to address in their risk assessment.

Functions.

11. The Licensing Authority's main functions under the Act are:
 - a. To be responsible for the licensing of premises where gambling activities are to take place.
 - b. To issue Provisional Statements
 - c. To regulate Members' Clubs wishing to undertake certain gaming activities by issuing Club Gaming Permits and/or Club Machine Permits
 - d. To issue Club Machine Permits to Commercial Clubs
 - e. To grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres



HOUSE OF LORDS

Select Committee on the Social and Economic
Impact of the Gambling Industry

Report of Session 2019–21

Gambling Harm— Time for Action

Ordered to be printed 16 June 2020 and published 2 July 2020

Published by the Authority of the House of Lords

Select Committee on the Social and Economic Impact of the Gambling Industry

The Select Committee on the Social and Economic Impact of the Gambling Industry was appointed on 13 June 2019, and re-appointed on 22 October 2019 and 22 January 2020, “to consider the social and economic impact of the gambling industry.”

Membership

The Members of the Select Committee on the Social and Economic Impact of the Gambling Industry were:

[Baroness Armstrong of Hill Top](#)

[Lord Butler of Brockwell](#)

[Lord Filkin](#)

[Lord Foster of Bath](#)

[Lord Grade of Yarmouth](#) (Chair)

[Lord Layard](#)

[Lord Mancroft](#) (appointed 3 October 2019)

[Baroness Meyer](#) (resigned 3 October 2019)

[Lord Parkinson of Whitley Bay](#) (appointed 29 October 2019 and resigned 18 February 2020)

[Lord Smith of Hindhead](#)

[The Lord Bishop of St Albans](#)

[Baroness Thornhill](#)

[Lord Trevethin and Oaksey](#)

[Lord Watts](#)

[Baroness Wyld](#) (resigned 26 September 2019)

Declarations of interests

See Appendix 1.

A full list of Members’ interests can be found in the Register of Lords’ Interests:

<http://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests>

Publications

All publications of the Committee are available at:

<https://committees.parliament.uk/committee/406/gambling-industry-committee/publications/>

Parliament Live

Live coverage of debates and public sessions of the Committee’s meetings are available at:

<https://parliamentlive.tv/Lords>

Further information

Further information about the House of Lords and its Committees, including guidance to witnesses, details of current inquiries and forthcoming meetings is available at:

<http://www.parliament.uk/business/lords>

Committee staff

The staff who worked on this inquiry were Michael Collon (Clerk), Megan Jones (Policy Analyst) and Hannah Murdoch (Committee Assistant).

Contact details

All correspondence should be addressed to the Select Committee on the Social and Economic Impact of the Gambling Industry, Committee Office, House of Lords, London SW1A 0PW.

Telephone 020 7219 4384. Email hlgamblingindustry@parliament.uk.

Twitter

You can follow the Committee on Twitter: [@HLGamblingCom](https://twitter.com/HLGamblingCom).

CONTENTS

	<i>Page</i>
Summary	6
Chapter 1: Introduction	9
One inquiry, three committees	10
Our working methods	10
Other contemporaneous work	11
The devolved administrations	12
A word on terminology	13
Acknowledgements	14
Implementation of this report	14
Chapter 2: Background and the current situation	15
Gambling—the statutory definition	15
Betting and gaming	15
Lotteries	15
Gambling Commission	15
Legislative background	16
Budd Report	17
Children	19
Draft Gambling Bill and pre-legislative scrutiny	20
Post-legislative scrutiny	21
Political shift	21
Gambling prevalence	23
Social and economic benefits of gambling	24
Social benefits	24
Economic benefits	26
Chapter 3: The gambling industry: structure, development and current picture	28
Gambling industry	28
Size of the sector	28
Figure 1: GGY by Sector, October 2018 to September 2019	29
Offline gambling	29
Gaming machines	29
Figure 2: Machines GGY by sector location	30
Triennial reviews	31
Gambling venues	32
Casinos	33
Clustering of betting shops	35
Figure 3: Percentage of bookmakers located by geographical decile, as defined by the MHCLG's index of multiple deprivation	36
Lone working in betting shops	36
Fixed Odds Betting Terminals	37
Online Gambling	39
Background	39
Technology	41
The range of online gambling	42
Unregulated online gambling	44
Prevalence of online gambling	45
Figure 4: Location of online gambling in the past four weeks	46

Young people and online gambling	46
Online problem gambling	47
Building safer online gambling	48
Assessment of new games	50
Online stake limits	50
Speed of play limits	52
Chapter 4: Regulation	54
The Gambling Commission	54
Box 1: The Commission's statutory functions under the Act	54
Funding	55
Strategy	56
Strategy to reduce gambling harms	57
Licence Conditions and Codes of Practice (LCCP)	58
Enforcement	59
How the Gambling Commission is performing: the views of witnesses	62
The view of this Committee	63
Licensing of affiliates	65
The house edge	67
Regulation by local authorities	68
Chapter 5: Gambling-related harm	70
The scale of the issue	70
Figure 5: Distribution of problem gamblers in Great Britain by age and sex	71
British Gambling Prevalence Survey	72
Longitudinal surveys	73
The value to the industry: the greater the problem, the higher the profit	74
Figure 6: Percentage of online gambling industry profits derived from each category of gambler	74
The wider impact of gambling harms	75
A health issue	78
The Department with primary responsibility	78
Box 2: Government departments with responsibilities for gambling	79
Suicide	80
The dearth of statistics	81
Statistics through the coronial process	82
Training of doctors	83
Affordability checks	83
How to measure affordability	85
Data protection issues	86
The role of the banks	88
VIP schemes	90
Figure 7: VIP account and deposit comparator (online)	91
Abuse of VIP schemes	91
The industry view	92
Self-exclusion	95
Self-exclusion disregarded	96
GAMSTOP	97
A Duty of care	98

Disputes between customers and operators	102
Non-disclosure agreements	103
An Ombudsman scheme	106
Chapter 6: Children and young people	108
Young people and gambling prevalence	108
Young people and problem gambling	109
Loot boxes	110
Loot boxes and problem gambling	112
Redefining gambling	115
Underage gambling and problem gambling	116
Minimum age for gambling	117
National Lottery	117
Category D gaming machines	118
Children at racecourses	121
Chapter 7: Advertising	122
Facts and statistics	122
Regulation of advertising	123
Effect of advertising	124
Advertising and children	125
Sport and advertising	126
Complex sports betting	127
Interdependence of sport and betting	128
The whistle-to-whistle ban	129
A later watershed	130
A ban on all advertising of gambling	131
Sports kit and sports grounds	132
Bet to View	133
Other inducements	134
Direct marketing	135
Chapter 8: Research, education and treatment	137
Funding of research, education and treatment	137
A mandatory levy	137
Funding problems with a voluntary levy	142
GambleAware	144
Funding by GambleAware	145
Independence of GambleAware	146
Research	146
The Chadlington Committee	148
Availability of data for research	150
Education	151
Treatment	153
The National Problem Gambling Clinic	154
GamCare and Gordon Moody	155
Chapter 9: Lotteries, including the National Lottery	159
Society lotteries	159
The National Lottery	160
Gambling prevalence for lotteries	161
Lotteries and taxation	162
Lotteries and advertising	164

Summary of conclusions and recommendations	166
Appendix 1: List of Members and declarations of interest	174
Appendix 2: List of witnesses	177
Appendix 3: Call for evidence	186
Appendix 4: Extracts from election manifestos	189
Appendix 5: Acronyms and abbreviations	190

Evidence is published online at <https://committees.parliament.uk/committee/406/gambling-industry-committee/> and available for inspection at the Parliamentary Archives (020 7129 3074).

Q in footnotes refers to a question in oral evidence.

The prefixes ZGDA and GAM refer to items of written evidence. The prefixes are interchangeable and the same evidence will be found under each number in both series.

Table 7: Licensed Gambling Premises in GB, 2011–2019
Active Premises as at 30 September 2019⁹⁷

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Betting	9,067	9,128	9,100	9,111	8,995	8,915	8,800	8,559	7,315
Bingo	695	646	680	710	674	654	635	657	642
Casino	149	146	144	147	148	152	150	152	155
Arcades	2,396	2,542	2,033	2,031	1,941	1,894	1,819	1,747	1,633
Total	12,307	12,462	11,957	11,999	11,758	11,615	11,404	11,115	9,745
Year-on-year change		1%	-4%	0%	-2%	-1%	-2%	-3%	-12%

Source: Gambling Commission, *Gambling Industry Statistics: April 2015 to March 2019 updated to include October 2018 to September 2019 (May 2020)*: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf> [accessed 15 June 2020]

Casinos

103. The Hippodrome Casino’s evidence emphasised that the rate of problem gambling is lower among those who gamble at casinos, with a problem gambling rate of 7.1% for table games in 2016,⁹⁸ stating that “by comparison with other forms of betting and gaming, casino gambling would appear to be a middle-ranking activity in terms of problem gambling prevalence.”⁹⁹ While there are no harmless forms of gambling, we agree that casinos, and particularly table games, are not the most harmful and that this is largely due to the responsible way in which they are operated, and to the fact that they are more easily regulated.

104. Simon Thomas, Chief Executive and Chairman of the Hippodrome Casino London, explained some of the features of casinos that allow gambling to be tightly controlled:

“They are purpose-built for gambling. They have the correct levels of player protection and control; if you go to the Hippodrome, it says “Casino” above the door in big letters. It is not a surprise. You go in through manned door control and are checked to see whether you are sober and old enough. We have no issues with underage gambling. You then gamble across tables with trained and licensed employees, and even on the electronic side like the slot machines, there are people monitoring them at all times.”¹⁰⁰

105. He then described in more detail the process of monitoring customers:

“It is about keeping an eye on player behaviour. Every one of our slot machines is linked to an electronic system. The operatives have an iPad and can see the level of activity on any machine. If anybody has been on a machine for excessive amounts of time, they will have an intervention. If people have spent above a certain level, they will have an intervention.

97 The figures in Table 7 are for March in the given year, other than 2019 which is for September. This means that any change from 2018 to 2019 is for 18 months.

98 Written evidence from The Hippodrome Casino ([GAM0070](#))

99 *Ibid.*

100 [Q 89](#) (Simon Thomas)

It might just be a friendly chat, perhaps with somebody they know, perhaps with somebody they do not know ...

if somebody were to spend £1,500 on buy-in or win or lose, we would need full photo ID under the anti-money laundering regulations. If somebody is approaching that, we will have interventions beforehand, just to let them know that they are approaching the limit. If somebody has been on the machine for a certain amount of time—an hour or two—we will be checking on them.”¹⁰¹

106. We were impressed with the mechanisms in place at the Hippodrome to ensure that gambling is undertaken in a safe environment and that those showing possible signs of problem gambling are monitored. We would like to see best practice for monitoring customers and ensuring a safe gambling environment at casinos undertaken throughout the sector. We also note that the speed of play at land-based casinos is slower than on comparable online games; this is another important element in ensuring that casinos are safer environments for gambling.
107. The Hippodrome’s evidence suggested that “a number of changes are required to gambling legislation in Great Britain.”¹⁰² One of the changes that the Hippodrome would like to see is an increase in the number of gaming machines permitted in casinos. Their evidence set out the current situation in which the majority of casinos (145 out of 152¹⁰³) operating in Great Britain are restricted to 20 gaming machines, “regardless of size or the volume of customer visits.”¹⁰⁴ These 145 casinos have preserved the entitlements of their licences originally granted under the Gaming Act 1968. However, there are seven casinos established under, and regulated by, the Gambling Act 2005, which are entitled to offer a higher number of machines. Three “small” casinos established under the 2005 Act are entitled to offer up to 80 machines, and four “large” casinos established under the 2005 Act are entitled to offer up to 150 machines. Understandably, the Hippodrome believes that all casinos in Great Britain should be regulated in the same manner and allowed the same number of gaming machines.
108. The Hippodrome emphasised that the Government had planned to use the opening of new casinos (with greater numbers of gaming machines) under the Gambling Act 2005 “as a trial for the wider modernisation of casinos regulations”¹⁰⁵, and in July 2008 the then Parliamentary Under-Secretary for Culture, Media and Sport, Gerry Sutcliffe MP, indicated that an assessment was scheduled for 2014. So far, no such assessment has been undertaken. We therefore remain in the strange position of having the number of gaming machines in any given casino decided by the date on which it was opened, and whether it is regulated by the preserved provisions of the 1968 Act or the 2005 Act, rather than its size, number of customers or demand. We are sympathetic to the call to increase the number of gaming machines available in casinos, but believe that the Government must undertake its

101 *Ibid.*

102 Written evidence from The Hippodrome Casino ([GAM0070](#))

103 Written evidence from The Hippodrome Casino ([GAM0070](#)) dated 6 September 2019, states that there are 152 casinos currently in operation. The Gambling Commission’s latest statistics on the gambling industry states that as of September 2019, there are 155 casinos in operation: [Gambling Industry Statistics: April 2015 to March 2019 updated to include October 2018 to September 2019](#), p 8.

104 Written evidence from The Hippodrome Casino ([GAM0070](#))

105 *Ibid.*

assessment of casinos regulations before making any changes. We believe that the Government should undertake the assessment of casino regulations which should have been undertaken in 2014, and ensure that all casinos are regulated consistently.

109. **The Government should forthwith undertake the assessment of casino regulations which it promised would take place in 2014, and apply the same regulations to all casinos, regardless of when they opened.**

Clustering of betting shops

110. As we have explained,¹⁰⁶ the liberalisation of the regulation of gambling has led to an increased presence of gambling services on the high street. This followed the recommendations of the Budd report:

“As with casinos and bingo halls, we think that demand is best assessed by potential operators on commercial grounds alone. The evidence we have received suggests that the demand test is currently employed by bookmakers to drive away competition. This restricts new trade and is not good for the punter. We recommend that the demand test should be abolished for betting shops.”¹⁰⁷

111. The demand test for betting shops, bingo halls and casinos was therefore replaced by a duty for the Gambling Commission to “aim ... to permit gambling in so far as the Commission think it reasonably consistent with pursuit of the licensing objectives.”¹⁰⁸ Section 153(2) of the Act imposes a similar duty on local authorities: “In determining whether to grant a premises licence a licensing authority may not have regard to the expected demand for the facilities which it is proposed to provide.”¹⁰⁹
112. Allowing operators to decide “on commercial grounds alone” where to locate new betting shops has resulted in betting shops being disproportionately located in places where people can least afford to gamble: what is referred to as “clustering” or “bunching”. The Estates Gazette’s evidence showed that “more than half of the nation’s 6,000 bookies are in the UK’s most deprived areas”¹¹⁰, and that 56% of all the big four’s betting shops are located in the top 30% most deprived areas in England.¹¹¹ 78% of the stores of Paddy Power are located in the top 40% most deprived areas.¹¹² An article published in the Estates Gazette at the same time included the chart below showing that over 20% of betting shops are located in the top 10% most deprived areas, with only 2% in the 10% least deprived areas; in between there is a direct correlation.¹¹³

106 Chapter 2, paragraph 66

107 *Gambling Review Report*, para 20.13. This however is not entirely consistent with their recommendation in paragraph 21.13, to which we refer below in paragraph 259.

108 Gambling Act 2005, [section 22](#)

109 There is no similar provision in the Licensing Act 2003 in relation to the licensing of premises for the sale of alcohol. The Gambling Act 2005, [section 166](#) exempts casino licensing from this provision.

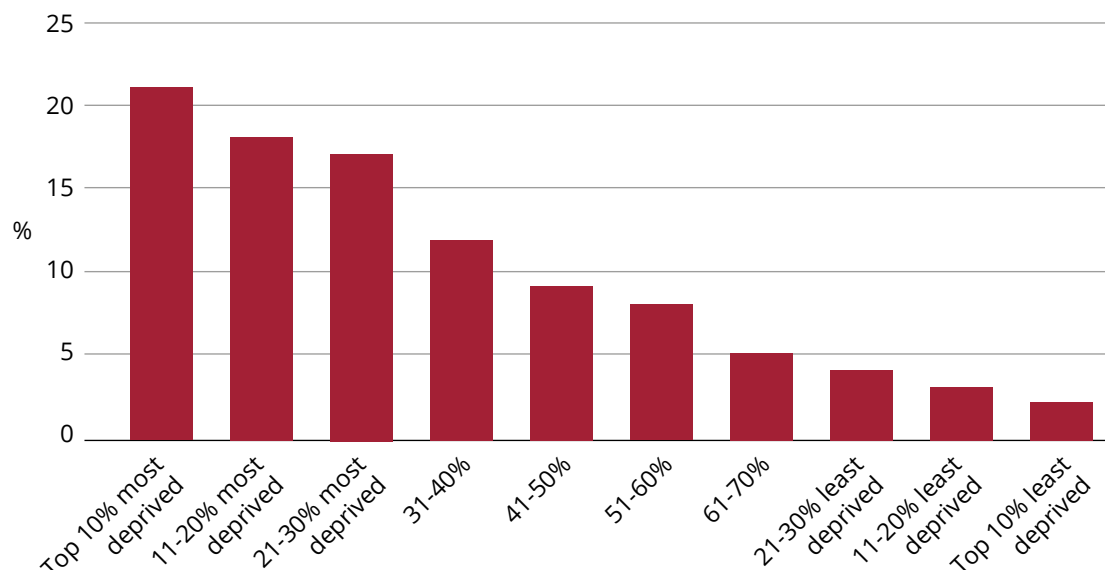
110 Written evidence from Estates Gazette ([GAM0005](#))

111 *Ibid.*

112 *Ibid.*

113 James Child, ‘All bets are off on the UK’s poorest high streets’, *Estates Gazette* (10 July 2019): <https://www.egi.co.uk/news/more-than-half-of-top-four-bookies-are-in-the-uks-most-deprived-areas/> [accessed 23 April 2020]

Figure 3: Percentage of bookmakers located by geographical decile, as defined by the MHCLG's index of multiple deprivation



Source: James Child, 'All bets are off on the UK's poorest high streets', *Estates Gazette* (10 July 2019): <https://www.egi.co.uk/news/more-than-half-of-top-four-bookies-are-in-the-uks-most-deprived-areas/> [accessed 23 April 2020]

113. Research by Landman Economics and Geofutures for the Campaign for Fairer Gambling has found a clear relationship between the extent of deprivation in local areas and the number of betting shops in those areas¹¹⁴. The industry is not, however, merely responding to the demand, it is to some extent driving it. Ease of access to betting shops incites and encourages gambling. This is an important social issue, and one way of alleviating the problem would be to increase the regulatory powers of local authorities. We deal with this in the following chapter.¹¹⁵

Lone working in betting shops

114. Dr James Banks, Reader in Criminology at Sheffield Hallam University, raised concerns about the practice of lone working in betting shops. He stated that to prevent gambling from being a source of crime or disorder (one of the licensing objectives) "I would encourage LBO [licensed betting office] operators to abolish lone working, with a view to reducing the likelihood of robbery and the risk posed to retail staff."¹¹⁶
115. His evidence explained that analysis of the robberies committed in betting shops showed that although crimes were committed across betting shop opening hours, "many of the robberies took place in the evening when neighbouring shops will have closed and fewer people will be present either in the shop or the surrounding vicinity."¹¹⁷ Dr Banks then stated that lone working "typically occurs in evening, but also the early morning"¹¹⁸, the times at which the betting shops will usually have fewest customers and when other businesses in the area will be closed. To mitigate the risks for

114 Written evidence from Landman Economics (GAM0039)

115 Chapter 4, paragraphs 255–261

116 Written evidence from Dr James Banks (GAM0033)

117 *Ibid.*

118 *Ibid.*

both lone-working staff and the individual betting shops involved, Dr Banks suggested:

“... previous research has demonstrated that greater numbers of ‘frontline’ staff or the introduction of specialised security personnel into retail environments where there is only a small volume of staff can serve to reduce the occurrence of violent crime.”¹¹⁹

116. Similar concerns were expressed in January 2017 by the Responsible Gambling Strategy Board.¹²⁰ In its advice to the Gambling Commission for the 2017 DCMS review of gaming machines and social responsibility measures, it said:

“Appropriate staffing levels are key to the detection and mitigation of harmful play. There must be serious doubt about the extent to which a single member of staff on their own in a betting shop, even at less busy times of the day or night, can simultaneously look after the counter, remain alert to the possibility of under-age play and money laundering, and still be expected to identify potentially harmful play and make appropriate interventions. The Gambling Commission should ask all operators to review safe staffing levels. Larger operators should be required specifically to address staffing levels and safety (of employees as well as players) in their annual assurance statements.”¹²¹

117. We are not aware that the Gambling Commission followed this advice, or that operators have addressed this issue. We agree that it is undesirable that a betting shop should have only one member of staff at any time, but especially in the evening, or if the lay-out of the shop does not allow one member of staff to supervise the whole premises. We have considered whether to recommend that a condition should be attached to premises’ licences requiring at least two members of staff to be present whenever the premises are open to the public. However, we have not taken evidence on this from the industry, and we recognise that this would have financial consequences, particularly for smaller operators.
118. **The Gambling Commission should work with bookmakers to create a protocol to ensure adequate supervision and staffing during opening hours, taking into consideration the size, lay-out and turnover of individual premises.**

Fixed Odds Betting Terminals

119. FOBTs are electronic machines in betting shops on which customers can play a variety of games, including roulette. Each machine accepts bets for amounts up to a pre-set maximum, and pays out according to fixed odds on the simulated outcomes of games.
120. Changes to the taxation of gambling with the introduction of a gross profits tax regime came into effect in October 2001, and allowed the gambling industry to introduce new, lower margin products, such as roulette, to

119 *Ibid.*

120 Now the Advisory Board for Safer Gambling.

121 Responsible Gambling Strategy Board, *Advice in relation to the DCMS review of gaming machines and social responsibility measures* (31 January 2017): <https://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf> [accessed 23 May 2020]

FOBTs. By April 2005, an estimated 20,000 terminals were in use,¹²² and this had increased to 30,000 by the time the Gambling Act came into force in September 2007.¹²³ The latest statistics from the Gambling Commission show that there are 23,441 FOBTs in Great Britain.¹²⁴

121. Concerns were raised by treatment providers about FOBTs and the relationship between FOBTs and problem gambling, as early as 2003.¹²⁵ However, it took until October 2017 for the DCMS to announce a range of proposals to strengthen protections around gambling, including lowering the maximum stake on FOBTs to between £50 and £2.¹²⁶ Following a public consultation¹²⁷ on the appropriate level of the new stake limits, the DCMS announced in May 2018 that the maximum stake would be lowered to £2.¹²⁸
122. In October 2018, the Budget report¹²⁹ stated that the reduced stake would come into effect from October 2019, and the then Chancellor of the Exchequer told the Commons Treasury Select Committee that the Government had to implement the new stake “in a way that is balanced and fair and allows for an orderly transition”. However, amendments to the Finance (No. 3) Bill to bring the implementation date forward to April 2019 attracted cross-party support.
123. In December 2018, the Gaming Machine (Miscellaneous Amendments and Revocation) Regulations 2018¹³⁰ were approved by both Houses, and on 1 April 2019 the Regulations came into force and reduced the maximum stake on a single bet to £2.
124. The Gambling Commission’s latest statistics¹³¹ show that between October 2018 and September 2019, the GGY for all non-remote gaming machines fell by 11.8% compared to the previous period. This decrease was driven by the reduced stake limits on B2 machines from £100 to £2. For the whole year from October 2018 to September 2019, which included 6 months with a maximum stake of £100 and 6 months with a maximum stake of £2, the GGY on these machines fell by 46.4% compared with the last whole year with a £100 maximum stake. It can safely be said that the GGY for a whole year with a £2 maximum stake will have been more than 90% lower.

122 Europe Economics, *Fixed Odds Betting Terminals and the Code of Practice: a report for the Association of British Bookmakers Limited: Summary Only* (April 2005) para 1.2.5: <https://www.ipsos.com/sites/default/files/migrations/en-uk/files/Assets/Docs/Archive/Polls/abb.pdf> [accessed 18 May 2020]

123 *The Gambling Act 2005: A bet worth taking?*, p 5

124 *Gambling Industry Statistics: April 2015 to March 2019 updated to include October 2018 to September 2019*, p 9

125 Joint Committee on the Draft Gambling Bill, *Draft Gambling Bill* (Report of Session 2003–04, HC 139-I, HL Paper 63-I) p 130

126 Department for Digital, Culture, Media and Sport, ‘Government to take action on Fixed Odds Betting Terminals’ (31 October 2017): <https://www.gov.uk/government/news/government-to-take-action-on-fixed-odds-betting-terminals> [accessed 23 April 2020]

127 Department for Digital, Culture, Media and Sport, *Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures* (October 2017): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655969/Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf [accessed 23 April 2020]

128 HC Deb, 17 May 2018, cols 444–456

129 HM Treasury, *Budget 2018* (October 2018): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752202/Budget_2018_red_web.pdf#page=53 [accessed 23 April 2020]

130 The Gaming Machine (Miscellaneous Amendments and Revocation) Regulations 2018 (SI 2018/1402)

131 *Gambling Industry Statistics: April 2015 to March 2019 updated to include October 2018 to September 2019*, p 9

Online Gambling

Background

125. The rapid growth and development of online gambling is one of the primary reasons that all three main UK political parties, and the Scottish National Party, undertook pledges to reform gambling legislation. The Conservative Party manifesto pledge has become a slogan for the concern that “the Gambling Act is increasingly becoming an analogue law in a digital age.”¹³²
126. The BGC does not agree, advocating that “it is difficult to envisage any technology that the Gambling Act 2005 would fail to cover”¹³³ under its current provisions. They, among other operators, feel that a new Gambling Bill is not needed, and sufficient powers are already granted under the Act both to the regulator and the Government.
127. Other sectors of the industry, treatment providers and charities disagree, and argue that the way we gamble has changed dramatically and the 2005 Act has not adapted to the ever-evolving technology.¹³⁴ As we have explained in Chapter 2, the 2001 Budd report recommended legalising online gambling. However, Sir Alan explained to us that as UK gambling companies could not legally provide online gambling at the time of the report, it was “difficult to appreciate the scale” of online gambling as the data was “scarce”.¹³⁵ As a result of this, the full extent of online gambling being carried out in Britain was not fully reported. As Mr Waugh, told us:

“The prevalence survey in 1999 recorded online gambling participation as a rounding error, substantially lower than 1% whereas in 2016 it was 9%—excluding the National Lottery online, to put in context of how little was known about it at the time of the report.”¹³⁶
128. The Government accepted the Budd report’s online gambling recommendation in the 2005 Act, and subsequently the Gambling (Licensing and Advertising) Act 2014 made it a requirement that remote operators hold a licence from the Gambling Commission.¹³⁷ This legislation was perceived to have “closed a significant gap” in the regulation of online gambling, “meaning [the Gambling Commission] now regulate 100% of the legal British market.”¹³⁸
129. The technology available at the time of the Budd report, and even the Gambling Act 2005, was vastly different to the technology available today:

“In 2005, it was estimated 13.9% of the world population uses the internet. In June 2019, it was estimated 58.8% of the world population

132 The Conservative and Unionist Party, *The Conservative and Unionist Party Manifesto 2019: Get Brexit Done, Unleash Britain’s Potential* (November 2019) p 20: https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conervative%202019%20Manifesto.pdf [accessed 31 March 2020]

133 Written evidence from Betting and Gaming Council (GAM0068)

134 Written evidence from Gordon Moody Association (GAM0032) and BACTA (GAM0050)

135 Q 43 (Sir Alan Budd GBE)

136 Q 43 (Dan Waugh)

137 Gambling (Licensing and Advertising) Act 2014, [section 1](#)

138 Written evidence from the Gambling Commission (GAM0071)

now uses the internet.¹³⁹ In the UK, it was estimated in June 2019 that 94.6% of the population use the internet¹⁴⁰.¹⁴¹

130. Alongside the increasing accessibility of the internet, came greater internet speed and download capability. These developments continued to enhance the advancing capabilities of online gambling.
131. Technological advances have long since gone beyond the internet, and as Sir Alan told us, in 2001, “no one had even thought about the possibility that someone might be holding something in his or her hand and be allowed to gamble freely.”¹⁴² PCs were originally used for online gambling, but then a wider range of devices became available, from laptops and tablets to smart TVs and the rapidly increasing use of mobile phones, and the accompanying gambling apps. The Gambling Commission’s *Gambling Participation in 2019: behaviour, awareness and attitudes* report found that 50% of those gambling online were using a mobile phone, which is up from 23% in 2015.¹⁴³ As Tony Parente, one of our witnesses with lived experience, told us, now “You can gamble 24 hours a day, seven days a week, and non stop.”¹⁴⁴
132. Other advances such as social media, artificial intelligence and cryptocurrency have also contributed to the continued development of online gambling, both in terms of what we consider gambling to be, how we gamble and how gambling is monitored. Social media has created two new pathways to gambling; the first through social media’s role in advertising, which we discuss in Chapter 7, and social gaming which we discuss below and expand upon in Chapter 6.
133. Gambling operators have been accused by former gambling industry employees of “increasingly using artificial intelligence (AI) to predict consumer habits and personalise promotions to keep gamblers hooked.”¹⁴⁵ Where offline gambling can be largely conducted with anonymity, due to customers holding an account online, gambling operators have access to vast amounts of data regarding their customers’ age, payment history, any patterns in play and the popularity of specific products. Gambling operators apply AI in order to assist in utilising and understanding this data. This data is a significant resource and operators told us they need to “ensure ... that [they] use the data that [they] have as operators in a consistent and coherent way.”¹⁴⁶
134. As technology has advanced so has the need for expert knowledge, and throughout our inquiry witnesses expressed concern that the Gambling Commission cannot keep up with this rapid progress. Susanna Fitzgerald QC, a barrister and former trustee of GamCare, told us that “there is no way that the Commission can possibly match” the level of expertise in the industry, and

139 Internet World Statistics, ‘Internet growth statistics’: <https://www.internetworldstats.com/emarketing.htm> [accessed 18 May 2020]

140 Internet World Statistics, ‘Internet in Europe Stats’: <https://www.internetworldstats.com/stats4.htm> [accessed 18 May 2020]

141 Written evidence from East Riding of Yorkshire Council (GAM0028)

142 Q 43 (Sir Alan Budd GBE)

143 *Gambling Participation in 2019: behaviour, awareness and attitudes, Annual report*, p 15

144 Q 58 (Tony Parente)

145 Mattha Busby, ‘Revealed: how bookies use AI to keep gamblers hooked’, *The Guardian* (30 April 2018): <https://www.theguardian.com/technology/2018/apr/30/bookies-using-ai-to-keep-gamblers-hooked-insiders-say> [accessed 13 April 2020]

146 Q 130 (Dan Taylor)

“it certainly does not.”¹⁴⁷ Neil McArthur, Chief Executive of the Gambling Commission, accepted that “the industry has many more data scientists and game designers,” but argued that the Commission can “set the exam question.”¹⁴⁸ This implies that the Commission could use its powers to utilise the skills that the industry possesses in order to better regulate developments in online gambling technology. The National Audit Office (NAO) report in February 2020 further confirmed that the Commission is aware of a “skills gap,”¹⁴⁹ but highlighted the constraints it is under with regard to its budget. Our support for Commission budgetary reform is highlighted in Chapter 4.¹⁵⁰

135. This brief outline demonstrates how dramatically technology has advanced, and the difficulty but necessity of anticipating and adapting to the impact that technology has on how we gamble, what we gamble on and the gambling-related harms experienced. In a Review of Online Gambling in 2018, the Gambling Commission acknowledged that “progress by the online industry to minimise harm has been significantly slower than we expected and required.”¹⁵¹ The rapid developments seen to date will only continue as new technologies are developed, and we agree with Dr Steve Sharman and Professor John Turner from the University of East London when they told us, “It is essential that any new legislation includes these newer types of gambling and retains the flexibility to evolve and to keep pace with the ever changing and developing gambling industry.”¹⁵²

Technology

136. Technology has prompted the need for the reassessment of regulation, but it can also be utilised by gambling operators to advance player protection. Some operators have begun to do this, and the BGC told us their members “are investing substantial resources in developing and deploying a range of harm prevention initiatives. Building on independent research, our members have developed behavioural tracking systems, designed to identify harmful play and deliver a set of tiered and tailored interactions to encourage customers to stay in control of their gambling.”¹⁵³
137. Professor Raian Ali and Dr John McAlaney from Bournemouth University submitted evidence setting out how technology such as Application Programme Interface (API) could be used to provide personalised real-time data to gamblers. Their research shows if “the data could be provided in an automated, real-time manner to players, it would enable them to visualise and understand their gambling behaviour, support them with budgeting and to identify potentially harmful behaviour.”¹⁵⁴ However, in order to be effective any such technological aid would require operators to share more data than they have historically been willing to provide.¹⁵⁵

147 Q 44 (Susanna Fitzgerald QC)

148 Q 141 (Neil McArthur)

149 *Gambling regulation: problem gambling and protecting vulnerable people*, p 10

150 See our recommendation in paragraph 201.

151 Gambling Commission, *Review of Online Gambling* (March 2018) p 4: <http://www.gamblingcommission.gov.uk/PDF/Online-review-March-2018.pdf> [accessed 13 April 2020]

152 Written evidence from Dr Steve Sharman and Professor John Turner (GAM0037)

153 Written evidence from Betting and Gaming Council (GAM0068)

154 Written evidence from Bournemouth University (GAM0001)

155 We discuss the availability of data for research in Chapter 8, paragraphs 595–598.

The range of online gambling

138. Most formerly land-based gambling products have now also transferred onto online platforms; lotteries, bingo, casino style games and poker are all played online. However, online versions of gambling products are not subject to the same physical limitations as their land-based counterparts. For example, poker played in a casino is a relatively low-frequency gambling experience, as the speed of any individual hand is limited by how fast chips can be handled and cards dealt from a physical deck. In land-based poker, players must also travel to a card room, and often wait for a seat to open up at a game, whereas in online poker each new hand can be dealt to players instantaneously, making for a faster gambling experience. Furthermore, in online poker, players can play multiple games simultaneously. The greater speed and easy availability of online gambling products is relevant given that high-frequency gambling products are generally considered to be the most harmful.¹⁵⁶
139. Operators are also providing an increasing number of gambling activities across their platforms. For example, online poker sites now generally offer sports betting and other casino games alongside their core product of online poker, with customers able to use a single account balance across multiple forms of gambling. This is relevant to consumer protection given that problem gamblers tend to engage in multiple gambling activities.¹⁵⁷ The number of gambling activities is ever increasing, with new online games being developed all the time.
140. Online gambling has changed how very traditional forms of gambling are conducted; in horseracing for example, online gambling “now accounts for some 65.6% of turnover, and 50.4% of gross gambling yield.”¹⁵⁸ What was once the domain of land-based bookmakers is now moving more and more onto digital platforms. The diversity of sports and activities that can now be bet on is vast, from football, which is fast becoming synonymous with gambling, to snooker, darts and hurling all played across the world. The frequency of football betting used to be limited by the frequency of the games, which in England was typically 3pm on Saturdays. However, now a football bet can often be placed on an upcoming game, such as a Brazilian third division match or in one of the many international summer competitions. As a result, sports bets can be placed more easily and more frequently than ever before.
141. The variety of sports on which a bet can now be placed is complemented by the increasing variety of the types of bet available. One form of bet which has been referenced repeatedly throughout our evidence is in-play betting. As Professor Orford explained, this creates “multiple betting opportunities,”¹⁵⁹ as throughout the match, race or event players can bet quickly on a variety of different aspects of the event they are watching, or even bet on “multiple events simultaneously.”¹⁶⁰ For example, in-play bets can be placed on the identity of the next goal scorer, which can create many additional gambling

156 Natasha Dow Schüll, *Addiction by design: Machine gambling in Las Vegas*, 1st Edition (Princeton University Press, 2014)

157 Debi A LaPlante, Sarah E Nelson and Heather M Gray, ‘Breadth and depth involvement: Understanding Internet gambling involvement and its relationship to gambling problems’, *Psychology of Addictive Behaviors*, vol 28(2), (2014), pp 396–403: <https://www.ncbi.nlm.nih.gov/pubmed/23915365> [accessed 18 May 2020]

158 Written evidence from the British Horseracing Authority (GAM0065)

159 Written evidence from Professor Jim Orford (GAM0019)

160 Written evidence from Associate Professor Charles Livingstone (GAM0108)

opportunities across the course of a high-scoring match. Gambling advertisements for next goal scorer bets have been observed to occur frequently during live high-profile football matches,¹⁶¹ a type of advertising that has not been entirely eliminated by the recent whistle-to-whistle ban. We address the role of advertising and discuss the whistle-to-whistle ban further in Chapter 7. Recent statistics show that 21% of online gamblers had bet in-play in the last four weeks, which is stable based on previous figures.¹⁶²

142. Another recent development in betting is the ability to create custom bets. Many of the larger gambling operators offer custom bet options, such as Sky Bet's RequestaBet tool or Bet365's Bet Builder. Custom bets also utilise social media, as gamblers can tweet companies with the hashtag #RequestABet, and the companies will build the bet. Dr Elliot Ludvig, Dr Philip Newall and Dr Lukasz Walasek from the University of Warwick told us their research shows "sports betting products that allow gamblers to customise their own bets are especially attractive to problem gamblers. In one recent survey, 16.0% of participants who had placed at least one custom bet were problem gamblers, compared to 6.7% who had never placed a custom bet."¹⁶³
143. In Chapter 7 we discuss concerns about the 'gamblification' of sport, and in particular its potential impact on young people. A form of betting which may further exacerbate the impact gambling has on children is eSports, which are the competitive playing of video games. Researchers told us: "ESports represents the largest growth opportunity for sports gambling and presents a particular worry as its players and spectators are young."¹⁶⁴
144. Players can bet on eSports in a traditional sense, on events occurring in the game or the outcome, but video games in recent years have also started to incorporate gambling-like features which use virtual currencies and in game items such as loot boxes and skins. This has raised concerns about what should and should not be considered gambling, and what steps should be taken in order to protect the large number of young people playing video games. As Parent Zone told us, when children and young people are using these products "they do so without the protection of regulation, and it is because regulators do not recognise their value that parents do not consider their risk."¹⁶⁵ This is an area of pressing concern with "the blurring of boundaries between video games and gambling activities."¹⁶⁶ We address the regulation of gambling-like activities in Chapter 6.
145. Virtual currencies, or cryptocurrencies, are digital currencies that are secured by data encryption, allowing currency to be transferred and transacted. Some cryptocurrencies are widely known such as Bitcoin, and social media firms like Facebook have proposed cryptocurrencies of their own. Decentralised gambling, which is also known as blockchain or crypto-gambling, is a form of gambling which uses cryptocurrency technology. As

161 Philip Newall, Ankush Thobhani, Lukasz Walasek and Caroline Meyer, 'Live-odds gambling advertising and consumer protection', *PLOS One*, vol 14(6), (2019): <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0216876> [accessed 18 May 2020]

162 *Gambling Participation in 2019: behaviour, awareness and attitudes, Annual report*, p 18

163 Written evidence from Dr Elliot Ludvig, Dr Philip Newall and Dr Lukasz Walasek (GAM0089)

164 Written evidence from Ipsos MORI, Professor Agnes Nairn and Josh Smith (GAM0069)

165 Written evidence from Parent Zone (GAM0056)

166 Joseph Macey and Juho Hamari, 'Esports, skins and loot boxes: Participants, practices, and problematic behaviour associated with emergent forms of gambling', *New Media and Society*, vol. 21 (1), (2019), pp 20–24: <https://pdfs.semanticscholar.org/f275/a081548a2131e23054e332acf9a64baf14b.pdf?> [accessed 13 April 2020]

this is an emerging technology and the variety of cryptocurrencies available is increasing rapidly, this area of gambling creates another area of risk. Oliver Scholten, PhD student, Dr James Walker, lecturer in Computer Science and Dr David Zendle, lecturer in Computer Science from the University of York told us that the “online and unrestricted nature of decentralised gambling applications means that there are no theoretical limitations to the use of these gambling services by minors.”¹⁶⁷

146. Another development which continues to create confusion about what we consider gambling to be, is social gaming. Social gaming covers the wide variety of games that are available on social media platforms. These games contain gambling-like features, such as playing with cards or dice, or slot machine style games. In January 2015 the Gambling Commission stated in its Social Gaming report that it was accepted that winning additional spins/credits/tokens/chips in these games, despite the fact they could be purchased with real money, did not amount to a prize of money or money’s worth which would bring these games under the remit of gambling legislation. The Commission stated that this was untested in the courts (which to the best of our knowledge is still the position), and they added: “... the uncertainty, and associated commercial and regulatory risk, is a useful deterrent to those thinking of pushing the boundary.” Their conclusion was that “there is no compelling reason at the moment to impose additional regulation on the social gaming sector given that it is already subject to extensive consumer protection legislation.”¹⁶⁸
147. However, the Gambling Commission does continue to monitor social gaming in its annual participation report, and the most recent survey found 20% of respondents had taken part in social gaming, and 44% of individuals who had gambled as well as played social games said they played social games first.¹⁶⁹
148. What we understand online gambling to be has changed dramatically, and it is imperative that the recommendations we make help protect players against the potential harms that might be felt from products that are both available now and new products which might be created in the future.

Unregulated online gambling

149. When considering online gambling, we must bear in mind online gambling sites which are unregulated in the UK. Ulrik Bengtsson, Chief Executive of William Hill, told us “the UK regulation, which broadly keeps 98% of play within the licensed regime, is very successful.”¹⁷⁰ However, Professor Julia Hörnle, Professor of Internet Law at Queen Mary, University of London, believes “the extent of foreign unlicensed gambling by punters in Great Britain is unknown and therefore its impact (in terms of harmful effects) is unknown.”¹⁷¹ Nevertheless gambling operators say they remain concerned about the risk of excessively stringent regulation driving people into unregulated online markets.¹⁷²

167 Written evidence from Oliver Scholten, Dr James Walker and Dr David Zendle (GAM0074)

168 Gambling Commission, *Social gaming* (January 2015) pp 2 and 9: <https://www.gamblingcommission.gov.uk/PDF/Social-gaming-January-2015.pdf> [accessed 15 April 2020]

169 *Gambling Participation in 2019: behaviour, awareness and attitudes, Annual report*, pp 33–35

170 Q 129 (Ulrik Bengtsson)

171 Written evidence from Professor Julia Hörnle (GAM0034)

172 Q 130 (John Coates)

150. The Gambling Commission, though aware of the potential risk, think “this could not possibly be an argument for lowering standards in the licensed community” and believe “there is no great sense of a burgeoning illegal market.”¹⁷³

Prevalence of online gambling

151. As would be expected given the growth of this sector, the Gambling Commission’s Annual Participation Survey published in 2020 found that 21% of survey respondents had gambled online in the past four weeks, an increase from 18% in the previous year.¹⁷⁴ The survey also found online gambling participation was higher among men than women—25% men and 17% women.¹⁷⁵
152. Online gambling has changed how gambling activities are carried out. The table below shows how each gambling activity was accessed by survey participants, and whether they conducted the activities in person, online or both. As the table sets out, in 2019 the majority of all forms of betting were carried out online. Sports betting, football betting and betting on horseracing have all seen a decrease in the number of individuals participating in person, as opposed to online.

Table 8: Online and in person participation in the past four weeks by activity (telephone survey, n=4,003)

	Online %	In person %
National Lottery draws	36%	73%
Another lottery	50%	53%
Bingo	24%	81%
Football pools	55%	50%
Horseraces	61%	49%
Sports betting	81%	27%
Football betting	83%	26%
Other sports betting	80%	22%
Betting on other events	58%	53%
Casino games	74%	47%

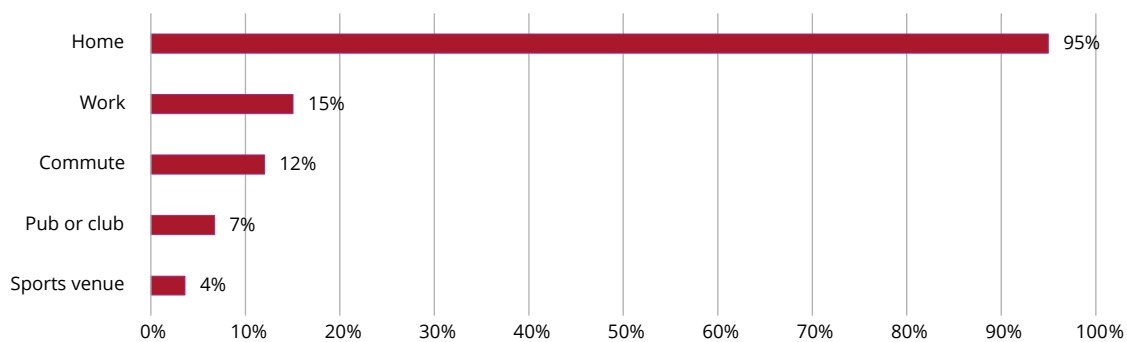
Source: Gambling Commission, *Gambling Participation in 2019: behaviour, awareness and attitudes*, Annual report (February 2020) p 12: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2019-behaviour-awareness-and-attitudes.pdf> [accessed 6 April 2020]

153. The changing nature of how we gamble, also has an impact on where we gamble. As Figure 4 shows the majority of online gambling is carried out at home.

173 Q 146 (Neil McArthur)

174 *Gambling Participation in 2019: behaviour, awareness and attitudes*, Annual report, p 10

175 *Ibid.*

Figure 4: Location of online gambling in the past four weeks

Source: Gambling Commission, *Gambling Participation in 2019: behaviour, awareness and attitudes*, Annual report (February 2020) p 17: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2019-behaviour-awareness-and-attitudes.pdf> [accessed 6 April 2020]

154. Many forms of offline gambling are perceived as social activities, as discussed in Chapter 2; however, the fact that online gambling is largely conducted at home highlights how the online gambling sector differs from traditional forms of gambling. Michelle Singlehurst, one of our witnesses with lived experience, explained to us that one of the issues with online gambling is that it “so easy and isolating.”¹⁷⁶ The BGC acknowledged that it “may be a reasonable assumption that a large part of gambling at home is solitary. But that does not mean that other people are not present (which may be a critical mediating factor).”¹⁷⁷ However, as discussed in more detail in Chapter 2, Mr Cronin of Tombola, emphasised the importance of community in online bingo, particularly interactive chat communities where players can chat, interact and make friends.
155. Until the day before this report was agreed, betting shops and sports venues were still closed and there was little possibility of betting offline; for many people confined to their homes, that is still the case. Estimates of the figures will not be available for many months, but it is to be expected that there is a large though unquantified increase in online betting. When betting shops re-open and the public can again attend sports venues, there will be a resurgence of offline betting, but it remains to be seen whether the relationship between offline and online betting will be anything like it was six months ago.

Young people and online gambling

156. Online gambling has also had an impact on the numbers of young people gambling. There has been “a small, but significant increase in online gambling between 2017 and 2019; from 1% of 11–16 year olds gambling online in the past seven days in 2017 and 2018, to 3% in 2019.”¹⁷⁸ These figures suggest more work needs to be done in order to prevent underage teenagers from gambling online.

¹⁷⁶ Q 58 (Michelle Singlehurst)

¹⁷⁷ Written evidence from the Betting and Gaming Council (GAM0129)

¹⁷⁸ Gambling Commission, *Young people and gambling survey 2019, A research study among 11–16 year olds in Great Britain* (October 2019) p 33: <https://www.gamblingcommission.gov.uk/PDF/Young-People-Gambling-Report-2019.pdf> [accessed 31 March 2020]. They note that when comparing data over time it is important to bear in mind changes in methodology and sample frame, alongside adaptations to the question structure.

157. CLOSER's evidence drew on the Avon Longitudinal Study of Parents and Children (ALSPAC), which follows the lives of 14,500 people and their children. This research found that the only gambling activity which was "showing a consistent increase is online gambling and betting."¹⁷⁹

Online problem gambling

158. The NatCen report on gambling behaviour found the prevalence of problem gambling in online gambling or betting is 3.5%¹⁸⁰, in comparison to the prevalence of 0.7% of problem gamblers across the population.¹⁸¹ The prevalence rate for online gambling on slots, casino or bingo games is considerably higher at 9.2%.¹⁸²
159. We must also consider the rate of low and moderate risk gambling occurring in online gambling, as although this does not meet the threshold of problem gambling, gamblers may be experiencing lower levels of gambling-related harm. The rate of low risk gambling across any online gambling or betting is 16.1%, with the rate of moderate risk gambling at 8.4%. As we saw in the rate of problem gambling, the prevalence rates for online gambling on slots, casino or bingo games is markedly higher with 21.9% of low risk gambling and 13.7% of moderate gambling.¹⁸³
160. The prevalence for low risk, moderate risk and problem gambling increases significantly if more types of gambling are participated in, and gambling is undertaken at a higher frequency.¹⁸⁴ The Royal College of Psychiatrists told us that "problem gamblers are impulsive and need instant gratification,"¹⁸⁵ and the vast array of products available and their 24 hours a day seven days a week availability online has the capacity to exacerbate this.
161. Dr Sharman and Professor Turner told us, "Our recent data looking at trends in treatment seeking gamblers suggests steep increases in online gambling as a clear preference for problematic behaviour."¹⁸⁶ The Gordon Moody Association have also found that "having engaged in online gambling prior to admission was among one of several factors that predicted an increased risk of service users leaving the treatment programme before completion."¹⁸⁷ The Alberta Gambling Research Institute found that online gambling poses higher risks for harm due to its greater convenience, 24-hour access, ability to play when intoxicated, and solitary nature of play,¹⁸⁸ and the concern is that under current regulation "online and mobile operators can develop games without controls that would help to protect the vulnerable and ensure that those games are fair and safe."¹⁸⁹

179 Written evidence from CLOSER, the home of longitudinal research ([GAM0060](#))

180 NatCen Social Research prepared for the Gambling Commission, *Gambling behaviour in Great Britain in 2016, evidence from England, Scotland and Wales* (September 2018) p 73: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2016.pdf> [accessed 4 April 2020]

181 *Gambling behaviour in Great Britain in 2016, evidence from England, Scotland and Wales*, p 70

182 *Gambling behaviour in Great Britain in 2016, evidence from England, Scotland and Wales*, p 73

183 *Gambling behaviour in Great Britain in 2016, evidence from England, Scotland and Wales*, p 55

184 *Gambling behaviour in Great Britain in 2016, evidence from England, Scotland and Wales*, pp 74–76

185 Written evidence from The Royal College of Psychiatrists ([GAM0091](#))

186 Written evidence from Dr Steve Sharman and Professor John Turner ([GAM0037](#))

187 Supplementary written evidence from the Gordon Moody Association ([GAM0133](#))

188 Written evidence from Alberta Gambling Research Institute ([GAM0017](#))

189 Written evidence from Gauselmann Group ([GAM0096](#))

Building safer online gambling

162. Due to the clear and increasing prevalence of online gambling and its related harm, it is no surprise that there is continuing debate regarding the disparity found between the regulation of online gambling and that of offline gambling. Many witnesses told us that they felt online gambling was “relatively free from regulation compared with land-based gambling.”¹⁹⁰ This begs the question: why this is the case.
163. Novomatic UK Limited told us that gaming machines are “subject to strict regulation,”¹⁹¹ which includes technical standards and, for some categories of machine, external testing. They argued that whereas the regulation for gaming machines prohibits a number of characteristics that encourage a player to continue gambling, such as deliberately creating a series of losing or winning games, the regulation for online games does not. And, in addition, gaming machines have limits on stakes and prizes, where online gambling does not.¹⁹² The most notable example of the implementation of limits on land-based gambling is the reduction of maximum stake limits on FOBTs from £100 to £2, as set out above.
164. There has been significant research into the various features of FOBTs which made them more appealing to users and encouraged play, in some cases, to the point of creating harm. These features are present across gambling products and are known as structural characteristics. These characteristics include:
- Stake size
 - Event frequency
 - Amount of money lost in a given time period
 - Prize structures
 - Probability of winning
 - Size of jackpot
 - Skill and pseudo-skill elements
 - Near miss opportunities
 - Light and colour effects
 - Sound effects.¹⁹³
165. We heard very convincing evidence from Dr Luke Clark, Professor in the Department of Psychology and Director of the Centre for Gambling Research at the University of British Columbia, regarding these characteristics and

190 [Q 43](#) (Sir Alan Budd GBE)

191 Written evidence from Novomatic UK Ltd ([GAM0051](#))

192 *Ibid.*

193 Garry Smith, David Hodgins and Robert J Williams, *Research and Measurement Issues in Gambling Studies*, (New York: Elsevier, 2007), Jonathan Parke and Mark Griffiths, ‘The role of structural characteristics in gambling’, pp 211–243: https://www.academia.edu/780723/Parke_J_and_Griffiths_M.D._2007_.The_role_of_structural_characteristics_in_gambling.In_G._Smith_D._Hodgins_and_R._Williams_Eds.Research_and_Measurement_Issues_in_Gambling_Studies.pp.211-243.New_York_Elsevier [accessed 14 April 2020]

the research being carried out to determine their effect on behaviour. His research into near misses found that:

“gamblers typically find near misses to be exciting events that motivate continued play. With gambling machines and even scratchcards, it is quite straightforward for the game to be designed in a way that more near misses can be delivered than we would expect by chance. We have done a number of brain imaging studies in which we have seen that people with gambling problems show a stronger brain response to near misses in the parts of the reward system.”¹⁹⁴

166. As players chase that psychological reward system response, certain game characteristics can plainly bring about damaging behavioural responses from gamblers. It is clear that game design and the application of structural characteristics play a key role in the impact different games will have and the potential harm they could create.
167. Dr Ludwig, Dr Newall and Dr Walasek pointed out since the introduction of limitations on FOBTs “the industry has an incentive to create new products which leverage similar psychological mechanisms as FOBTs, but which are sufficiently different enough to not be defined as a FOBT.”¹⁹⁵ We agree that the regulator needs to be aware of the ever-changing techniques used in game design and new products and the potential harms that they create, in order to remain responsive and effectively regulate the online market.
168. Dr Clark brought to our attention the fact that the research on structural characteristics is limited, as “they are very difficult to study.”¹⁹⁶ The source code involved in creating games and building in the characteristics is very complex, and without access to real games and to the code used, their impact is difficult to assess. “There are so many of these variables acting at once that the perfect research designs to figure out exactly which dimensions are most important in determining harm are very challenging.”¹⁹⁷
169. Due to the complexity of the research in this area, Dr Clark pointed out that there is an alternative view, that the immersiveness of a game as a whole cannot be isolated to one particular characteristic.¹⁹⁸ We are starkly aware of the complexity of determining which games pose the most risk of addictiveness, but the research available shows that there is clearly an impact on players which needs to be addressed. We have shown how long it took the Government to acknowledge the link between FOBTs and gambling-related harm; it is key that the link between game design and potential harm continues to be addressed in order to bring about change and protection for both problem gamblers and for those who will experience gambling-related harm.
170. Although difficult to study, Dr Clark made clear that as the game designers are aware of each piece of code that creates the game, and the structural characteristics included, “The industry could be mandated to share gambling products and the associated code.”¹⁹⁹ We believe this demonstrates there is a way of creating a test for gambling products which can assess games for their

194 [Q 186](#) (Dr Luke Clark)

195 Written evidence from Dr Elliot Ludvig, Dr Philip Newall and Dr Lukasz Walasek ([GAM0089](#))

196 [Q 187](#) (Dr Luke Clark)

197 *Ibid.*

198 [Q 196](#) (Dr Luke Clark)

199 [Q 188](#) (Dr Luke Clark)

addictiveness. As Josephine Holloway from Gambling with Lives told us, gambling products “need to be properly tested and given a kitemark.”²⁰⁰

Assessment of new games

171. Camelot told us that it has already introduced a “responsible game design process”²⁰¹ to assess the risk posed by the characteristics used, such as jackpot size and speed of play. This tool, called Gamgard, was developed by Dr Richard Wood, a Chartered Psychologist, and Dr Mark Griffiths, a Chartered Psychologist and Professor of Behavioural Addiction at Nottingham Trent University. It is “based upon the known risks of specific game features for people who are vulnerable to develop gambling problems.”²⁰²
172. Under the current standards, new games are submitted to the Gambling Commission for testing,²⁰³ and the testing process is outsourced to external companies.²⁰⁴ Astonishingly, the testing criteria do not consider the addictiveness or potential harm that could be caused by each game; instead the weight of testing is simply to establish “fairness” to the consumer.
173. In January 2020, the Gambling Commission announced that they were establishing three working groups to tackle three key challenges faced by the industry in order to reduce gambling-related harm. One of these working groups, which will be led by SG Gaming and Playtech, is focusing on responsible product design and aims to produce an Industry Code for Product Design.²⁰⁵ Although this is a step forward, we believe the Commission should go further.
174. The Commission believes that “focusing on individual game design and approval would be a very significant challenge for any regulator.”²⁰⁶ So it would, but as things stand, “if one operator designs a new gambling product which successfully exploits problem gamblers’ biases, then this product can be mimicked by rival operators.”²⁰⁷
175. **The gambling industry continually offers a variety of products to consumers, including some which can be highly addictive. The Gambling Commission should establish a system for testing all new games against a series of harm indicators, including their addictiveness and whether they will appeal to children. A game which scores too highly on the harm indicators must not be approved.**

Online stake limits

176. Under current regulations there are no restrictions on stakes and prizes, or speed of play for online gambling. Derek Webb, the founder of the Campaign for Fairer Gambling, a group involved in lobbying for FOBT stake limit

200 [Q 182](#) (Josephine Holloway)

201 Written evidence from Camelot UK Lotteries Limited ([GAM0040](#))

202 *Ibid.*

203 Gambling Commission, *Remote gambling and software technical standards* (June 2017): <http://www.gamblingcommission.gov.uk/PDF/Remote-gambling-and-software-technical-standards.pdf> [accessed 12 April 2020]

204 [Q 156](#) (Neil McArthur)

205 Gambling Commission, ‘Commission sets industry tough challenges to accelerate progress to raise standards and reduce gambling harm’: <https://www.gamblingcommission.gov.uk/news-action-and-statistics/news/2020/Commission-sets-industry-tough-challenges-to-accelerate-progress-to-raise-standards-and-reduce-gambling-harm.aspx> [accessed 12 April 2020]

206 [Q 156](#) (Neil McArthur)

207 Written evidence from Dr Elliot Ludwig, Dr Philip Newall and Dr Lukasz Walasek ([GAM0089](#))

reduction, told us that “there is no justification for the same content online to not be subject to stake limits.”²⁰⁸ Many witnesses agreed, arguing that the fact that the implementation of stake limits has not occurred across online products demonstrates a failing in regulation and legislation.²⁰⁹

177. Professor Hörnle, however, told us there is a “fundamental difference” between online and offline, as “in the online world, you have so much more data and so you should and can control spending in other ways than by having a minimum in terms of the stakes.”²¹⁰
178. The Gambling Commission online gambling review in 2018 echoed this view, stating:

“online operators have the ability to collect significant amounts of data on their consumers and do not have the challenge of dealing with anonymous activity as is generally the case in land-based gambling ... We expect online operators to use the data available to them to identify and minimise gambling-related harm.”²¹¹
179. Some operators have already taken the decision to implement stake limits across the gambling products they offer online. Tombola has put in place a £2 maximum stake on bingo, £1 on arcade games and 40p on bingo Lite. Mr Parente told us that, as a result of this decision, Tombola “will probably not cause half as much harm as the others”²¹² who have not implemented limits.
180. Tombola told us they were “in favour of stake limits for machine style games online”²¹³, suggesting that stakes across gaming machines and machine style online products could be equalised.
181. Although the various categories of gaming machine are now subject to stake and prize limits²¹⁴, this was not originally the case. At their inception, FOBTs were not categorised as gaming machines as the random number generation involved happens remotely, rather than on the premises. This is despite the fact that in terms of the user’s experience, they are to all intents and purposes gaming machines. This technical distinction between categories meant that FOBTs were regulated differently.
182. Currently, there is no categorisation of the numerous online products available. If a comparison to gaming machines was utilised to establish online stake limits, there is a potential that new online products could be designed which were not considered equivalent to a gaming machine format, and so would not be subject to a prescribed stake limit. For example, a high stakes online gaming game could be devised that is technically a “betting” transaction, in order to evade an online stake limit, much in a similar way that FOBTs exploited a loophole in what products are allowed on a Licensed Betting Office (LBO) premises.

208 Written evidence from Derek Webb ([GAM0027](#))

209 Written evidence from Gauselmann Group ([GAM0096](#)) and Gambling with Lives ([GAM0098](#))

210 [Q 49](#) (Professor Julia Hörnle)

211 Gambling Commission, *Review of online gambling* (March 2018) p 4: <http://www.gamblingcommission.gov.uk/PDF/Online-review-March-2018.pdf> [accessed 22 May 2020]

212 [Q 63](#) (Tony Parente)

213 Supplementary written evidence received from Tombola ([GAM0105](#))

214 Gambling Commission, ‘Gaming machine categories’: <https://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/Sector-specific-compliance/Arcades-and-machines/Gaming-machine-categories/Gaming-machine-categories.aspx> [accessed 21 May 2020]

183. It is not only technical differences between offline and online games that must be considered in implementing a stake limit, but the risk of harm. Online products and the harms they create are not necessarily mirrored in the offline, land-based market. As set out in paragraph 138, the risk of harm created by the online format of a game differs to that of its offline counterpart. It may be that the risk of harm caused needs to be considered alongside any technical distinctions in online products.
184. The Gambling Commission are now clearly aware of the increasing pressure and evidence for action in this area, as on 12 February 2020 Mr McArthur gave evidence to the All-Party Parliamentary Group on Gambling Related Harm and “confirmed for the first time that the Gambling Commission would be reviewing online stakes within six months.”²¹⁵ We have recommended in paragraph 101, that online stake limits are brought within the remit of the triennial review of stake and prize limits, alongside gaming machines.
185. **We recommend that the Government should work with the Gambling Commission to establish a category system for online gambling products.**
186. **The Government and the Gambling Commission should use the online product categories to set stake limits for online gambling products.**
187. The Chief Executives of the five largest gambling operators raised concerns that although gaming machines have stake limits “there is not a black market for playing these, but if you were to apply that limit online you would transfer a lot of potentially vulnerable players to offshore sites, where they cannot be protected.”²¹⁶ Despite this apprehension, we have not received evidence which supports this view. We understand this concern however, we are far from convinced that this risk outweighs the need for the regulation and restriction of stake limits.
188. Alexandra Frean, the Head of Corporate Affairs at Starling Bank, told us that there “needs to be a much wider conversation between the banks”²¹⁷ regarding what role they can play in assisting the Gambling Commission and customers in preventing gambling on unregulated, offshore online sites. Lloyds Banking Group informed us they had not been approached by the Gambling Commission regarding blocking unregulated, offshore gambling operators.²¹⁸
189. **To ensure that the implementation of online stake limits does not lead to increased unregulated offshore gambling, the Government and Gambling Commission must work with payment providers and banks to establish a scheme to block payments to such operators.**

Speed of play limits

190. Associate Professor Charles Livingstone from Monash University, Australia, told us that alongside consideration of the other structural characteristics,

215 Gambling Related Harm All Party Parliamentary Group, ‘Latest News: PRESS RELEASE: Gambling Related Harm All Party Parliamentary Group questions Neil McArthur, CEO of the Gambling Commission’ (14 February 2020): <http://www.grh-appg.com/latest-news/> [accessed 2 April 2020]

216 [Q 130](#) (Kenny Alexander)

217 [Q 226](#) (Alexandra Frean)

218 Written evidence from Lloyds Banking Group ([GAM0120](#))

of a prevalence survey can affect the results obtained. But on any view they demonstrate a much higher level of problem gambling in Leeds than the average for England.

268. There are other variations in distribution. Research shows that 11.6% of the homeless population experience gambling-related harm, over 10 times the rate in the general population.³⁰³ Other research demonstrates that rates of problem gambling among prison inmates in the UK are between 12 and 24 times greater than those recorded in general population surveys.³⁰⁴ Analysis of British Gambling Prevalence Survey data found that those in the lowest income quintile were spending an average of 12–14% of their net income on gambling, compared to only 2% or less in the highest quintile. Problem gambling is more common in those on lower incomes and among black and ethnic minority groups in Britain.³⁰⁵

British Gambling Prevalence Survey

269. All the witnesses who have spoken to us about the available data have without exception criticised the lack of reliable data and the urgent need for more research. The British Gambling Prevalence Survey (BGPS) was a nationally representative survey of participation in gambling and the prevalence of problem gambling in Great Britain. Three surveys were carried out in the series—in 1999 (commissioned by GamCare) and in 2007 and 2010 (commissioned by the Gambling Commission). The aims of the BGPS were to measure the prevalence of participation in all forms of commercial and private gambling (including estimates of expenditure and information on venue); estimate the prevalence of problem gambling and look at which activities have the highest prevalence of problem gamblers; investigate the socio-demographic factors associated with gambling and with problem gambling; and to assess attitudes towards gambling.³⁰⁶
270. Since 2010 the BGPS has not been repeated, but instead the Gambling Commission has funded the regular inclusion of a less detailed set of questions roughly every two years in the Health Survey England (HSE) and the Scottish Health Survey (SHeS). The Gambling Commission has also commissioned separate surveys of gambling behaviour in Wales. These studies have been used together to report on gambling behaviour in Great Britain. However, the reduced length of the questionnaire that can be included in HSE and SHeS compared with the BGPS means that detailed evidence on key topics has not been collected more recently. For example, detail from BGPS about specific engagement in gambling activities, such as frequency and expenditure, was used to produce valuable evidence about the proportion of spend attributable to problem gamblers. Detail has also not been collected on modes of access or types of product preferences. Other topics covered in BGPS included areas such as motivation, attitudes and

303 Steven Sharman, Jenny Dreyer, Mike Aitken, Dr Luke Clark and Dr Henrietta Bowden-Jones, 'Rates of Problematic Gambling in a British Homeless Sample: A Preliminary Study', *Journal of Gambling Studies*, vol 31(2), (2015), pp 525–532: https://www.researchgate.net/publication/259877368_Rates_of_Problematic_Gambling_in_a_British_Homeless_Sample_A_Preliminary_Study [accessed 8 June 2020]

304 Written evidence from Dr James Banks (GAM0033)

305 Written evidence from Professor Jim Orford (GAM0019)

306 Written evidence from the NatCen for Social Research (GAM0066), quoting from NatCen Social Research prepared for the Gambling Commission, British Gambling Prevalence Survey 2010 (February 2011): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/243515/9780108509636.pdf [accessed 18 May 2020]

gambling histories, including initial experience, behaviour change and help seeking, all of which provided valuable evidence for policy makers.³⁰⁷

271. **We recommend that the British Gambling Prevalence Survey be reinstated as a first step towards understanding how gambling and gambling prevalence are changing in the UK.**

Longitudinal surveys

272. This, however, would only be a first step. Prevalence surveys rely on retrospective and subjective self-reports, and generally cannot be done with more than a few thousand participants at one time. This means that a prevalence survey cannot usefully answer the question of gambling-related suicide or mortality. Even a sequence of prevalence surveys would generally only be considered a repeated cross-sectional design and not a longitudinal study. Methodologies that can survey a broader range of the population, or that can provide objective measures of gambling involvement and harm, should be considered if they emerge.
273. A longitudinal study is a study that tracks the same individuals over time, such as the 1958 National Child Development Study which follows lifetime outcomes for an initial sample of 17,415 people born in England, Scotland and Wales in a single week of 1958.³⁰⁸ By contrast, the three British National Gambling Prevalence Surveys effectively follow a “repeated cross-sectional” design, since new people are predominately sampled at each time point. Both methodologies should be equally effective for some research questions, such as estimating the proportion of the population who are problem gamblers. Longitudinal studies, however, are uniquely capable of probing causal factors such as why some people are more likely to become problem gamblers, since data can be collected from the same person over all stages of the lifespan.
274. Dr Heather Wardle, Assistant Professor at the London School of Hygiene and Tropical Medicine, stated that an excellent longitudinal study was needed: “If it is developed in accordance with the most robust methodology, the first year would essentially be a re-run of something like the British Gambling Prevalence Survey, so it would provide that up-to-date information and data.”³⁰⁹ Professor Orford added that “we were in the lead internationally at one time. I think we were the first country in the world to have a succession of three proper British National Gambling Prevalence Surveys, and although good data are being collected there are things that a prevalence survey can do that health surveys cannot do.”³¹⁰
275. The Government has until now not been very much involved in any surveys into the prevalence of gambling-related harm, but told us:

“The government is also committed to creating a better understanding of gambling-related harms so it can determine how best to prevent harms from occurring and support those negatively impacted by gambling-related harms. Public Health England (PHE) has been commissioned by government to undertake a comprehensive independent evidence review on the public health harms of gambling. This is the first ever review of

307 Written evidence from the NatCen for Social Research (GAM0066)

308 UCL Centre for Longitudinal Studies, ‘1958 National Child Development Study’: <https://cls.ucl.ac.uk/cls-studies/1958-national-child-development-study/> [accessed 18 May 2020]

309 Q 19 (Dr Heather Wardle)

310 Q 19 (Professor Jim Orford)

Gambling Policy (Statement of Principles) 2022 – 2024

Gambling Act 2005



Brighton & Hove
City Council

Further copies of this document can be obtained from:

Licensing Team
Brighton & Hove City Council
Bartholomew House
Bartholomew Square
Brighton
BN1 1JP

Tel: 01273 294429

Email: Ehl.safety@brighton-hove.gov.uk

Web: <http://www.brighton-hove.gov.uk/content/business-and-trade/licensing-and-gambling>

Contents	Page
Executive Summary	
Part A The Gambling Act 2005	5
1. The licensing objectives	6
2. Brighton & Hove	6
3. The purpose of the Gambling Act 2005 – Statement of Licensing Policy	7 8
4. The licensing framework	8
5. Declaration	8
6. Responsible authorities	8
7. Interested parties	9
8. Exchange of information	9
9. Licensing authority functions	10
Part B Promotion of the licensing objectives	12
10. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime	12
11. Ensuring that gambling is conducted in a fair and open way	12
12. Protecting children and other vulnerable persons from being harmed or exploited by gambling	13
Part C Premises licences	16
13. Premises Licences	16
• Definition of a premises licence	16
• Local Risk Assessment	17
• Local Area Profile	18
• Conditions	19
• Door supervision	20
14. Adult gaming centres	21
15. Licensing family entertainment centres	21
16. Casinos	23
17. Bingo premises	23

18. Betting premises	24
• Betting Machines	24
19. Tracks	25
20. Travelling fairs	27
21. Gaming Machines	27
Part D Permits, notices and lottery registrations	28
22. Unlicensed family entertainment centre gaming machine permits	28
23. Gaming machine permits in premises licensed for the sale of alcohol	30
24. Prize gaming permits	32
25. Club gaming and club machine permits	33
26. Temporary use notices	34
27. Occasional use notices (for tracks)	35
28. Small society lottery registrations	35
Part E Enforcement	37
29. Enforcement principles	37
30. Reviews	38
31. Test purchasing	39
Appendices	
Appendix 1 Glossary of terms	41
Appendix 2 Gaming Machines	44
Appendix 3 Summary of gaming entitlements for clubs and pubs	48

measures may cover issues such as:

- CCTV, specifically sited where the adult machines are likely to be situated
- Controlled supervision of entrance and machine areas
- Physical segregation of machines and areas
- Provision of information leaflets/helpline numbers of organisations such as GamCare
- Minimum staffing levels
- Induction training for new staff and refresher training for existing staff
- Refusals register
- Proof of age schemes (e.g. Think 21)
- Third party test purchasing
- Location of entry to premises
- Infra Red Beam positioned across the entrance to the premises.

This list is not mandatory, nor exhaustive and is merely indicative of example measures.

With regard to vulnerable persons, the Licensing Authority will consider measures such as the use of self barring schemes, provision of information leaflets / helpline numbers for organisations such as GamCare as appropriate.

- 15.6 Due to the nature of these premises, which are attractive to children, applicants who employ staff to supervise the premises should consult with the Council's Performance and Safeguarding team within Children's Services to determine if their staff need to be DBS checked.

16 Casinos

- 16.1 There are four current casino licences in Brighton & Hove, Genting Casino in Preston Street, Grosvenor Seafront Casino and Brighton E Casino in Grand Junction Road and Rendezvous Casino in the Marina which were licensed under the Gaming Act 1968, and which have been subsequently converted into Gambling Act 2005 Converted Casino Premises Licences. What was the Grosvenor, Fourth Avenue, Hove, Casino licence was moved in 2012 by way of a variation application to the basement of 9 Grand Junction Road and remained dormant until a variation was granted in 2018 to relocate it within the same building and it now operates alongside the Grosvenor Seafront Casino and is known as the Brighton E Casino.
- 16.2 Statement regarding casino resolution – The licensing authority has taken a decision to pass a resolution not to issue new casino licences in Brighton & Hove.

17 Bingo Premises

- 17.1 There is no official definition for bingo in the Gambling Act 2005, however, from a licensing point of view there is a category of premises licence specifically for bingo premises which is used by traditional commercial bingo halls for both cash and prize bingo. In addition, this premises licence will authorise the provision of a limited number of gaming machines in line with the provisions of the Act (see Appendix 1).

CITY AND COUNTY OF SWANSEA

STATEMENT OF PRINCIPLES

GAMBLING ACT 2005

(GAMBLING POLICY)

INDEX

Foreword	3
1.0 Licensing Objectives	3
2.0 Introduction	4
3.0 The City and County of Swansea Geographical Area	5
4.0 Consultees	5
5.0 Responsible Authorities	6
6.0 Interested Parties	6
7.0 Licensing Authority Functions	7
8.0 Exchange of Information	8
9.0 Enforcement	9
10.0 Fundamental Rights	10
11.0 Integrating Strategies	11
12.0 Premises Licences	11
13.0 Definition of Premises	12
14.0 Premises Ready For Gambling	13
15.0 Location	14
16.0 Door Supervisors	14
17.0 Duplication with Other Regulatory Regimes	15
18.0 Casinos	15
19.0 General Principles - Casino Premises	17
20.0 Casino Application Stage 1	18
21.0 Principles to be applied to Casino Stage 2	18
22.0 Casino Application Stage 2	19
23.0 Bingo Premises	20
24.0 Betting Premises	21
25.0 Tracks	21
26.0 Adult Gaming Centre	23
27.0 Licensed Family Entertainment Centre	23
28.0 Travelling Fairs	24
29.0 Provisional Statements	25
30.0 Reviews	25
31.0 Permits/Temporary & Occasional Use Notice	27
32.0 Unlicensed Family Entertainment Centres	27
33.0 Alcohol Licensed Premises	27
34.0 Club Gaming Permits	29
35.0 Prize Gaming & Prize Gaming Permits	30
36.0 Temporary Use Notices	30
37.0 Occasional Use Notices	31
38.0 Registration of Small Society Lotteries	31
39.0 Licensing Objectives	31
40.0 Local Risk Assessments for Operators	35
41.0 Local Area Profiles	36
42.0 Decision Making	36

THE CITY AND COUNTY OF SWANSEA

43.0	Appeals Procedure	36
44.0	Reasons for Decisions	37
45.0	Implementing the Determination of the Magistrates' Court	37
46.0	Concerns in respect of Licensed Premises	37
47.0	Information Sharing Network – Operators	37
48.0	Further Information	38
Appendix A Map of the City and County of Swansea		39
Appendix B Consultees		40
Appendix C Principles and Criteria		41 - 48
Appendix D Table of Delegation of Licensing Functions		49 – 50

Authority will determine whether these supervisors need to be Security Industry Authority (SIA) licensed.

17.0 Duplication with Other Regulatory Regimes

- 17.1 The Licensing Authority will take into account all relevant matters and will seek to avoid any duplication with other statutory / regulatory systems where possible, including planning. The Authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval. It will however consider carefully, any concerns about conditions which are not able to be met by licensees due to planning restrictions should such a situation arise.
- 17.2 When dealing with a premises application for finished buildings, the Authority will not take into account that those buildings have to comply with the necessary planning or building consents. Fire or health and safety risks will not be taken into account as these matters are dealt with under other relevant legislation.

18.0 Casinos

- 18.1 On the 4th November 2014, the City and County of Swansea acting as a Licensing Authority first agreed to pass a resolution not to issue casino licences under Section 166 of the Act. This resolution came into effect on the 5th December 2014 and the resolution was again passed in October 2017 and November 2020. The date on which the most recent resolution takes effect is specified as 6th December 2020. The decisions followed a consultation process and consideration of the responses received.
- 18.2 A potential applicant for a casino premises licence should be aware that this resolution has been passed and that applications for a casino premises licence will not be considered by this Authority. Any application received will be returned and the applicant informed that a resolution not to issue casino licences is in place for the City and County of Swansea.
- 18.3 This resolution will not affect existing casino premises licences including any applications for variations or transfers of these licences.
- 18.4 The resolution will last for a period of 3 years from the date it takes effect. After this time the Authority may pass a new resolution not to issue casino premises licences.

THE CITY AND COUNTY OF SWANSEA

- 18.5 In 2006, the City and County of Swansea submitted a proposal to the Independent Casino Advisory Panel to licence one Large and one Small casino. On 19th May 2008 the Categories of Casino Regulations 2008 and the Gambling (Geographical Distribution of Large and Small Casino Premises Licences) Order 2008 were made. The latter Order specifies which Licensing Authorities may issue Large and Small Casino Premises Licences. The City and County of Swansea was one of the eight authorities authorised to issue a Small Casino Premises Licence.
- 18.6 On 26th February 2008, the Secretary of State for Culture Media and Sport issued the Code of Practice on Determinations under Paragraphs 4 and 5 of Schedule 9 to the Act, relating to Large and Small Casinos, which sets out: -
- the procedure to be followed in making any determinations required under Paragraphs 4 and 5 of Schedule 9 to the Act; and;
 - matters to which the Licensing Authority should have regard in making those determinations.
- 18.7 The Licensing Authority is permitted to grant a Premises Licence for a Small Casino. To grant a casino premises licence the Licensing Authority is required to publish an invitation for applications to be made for a Small Casino Licence under Schedule 9 of the Gambling Act 2005 and will determine the applications received in accordance with The Gambling (Inviting Competing Applications for Large and Small Casino Premises Licences) Regulations 2008, the Department for Culture Media and Sport's Code of Practice and the Gambling Commission's Guidance to Licensing Authorities.
- 18.8 There are potentially two stages to the determination process. In making a determination required by Paragraph 4 of the Schedule, the Licensing Authority must apply the procedure for assessing applications for premises licences which it ordinarily applies to such applications (Casino Application Stage 1). Where the Licensing Authority determines that it would, if it were able, grant more than one of the Stage 1 applications, the applicants who made those applications would be invited to participate in Casino Application Stage 2.

Note: paragraphs 18.7 & 18.8 do not apply whilst the resolution not to issue casino licences is in force

- 18.9 As the City and County of Swansea has been authorised to issue a small casino premises licence it is required to set out the principles it

THE CITY AND COUNTY OF SWANSEA



Department
for Culture,
Media & Sport

High Stakes: Gambling Reform for the Digital Age

April 2023



High Stakes: Gambling Reform for the Digital Age

Presented to Parliament by the Secretary of State for Culture, Media and Sport by Command of His Majesty

April 2023

CP 835



© Crown copyright, 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at

Department for Culture, Media and Sport
100 Parliament Street
London SW1A 2BQ
Tel: 020 7211 6000

ISBN 978-1-5286-3581-3

E02769112

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

Contents

Ministerial Foreword	1
Executive summary	3
Introduction	17
Developments since the 2005 Act came into force	17
Gambling Participation and Prevalence of Harm	19
Gambling-Related Harms	21
Benefits of gambling	25
Chapter 1: Online protections – players and products	26
Summary	26
1.1 The current position	28
1.2 Account level protections	36
1.3 Safer by design	49
1.4 Empowered consumers	57
1.5 Changing landscape	65
Chapter 2: Marketing and advertising	71
Summary	71
2.1 The current position	73
2.2 Tougher restrictions on bonuses and direct marketing	80
2.3 Making advertising smarter and safer	90
2.4 A new approach to safer gambling messaging	98
2.5 Socially responsible sport sponsorship	104
Chapter 3: The Gambling Commission’s powers and resources	111
Summary	111
3.1 The current position	113
3.2 Gambling Commission’s approach to the licensed sector	114
3.3 Gambling Commission’s approach to the unlicensed sector	121
3.4 Gambling Commission fees	125
3.5 Research, education and treatment	128
Chapter 4: Dispute resolution and consumer redress	140
Summary	140
4.1 The current position	141
4.2 Understanding the scale of unresolved complaints	145
4.3 A new approach to consumer redress	148

Chapter 5: Children and young adults	152
Summary	152
5.1 The current position	153
5.2 Age limits	160
5.3 Age verification	165
5.4 Protections for young adults	170
Chapter 6: Land-based gambling	173
Summary	173
6.1 The current position	175
6.2 Casinos	189
6.3 Electronic payments	201
6.4 Machine games and licensed bingo premises	203
6.5 Licensing authorities: powers and resources	214
Annex A: Impact of proposals	220
Annex B: Call for evidence responses and the evidence base	235
Annex C: Acronyms and definitions	241
Annex D: Example voluntary codes of conduct adopted by operators across the gambling sector	249
Annex E: Organisations and published authors that responded to the call for evidence	250

List of Figures

Figure 1: Past year gambling participation (% of adults in Great Britain)	20
Figure 2: Past four week adult gambling participation by product in year to December 2022	21
Figure 3: Population problem gambling rates (survey methodologies vary over time)	23
Figure 4: “Indicators of harm” online operators are required to monitor and example constituent indicators	32
Figure 5: Distribution of total spending (wins and losses) across accounts	36
Figure 6: Discretionary income per calendar month, across different age groups	39
Figure 7: Rates of engagement and binge behaviour among gamblers who reported binge gambling	53
Figure 8: % of spins by stake size and operator assessed harm detection score	55
Figure 9: Impacts of different forms of marketing on behaviour	81
Figure 10: Impacts of advertising and marketing on gambling behaviour by Problem Gambling Severity Index (PGSI) score, on two different cohorts of gamblers	91
Figure 11: Children’s exposure to broadcast gambling advertising (impacts/week)	95
Figure 12: Breakdown and value of revenue to sports from gambling sponsorship	107
Figure 13: Gambling Commission – Penalty Packages	115
Figure 14: Gambling Commission breakdown of consumer complaints	141
Figure 15: Approved Alternative Dispute Resolution Schemes for regulated sectors	148
Figure 16: Minimum age for participation in different gambling activities	154
Figure 17: Reported past week gambling participation rate among 11-16 year olds	156
Figure 18: Problem and at-risk gambling rates according to Problem Gambling Severity Index (PGSI) by age and sex	157
Figure 19: Mystery shopper and test purchasing pass rates for gambling activities and alcohol purchase (2019-2020)	166
Figure 20: Gaming machine types including stakes, prizes, location and speed of play	179
Figure 21: Casino Licences (Current Situation)	189
Figure 22: Restrictions on gaming machines in casinos in other European countries	191
Figure 23: Summary of proposed changes to Casino Licences	194
Figure 24: Overview of estimated impacts on industry from key measures we can quantify at this stage (£m)	221
Figure 25: Estimated proportion of accounts subject to different checks and the estimated share of online losses they contributed in 2019/20	223
Figure 26: Modelling assumptions for Financial Vulnerability Checks for the c.20% of all accounts which exceed the proposed loss threshold	224

Figure 27: Modelling assumptions for Enhanced Spending Checks for the c.3% of accounts which exceed the proposed loss threshold	224
Figure 28: % of online slot spins by spin value	226
Figure 29: Horse racing impacts of white paper measures	232
Figure 30: Call for evidence written submissions by category	235
Figure 31: Call for evidence bespoke written submissions by type of respondent	236
Figure 32: Breakdown of submissions received as part of a campaign	240

all currently permit a greater proportion of gaming machines compared to Great Britain.

Figure 22: Restrictions on gaming machines in casinos in other European countries

Country	Limit
Austria	350 machines
Belgium	15 machines: 1 table
Cyprus	2,000 (Integrated Resort Casino); 50 (satellite casino)
Czech Republic	30 minimum (no maximum)
Denmark	No limits
France	25 machines: 1 table
Greece	No national limit
Germany	No national limits (no limits in most states)
Hungary	1,000 (Licence I class); 300 (Licence II class)
Italy	No national limit
Luxembourg	375
Monaco	No limits
Montenegro	Localised limits
Netherlands	No limits
Poland	70 machines
Portugal	No national limit
Spain	No limits
Sweden	10 machines: 1 table

Source: Betting and Gaming Council

61. In proposing an increase in machines to put 1968 Act casinos which are at least the size of a Small casino on the same footing as a Small 2005 Act casino, the industry also proposed a sliding scale whereby 1968 Act casinos smaller than a 2005 Act Small casino would be permitted some additional machines, proportionate to their size. The industry argued this would prevent a scenario in which two casino venues of different sizes, located close to each other, could have vastly different gaming machines allowances.

1.1.1 - Cooperation with the Commission

Ordinary code

Applies to:

All licences

1. As made plain in its Statement of principles for licensing and regulation, the Commission expects licensees to conduct their gambling operations in a way that does not put the licensing objectives at risk, to work with the Commission in an open and cooperative way and to disclose anything which the Commission would reasonably need to be aware of in exercising its regulatory functions. This includes, in particular, anything that is likely to have a material impact on the licensee's business or on the licensee's ability to conduct licensed activities compliantly. Licensees should have this principle in mind in their approach to, and when considering their compliance with, their obligations under the conditions attached to their licence and in relation to the following provisions of this code.

1.1.2 - Responsibility for third parties – all licences

Social responsibility code

Applies to:

All licences

1. Licensees are responsible for the actions of third parties with whom they contract for the provision of any aspect of the licensee's business related to the licensed activities.
2. Licensees must ensure that the terms on which they contract with such third parties:
 - a. require the third party to conduct themselves in so far as they carry out activities on behalf of the licensee as if they were bound by the same licence conditions and subject to the same codes of practice as the licensee
 - b. oblige the third party to provide such information to the licensee as they may reasonably require in order to enable the licensee to comply with their information reporting and other obligations to the Commission
 - c. enable the licensee, subject to compliance with any dispute resolution provisions of such contract, to terminate the third party's contract promptly if, in the licensee's reasonable opinion, the third party is in breach of contract (including in particular terms included pursuant to this code provision) or has otherwise acted in a manner which is inconsistent with the licensing objectives, including for affiliates where they have breached a relevant advertising code of practice.

2.1.2 - Anti-money laundering – other than casino

Ordinary code

Applies to:

All licences except casino licences

1. As part of their procedures for compliance with the requirements in respect to the prevention and detection of money laundering in the Proceeds of Crime Act 2002 and the Terrorism Act 2000, licensees should take into account the Commission's advice on the Proceeds of Crime Act 2002, *Duties and responsibilities under the Proceeds of Crime Act 2002 – Advice for operators (excluding casino operators). *

3.1.1 - Combating problem gambling

Social responsibility code

Applies to:

All licences

1. Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling including the specific policies and procedures required by the provisions of section 3 of this code.
2. Licensees must make an annual financial contribution to one or more organisation(s) which are approved by the Gambling Commission, and which between them deliver or support research into the prevention and treatment of gambling-related harms, harm prevention approaches and treatment for those harmed by gambling.

3.2.3 - AGC SR code

Social responsibility code

Applies to:

All adult gaming centre licences

1. Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.
2. This must include procedures for:
 - a. checking the age of apparently underage customers
 - b. removing anyone who appears to be under age and cannot produce an acceptable form of identification
 - c. taking action when there are attempts by under-18s to enter the premises.
3. Licensees must ensure that their policies and procedures take account of the structure and layout of their gambling premises.

4. Licensees must not deliberately provide facilities for gambling in such a way as to appeal particularly to children or young people, for example by reflecting or being associated with youth culture.
5. In premises restricted to adults, service must be refused in any circumstances where any adult is accompanied by a child or young person.
6. Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling. This must include appropriate training which must cover all relevant prohibitions against inviting children or young persons to gamble or to enter gambling premises, and the legal requirements on returning stakes and not paying prizes to underage customers.
7. Licensees must only accept identification which:
 - a. contains a photograph from which the individual can be identified
 - b. states the individual's date of birth
 - c. is valid
 - d. is legible and has no visible signs of tampering or reproduction.
8. Licensees in fee category C or higher must conduct test purchasing or take part in collective test purchasing programmes, as a means of providing reasonable assurance that they have effective policies and procedures to prevent underage gambling, and must provide their test purchase results to the Commission, in such a form or manner as the Commission may from time to time specify.

Read additional [guidance on the information requirements](#) contained within this section.

3.2.4 - AGC ordinary code

Ordinary code

Applies to:

All adult gaming centre licences

1. The Commission considers acceptable forms of identification to include any identification carrying the PASS logo (for example Citizencard or Validate); a military identification card; a driving licence (including a provisional licence) with photocard; or a passport.
2. Licensees should put into effect procedures that require their staff to check the age of any customer who appears to them to be under 21.
3. Licensees should consider permanent exclusion from premises for any adult accompanied by a child or young person on more than one occasion to premises restricted to adults, or if there is reason to believe the offence was committed knowingly or recklessly.
4. Procedures should be put into effect for dealing with cases where a child or young person repeatedly attempts to gamble on premises restricted to adults, including oral warnings, reporting the offence to the Gambling Commission¹ and the police, and making available information on problem gambling.
5. Licensees in fee categories A or B should consider how they monitor the effectiveness of their policies and procedures for preventing underage gambling (for

¹ These matters are to be reported to us online via our ['eServices'](#) digital service on our website.

example by taking part in a collective test purchasing programme) and should be able to explain to the Commission or licensing authority what approach they have adopted.

6. In providing training to staff on their responsibilities for preventing underage gambling, licensees should have, as a minimum, policies for induction training and refresher training.

Read additional [guidance on the information requirements](#) contained within this section.

3.3.1 - Responsible gambling information

Social responsibility code

Applies to:

All licences, except gaming machine technical, gambling software, host, ancillary remote bingo, ancillary remote casino and remote betting (remote platform) licences

1. Licensees must make information readily available to their customers on how to gamble responsibly and how to access information about, and help in respect of, problem gambling.
2. The information must cover:
 - a. any measures provided by the licensee to help individuals monitor or control their gambling, such as restricting the duration of a gambling session or the amount of money they can spend
 - b. timers or other forms of reminders or 'reality checks' where available
 - c. self-exclusion options
 - d. information about the availability of further help or advice.
3. The information must be directed to all customers whether or not licensees also make available material which is directed specifically at customers who may be 'problem gamblers'.
4. For gambling premises, information must be available in all areas where gambling facilities are provided and adjacent to ATMs. Information must be displayed prominently using methods appropriate to the size and layout of the premises. These methods may include the use of posters, the provision of information on gambling products, or the use of screens or other facilities in the gambling premises. Information must also be available in a form that may be taken away and may also be made available through the use of links to be accessed online or using smart technology. Licensees must take all reasonable steps to ensure that this information is also readily accessible in locations which enable the customer to obtain it discreetly.

3.3.2 - Foreign languages

Ordinary code

Applies to:

All licences, except gaming machine technical, gambling software, host, ancillary remote bingo and ancillary remote casino licences

1. Licensees who market their services in one or more foreign languages should make available in that, or those, foreign languages:
 - a. the information on how to gamble responsibly and access to help referred to above
 - b. the players' guides to any game, bet or lottery required to be made available to customers under provisions in this code
 - c. the summary of the contractual terms on which gambling is offered, which is required to be provided to customers as a condition of the licensee's operating licence.

3.4.1 - Customer interaction

Social responsibility code

Applies to:

All licences, except non-remote lottery, gaming machine technical, gambling software and host licences

1. Licensees must interact with customers in a way which minimises the risk of customers experiencing harms associated with gambling. This must include:
 - a. identifying customers who may be at risk of or experiencing harms associated with gambling.
 - b. interacting with customers who may be at risk of or experiencing harms associated with gambling.
 - c. understanding the impact of the interaction on the customer, and the effectiveness of the Licensee's actions and approach.
2. Licensees must take into account the Commission's guidance on customer interaction.

3.5.6 - Multi-operator non-remote SR code

Social responsibility code

Applies to:

All non-remote casino, bingo and betting licences (except in respect of the provision of facilities for betting in reliance on a track premises licence) and holders of gaming machine general operating licences for adult gaming centres

1. Licensees must offer customers with whom they enter into a self-exclusion agreement in respect of facilities for any kind of gambling offered by them at licensed gambling premises the ability to self-exclude from facilities for the same kind of gambling offered in their locality by any other holder of an operating licence to whom this provision applies, by participating in one or more available multi-operator self-exclusion schemes.

3.6.5 - AGCs

Ordinary code

Applies to:

All adult gaming centre licences

1. Licensees who employ children (under-16-year-olds) and young persons (those aged 16 and 17) should be aware that it is an offence:
 - a. to employ them to provide facilities for gambling;
 - b. if gaming machines are sited on the premises, for their contracts of employment to require them, or for them to be permitted, to perform a function in connection with a gaming machine at any time; and
 - c. to employ them to carry out any other function on adult gaming centre licensed premises while any gambling activity is being carried on in reliance on the premises licence.
2. As to 1b, it should be noted that in the Commission's view the relevant provision of the Act applies to any function performed in connection with a gaming machine. This includes servicing or cleaning such a machine.
3. Accordingly, licensees should have and put into effect policies and procedures designed to ensure that:
 - a. children and young persons are never asked to perform tasks within 1a or 1b, above
 - b. all staff, including those who are children or young persons themselves, are instructed about the laws relating to access to gambling by children and young persons.
4. Licensees should consider adopting a policy that:
 - a. children and young persons are not employed to work on adult gaming centre licensed premises at any time when the premises are open for business
 - b. gaming machines are turned off if children and young persons are working on the premises outside the hours when the premises are open for business.

3.8.2 - Money-lending – other than casinos

Ordinary code

Applies to:

All non-remote bingo, general betting, adult gaming centre, family entertainment centre and remote betting intermediary (trading rooms only) licences

1. Licensees should seek to prevent systematic or organised money lending between customers on their premises. As a minimum, they should have arrangements in place to ensure staff are requested to report any instances of substantial money lending when they become aware of them.

4.1.1 - Fair terms

Social responsibility code

Applies to:

All licences, except gaming machine technical and gambling software licences

1. Licensees must be able to provide evidence to the Commission, if required, showing how they satisfied themselves that their terms are not unfair.

5.1.1 - Rewards and bonuses – SR code

Social responsibility code

Applies to:

All licences (including ancillary remote licences), except gaming machine technical and gambling software licences

1. If a licensee makes available to any customer or potential customer any incentive or reward scheme or other arrangement under which the customer may receive money, goods, services or any other advantage (including the discharge in whole or in part of any liability of his) ('the benefit') the scheme must be designed to operate, and be operated, in such a way that:
 - a. the circumstances in which, and conditions subject to which, the benefit is available are clearly set out and readily accessible to the customers to whom it is offered;
 - b. neither the receipt nor the value or amount of the benefit is:
 - i. dependent on the customer gambling for a pre-determined length of time or with a pre-determined frequency; or
 - ii. altered or increased if the qualifying activity or spend is reached within a shorter time than the whole period over which the benefit is offered.

- c. if the value of the benefit increases with the amount the customer spends it does so at a rate no greater than that at which the amount spent increases; and further that:
 - d. if the benefit comprises free or subsidised travel or accommodation which facilitates the customer's attendance at particular licensed premises the terms on which it is offered are not directly related to the level of the customer's prospective gambling.
- 2. If a licensee makes available incentives or reward schemes for customers, designated by the licensee as 'high value', 'VIP' or equivalent, they must be offered in a manner which is consistent with the licensing objectives.

Licensees must take into account the Commission's guidance on high value customer incentives.

5.1.2 - Proportionate rewards

Ordinary code

Applies to:

All licences (including ancillary remote licences), except gaming machine technical and gambling software licences

- 1. Licensees should only offer incentive or reward schemes in which the benefit available is proportionate to the type and level of customers' gambling.

5.1.6 - Compliance with advertising codes

Social responsibility code

Applies to:

All licences, except lottery licences

- 1. All marketing of gambling products and services must be undertaken in a socially responsible manner.
- 2. In particular, Licensees must comply with the advertising codes of practice issued by the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP) as applicable. For media not explicitly covered, licensees should have regard to the principles included in these codes of practice as if they were explicitly covered.
- 3. The restriction on allowing people who are, or seem to be, under 25 years old (ie: those in the 18-24 age bracket) to appear in marketing communications need not be applied in the case of non-remote point of sale advertising material, provided that the images used depict the sporting or other activity that may be gambled on and not the activity of gambling itself and do not breach any other aspect of the advertising codes.

5.1.8 - Compliance with industry advertising codes

Ordinary code

Applies to:

All licences

1. Licensees should follow any relevant industry code on advertising, notably the Gambling Industry Code for Socially Responsible Advertising.

5.1.9 - Other marketing requirements

Social responsibility code

Applies to:

All licences

1. Licensees must ensure that their marketing communications, advertisement, and invitations to purchase (within the meaning of the Consumer Protection from Unfair Trading Regulations 2008) do not amount to or involve misleading actions or misleading omissions within the meaning of those Regulations.
2. Licensees must ensure that all significant conditions which apply to marketing incentives are provided transparently and prominently to consumers. Licensees must present the significant conditions at the point of sale for any promotion, and on any advertising in any medium for that marketing incentive except where, in relation to the latter, limitations of space make this impossible. In such a case, information about the significant conditions must be included to the extent that it is possible to do so, the advertising must clearly indicate that significant conditions apply and where the advertisement is online, the significant conditions must be displayed in full no further than one click away.
3. The terms and conditions of each marketing incentive must be made available for the full duration of the promotion.

5.1.10 - Online marketing in proximity to information on responsible gambling

Ordinary code

Applies to:

All licences

1. Licensees should ensure that no advertising or other marketing information, whether relating to specific offers or to gambling generally, appears on any primary web page/screen, or micro site that provides advice or information on responsible gambling

5.1.11 - Direct electronic marketing consent

Social responsibility code

Applies to:

All licences

1. Unless expressly permitted by law consumers must not be contacted with direct electronic marketing without their informed and specific consent. Whenever a consumer is contacted the consumer must be provided with an opportunity to withdraw consent. If consent is withdrawn the licensee must, as soon as practicable, ensure the consumer is not contacted with electronic marketing thereafter unless the consumer consents again. Licensees must be able to provide evidence which establishes that consent.

6.1.1 - Complaints and disputes

Social responsibility code

Applies to:

All licences (including ancillary remote licensees) except gaming machine technical and gambling software licences

1. Licensees must put into effect appropriate policies and procedures for accepting and handling customer complaints and disputes in a timely, fair, open and transparent manner.
2. Licensees must ensure that they have arrangements in place for customers to be able to refer any dispute to an ADR entity in a timely manner if not resolved to the customer's satisfaction by use of their complaints procedure within eight weeks of receiving the complaint, and where the customer cooperates with the complaints process in a timely manner.
3. The services of any such ADR entity must be free of charge to the customer.
4. Licensees must not use or introduce terms which restrict, or purport to restrict, the customer's right to bring proceedings against the licensee in any court of competent jurisdiction. Such terms may, however, provide for a resolution of a dispute agreed by the customer (arrived at with the assistance of the ADR entity) to be binding on both parties.
5. Licensees' complaints handling policies and procedures must include procedures to provide customers with clear and accessible information on how to make a complaint, the complaint procedures, timescales for responding, and escalation procedures.
6. Licensees must ensure that complaints policies and procedures are implemented effectively, kept under review and revised appropriately to ensure that they remain effective, and take into account any applicable learning or guidance published by the Gambling Commission from time to time.
7. Licensees should keep records of customer complaints and disputes and make them available to the Commission on request.

In this Code, 'ADR entity' means

- a. a person offering alternative dispute resolution services whose name appears on the list maintained by the Gambling Commission in accordance with The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 and,
- b. whose name appears on the list of providers that meet the Gambling Commission's additional standards found in the document 'Alternative dispute resolution (ADR) in the gambling industry – standards and guidance for ADR providers'.

Both lists are on the Commission's website and will be updated from time to time.

Read additional guidance on the information requirements contained within this section.

7.1.2 - Responsible gambling information for staff

Social responsibility code

Applies to:

All licences, including betting ancillary remote licences, but not other ancillary remote licences

1. Licensees must take all reasonable steps to ensure that staff involved in the provision of facilities for gambling are made aware of advice on socially responsible gambling and of where to get confidential advice should their gambling become hard to control.

8.1.1 - Ordinary code

Ordinary code

Applies to:

All licences

1. As stated earlier in this code, the Commission expects licensees to work with the Commission in an open and cooperative way and to inform the Commission of any matters that the Commission would reasonably need to be aware of in exercising its regulatory functions. These include in particular matters that will have a material impact on the licensee's business or on the licensee's ability to conduct licensed activities compliantly and consistently with the licensing objectives.
2. Thus, licensees should notify the Commission, or ensure that the Commission is notified, as soon as reasonably practicable and in such form and manner as the Commission may from time to time specify², of any matters which in their view could have a material impact on their business or affect compliance. The Commission would, in particular, expect to be notified of the occurrence of any of the following

² These matters are to be reported to us online via our 'eServices' digital service on our website.

events in so far as not already notified in accordance with the conditions attached to the licensee's licence³ :

- a. any material change in the licensee's structure or the operation of its business
- b. any material change in managerial responsibilities or governance arrangements
- c. any report from an internal or external auditor expressing, or giving rise to, concerns about material shortcomings in the management control or oversight of any aspect of the licensee's business related to the provision of gambling facilities.

Read additional [guidance on the information requirements](#) contained within this section.

10.1.1 - Assessing local risk

Social responsibility code

Applies to:

All non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences.

1. Licensees must assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in the licensing authority's statement of licensing policy⁴.
2. Licensees must review (and update as necessary) their local risk assessments:
 - a. to take account of significant changes in local circumstances, including those identified in a licensing authority's statement of licensing policy;
 - b. when there are significant changes at a licensee's premises that may affect their mitigation of local risks;
 - c. when applying for a variation of a premises licence; and
 - d. in any case, undertake a local risk assessment when applying for a new premises licence.

³ Events which must be reported, because the Commission considers them likely to have a material impact on the nature or structure of a licensee's business, are set out in general licence condition 15.2.1

⁴ This is the statement of licensing policy under the Gambling Act 2005.

10.1.2 - Sharing local risk assessments

Ordinary code

Applies to:

All non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences

1. Licensees should share their risk assessment with licensing authorities when applying for a premises licence or applying for a variation to existing licensed premises, or otherwise on request.

Electronic Casinos

1. **Genting Electric Derby**
Genting Electric Derby, Part of 1st Floor, Derby Riverlights, Block A, Morledge, DERBY
Premises type: Casino
Licensed by: Derby City Council
2. **Genting Electric Fountain Park**
Genting Electric Fountain Park, Unit F, Fountain Park, 124 Dundee Street, EDINBURGH
Premises type: Casino
Licensed by: City of Edinburgh Council
3. **Genting Electric Glasgow**
Genting Electric Glasgow, 506/516 Sauchiehall Street, GLASGOW
Premises type: Casino
Licensed by:
4. **Genting Electric Luton**
Genting Electric Luton, Skimpot Road, LUTON
Premises type: Casino
Licensed by: Luton Borough Council
5. **Genting Electric Manchester**
Genting Electric Manchester, 110-114 Portland Street (Premises licence number 099904), MANCHESTER
Premises type: Casino
Licensed by: Manchester City Council
6. **Genting Electric Reading**
Genting Electric Reading, Electric Circus, 18 Richfield Avenue, READING
Premises type: Casino
Licensed by: Reading Borough Council
7. **Genting Electric Southampton**
Genting Electric Southampton, Terminus Terrace, SOUTHAMPTON
Premises type: Casino
Licensed by: Southampton City Council
8. **Genting Electric Westcliff**
Genting Electric Westcliff, Western Esplanade, WESTCLIFF-ON-SEA
Premises type: Casino
Licensed by: Southend-on-Sea Borough Council
9. **Blackpool Electric Grosvenor Casino**
E Casino, The Sandcastle, Promenade, BLACKPOOL
Premises type: Casino
Licensed by: Blackpool Borough Council
10. **Brighton Electric Grosvenor Casino**
Grosvenor Casino, Brighton Electric Casino, 9 Grand Junction Road, BRIGHTON
Premises type: Casino
Licensed by: Brighton and Hove City Council
11. **Coventry Electric Grosvenor Casino**
Coventry-Electric Grosvenor Casino, Ricoh Arena, Phoenix Way, COVENTRY
Premises type: Casino
Licensed by: Coventry City Council
12. **Glasgow Electric Grosvenor Casino 1**
Glasgow Electric 1 Grosvenor Casino, 16-18 Glassford Street, GLASGOW
Premises type: Casino
Licensed by: Glasgow City Council

13. **Glasgow Electric Grosvenor Casino 2**
Glasgow Electric 2 Grosvenor Casino, 18 Glassford Street, GLASGOW
Premises type: Casino
Licensed by: Glasgow City Council
14. **Glasgow-Riverboat Electric Grosvenor Casino**
Glasgow-Riverboat Electric Casino, 61 Broomielaw, GLASGOW
Premises type: Casino
Licensed by: Glasgow City Council
15. **Leeds Electric Grosvenor Casino**
Grosvenor Casinos Limited, Wellington Bridge Street, Westgate, LEEDS
Premises type: Casino
Licensed by: Leeds City Council
16. **Liverpool Electric Grosvenor Casino**
Liverpool Electric Grosvenor Casino, 44 Chaloner Street, Queens Dock, LIVERPOOL
Premises type: Casino
Licensed by: Liverpool City Council
17. **London-Gloucester Road Electric Grosvenor Casino**
London-Gloucester Road Electric Grosvenor Casino, 4-18 Harrington Gardens, LONDON
Premises type: Casino
Licensed by: Royal Borough of Kensington and Chelsea
18. **Manchester Electric Grosvenor Casino**
Manchester Electric Grosvenor Casino, 2 Ramsgate Street, MANCHESTER
Premises type: Casino
Licensed by: Manchester City Council
19. **Northampton Electric Grosvenor Casino**
Northampton Electric Grosvenor Casino, Regent Street, NORTHAMPTON
Premises type: Casino
Licensed by: Northampton Borough Council
20. **Nottingham Electric Grosvenor Casino 1**
Nottingham Electric Grosvenor Casino, 4-6 Maid Marian Way, NOTTINGHAM
Premises type: Casino
Licensed by: Nottingham City Council
21. **Nottingham Electric Grosvenor Casino 2**
Grosvenor Nottingham Electric Casino 2, 4 Maid Marian Way, NOTTINGHAM
Premises type: Casino
Licensed by: Nottingham City Council
22. **Oldbury Electric Grosvenor Casino**
Oldbury Electric Grosvenor Casino, 50 Halesowen Street, OLDBURY
Premises type: Casino
Licensed by: Sandwell Metropolitan Borough Council
23. **Portsmouth Harbour Electric Grosvenor Casino**
Portsmouth Harbour-Grosvenor Casino, L5 Central Square South Building, Gunwharf Quays, PORTSMOUTH
Premises type: Casino
Licensed by: Portsmouth City Council
24. **Scarborough Electric Grosvenor Casino**
Scarborough Electric Grosvenor Casino, 26 Newborough, SCARBOROUGH
Premises type: Casino
Licensed by: Scarborough Borough Council

Schedule of Fully Electronic and Poker Club 1968 Casino Licences

25. **Sheffield Electric Grosvenor Casino**

Sheffield Electric Grosvenor Casino, 87 Duchess Road, SHEFFIELD

Premises type: Casino

Licensed by: Sheffield City Council

26. **Swansea Electric Grosvenor Casino**

Swansea Electric Grosvenor Casino, 15-16 High Street, SWANSEA

Premises type: Casino

Licensed by: Swansea Council

27. **Walsall Electric Grosvenor Casino**

Walsall Electric Grosvenor Casino, Bentley Mill Way, WALSALL

Premises type: Casino

Licensed by: Walsall Metropolitan Borough Council

28. **Bristol Rainbow Electric Casino**

Rainbow Casino, Explore Lane, BRISTOL

Premises type: Casino

Licensed by: Bristol City Council

Poker Clubs

29. **Empire Poker Room**

London Clubs, Empire Casino, 5-6 Leicester Square, LONDON

Premises type: Casino

Licensed by: Westminster City Council

30. **The Poker Room (London)**

The Poker Room, 150-162 Edgware Road, LONDON

Premises type: Casino

Licensed by: Westminster City Council

This page is intentionally left blank

SECTION 5

Cookies on Legislation.gov.uk

The cookies on legislation.gov.uk do two things: they remember any settings you've chosen so you don't have to choose them on every page, and they help us understand how people browse our website, so we can make improvements and fix problems. We need your consent to use some of these cookies.

[Yes, these cookies are OK](#)
[Find out more or set individual cookie preferences](#)
[No, I want to reject all cookies](#)

Join the team

If you'd like to join the legislation.gov.uk team, we're currently recruiting for a Product Manager.

[Click here to apply](#)
[Close](#)

Cymraeg

[Home](#) [Browse Legislation](#) [New Legislation](#) [Coronavirus Legislation](#) [Changes To Legislation](#)
[Search Legislation](#)

Title: Year: Number: Type: [Search](#)

[Advanced Search \(including Welsh legislation in Welsh language\)](#)

Gambling Act 2005

UK Public General Acts 2005 c. 19 Part 1 Gaming Section 7

[Table of Contents](#) [Content](#) [Explanatory Notes](#) [More Resources](#)

[Previous: Provision](#) [Next: Provision](#)

[Plain View](#)
[Print Options](#)

Changes over time for: Section 7

01/10/2005

20/05/2008

Changes to legislation: There are currently no known outstanding effects for the Gambling Act 2005, Section 7. [?](#)

7

Casino

- (1) For the purposes of this Act a casino is an arrangement whereby people are given an opportunity to participate in one or more casino games.
- (2) In this Act "casino game" means a game of chance which is not equal chance gaming.
- (3) But the Secretary of State may by regulations provide that a specified activity, or an activity carried on in specified circumstances, is to be or not to be treated as a casino game for the purposes of this Act (and subsection (2) is subject to regulations under this subsection).
- (4) For the purposes of this section it is immaterial—
 - (a) whether an arrangement is provided on one set of premises or on more than one;
 - (b) whether an arrangement is provided wholly or partly by means of remote communication.
- (5) The Secretary of State shall make regulations by reference to which any casino may be classified as—
 - (a) a regional casino,
 - (b) a large casino,
 - (c) a small casino, or
 - (d) below the minimum size for a licensed casino.
- (6) Regulations under subsection (5) may make provision by reference to—
 - (a) the number of gaming tables used or designated for the playing of specified casino games or classes of casino game,
 - (b) the location of gaming tables used or designated for the playing of specified casino games or classes of casino game,
 - (c) the concentration of gaming tables used or designated for the playing of specified casino games or classes of casino game,
 - (d) the floor area used or designated for a specified purpose,
 - (e) any combination of the matters listed in paragraph (a) to (d), or
 - (f) any other matter.
- (7) Regulations under subsection (5) may—
 - (a) include provision for determining what floor area is to be treated as being used or designated for a purpose;
 - (b) include provision for determining what activities do or do not amount to the playing of a specified casino game or class of casino game;
 - (c) include provision for determining what is or is not to be treated as a gaming table (and, in particular, in what circumstances a number of tables are to be treated as if they were a single gaming table);
 - (d) provide that a gaming table is to be treated as being used or designated only if specified conditions (which may, in particular, relate to purpose of use, extent of use or circumstances of use) are satisfied.

Commencement Information

- I1 [S. 7\(1\)-\(4\)](#) in force at 1.10.2005 by [S.I. 2005/2455](#), art. 2(1), [Sch.](#) (with art. 3)
- I2 [S. 7\(5\)\(b\)-\(d\) \(6\) \(7\)](#) in force at 20.5.2008 by [S.I. 2008/1326](#), art. 2, [Sch.](#)

[Previous: Provision](#) [Next: Provision](#)

[Help](#) [About Us](#) [Site Map](#) [Accessibility](#) [Contact Us](#) [Privacy Notice](#) [Cookies](#)

[Back to top](#)

Cookies on Legislation.gov.uk

The cookies on legislation.gov.uk do two things: they remember any settings you've chosen so you don't have to choose them on every page and they help us understand how people browse our website, so we can make improvements and fix problems. We need your consent to use some of the cookies on this website.

[Yes, these cookies are OK](#)

[Find out more or set individual cookie preferences](#)

[No, I want to reject all cookies](#)

Join the team

If you'd like to join the legislation.gov.uk team, we're currently recruiting for a Product Manager.

[Click here to apply](#)

Cymraeg

[Home](#) [Browse Legislation](#) [New Legislation](#) [Coronavirus Legislation](#) [Changes To Legislation](#)

[Search](#)

Title: Year: Number:
 Type: [All UK Legislation \(excluding originating from the EU\)](#) ▼

[Search](#)

[Advanced Search \(including Welsh legislation in Welsh language\)](#)

Gambling Act 2005

[UK Public General Acts](#) [2005 c. 19](#) [Part 8](#) [Licensing authorities' functions](#) [Section 153](#)

[Table of Contents](#) [Content](#) [Explanatory Notes](#) [More Resources](#)

[Previous: Provision](#)

[Next: Provision](#)

[Plain View](#)

[Print Options](#)

Changes over time for: Section 153

21/05/2007

Changes to legislation: There are currently no known outstanding effects for the Gambling Act 2005, Section 153.

153 Principles to be applied

- (1) In exercising their functions under this Part a licensing authority shall aim to permit the use of premises for gambling in so far as the authority think it—
 - (a) in accordance with any relevant code of practice under section 24,
 - (b) in accordance with any relevant guidance issued by the Commission under section 25,
 - (c) reasonably consistent with the licensing objectives (subject to paragraphs (a) and (b)), and
 - (d) in accordance with the statement published by the authority under section 349 (subject to paragraphs (a) to (c)).
- (2) In determining whether to grant a premises licence a licensing authority may not have regard to the expected demand for the facilities which it is proposed to provide.
- (3) This section is subject to section 166.

Commencement Information

I1 S. 153 in force at 21.5.2007 by [S.I. 2006/3272](#), art. 2(2), [Sch. 2](#) (with arts. 7-11, 7-12, [Sch. 4](#)) (as amended by [S.I. 2007/1157](#), arts. 3(3), 4)

[Previous: Provision](#)

[Next: Provision](#)

Page 403

335



All content is available under the [Open Government Licence v3.0](#) except where [otherwise stated](#). This site additionally contains content derived from EUR-Lex, reused under the terms of the [Commission Decision 2011/833/EU](#) on the reuse of documents from the EU institutions. For more information see the [EUR-Lex public statement on re-use](#).

© Crown and database right

Cookies on Legislation.gov.uk

The cookies on legislation.gov.uk do two things: they remember any settings you've chosen so you don't have to choose them on every page. We need your consent to use some of the cookies to help us understand how people browse our website, so we can make improvements and fix problems.

[Yes, these cookies are OK](#)

[Find out more or set individual cookie preferences](#)

[No, I want to reject all cookies](#)

Join the team

If you'd like to join the legislation.gov.uk team, we're currently recruiting for a Product Manager.

[Click here to apply](#)

Cymraeg

[Home](#) [Browse Legislation](#) [New Legislation](#) [Coronavirus Legislation](#) [Changes To Legislation](#)

[Search](#)

Title: Year: Number:

Type: [All UK Legislation \(excluding originating from the EU\)](#) ▼

[Search](#)

[Advanced Search \(including Welsh legislation in Welsh language\)](#)

Gambling Act 2005

[UK Public General Acts](#) [2005 c. 19](#) [Part 8](#) [Application for licence](#) [Section 159](#)

[Table of Contents](#) [Content](#) [Explanatory Notes](#) [More Resources](#)

[Previous: Provision](#)

[Next: Provision](#)

[Plain View](#)

[Print Options](#)

Changes over time for: Section 159

21/05/2007

01/09/2007

20/05/2008

Changes to legislation: There are currently no known outstanding effects for the Gambling Act 2005, Section 159.

159 Making of application

- (1) A person may apply to a licensing authority for a premises licence to be issued to him authorising the use of premises to carry on an activity listed in section 37(1).
- (2) An application must be made to a licensing authority in whose area the premises are wholly or partly situated.
- (3) An application may be made only by a person who—
 - (a) holds an operating licence which authorises him to carry on the activity in respect of which the premises licence is sought, or
 - (b) has made an application, which has not yet been determined, for an operating licence which authorises him to carry on the activity in respect of which the premises licence is sought.
- (4) But subsection (3) does not apply to an application for a premises licence which authorises a track to be used for accepting bets (and which does not also, otherwise than by virtue of section 172, authorise it to be used for another purpose).
- (5) An application may be made only by a person who has a right to occupy the premises to which the application relates.
- (6) An application must—
 - (a) be made in the prescribed form and manner,
 - (b) contain or be accompanied by the prescribed information or documents, and
 - (c) be accompanied by the prescribed fee.
- (7) Regulations prescribing a matter for the purposes of this section may, in particular, make different provision for—

- (a) applications in respect of different classes of activity, or
 - (b) different circumstances.
- (8) In this section "prescribed" means—
- (a) in relation to applications to authorities in England and Wales, prescribed by regulations made by the Secretary of State, and
 - (b) in relation to applications to authorities in Scotland, prescribed by regulations made by the Scottish Ministers.

Commencement Information

- I1 S. 159 in force at 21.5.2007 for specified purposes by [S.I. 2006/3272](#), [art. 2\(2\)\(3\)](#), [Sch. 2](#), [Sch. 3](#) (with [arts. 7-11](#), [7-12](#), [Sch. 4](#)) (as amended by [S.I. 2007/1157](#), arts. 3(3), 4)
- I2 [S. 159](#) in force at 21.5.2007 for specified purposes by [S.I. 2006/3272](#), [art. 2\(3\)](#), [Sch. 3](#) (with [arts. 7-11](#), [7-12](#), [Sch. 4](#)) (as amended by [SI 2007/1157](#), art. 3(3), 4(2))
- I3 [S. 159](#) in force at 1.9.2007 for specified purposes by [S.I. 2006/3272](#), [art. 2\(4\)\(5\)](#), [Sch. 3B](#) (with [arts. 7-11](#), [7-12](#), [Sch. 4](#)) (as inserted by [S.I. 2007/2169](#), arts. 3, 6, Sch.)
- I4 [S. 159](#) in force at 20.5.2008 for specified purposes by [S.I. 2008/1326](#), [art. 2](#), [Sch.](#)

[Previous: Provision](#)

[Next: Provision](#)

[Help](#) [About Us](#) [Site Map](#) [Accessibility](#) [Contact Us](#) [Privacy Notice](#) [Cookies](#)

[Back to top](#)



All content is available under the [Open Government Licence v3.0](#) except where [otherwise stated](#). This site additionally contains content derived from EUR-Lex, reused under the terms of the [Commission Decision 2011/833/EU](#) on the reuse of documents from the EU institutions. For more information see the [EUR-Lex public statement on re-use](#).

© Crown and database right

Cookies on Legislation.gov.uk

The cookies on legislation.gov.uk do two things: they remember any settings you've chosen so you don't have to choose them on every page and they help us understand how people browse our website, so we can make improvements and fix problems. We need your consent to use some of the cookies on this website.

[Yes, these cookies are OK](#)

[Find out more or set individual cookie preferences](#)

[No, I want to reject all cookies](#)

Join the team

If you'd like to join the legislation.gov.uk team, we're currently recruiting for a Product Manager.

[Click here to apply](#)

Cymraeg

[Home](#) [Browse Legislation](#) [New Legislation](#) [Coronavirus Legislation](#) [Changes To Legislation](#)

[Search](#)

Title: Year: Number:

Type: [All UK Legislation \(excluding originating from the EU\)](#) ▼

[Search](#)

[Advanced Search \(including Welsh legislation in Welsh language\)](#)

Gambling Act 2005

[UK Public General Acts](#) [2005 c. 19](#) [Part 8](#) [Provisional statement](#)

[Table of Contents](#) [Content](#) [Explanatory Notes](#) [More Resources](#)

[Previous: Crossheading](#) [Next: Crossheading](#) [Plain View](#) [Print Options](#)

Changes over time for: Cross Heading: Provisional statement

21/05/2007

01/09/2007

20/05/2008

Changes to legislation: There are currently no known outstanding effects for the Gambling Act 2005, Cross Heading: Provisional statement.

Provisional statement

204 Application

- (1) A person may make an application for a provisional statement in respect of premises—
 - (a) that he expects to be constructed,
 - (b) that he expects to be altered, or
 - (c) that he expects to acquire a right to occupy.
- (2) The provisions of this Part shall apply in relation to an application for a provisional statement as they apply in relation to an application for a premises licence—
 - (a) subject to the provisions of this section and section 205, and
 - (b) with any other necessary modifications.
- (3) An application for a provisional statement shall include such plans and other information in relation to the construction, alteration or acquisition as may be prescribed.
- (4) Sections 152(1)(b) and 159(3) and (5) shall not apply in relation to an application for a provisional statement.

Commencement Information

I1 S. 204 in force at 21.5.2007 for specified purposes by [S.I. 2006/3272](#), art. 2(1), Sch. 2 (with arts. 7-11, 7-12, Sch. 4) (as amended by [S.I. 2007/1157](#), arts. 3(3), 4)

- I2 S. 204 in force at 21.5.2007 in so far as not already in force by [S.I. 2006/3272](#), [art. 2\(3\)](#), [Sch. 3](#) (with [arts. 7-11](#), [7-12](#), [Sch. 4](#)) (as amended by [SI 2007/1157](#), [art. 3\(3\)](#), [4\(2\)](#))
- I3 [S. 204](#) in force at 1.9.2007 for specified purposes by [S.I. 2006/3272](#), [art. 2\(4\)\(5\)](#), [Sch. 3B](#) (with [arts. 7-11](#), [7-12](#), [Sch. 4](#)) (as inserted by [S.I. 2007/2169](#), [arts. 3, 6](#), [Sch.](#))
- I4 [S. 204](#) in force at 20.5.2008 for specified purposes by [S.I. 2008/1326](#), [art. 2](#), [Sch.](#)

205 **Effect**

- (1) This section applies where—
- (a) a licensing authority issue a provisional statement in respect of premises, and
 - (b) an application is made under section 159 for a premises licence in respect of the premises.
- (2) The licensing authority shall disregard any representations made in relation to the application for the premises licence unless they think that the representations—
- (a) address matters that could not have been addressed in representations in relation to the application for the provisional statement, or
 - (b) reflect a change in the applicant's circumstances.
- (3) The licensing authority may refuse the application, or grant it on terms or conditions not included in the provisional statement, only by reference to matters which—
- (a) the authority have considered in reliance on subsection (2)(a), or
 - (b) in the authority's opinion reflect a change in the applicant's circumstances.
- (4) But subsections (2) and (3) do not apply in the case of a provisional statement issued in response to an application under section 204(1)(a) or (b) if the licensing authority think that the premises have been constructed or altered otherwise than in accordance with the plans and information included with the application for the provisional statement in accordance with section 204(3).

Commencement Information

- I5 S. 205 in force at 21.5.2007 by [S.I. 2006/3272](#), [art. 2\(2\)](#), [Sch. 2](#) (with [arts. 7-11](#), [7-12](#), [Sch. 4](#)) (as amended by [S.I. 2007/1157](#), [arts. 3\(3\)](#), [4](#))

[Previous: Crossheading](#) | [Next: Crossheading](#) |

[Help](#) [About Us](#) [Site Map](#) [Accessibility](#) [Contact Us](#) [Privacy Notice](#) [Cookies](#)

[Back to top](#)



All content is available under the [Open Government Licence v3.0](#) except where [otherwise stated](#). This site additionally contains content derived from EUR-Lex, reused under the terms of the [Commission Decision 2011/833/EU](#) on the reuse of documents from the EU institutions. For more information see the [EUR-Lex public statement on re-use](#).

© Crown and database right

Cookies on Legislation.gov.uk

The cookies on legislation.gov.uk do two things: they remember any settings you've chosen so you don't have to choose them on every page, and they help us understand how people browse our website, so we can make improvements and fix problems. We need your consent to use some of these cookies.

[Yes, these cookies are OK](#)
[Find out more or set individual cookie preferences](#)
[No, I want to reject all cookies](#)

Join the team

If you'd like to join the legislation.gov.uk team, we're currently recruiting for a Product Manager.

[Click here to apply](#)
[Close](#)

Cymraeg

[Home](#) [Browse Legislation](#) [New Legislation](#) [Coronavirus Legislation](#) [Changes To Legislation](#)
[Search Legislation](#)

Title: Year: Number: Type: [Search](#)

[Advanced Search \(including Welsh legislation in Welsh language\)](#)

Gambling Act 2005

[UK Public General Acts](#) [2005 c. 19](#) [Part 10](#) [Definitions](#) [Section 235](#)
[Table of Contents](#) [Content](#) [Explanatory Notes](#) [More Resources](#)
[Previous: Provision](#)
[Next: Provision](#)
[Plain View](#)
[Print Options](#)

Changes over time for: Section 235

?

01/01/2007

21/05/2007

01/09/2007

Changes to legislation: There are currently no known outstanding effects for the Gambling Act 2005, Section 235. ?

235 Gaming machine

- (1) In this Act "gaming machine" means a machine which is designed or adapted for use by individuals to gamble (whether or not it can also be used for other purposes).
- (2) But—
 - (a) a domestic or dual-use computer is not a gaming machine by reason only of the fact that it can be used to participate in remote gambling,
 - (b) a telephone or other machine for facilitating communication (other than a computer) is not a gaming machine by reason only of the fact that it can be used to participate in remote gambling,
 - (c) a machine is not a gaming machine by reason only of the fact that it is designed or adapted for use to bet on future real events,
 - (d) a machine is not a gaming machine by reason only of the fact that it dispenses lottery tickets or otherwise enables a person to enter a lottery provided that the results of the lottery—
 - (i) are not determined by the machine, and
 - (ii) are not announced by being displayed or communicated by the machine without there being an interval, between each entry to the lottery and the announcement, of at least such duration as the Secretary of State shall prescribe by order,
 - (e) a machine is not a gaming machine if—
 - (i) it is designed or adapted for the playing of bingo, and
 - (ii) it is used in accordance with a condition attached to a bingo operating licence under section 75 or 77 by virtue of section 85(2)(b),
 - (f) a machine is not a gaming machine if—
 - (i) it is designed or adapted for the playing of bingo by way of prize gaming, and
 - (ii) it is used in accordance with a condition attached to a gaming machine general operating licence under section 75 or 77 by virtue of section 85(2)(b),
 - (g) a machine is not a gaming machine if—
 - (i) it is designed or adapted for the playing of bingo by way of prize gaming,
 - (ii) it is made available for use in reliance on a family entertainment centre gaming machine permit or a prize gaming permit, and
 - (iii) any requirements prescribed for the purposes of this paragraph in a code of practice under section 24, as to the specification of the machine or the circumstances in which it is made available for use, are complied with,

- (h) a machine is not a gaming machine by reason only of the fact that it is designed or adapted to be—
 - (i) controlled or operated by an individual employed or concerned in arranging for others to play a real game of chance, or
 - (ii) used in connection with a real game of chance the arrangements for which are controlled or operated by an individual, and
 - (i) a machine is not a gaming machine by reason only of the fact that it is designed or adapted to enable individuals to play a real game of chance, if—
 - (i) its design or adaptation is such that it does not require to be controlled or operated by a person employed or concerned in arranging for others to play the game,
 - (ii) it is not designed or adapted for use in connection with a game the arrangements for which are controlled or operated by an individual, and
 - (iii) it is used in accordance with a condition attached to a casino operating licence under section 75 or 77 by virtue of section 85(2)(b).
- (3) In this Act—
- (a) a reference to a machine is a reference to any apparatus which uses or applies mechanical power, electrical power or both,
 - (b) a reference to a machine being designed or adapted for a purpose includes—
 - (i) a reference to a computer being able to be used for that purpose (subject to subsection (2)), and
 - (ii) a reference to any other machine to which anything has been done as a result of which it can reasonably be expected to be used for that purpose (subject to subsection (2)),
 - (c) a reference to a part of a gaming machine—
 - (i) includes a reference to any computer software designed or adapted for use in a gaming machine, but
 - (ii) does not include a reference to a component of a gaming machine which does not influence the outcome of a game,
 - (d) a reference to installing a part of a gaming machine includes a reference to installing computer software for the purpose of altering the operation of a gaming machine,
 - (e) a reference to adapting a gaming machine includes a reference to adapting a machine so that it becomes a gaming machine, and
 - (f) “domestic computer” and “dual-use computer” shall have the meanings assigned by the Secretary of State by regulations.
- (4) Regulations under subsection (3)(f) may, in particular, make provision by reference to—
- (a) the location of a computer,
 - (b) the purposes for which a computer is used,
 - (c) the circumstances in which a computer is used,
 - (d) the software installed on a computer, or
 - (e) any other matter.
- (5) The Secretary of State may make regulations providing for circumstances in which a single piece of apparatus is to be treated as more than one gaming machine for the purpose of provision made by or by virtue of this Act; and the regulations may, in particular, make provision by reference to the number of persons able to operate the apparatus at the same time.

Commencement Information

- I1 [S. 235](#) in force at 21.5.2007 in so far as not already in force by [S.I. 2006/3272](#), art. 2(2), **Sch. 2** (with arts. 7-11, 7-12, [Sch. 4](#)) (as amended by [S.I. 2007/1157](#), arts. 3(3), 4)
- I2 [S. 235\(1\) \(2\)\(b\)-\(i\) \(3\)\(a\)-\(e\) \(5\)](#) in force at 1.1.2007 by [S.I. 2006/3272](#), art. 2(1), **Sch. 1** (with arts. 7-11, 7-12, [Sch. 4](#))
- I3 [S. 235\(2\)\(a\)\(3\)\(f\)\(4\)](#) in force at 1.9.2007 in so far as not already in force by [S.I. 2006/3272](#), art. 2(4)(5), **Sch. 3B** (with arts. 7-11, 7-12, [Sch. 4](#)) (as inserted by [S.I. 2007/2169](#), arts. 3, 6, [Sch.](#))

[Previous: Provision](#)[Next: Provision](#)
[Help](#)
[About Us](#)
[Site Map](#)
[Accessibility](#)
[Contact Us](#)
[Privacy Notice](#)
[Cookies](#)
[Back to top](#)

All content is available under the [Open Government Licence v3.0](#) except where [otherwise stated](#). This site additionally contains content derived from EUR-Lex, reused under the terms of the [Commission Decision 2011/833/EU](#) on the reuse of documents from the EU institutions. For more information see the [EUR-Lex public statement on re-use](#).

© Crown and database right

Cookies on Legislation.gov.uk

The cookies on legislation.gov.uk do two things: they remember any settings you've chosen so you don't have to choose them on every page, and they help us understand how people browse our website, so we can make improvements and fix problems. We need your consent to use some of these cookies.

[Yes, these cookies are OK](#)
[Find out more or set individual cookie preferences](#)
[No, I want to reject all cookies](#)

Join the team

If you'd like to join the legislation.gov.uk team, we're currently recruiting for a Product Manager.

[Click here to apply](#)
[Close](#)

Cymraeg

[Home](#) [Browse Legislation](#) [New Legislation](#) [Coronavirus Legislation](#) [Changes To Legislation](#)
[Search Legislation](#)

Title: Year: Number: Type: [Search](#)

[Advanced Search \(including Welsh legislation in Welsh language\)](#)

Gambling Act 2005

[UK Public General Acts](#) [2005 c. 19](#) [Part 18](#) [Miscellaneous](#) [Section 349](#)
[Table of Contents](#) [Content](#) [Explanatory Notes](#) [More Resources](#)
[Previous: Provision](#)
[Next: Provision](#)
[Plain View](#)
[Print Options](#)

Changes over time for: Section 349



31/03/2006

31/01/2007

Changes to legislation: There are currently no known outstanding effects for the Gambling Act 2005, Section 349. [?](#)

349 Three-year licensing policy

- (1) A licensing authority shall before each successive period of three years—
 - (a) prepare a statement of the principles that they propose to apply in exercising their functions under this Act during that period, and
 - (b) publish the statement.
- (2) A licensing authority shall—
 - (a) review their statement under this section from time to time,
 - (b) if they think it necessary in the light of a review, revise the statement, and
 - (c) publish any revision before giving it effect.
- (3) In preparing a statement or revision under this section a licensing authority shall consult—
 - (a) either—
 - (i) in England and Wales, the chief officer of police for the authority's area, or
 - (ii) in Scotland, the chief constable of the police force maintained for the police area comprising that area,
 - (b) one or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area, and
 - (c) one or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under this Act.
- (4) The Secretary of State may make regulations about—
 - (a) the form of statements under this section;
 - (b) the procedure to be followed in relation to the preparation, review or revision of statements under this section;
 - (c) the publication of statements under this section.
- (5) In relation to statements prepared under this section by licensing authorities in Scotland, subsection (4) shall have effect as if the reference to the Secretary of State were a reference to the Scottish Ministers.
- (6) The Secretary of State shall by order appoint a day as the first day of the first period of three years for the purpose of this section.
- (7) Where a licensing authority is specified in an order under section 175 they shall ensure that their statement under this section includes the principles that they propose to apply in making determinations under paragraph 5 of Schedule 1.

Modifications etc. (not altering text)

C1 S. 349(6): 31.1.2007 appointed for the purposes of s. 349 by [S.I. 2006/637](#), art. 2

Commencement Information

I1 S. 349 in force at 31.3.2006 by [S.I. 2006/631](#), art. 2(1)(b)

[Previous: Provision](#)

[Next: Provision](#)

[Help](#) [About Us](#) [Site Map](#) [Accessibility](#) [Contact Us](#) [Privacy Notice](#) [Cookies](#)

[Back to top](#)



All content is available under the [Open Government Licence v3.0](#) except where [otherwise stated](#). This site additionally contains content derived from EUR-Lex, reused under the terms of the [Commission Decision 2011/833/EU](#) on the reuse of documents from the EU institutions. For more information see the [EUR-Lex public statement on re-use](#).

© Crown and database right

organisations including faith groups, voluntary and community organisations working with children and young people, organisations working with people who are problem gamblers, such as Gamcare, and advocacy organisations (such as the Citizen's Advice Bureau and trade unions)

local public health team and mental health teams

local businesses

other tiers of local government (where they exist)

responsible authorities.

It is good practice to clarify in the consultation which aspects of the current statement you are proposing to change.

Cabinet Office **guidance on public consultations state that the time required for a public consultation** 'will depend on the nature and impact of the proposal (for example, the diversity of interested parties or the complexity of the issue, or even external events), and might **typically vary between two and 12 weeks**'.

Licensing authorities should look at the views submitted by consultees and consider carefully whether they should be taken into account in finalising their statements. A licensing authority should always be able to give reasons for the decisions it has made following consultation. However, they should ensure that they only consider matters within the scope of the Guidance, Act and Codes of Practice. Even if there is a large response regarding a certain issue, an authority may be unable to deal with the issue under the Gambling Act, although there may be other options for addressing issues raised (eg planning).

Given the requirement to undertake a consultation when the statement of principles is amended, authorities may wish to consider separating their statements into distinct segments (possibly by sector). This would ensure that they need only consult on the section they propose to amend, rather than on the full statement, if changes need to be made.

Licensing authorities are required to publish their statements four weeks prior to them coming into effect, eg on or by 3 January 2019 if the statement takes effect on 31 January 2019. Licensing authorities are required to publish a notice advertising the publication of the statement on or before it comes into effect.

Key issues for the statement of principles

Legal requirements

Licensing authorities are required to include within their statements a number of points set out in statutory regulations:

- setting out the three licensing objectives that the statement is intended to uphold
- a commitment to upholding the statutory aim to permit gambling
- a description of the geographical area to which the statement applies (typically a plan of the area)
- a list of those consulted in preparing the statement
- the principles the licensing authority will apply in designating a competent body to advise it about the protection of children from harm and, if already determined, who this body is. In most places, this will be the local safeguarding children board, or following changes brought in under the Children and Social Work Act 2017, the new local multiagency safeguarding arrangement (see further in the report).
- the principles the licensing authority will apply in determining whether someone is an interested party for the purposes of premises licences or applications for them
- the principles to be applied in relation to exchanging information with the Gambling Commission or other bodies with whom licensing authorities are authorised to share information under the Act
- the principles to be applied in exercising inspection functions and instigating criminal proceedings.

If the licensing authority has agreed a 'no casino' resolution, this should be included within the statement, alongside details of how (i.e. by full council) and when the decision was reached. Each licensing authority should publish a separate statement of principles, even where joint arrangements might exist between a number of local authorities.

Local area profiles

The guidance for licensing authorities recommends that, like operators, licensing authorities complete and map their own assessment of local risks and concerns by developing local area profiles to help shape their statements. Although there is no mandatory requirement to do this, the LGA encourages all its members to do so as a matter of best practice. In simple terms, the objective of the profiles is to set out what your area is like, what risks this might pose to the licensing objectives, and what the implications of this are for the licensing authority and operators.

Licensing authorities are advised to keep their local area profiles separate to their statements, to **enable the profiles to be updated without the need to re-consult on amending the full statement of principles. However, the implications of the profiles for their regulatory approaches should be set out in the statement**.

Some councils have expressed concern about whether they have access to information about local risks, or whether there are any local gambling risks to be addressed at all. It may therefore be helpful to start from simple principles, and expect that for many authorities these profiles will develop over a period of time. Public health colleagues may have useful data to contribute, in addition to that supplied by the police. Additionally, support organisations such as GamCare may be able to provide information about numbers of people accessing treatment for problem gambling in the area.

As stated, the aim of local area profiles is to build up a picture of the locality, and in particular the elements of it that could be impacted by gambling premises. This profile might therefore include reference to:

schools, sixth form colleges, youth centres, etc, with reference to the potential risk of under-age gambling

hostels or support services for vulnerable people, such as those with addiction issues or who are homeless, given the greater risk of problem gambling among these groups

religious buildings

any known information about issues with problem gambling

the surrounding night time economy, and possible interaction with gambling premises

patterns of crime or anti-social behaviour in the area, and specifically linked to gambling premises

the socio-economic makeup of the area

the density of different types of gambling premises in certain locations

specific types of gambling premises in the local area (eg, seaside resorts may typically have more arcades or FECs).

Crucially, local councillors know and understand their areas as well as anyone, and are well-placed to contribute to the development of local area profiles. The Gambling Commission also recommend engaging with responsible authorities and other organisations that can help build up a profile of both actual and potential local risks in developing local area profiles. This includes organisations involved in public health, mental health, housing, education, welfare groups and community safety partnerships, and organisations such as Gamcare or equivalent local support organisations.

One issue to consider is whether there is a need to differentiate different parts of the licensing authority area in drawing up local area profiles, depending on the size and nature of the area.

A smaller authority may take the view that there are no reasons to distinguish one part of the borough from any other. In contrast, larger areas may wish to differentiate the area into segments or zones with different characteristics and risks, enabling them to outline different expectations for applications or operators based in each. For example, a larger licensing authority that has a specific geographic area with a higher density or specific type of gambling premises may wish to differentiate this from the rest of the borough. Similarly, smaller authorities may also find this approach suitable, for example if there is a busier town centre and surrounding rural area with a very different profile.

In February 2016, **Westminster and Manchester Councils published the outcome of a piece of research** aimed at better understanding the issue of gambling related harm and local area vulnerability to it. The research considered different risk factors related to gambling, and went on to map these factors in terms of the local area. The maps developed by Westminster showing one particular hotspot area in the borough subsequently helped to support the authority's decision to refuse an application for an additional premises in an area with an existing cluster and high local risk factors.

The LGA (which part funded the research) has helped disseminate the findings and tools from the research to other licensing authorities, who may in future want to use these to develop their local area profiles.

Expectations of operators

Local area profiles will help the authority to develop its expectations of existing operators and new applicants in the licensing authority area. The statement of principles is the key tool for setting this out clearly, so that operators are clear what is expected of them.

Risk assessments

As an example, the statement of principles is an **opportunity for a licensing authority to set out its expectations of the local risk assessments that operators must now undertake** in respect of all gambling premises. Where authorities do not set out any expectations, it is more difficult for them to raise objections where they are not satisfied with the assessments that operators subsequently prepare.

Operators are **required** to take into account the licensing authority's statement of principles in developing their risk assessments, so authorities should therefore specifically outline the issues they expects operators to cover within their risk assessments. Operators are not automatically required to share their risk assessments with licensing authorities except when they are applying for a new premises licence or to vary an existing one. However, the Gambling Commission is advising operators to do so. Authorities may use the statement of principles to clarify whether or not and how regularly they expect to receive a copy of each premises' risk assessment, and any expectations around risk assessments being kept on the premises to which they relate, rather than at head office.

Authorities will wish to ensure that the risk assessment covers the following broad headings:

reference to any specific local risks (linked to the local area profile)

how the operator proposes to mitigate these risks

how the operator will monitor specific risks.

The statement should also set out if the licensing authority has any specific expectations of risk assessments for different types of premises. This will be linked to broader expectations of operators (linked to activity and location), as set out below. The **Gambling Commission's January 2018 bulletin** contains examples of good practice on setting out expectations for local risk assessments.

Applications and variations

The statement should also set out the licensing authority's expectations of new applications and the issues the authority will take into account in considering applications for new licences, permits or variations in different sectors or parts of the borough, depending on the risks associated with each.

This should include the information that the authority would expected to see as part of any such application, for example minimum standards for a plan and layout of the premises. It could also include a list of required information about staffing arrangements in the premises, or the security features that will be put in place.

Coinslot

May 26 - June 1, 2023 • No. 2838 • www.coinslot.co.uk

INTERNATIONAL



Gambling Business Group launches 'fact checking' initiative in face of 'highly questionable' research

DATA

As the industry prepares to engage in the post White Paper consultation process the **Gambling Business Group** is concerned that poor quality research will impact the integrity of gambling policy, so much so that it has launched a fact checking programme to protect the industry from unreliable data - some of which it argues has been supported by funding from voluntary settlements.

As part of its pursuit of objective, transparent and robust research the Gambling Business Group has announced the launch of a 'fact checking' initiative to protect members and the industry at large from what Chief Executive Peter Hannibal described as 'a damaging combination of mis and disinformation' some of which he claims has been approved with funding from voluntary settlements.

Long-time advocates of research transparency the GBG alongside Dan Waugh of Regulus Partners last year exposed the fundamental fault-lines in the Public Health England claim that "409 suicides a year were associated with problem gambling only".

The GBG/Regulus analysis highlighted the fact that the data was a crude extrapolation taken from a small sample of people receiving treatment for gambling disorder in Sweden, something which the researchers had expressly warned against doing. Taking up the story Peter Hannibal argued that this was far from being a one-off. He said: "The Office for Health Improvement and Disparities ('OHID') subsequently published a review of the 2021 report by Public Health England, a review which turned out to be an equally crude attempt to estimate the costs of harmful gambling."

"Our contention is that someone in a position of authority should have been reviewing the output and sense-checking it prior to publication."

He continued: "Rewind to summer 2022 and the publica-



tion of '10 questions to ask if you are scrutinising gambling harm' by the Centre for Governance and Scrutiny (the 'CIGS'). "This was funded from voluntary settlements agreed by the Gambling Commission and aimed at Local Authorities. The Regulus Partners evaluation raised a number of questions: firstly, should the regulator be involved with the dissemination of what we believe to be misleading information about the market it regulates?"

"Secondly, should it be encouraging local licensing authorities to impose market restrictions on the basis of misinformation? We are pleased to report that since the GBG brought this to the attention of the Gambling Commission the document has been removed from the CIGS's website."

The most recent body of work to have provoked Hannibal's ire is the report by The National Institute of Economic and Social Research (NIESR) entitled 'The Fiscal Costs and Benefits of Problem Gambling: Towards Better Estimates'.

Peter Hannibal has written to Gambling Commission Chief Executive Andrew

Rhodes requesting a meeting in order to discuss a critique produced by Regulus Partners which dismantles the NIESR report.

Describing it as another questionable piece of work funded from voluntary settlements Peter Hannibal explained in his correspondence: "We support the Commission in its ambition to be

'authoritative, trusted and impartial'. In order to achieve this aim, it is imperative that we are able to discuss - openly and constructively - how research is undertaken. We therefore request a meeting at your earliest convenience in either Birmingham or London to discuss our shared ambition and our present concerns".

He warned: "With the White Paper now thankfully published, it is critical that the ensuing changes and consultations are informed by robust and factual evidence. The Gambling Business Group's wide range of members are understandably very concerned about the apparent bias in these documents and of the risk that such research will detrimentally affect the quality of gambling policy, regulation changes and the protection of the vulnerable."

Bad research leads to bad decisions

Peter Hannibal says...

"The Gambling Business Group's wide range of members are understandably very concerned about the apparent bias in these four documents and of the risk that bad research will detrimentally affect the quality of gambling policy, regulation changes and the protection of the vulnerable..."

Crown Leisure acquires Olympia Amusements from the Mason family

ACQUISITION

Crown Leisure has completed the purchase of Thornton-Cleveleys FEC and AGC Olympia Amusements, purchasing the Rough Lea Road premises from the Mason family for £1.3m.

The 9,395 sq ft property is a prominent landmark on the Cleveleys seafront, and also includes a fish and chip shop and ice cream kiosk, as well as two residential flats above.

"The site has been in the family for nearly 80 years," said Michael Mason of Masons Amusements Ltd. "I am delighted that it has been sold to an established operator who

we know will be investing in the business and look forward to seeing the results. I wish them every success."

The purchase of the distinctive Art Deco-style building, which features an arcade at ground level with ancillary space behind, was completed on 23 May, and is the latest deal secured by specialist leisure agent CJ White Associates.

Director Colin White said: "We are delighted that we have been able to secure a successful sale of this amusement arcade for our client through a confidential and targeted marketing campaign."



RAISE THE BAR OF YOUR IN-VENUE ENTERTAINMENT WITH NSM'S HOTTEST JUKEBOXES



www.nsmusic.com • tel: +44 0113 2713 708 • email: info@nsmusic.com

Sign Up

Email or phone

Password

Log in

Forgotten account?



Cleveland Police

8 April 2022 ·

*** Proceeds of Crime Act Hearing Confiscates Almost £140,000 ***

Economic Crime Officers with the assistance of colleagues from the Gambling Commission worked to ensure a man had to surrender tens of thousands of pounds.

In July 2020, an investigation into a 27-year-old man, from Middlesbrough, began as he was suspected of running illegal lotteries from his Facebook page.

The man was running a substantial amount of lottery style services including 'bonus balls' and 'raffles' for his own personal gain with thousands of transactions going through his bank accounts. These types of lotteries are the preserve of charities and other 'good causes' and cannot be run for private or commercial gain unless they qualify as one of the 'exempt' class of lotteries in the Gambling Act 2005.

At a Proceeds of Crime hearing at the end of March, a forfeiture order was made for almost £140,000 held in bank accounts belonging to the man which were considered to be his personal profit from the lotteries.

Sgt Suzanne Boulton from the Confiscation Team said: "This was a complex investigation and our officers, in particular DC Deborah Southall, conducted a comprehensive investigation to achieve this outcome.

"I'd like to thank the Gambling Commission for their assistance, particularly in providing evidence which supported our enquiries.

"No one should profit from criminal activity and the Proceeds of Crime Act enables police and partner agencies to confiscate cash, including money held in bank accounts and other physical assets gained through illegal means.

"This result serves as a stark warning that anyone involved in such activity can expect to find themselves the focus of intense scrutiny and any so-called ill-gotten gains can be forfeit."

A spokesperson from the Gambling Commission said: "Illegal lotteries, including those taking place through social media channels, will continue to be a focus for our enforcement work as we link up closely with police forces and platforms like Facebook to pinpoint not only the activity, but those behind it and those who are breaching gambling rules and social media standards."



79

137 shares

Share

English (UK) · Polski · Español ·
Português (Brasil) · Français (France)

Privacy · Terms · Advertising · AdChoices ·
Cookies · More
Meta © 2023

See more of Cleveland Police on Facebook

Log in

or

Create new account

Page 416

348

The Gambling Commission website uses cookies to make the site work better for you. [Some of these cookies are essential to how the site functions and others are optional. \(/cookies\)](#). Optional cookies help us remember your settings, measure your use of the site and personalise how we communicate with you. Any data collected is anonymised and we do not set optional cookies unless you consent.

[Accept all cookies](#) [Set cookie preferences \(/cookie-preference\)](#)

Partnership work successfully shuts down illegal Facebook lotteries

02 February 2022

An investigation led by the Gambling Commission has seen the disruption of illegal lotteries operating on social media platform, Facebook

Working with UK law enforcement partners through the Government Agency Intelligence Network (GAIN), and specialists from the social networking platform, the Commission's probe focused on the operation of illegal and unlicensed lotteries given the risks they posed to consumers and vulnerable people.

The illegal lotteries, which offered a variety of cash prizes, children's toys and clothing, saw two individuals identified for promoting illegal activity and removed from associated Facebook groups after being issued with cease and desist letters by the North East Regional Special Operations and South West Regional Organised Crime Units respectively.

Helen Venn, executive director of the Gambling Commission said: "There were hundreds of people taking part in these lotteries but it was important to identify those who were organising and moderating them illegally.

"Working alongside our colleagues at Facebook and the police, we are pleased that key individuals have been identified and this type of activity, which only increases the risk of gambling harm, has been disrupted.

"Illegal lotteries, including those taking place through social media channels, will continue to be a focus for our enforcement work this year as we link up closely with platforms like Facebook to pinpoint not only the activity, but those behind it and those who are breaching gambling rules and social media standards."

David Gill, GAIN Coordinator at the South West Regional Organised Crime Unit said: "We know the actual winners in illegal lotteries, which often promise high value prizes and cash draws, are too often the people running them – and they are persistent in their attempts to keep operating.

"We will continue to support the Gambling Commission in targeting and disrupting people profiting from such illegal schemes.

"Work like this shows the value and absolute necessity of the full range of enforcement agencies working together as part of the GAIN network."

Kevin Benson, GAIN Coordinator based at the North East Regional Special Operations Unit said: "It's important to acknowledge the harm illegal gambling can cause, especially when unregulated lotteries like these benefit from targeting some of the most vulnerable people in our communities, especially those caught up in a cycle of addiction.

"We will continue to work alongside our partners and help assist in the disruption of illegal lotteries and other gambling platforms."

Ms Venn, who leads the Commission's licensing, compliance and enforcement teams, added that many of these lotteries fail to give any funds to good causes, and consumers taking part do not benefit from legal protection.

Note to editors

Journalists can contact our press office on 0121 230 6700 or email: communications@gamblingcommission.gov.uk (Link: <mailto:communications@gamblingcommission.gov.uk>).

For all media enquiries, please contact the [Gambling Commission press office \(/contact-us/guide/journalists-and-researchers\)](#).

Last updated: 2 February 2022

► [Show updates to this content](#)

Illegal gambling

Introduction

Part of our statutory remit and a key licensing objective is to keep crime out of gambling. When consumers access potentially illegal gambling sites, they expose themselves to many risks and are not afforded the protections in place that are expected in the regulated sector.

To tackle this issue, we use an intelligence led approach, assessing information gathered from multiple sources and working closely with partner agencies to prevent access to illegal websites by GB consumers.

Our initial action is to issue Cease and Desist (C&D) letters. If this action does not prove successful, we use disruption techniques, which include utilising our relationships with web hosting companies to suspend or IP block GB consumers from accessing the websites, contacting payment providers to remove payment services and liaising with social media sites to prevent websites appearing on search engines or being hosted.

These methods help to ensure that we continue to react proportionately and appropriately to the illegal provision of gambling facilities and prevent unlicensed operators interacting with GB consumers. If these methods fail then a criminal prosecution may be authorised.

We are particularly focused on identifying and disrupting websites which are targeted at young or vulnerable people, those who experience significant harms from their gambling and self-excluded gamblers.

The most widely reported complaints from members of the public related to the allowance of gambling. This accounted for 62% of all unlicensed remote reporting for the financial year 2020 to 2021 representing a 17% increase compared to the financial year 2019 to 2020.

Reports from members of the public concerning refusal to payout accounted for the second highest reporting category during the period 2020 to 2021. 37 reports were identified, which is consistent with previous levels, some of which also complain about allowance of play.

Issues identified and actioned

Enforcement identified 99 unlicensed remote operators transacting with GB customers during the financial year 2020 to 2021. This figure includes instances of multiple reports on the same illegal website.

We achieved the following:

Action taken against unlicensed remote operators transacting with GB customers during the financial year 2020 to 2021

Action taken	Number of unlicensed operators
--------------	--------------------------------

Action taken	Number of unlicensed operators
GB registration removed (operator prevents players based in GB from gambling)	14
GEO IP Blocked	13
Removed by Host	10
Removed by Owner	7
Website Suspended	3

Other action

We continue to support police forces within the United Kingdom with their criminal investigations and provide advice through NPCC stakeholder engagement.

In addition, we engaged with 15 international regulators in this business year 2020 to 2021 to share information and learning to help raise prominence of this issue internationally. Our international engagement ensures we continue to refine and focus our own approach in relation to our tactics and disruption activity.

Further, The Gambling Commission will be responding and providing advice to [Department of Culture, Media and Sport \(opens in new tab\)](#) (DCMS) as part of the Government initiated Gambling Act Review. Illegal gambling, an area of which is specifically considering the risks of illegal gambling and what the Commission approach in terms of powers, resources and remit should be.

Consumer guidance on unlicensed websites

Unlicensed operators present greater risks to GB consumers. We would remind members of the public not to gamble on any unlicensed websites and to read our [guidance on this topic](#).

Please inform The Commission of any examples of such sites so that we can take appropriate action by contacting the following email address:

intelligencereports@gamblingcommission.gov.uk (opens in new email).

If you choose to gamble, check that you are gambling with a licensed operator. If you have any doubts, check their [licence status on our website](#).

Illegal lotteries on social media

We are seeing an increase in illegal lotteries on social media. During this financial year, a total of 823 instances were identified where an allegation of a social media platform either hosting or advertising illegal gambling was received.

Reports signify each instance of notification of illegal gambling via a social media platform and in some instances, more than one report has been submitted in relation to a single subject. In addition, upon further assessment, 391 of the reports demonstrated no evidence of illegal activity and so no further action was taken.

Where more than one social media platform has been utilised for a single instance of illegal gambling, each platform will have been counted individually. The 823 reports can be broken down as follows:

Platforms used for illegal gambling

	Hosted and or facilitated	Advertised and or promoted	Total
Facebook	664	65	729
Instagram	27	20	47
Snapchat	0	1	1
Twitter	5	18	23
Youtube	6	12	18
whatsapp	0	2	2
Reddit	0	1	1
Twitch	2	0	2
Total	704	119	823

Facebook accounted for the highest volume of reports received, (this includes Instagram) followed by Twitter and YouTube.

Issues identified and actioned

We have reported 391 lotteries to Facebook during the financial year 2020 to 2021. Of these, 378 have so far been removed by Facebook.

Facebook lotteries are continually evolving both in volume and complexity. The prizes are increasing in value and becoming more diverse. The Commission is engaged with several partner stakeholder agencies, including Police, DWP & local authorities to disrupt the activity referred to.

We have reported 23 lotteries to Twitter, 5 concerned hosting and 18 promoting. Of these 2 reports have been dealt with by issuing a Cease and Desist. 18 reports were received regarding YouTube of which 4 have been removed.

The Commission is committed to continually reviewing our approach and response to the fast-changing environment of online illegal gambling. We are assessing whether we need further legislative powers, in addition to our current range of tactics, to respond appropriately.

We will advise government of our conclusions via our formal advice on the current review of the [Gambling Act 2005 \(opens in new tab\)](#). We are also developing our collaboration with foreign regulators to identify joint approaches to the rise in illegal lotteries on social media and with the social media sites themselves in terms of education regarding the issue.

Consumer guidance

If members of the public wish to set up and run a lottery they are directed to the published [guidance for fundraising and lotteries](#) on the Commission website. The guidance is very clear in that Lotteries in Great Britain can only be promoted for charities and other good causes. They cannot be promoted for private or commercial gain.

If members of the public suspect an illegal lottery is taking place, we would ask that you report it by contacting intelligence@gamblingcommission.gov.uk ([opens in new email](#)). Providing evidence of the suspect illegal activity in the form of a screenshot showing the offending group or post and any linked Uniform Resource Locator (URL) will assist us in assessing appropriate disruption or enforcement action.



MIDDLESBROUGH COUNCIL LICENSING SUB COMMITTEE HEARING 12 JULY 2023 AT 10.00AM

Application to vary a converted casino premises licence in relation to premises at 22 Newport Road Middlesbrough

Application to vary an adult gaming centre premises licence in relation to premises at 22 Newport Road Middlesbrough

Responsible Authorities' Additional Information

Documents

1. Updated representation of the Director of Public Health through Public Protection Services
2. Demographic Information for Middlesbrough and Central Ward including ward profile and indices of multiple deprivation
3. Photographs showing frontages of gambling premises in the area
4. Location Plan showing gambling and licensed premises
5. Government White Paper: High Stakes: Gambling Reform for the Digital Age April 2023 extracts
6. Report of Professor Heather Wardle, University of Glasgow.

|

Representation by the Public Protection Service (formerly the Community Protection Service) on behalf of the Director of Public Health in relation to the application for the variation of the converted Casino licence to 22 Newport Road

The Public Protection Service maintains its representation dated 28th April 2022. Its opinion remains that this licensing application is not consistent with the licensing objective of protecting children and other vulnerable persons from being harmed or exploited by gambling.

The Public Protection Service recognises the variety of harms that problem gambling encompasses:

- Potential co-morbidities e.g. anxiety & depression, substance misuse
- Medical consequences e.g. insomnia, CVD, stomach problems
- Social consequences e.g. relationships, neglect, bankruptcy
- Burden on public purse e.g. health, welfare, housing, criminal justice

In relation to co-morbidities, the Health Survey for England 2012 found that:

- For male gamblers, alcohol consumption is heavier in those classified as problem or at risk gamblers than those classified as non-problem or non-at-risk gamblers.
- Problem gamblers are more likely to be smokers and they are also more likely to be heavy smokers
- For self-reported anxiety and/or depression; 47% of problem gamblers said they are moderately or severely anxious or depressed versus 20% of non-problem or nongamblers.
- For diagnosed disorders, 11% of problem gamblers have a diagnosed mental health disorder versus 5% of non-problem or non-gamblers.

It is our view that the proposed application will increase access to gambling and, in particular, access to rapid, high stake and prize gambling in a sensitive part of the Borough.

Using the ONS Mid-Year Estimates 2020, the total 18+ population for Middlesbrough is 108,156. Applying the national prevalence rates found by the Public Health England gambling-related harms evidence review in 2018 showed that:

- 54% (58,404) of the adult population had gambled or 40% (43,262) excluding the National Lottery.
- 3.8% (4,110) of the population were classified as at-risk gamblers. However regional breakdowns showed that the North East had the highest rate of at-risk gamblers with 4.9% (5,300).
- 0.5% (541) had reached the threshold to be considered problem gamblers.

Given the risk factors above, it is reasonable to assume that there would be a higher rate in Middlesbrough and the wider Tees Valley area compared to the national average.

The application provides particular cause for concern when the location is considered. The premises at 22 Newport Road are sited in a prominent position for daytime and night-time activity. It is located alongside an Adult Gaming Centre and within the central retail area, with a number of other gambling establishments nearby and close to the bus station. Given that it will be offering machine gaming at far higher stakes than are currently available, we remain seriously concerned that the premises will increase the availability and attraction of casual, ambient gambling. We are advised that a licence will be applied for the sale of alcohol and the proposed application would increase access to gambling for individuals under the influence of alcohol, or who wish to gamble while drinking. The 'Clinical Psychology Review' published a systematic review and meta-analysis in 2017 featuring robust evidence on the risk factors associated with problem gambling. Alcohol use frequency was cited as a thematic risk factor.

A research report from the Royal College of Psychiatrists has also shown links between Gambling and Alcohol issues, with 1 in 6 respondents to a survey who sought help for alcohol misuse admitting they had also experienced problems with gambling. The research urges restrictions to prevent both problems becoming worse and argues that authorities can learn lessons from approaches adopted in the alcohol field to limit alcohol misuse and protect communities from harm, including imposing tougher restrictions on marketing, and decreasing availability. The research also surmises that people with alcohol problems often participate in unhealthy gambling and vice versa. Recommendations to reduce gambling harm in this report were 'fully endorsed' by Prof Jim Orford of Gambling Watch UK.

Studies also suggest that 49% of people with a gambling disorder have suicidal thoughts. An academic study monitoring 2,000 individuals with gambling disorders over an 11-year period, found that problem gamblers are at 15 times higher risk of suicide compared with the general population. The risk further increases to 19 times higher for men aged between 20 and 49 with a gambling problem – which we also know is the age/population group where suicide is still the most common cause of death in the UK. (Source: Mental Health Foundation).

Regarding impact on financial issues, national research conducted by the Citizen's Advice Bureau in 2018 found that more than three-quarters of gamblers and more than two in five affected others had built up debt as a result of gambling; and over a third of families with children couldn't afford essential costs such as food, rent and household bills as a result of a family member's gambling. Locally, an audit of two complete years (2015 & 2016) of Coroner's reports on suicides in Middlesbrough identified financial issues as a common theme.

Additionally, it is important to acknowledge that Central ward in which the premise is situated (Middlesbrough Town Centre) has a very high level of deprivation as shown in the table below. The index of multiple deprivation score was 54.4 in 2019, compared to an average of 40.5 in

Middlesbrough and 21.7 in England. When looking specifically at income deprivation, 34% of the population of Central ward are income deprived compared to 25.1% across Middlesbrough and 12.9% in England.

Alongside deprivation, the table below demonstrates that residents in Central ward also experience high levels of child poverty, fuel poverty, unemployment and low levels of educational attainment. Health data shows that Central ward has very high levels of emergency hospital admissions, alcohol admissions, clients in substance misuse treatment, admissions for self-harm and the population suffers from very low life expectancy rates and high levels of premature mortality.

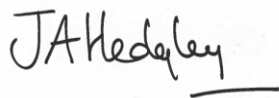
Indicator	England	M'Bro	Central Ward
Deprivation <i>Index of multiple deprivation score (2019)</i>	21.7	40.5	54.4
Income Deprivation <i>Income Deprivation % (2019)</i>	12.9%	25.1%	34.0%
Child Poverty <i>Income deprivation affecting children (2019)</i>	17.1%	32.7%	35.8%
Fuel Poverty <i>Estimates of proportion of households % (2020)</i>	13.2%	16.8%	27.9%
Unemployment <i>Working age claiming out of work benefit % (2021/22)</i>	5.0%	8.3%	11.0%
Education <i>Census population with no qualifications % (2021)</i>	18.1%	23.9%	25.9%
All Emergency Hospital Admissions <i>Ratio of emergency admissions for all cause (16/17 - 20/21)</i>	100	132.1	153.1
Alcohol Admissions <i>Ratio of admissions for alcohol attributable conditions (16/17 - 20/21)</i>	100	142.9	236.2
Clients in Substance Misuse Treatment <i>Adults in treatment (2021/22)</i>	-	1,792	18.3%
Hospital Admissions for Self Harm <i>Ratio of admissions for intentional self harm (16/17 - 20/21)</i>	100	184.1	208.7
Life Expectancy (Male) <i>Life expectancy at birth in years (2016-20)</i>	75.3	79.5	69.4
Deaths from All Causes <i>Estimates of proportion of households % (2020)</i>	100	132.1	153.1

In addition, 22 Newport Road is located within Middlesbrough 001G LSOA (Lower Layer Super Output Area) and in the Indices of Multiple Deprivation 2019 this LSOA is ranked

11th most deprived out of 86 LSOAs in Middlesbrough and nationally is ranked 244th most deprived out of 32,844.

In considering this application, the Public Protection Service understands that there is an existing licence for a casino licence at Teesside Leisure Park, and that this application is effectively to move it to a new location at 22 Newport Road. The Public Protection Service's concerns centre on the type of gambling, the location in which this application is made and the vulnerabilities of the local population.

Considering the cumulative and correlative risks associated with problem gambling, combined with the prevalence of existing alcohol/gambling related harm in Middlesbrough, the nature of the gambling proposed and the potential increased harm to local vulnerable persons, the Public Protection Service strongly advises against the grant of this application for the variation of the converted Casino licence to 22 Newport Road.

A handwritten signature in black ink, appearing to read 'J. A. Hedgley', with a horizontal line underneath.

Head of Public Protection
04/07/23

Central

Indices of Multiple Deprivation 2019



The Index of Multiple Deprivation is used to provide a set of relative measures of deprivation for small geographical areas

In this report, we will set out to identify the trend in deprivation for the ward



Contents

Executive Summary	3
Introduction	5
Context	7
Central	9
Ward Analysis	11
IMD Overall Ranks	12
Income Deprivation	13
Employment Deprivation	20
Education, Skills and Training Deprivation	26
Health Deprivation and Disability	29
Crime	35
Barriers to Housing and Services	39
Living Environment Deprivation	42
Income Deprivation Affecting Children Index (IDACI)	46
Income Deprivation Affecting Older People Index (IDAOPI)	48
Table of Figures	49

Executive Summary

1. Central is a ward with all of its LSOAs ranking in the top 10% most deprived in England, has significant challenges for its resident population, of which key issues are listed below.

Income Deprivation

2. A significant proportion of residents in Central are living in Income Deprivation, it is estimated that around 1,300 out of 4,024 households in the Central ward are below average income, before housing costs, with over 1,000 below average income after housing costs. It could be theorised that these estimates are low due to the inequalities in deprivation across the town. This is further supported by the significant proportion of the working age population in the ward drawing on Income Support benefits.

Employment Deprivation

3. A significant proportion of residents in Central are living in Employment Deprivation, with many claiming unemployment benefits such as Jobseekers Allowance. The increase in Universal Credit claimants make it somewhat difficult to identify the reason for claims in recent years, however Employment Support Allowance has remained a large proportion of claims which suggests residents are in employment but on a low income.

Education, Skills and Training Deprivation

4. This measure looks at education attainment for two stages of Life, Children and Young People and Adults and Older People. Looking at those who have completed their education, namely adults, in Central the trend points to low attainment of Level 1 (GCSE grades 1-3 or D-G) or lower. Data for current attainment in schools shows that the majority of schools have attainment below national trends, however Newport Primary School has significantly lower attainment than national comparators. Whilst Newport Primary is in a different ward, a significant number of children from Central ward attend.

Health Deprivation and Disability

5. In Central, residents are expected to live shorter lives than their national counterparts and the overall average across the town; 46% of deaths recorded between 2001 and 2018 were under the age of 75 and classed as premature deaths. There is a significant rate of residents with a work limiting disability or ill health in Central, claiming health related benefits. Emergency Hospital Admissions for all causes was higher for Central residents than other Middlesbrough residents, with a significantly higher rate for Chronic Obstructive Pulmonary Disease (COPD) admissions. Self-harm also shows a much higher rate. All factors point to a resident population with low levels of good health both physically and mentally.

Crime

6. Violent crime rates in Central have been rising significantly, although the six months to January 2020 saw a decline. Theft in the Central ward remains high and is the most

reported crime in the area. The area surrounding Teesside University is ranked in the top 5% most deprived with regards to crime.

Barriers to Housing and Services

7. Significant improvements were seen in relation to access to housing and services, with low house prices and an abundance of housing stock for rental. The largest proportion of households in this ward are rented from private landlords or letting agencies.

Living Environment

8. Over 3,700 people residing in Central could be living in poor conditions with almost 3% of all residents living without central heating. Both of these are considered to be contributing factors for poor health conditions such as Asthma, which links directly into Health domain of deprivation and the higher rates of COPD admissions.

Income Deprivation Affecting Children

9. Central had the seventh worst IDACI rank within the town, Middlesbrough having the worse rank in England. Over 2,500 children are estimated to be living in Income Deprivation in Central, with a third of these children living in LSOAs ranking in the top seven percent most deprived.

Income Deprivation Affecting Older People

10. Central has the worst IDAOP1 in Middlesbrough with all LSOA neighbourhoods being in the top five percent most deprived. A significant proportion of older people in Central are living in Income Deprivation, ward level data would suggest that the majority of residents are in receipt of some kind of income-based benefit.

Introduction

The Index of Multiple Deprivation (IMD) is used to provide a set of relative measures of deprivation (ranks) for small geographical areas (Lower-layer Super Output Areas (LSOA)). ***Movement in ranks between the IMD in 2015 and 2019 does not necessarily imply that an LSOA has improved or declined between the reporting periods, rather it may imply that other LSOAs have improved/declined at a greater rate. The ranks are only in relation to each other.*** The IMD is derived from seven different domains, based on data from a multitude of sources, from the most recent time point available (e.g. population data from August 2012 for the 2015 IMD and from August 2015 for the 2019 IMD). It is not possible to access all the data sources for raw data, therefore this report is based on data from the IMD websites and, where possible, supplemented with data from other sources.

The seven domains are:

- Income deprivation
- Employment deprivation
- Education, skills and training deprivation
- Health deprivation and disability
- Crime
- Barriers to housing and services
- Living environment deprivation

These are constructed and weighted to create the overall IMD, using the factors given in Figure 1¹ below.

In addition to the seven domains, there are two supplementary indices: The Income Deprivation Affecting children index (IDACI) and the Income Deprivation Affecting Older People Index (IDAPOI).

¹ Data for all tables/figures can be obtained from the UK government websites <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019> and <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

Income Deprivation 22.5%	<ul style="list-style-type: none"> Adults and children in Income Support Families Adults and children in income-based Jobseeker's Allowance Families Adults and children in income-based Employment and Support Allowance families Adults and children in Pension Credit (Guarantee) families Adults and children in Working Tax Credit and Child Tax Credit families, below 60% median income not already counted Asylum seekers in England in receipt of subsistence support, accommodation support, or both Adults and children in Universal Credit families where no adult is in 'Working - no requirements' conditionality regime ++
Employment Deprivation 22.5%	<ul style="list-style-type: none"> Claimants of Jobseeker's Allowance, aged 18-59/64 Claimants of Employment and Support Allowance, aged 18-59/64 Claimants of Incapacity Benefit, aged 18-59/64 Claimants of Severe Disablement Allowance, aged 18-59/64 Claimants of Carer's Allowance, aged 18-59/64 Claimants of Universal Credit in the 'Searching for work' and 'No work requirements' conditionality groups ++
Education, Skills & Training Deprivation 13.5%	<p>Children & Young People</p> <ul style="list-style-type: none"> Key Stage 2 attainment: scaled scores Key Stage 5 attainment: average capped points score Secondary school absence Staying in Education post 16 Entry to higher education <p>Adult Skills</p> <ul style="list-style-type: none"> Adults with no or low qualifications, aged 25-59/64 Adults who cannot speak English or cannot speak English well, aged 25-59/64
Health Deprivation & Disability 13.5%	<ul style="list-style-type: none"> Years of potential life lost Comparative illness and disability ratio** Acute morbidity Mood and Anxiety disorders**
Crime 9.3%	<p>Recorded crime rates for:</p> <ul style="list-style-type: none"> Violence Burglary Theft Criminal damage
Barriers to Housing & Services 9.3%	<p>Geographical Barriers</p> <p>Road distance to a:</p> <ul style="list-style-type: none"> Post Office Primary School General Store or Supermarket GP Surgery <p>Wider Barriers</p> <ul style="list-style-type: none"> Household overcrowding Homelessness Housing affordability
Living Environment Deprivation 9.3%	<p>Indoors Living Environment</p> <ul style="list-style-type: none"> Houses without central heating Housing in poor condition <p>Outdoors Living Environment</p> <ul style="list-style-type: none"> Air Quality Road traffic accidents
++ New Indicators ** Modified Indicators	

Figure 1: Domain factors

Context

This ward-based report will look into each domain and supplementary indices in more detail for the electoral ward of Central.

Central is comprised of five LSOAs; the makeup of the ward by LSOA has some inconsistencies, for example, E01012068 is split across two wards (with Newport) and will be included in this report, due to a large proportion of residential properties in the Central ward. Therefore the LSOAs covered in this ward report can be seen below:

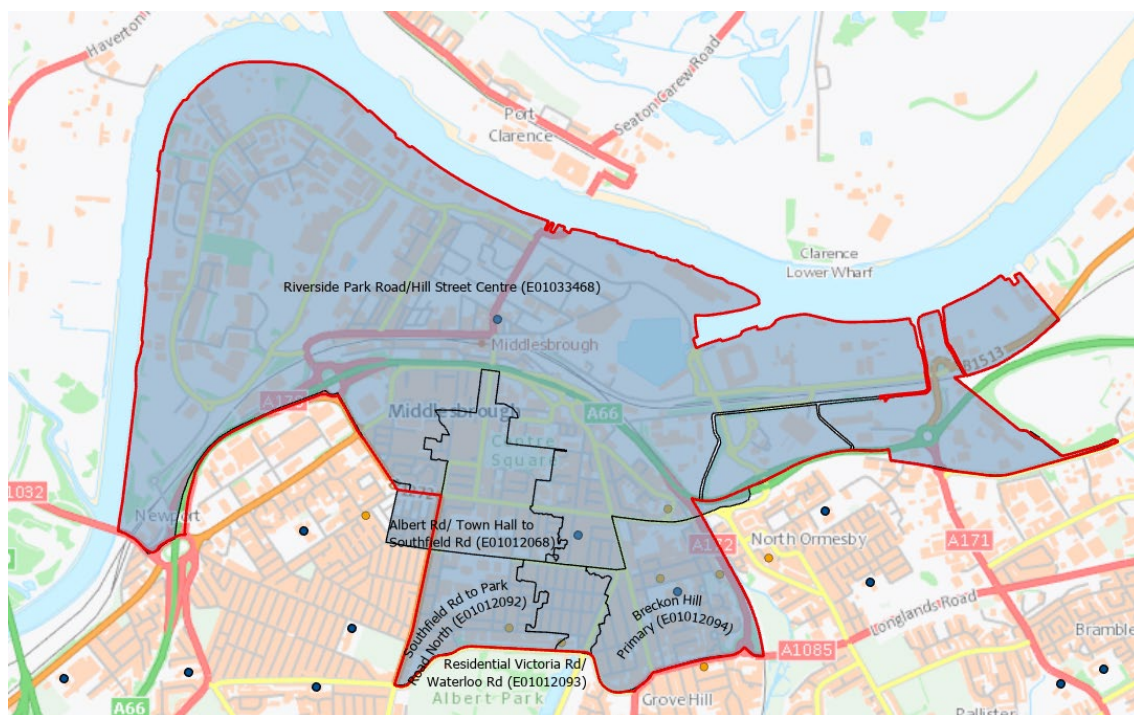


Figure 2: Central LSOA Map

The LSOAs used to calculate the ward based estimates rank between 244th most deprived and 2,979th most deprived in the Indices of Multiple Deprivation 2019, with almost 33,000 LSOAs in England, all five in Central ward are within the most deprived 10% in England.

All LSOAs in Central saw a slight improvement in their ranking since IMD 2015.

The overall population of Central ward was 12,701 according to the Mid-year Population estimates 2018, with 19.43% (2,468) being Dependent Children aged 0 to 15 years, 70.84% (8,997) working age 16 to 59 years and 9.73% (1,236) aged over 60 years.

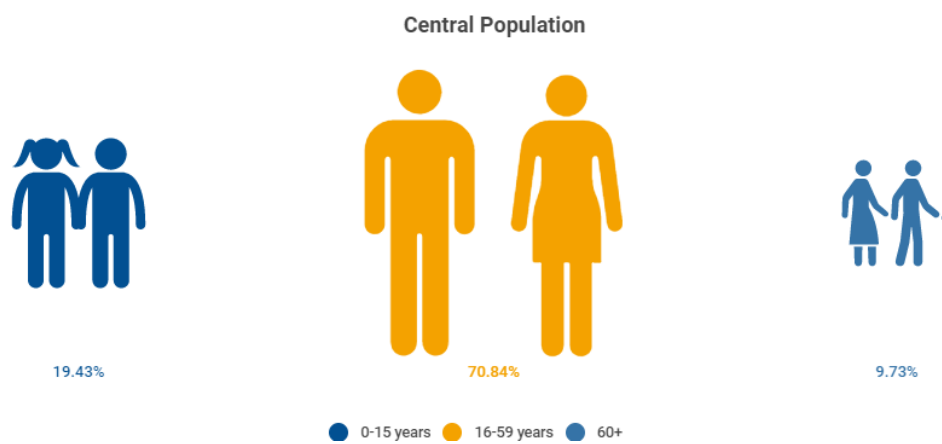


Figure 3: Period: 2018 - Source: Mid-year Population Estimates - ONS

Central

Central ward is located in the north of Middlesbrough; the area has the main town centre shopping area, huge industrial parks and Teesside University.

For the purposes of this analysis, each LSOA used to comprise the IMD has been given a name based on geographical areas within the neighbourhood; they can be seen on the following map.

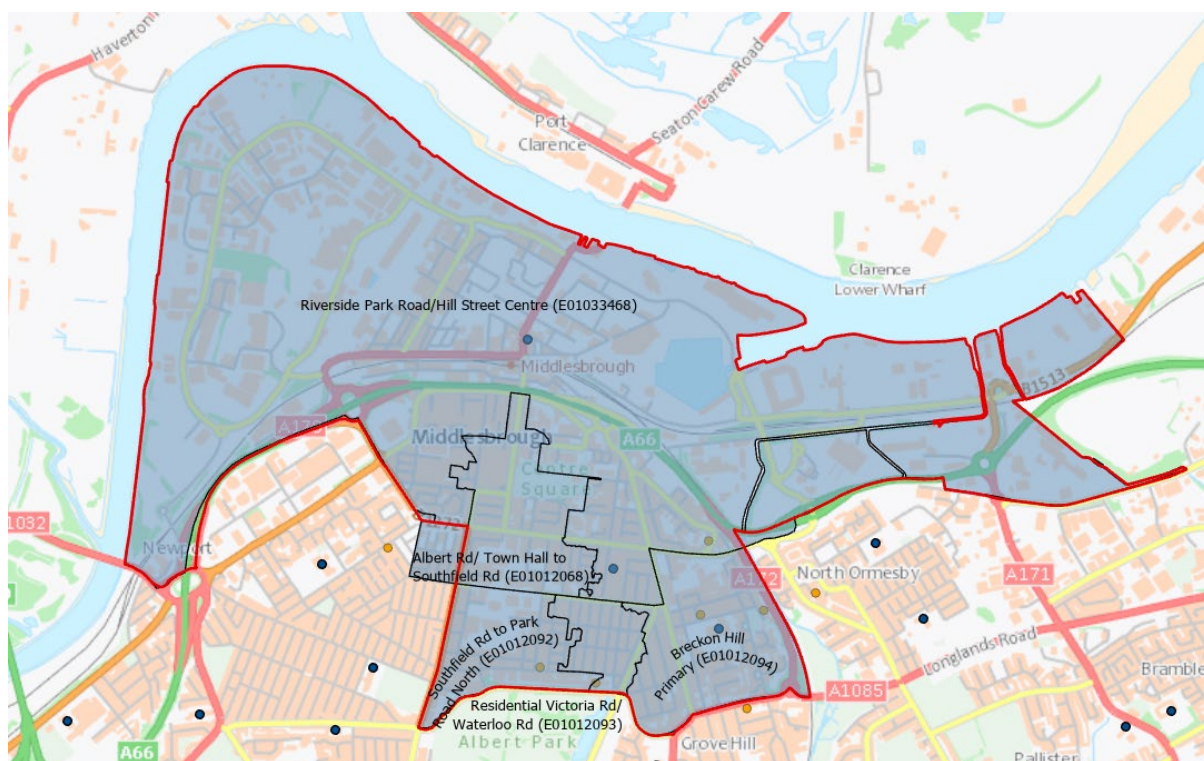


Figure 4: Central LSOA Map included in report

The area covered by E01033468 is the largest LSOA in Middlesbrough, it incorporates the riverside industrial park, Boho Zone, Police HQ, Hill Street and Dundas arcade shopping centres, Riverside stadium, the railway station, Abingdon Primary school and the newly created Outwood Academy Riverside. Although the area is large, it is primarily non-residential and therefore the deprivation associated with residents in this LSOA distorts the actual deprivation of the whole area.

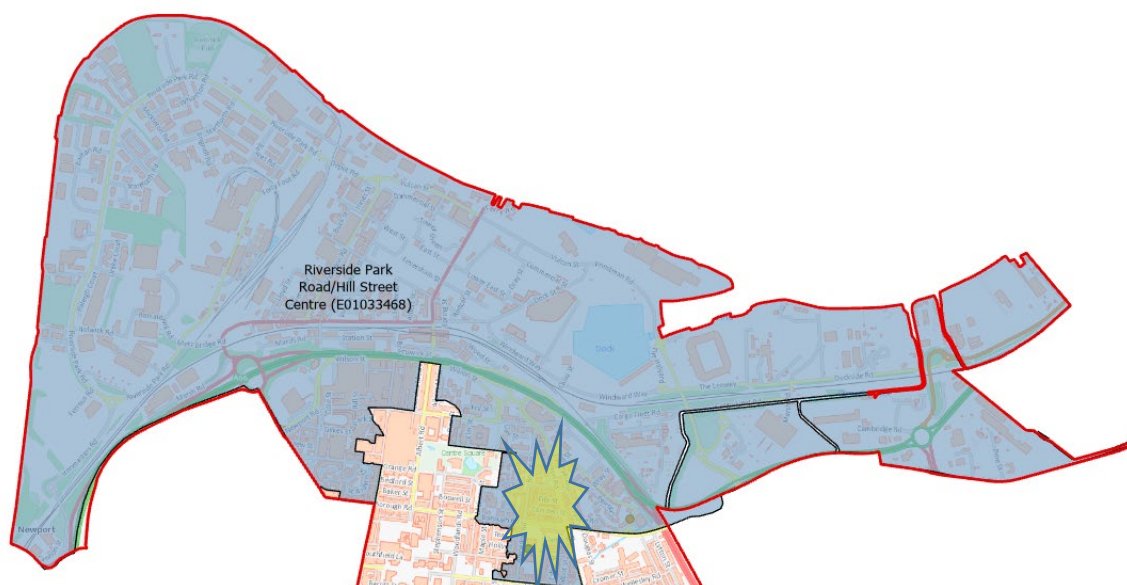






















Figure 5: Residential Area of LSOA

The majority of the residents in this LSOA, used within the two IMD calculations, reside in the area from the A66 in the streets surrounding Marton road (see highlighted). This area contains some of the most deprived houses in Middlesbrough. The impact of residents in the new Boho accommodation will be included in future IMD releases.

Ward Analysis

11. In 2015, out of 7,219 wards, Central was the 40th most deprived ward in the country and this improved by 35 making it the 75th most deprived ward at IMD 2019². Central is ranked the sixth most deprived ward in Middlesbrough.
12. The ward rank changes below show that all but one (Health Deprivation and Disability) have seen an increase in deprivation rank, however the deprivation levels in Central still remain high. This has been largely driven by low income and unemployment, and high crime rates, all of which have a causal effect on the Income Deprivation affecting Children (IDACI) and Income Deprivation affecting Older People (IDAOPI). In contrast, there has been a significant improvement in Barriers to Housing and Services of 11,029 positions between 2015 and 2019.

Central Ward Rankings

	Domain	2019	2015	Movement	
	Overall	1,843	1,366	477	
	Income	1,949	1,861	88	
	Employment	3,572	3,294	278	
	Education, Skills and Training	2,103	995	1,108	
	Health Deprivation and Disability	682	921	-239	
	Crime	2,419	2,206	212	
	Barriers to Housing and Services	25,196	14,167	11,029	
	Living Environment	13,322	11,482	1,839	
	Income Deprivation Affecting Children Index (IDACI)	2,546	1,821	725	
	Income Deprivation Affecting Older People (IDAOPI)	2,546	780	1,766	

The following pages look at these domains in more detail for the LSOAs given above.

² Based on the national ward rank of the average overall rank per ward

IMD Overall Ranks

Overall Deprivation	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	2,348	1,914	+434	⬆
Breckon Hill Primary	2,979	2,911	+68	⬆
Residential Victoria Rd/ Waterloo Rd	1,594	873	+721	⬆
Riverside Park Road/Hill Street Centre	244	81	+163	⬆
Southfield Rd to Park Road North	2,051	1,052	+999	⬆

13. Breckon Hill Primary was identified as the least deprived neighbourhood in Central in the IMD 2019, with an increase of 68 places in the ranking from 2,911 to 2,979.
14. Albert Rd/ Town Hall to Southfield Rd was identified as the second least deprived neighbourhood in Central Ward, ranking 2,348th nationally, with an improvement of 434 places in the ranking from 1,914 in 2015.
15. Southfield Rd to Park Road North was identified as the third least deprived neighbourhood, with a rank of 2,051st nationally, with an improvement of 999 places in the ranking from 1,052 in 2015.
16. Residential Victoria Rd/ Waterloo Rd was fourth in the ranking for the ward of Central, with a rank of 1,594 nationally in 2019, an improvement of 721 places in the ranking from 873 in 2015.
17. Riverside Park Road/ Hill Street Centre was the worst ranked neighbourhood in Central in the IMD 2019 at 244th most deprived nationally, an improvement of 163 places from 81 in 2015.

Income Deprivation

18. The Income Deprivation domain accounts for 22.5% of the overall ranking for the Indices of Multiple Deprivation. This is calculated using the total number of claimants for any of the benefits listed below³ as a proportion of the total population for that area⁴. Shrinkage was adopted to construct the overall domain score, which was then used to determine the rank.
- Adult and Children in Income Support families
 - Adults and children in income-based Jobseeker's Allowance families
 - Adults and children in income-based Employment and Support Allowance families
 - Adults and children in Pension Credit (Guarantee) families
 - Adults and children in Universal Credit families where no adult is classed within the 'Working - no requirements' conditionality group⁵
 - Adults and children in Working Tax Credit and Child Tax Credit families not already counted, that is those who are not in receipt of Income Support, income-based Jobseeker's Allowance, income-based Employment and Support Allowance, Pension Credit (Guarantee), and whose equivalised income (excluding housing benefit) is below 60 per cent of the median before housing costs
 - Asylum seekers in England in receipt of subsistence support, accommodation support, or both.
19. The neighbourhood rankings for income deprivation can be seen on the following table.

Income	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	2,456	3,124	-668	▼
Southfield Rd to Park Road North	2,552	2,340	212	▲
Residential Victoria Rd/ Waterloo Rd	1,566	674	892	▲
Breckon Hill Primary	3,131	3,113	18	▲
Riverside Park Road/Hill Street Centre	40	54	-14	▼

20. Whilst overall the Income deprivation for the ward has improved there are two LSOAs where ranking has decreased. Riverside Park Road/ Hill Street Centre is amongst the lowest in Middlesbrough and ranked 40th nationally. All LSOAs are in the top 10% most deprived nationally.
21. Overall there is little implied change in unemployment, in Central; however, there has been a consistent year on year reduction in the unemployment rate since 2012 across

³ IMD Tech 2019 – Page 30

⁴ Population data for 2019 is based on 2015 claimants (IMD Tech 2019, Appendix A), population data for 2015 is based on 2012 claimants (IMD Tech 2015, Appendix A)

⁵ Due to the roll-out of Universal Credit in Middlesbrough taking place in 2018, this indication of Deprivation will not be included in the 2015 or 2019 rankings

Middlesbrough, therefore it could also be assumed that other areas nationally have seen a more significant reduction, or generally lower rates contributing.

22. Whilst Middlesbrough has seen a consistent downward trend since 2011/12⁶ and this has been largely in line with that seen nationally; however Middlesbrough's unemployment rate remains significantly higher than the national average. The North East region saw a slight increase of unemployment rates in 2018/19, a trend that is likely to continue through 20/21 due to the impact of Covid-19. Unemployment rates are not available at a ward level.

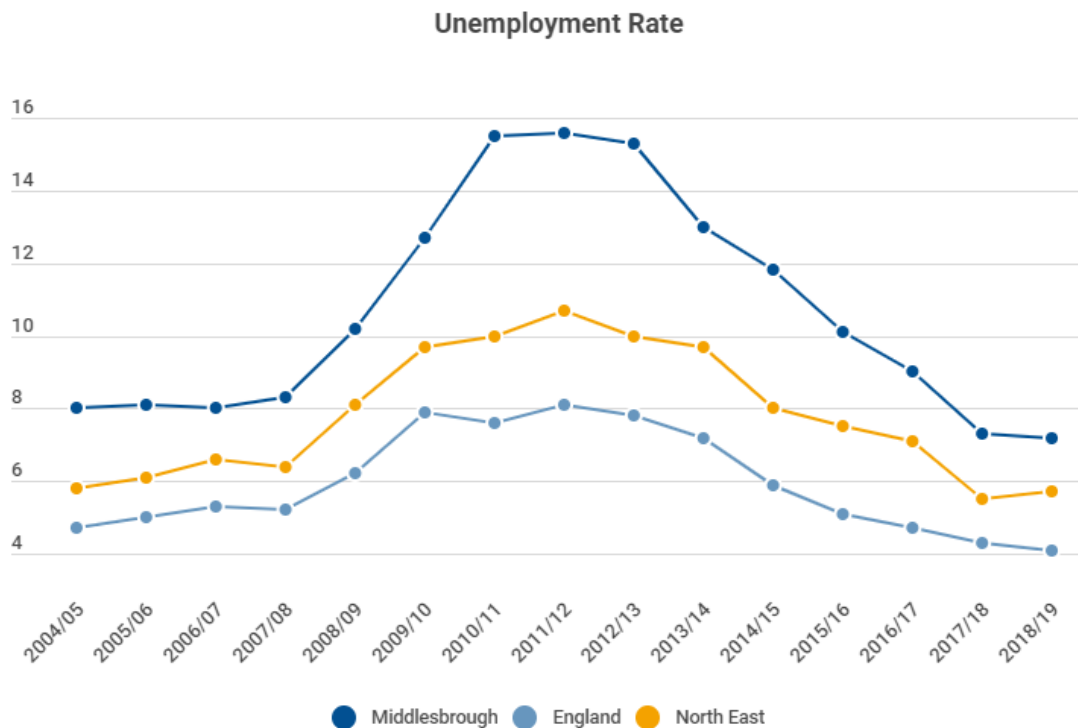


Figure 6: Period: 2004/05 to 2018/19 - Source: Office for National Statistics

23. Other factors to consider when looking at income deprivation contrasting with a reduction in unemployment is the growing trend of zero hours contracts. These contracts are included in the employment figures and so, whilst more of the population may be in employment, their income could be low, or variable and therefore showing an area as more income deprived.
24. While not used in the calculation of the IMD, the Households Below Average Income (HBAI) is a good indicator of deprivation within an area.
25. In the North East, there has been a consistently higher rate of HBAI before housing costs than seen in England, in the period 2015/16 to 2017/18 the average rate was 23%.

⁶ Data shown is from April to March

26. Figure 7 shows the trend in HBAI before Housing Costs, for the North East compared to the whole of England.

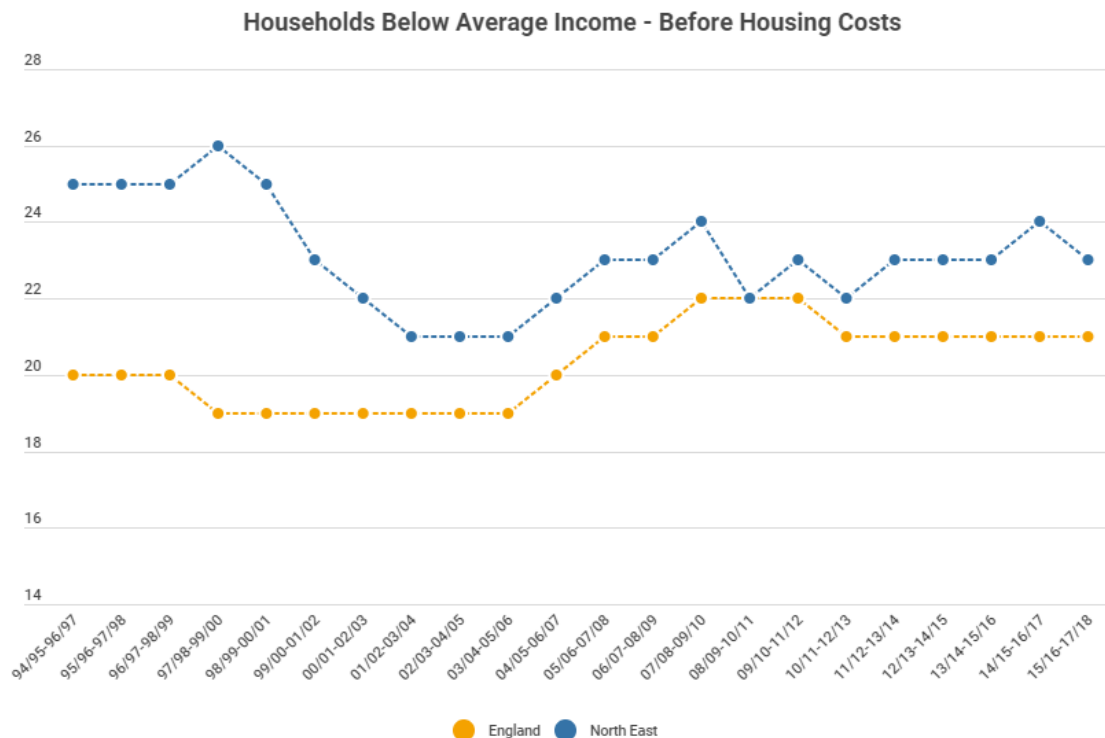


Figure 7: Period: 94/95-96/97 to 15/16-17/18 - Source: Office for National Statistics

27. In Middlesbrough, this might affect around 13,000 households; the average household size in Middlesbrough is 2.38 people and would put an estimated 31,383 people living below the average income.
28. Using an internally derived weighting towards the more deprived areas of Middlesbrough, in Central there are an estimated 1,300 households below the average income before housing costs, with an average household size of 3.16 people there could be an estimated 4,150 people in the ward.
29. Households Below Average Income – After Housing Costs is a secondary measure that looks at households below the 60% average income after their housing costs are paid.
30. In the North East there has been a consistently higher rate of HBAI after housing costs, than seen in England. In the period 2015/16 to 2017/18 this accounted for 18%⁷ of all households

⁷ The same cohort is used for both, the 18% is not exclusive of the previous 23%

31. Figure 8 shows the trend in HBAI after housing costs for the North East, nationally and regional comparators.

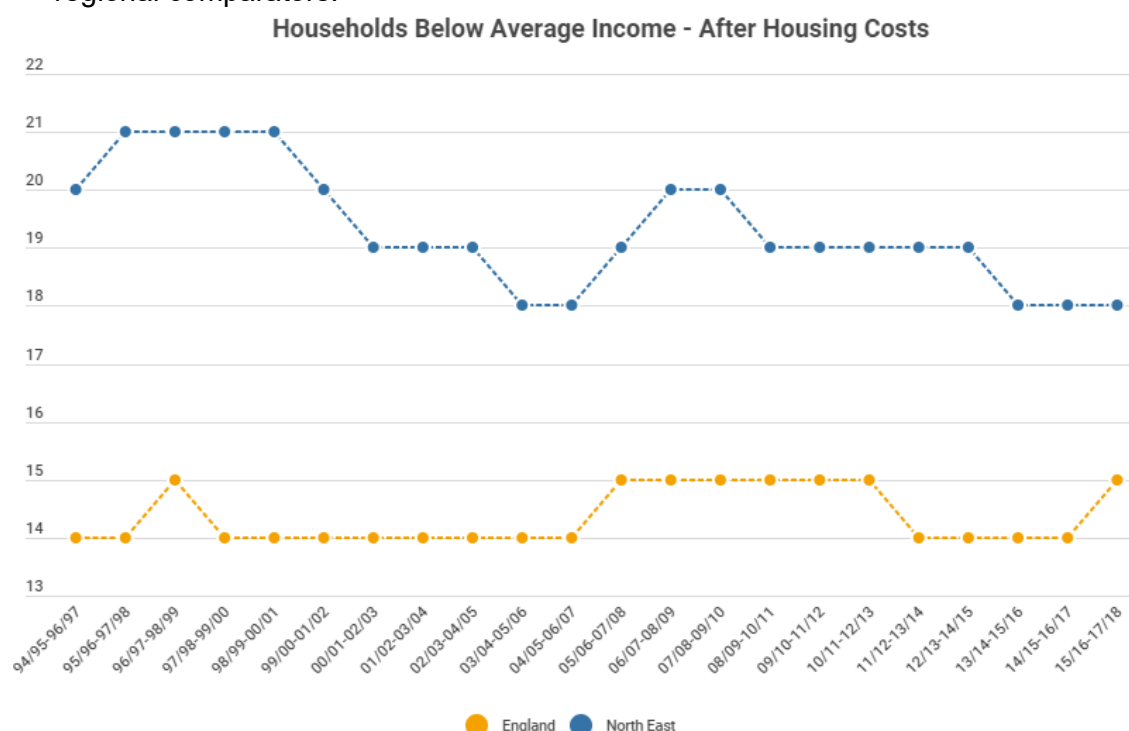


Figure 8: Period: 94/95-96/97 to 15/16-17/18 - Source: Office for National Statistics

32. In Middlesbrough, this might affect around 10,296 households, with the average household size being 2.38 people this could mean an estimated 24,562 people in the town were living in households of this type.
33. Using an internally derived weighting towards the more deprived areas of Middlesbrough, in Central, there are around 1,030 households that may be affected by this measure, taking the average household size of 3.16 people into account; we can estimate that approximately 3,250 people would be living in households below average income after housing costs.

Households Below Average Income

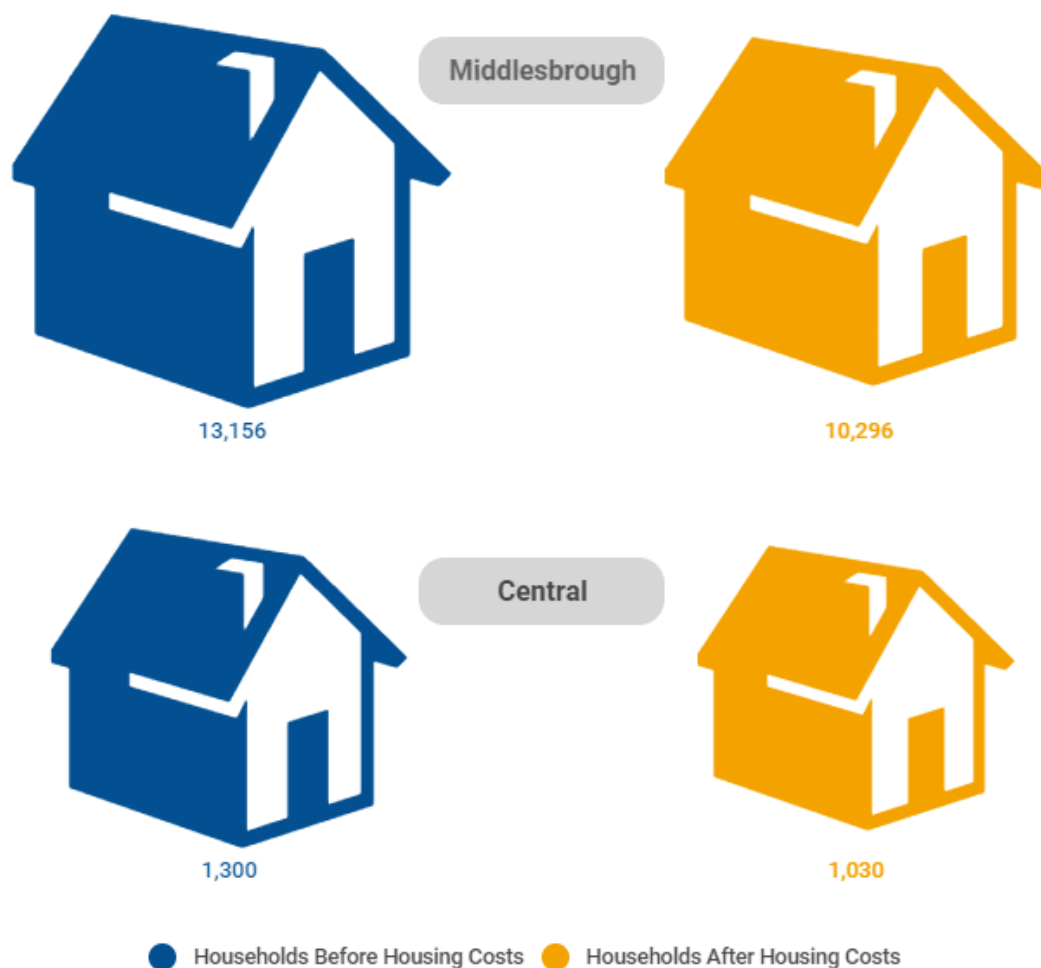


Figure 9: Period: 2018/19 - Source: Department for Work and Pensions

34. Benefit claimants are another cohort of the population used to determine income deprivation. In Central there were around 2,500 income related benefit claimants at August 2019, this is a slight increase to the rate seen in February 2012 (when the records became available). The number of claimants in Central has remained steady and constantly above 2,000; however, the current trend is upwards and is expected to remain this way for a while due to the economic effects of Covid-19.

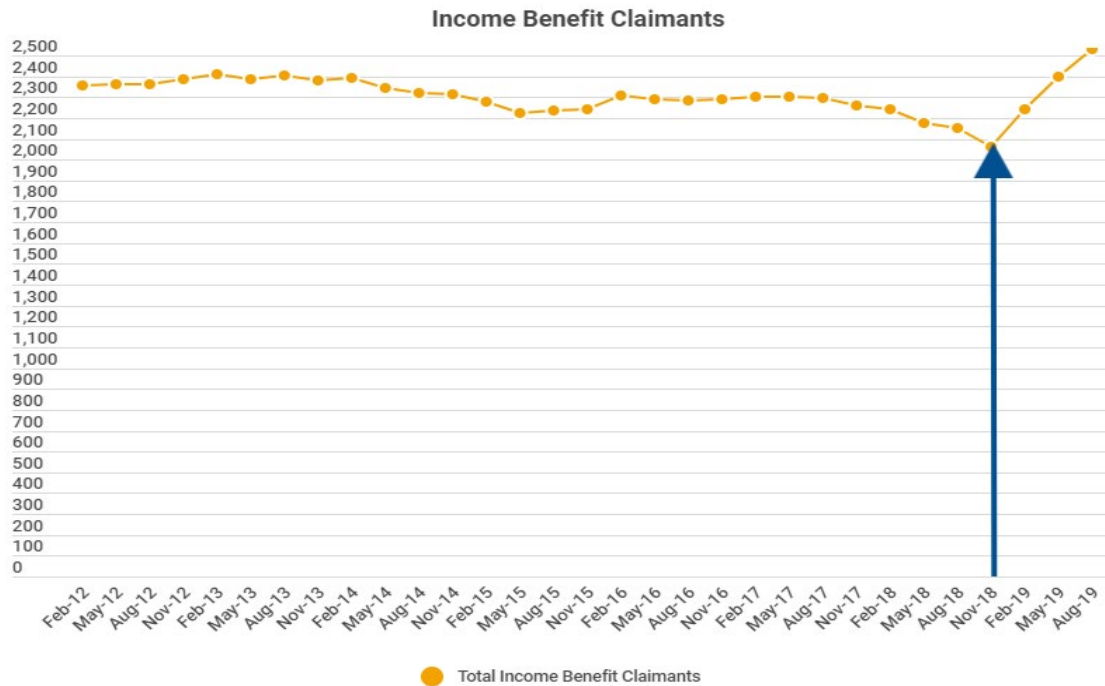


Figure 10: Period: February 2012 to August 2019 – Source: DWP

35. Figure 11 shows the rate of claimants of the relevant income deprivation benefits, there has been a reduction in Jobseekers Allowance and Income Support, however this was to be expected with the advent of Universal Credit and the correlation between the reduction of JSA and IS and the increase in UC is clear.

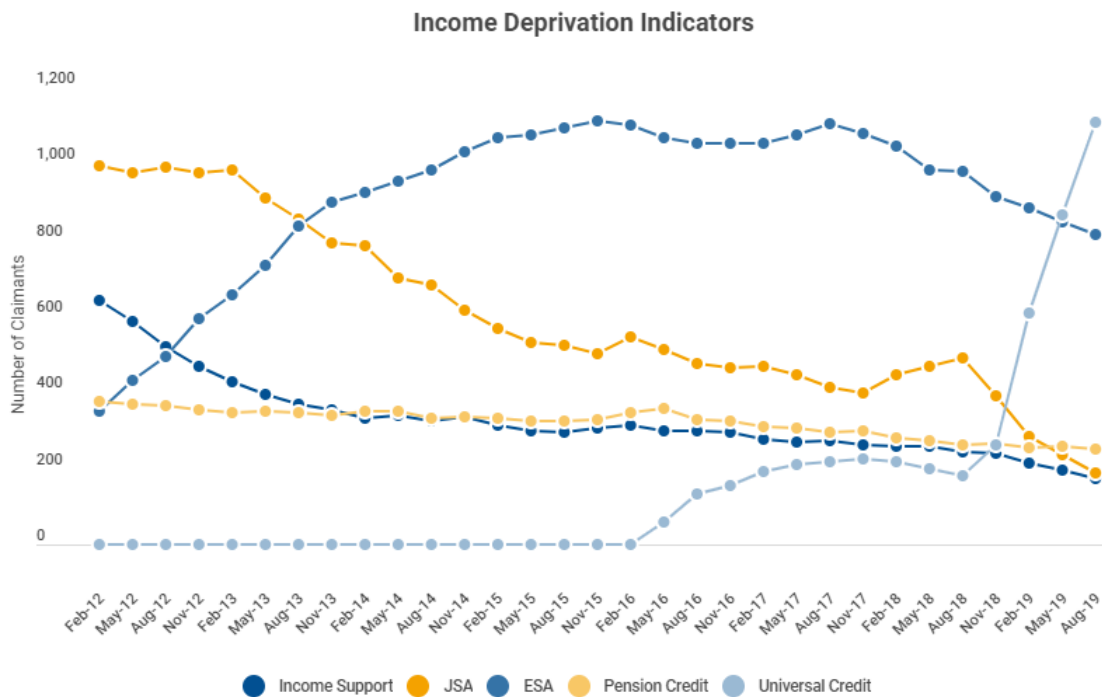


Figure 11: Period: February 2012 to August 2019 - Source: DWP

36. The IMD factors in the rate of Asylum Seekers claiming Section 95 Benefit⁸, whilst there is no data available at ward level, the trend of Asylum Seekers claiming Section 95 Benefit for the whole of Middlesbrough shows a significant reduction over the five-year period from 2014 to November 2018. Middlesbrough ranked as having the fourth highest proportion of Asylum Seekers resident in March 2015, and this reduced to having the 28th highest proportion in December 2019.

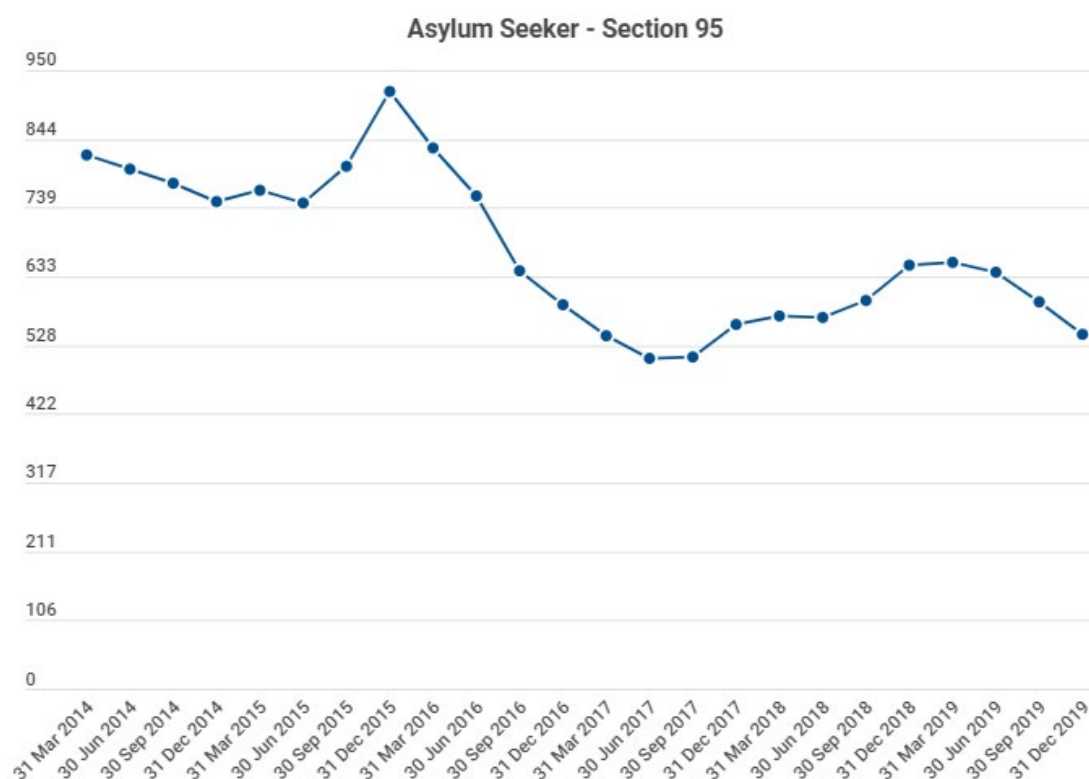


Figure 12: Period: February 2012 to December 2019 - Source: DWP

37. In conclusion, the indicators used to demonstrate income deprivation show a significant trend of deprivation across the ward and highlights that a significant proportion of people resident in Central are living in deprivation and drawing on income related benefits. This is further demonstrated by considering the proportion of the population living in households below average income, both before and after housing costs.

⁸ Section 95 provides support for asylum seekers who have an asylum claim or appeal outstanding and failed asylum seekers who had children in their household when their appeal rights were exhausted, and includes those in receipt of:

a) Dispersed accommodation - those in receipt of accommodation only, or both accommodation and subsistence.
b) Subsistence only - whereby the applicant receives cash to support themselves but who have found their own accommodation.

Employment Deprivation

38. The Employment Deprivation domain accounts for 22.5% of the overall ranking for the Indices of Multiple Deprivation and is calculated using the proportion of the working-age population in an area involuntarily excluded from the labour market. This includes people who would like to work but are unable to do so due to unemployment, sickness or disability; or caring responsibilities. The indicators used for this measure are as follows:

- Claimants of Jobseeker's Allowance (both contribution-based and income-based), women aged 18 to 59 and men aged 18 to 64
- Claimants of Employment and Support Allowance (both contribution-based and income-based), women aged 18 to 59 and men aged 18 to 64
- Claimants of Incapacity Benefit, women aged 18 to 59 and men aged 18 to 64
- Claimants of Severe Disablement Allowance, women aged 18 to 59 and men aged 18 to 64
- Claimants of Carer's Allowance, women aged 18 to 59 and men aged 18 to 64
- Claimants of Universal Credit in the 'Searching for work' and 'No work requirements' conditionality groups.

39. The neighbourhood rankings for Central Ward can be seen on the following table:

Employment	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	5,842	6,166	-324	⬇️
Southfield Rd to Park Road North	5,070	4,513	557	⬆️
Residential Victoria Rd/ Waterloo Rd	3,564	2,745	819	⬆️
Breckon Hill Primary	3,192	2,995	197	⬆️
Riverside Park Road/Hill Street Centre	191	49	142	⬆️

40. Of the five neighbourhoods in Central, only Albert Rd/Town Hall to Southfield Rd did not see an improvement in the rankings for the Employment domain, with only two areas lying within the top 10% most deprived areas nationally, for employment deprivation.

41. The rate of employment benefits claimants has reduced slightly across the period from February 2012 to November 2018, before it began to rise again to August 2019. The impact of Covid-19 could see this upward trend continue for some time.

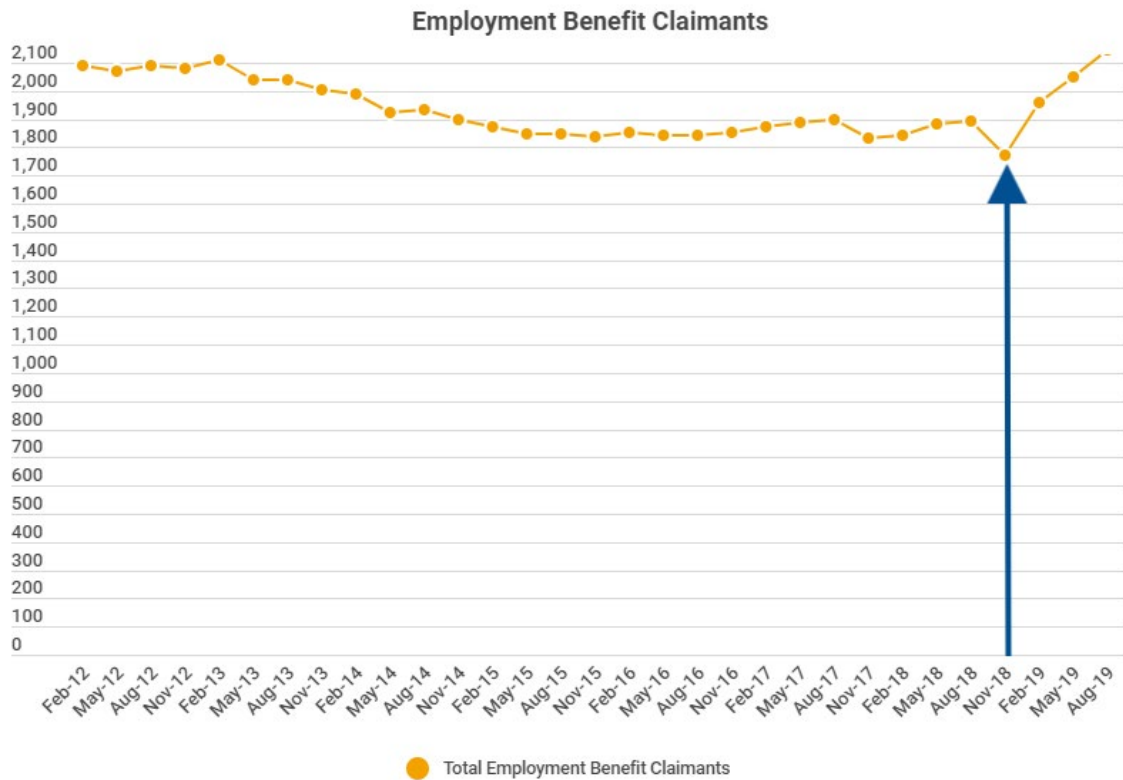


Figure 13: Period: February 2012 to December 2019 - Source: DWP

42. The rate of claimants for each of the benefits making up the measure used in the employment domain are broken down Figure 14. As was previously seen in the Income Deprivation section, benefit combinations have changed as a result of the rollout of Universal Credit. There was a slight increase in Carers Allowance over the period and this may be indicative of an increase in carers who may have had to leave employment to facilitate their caring duties.

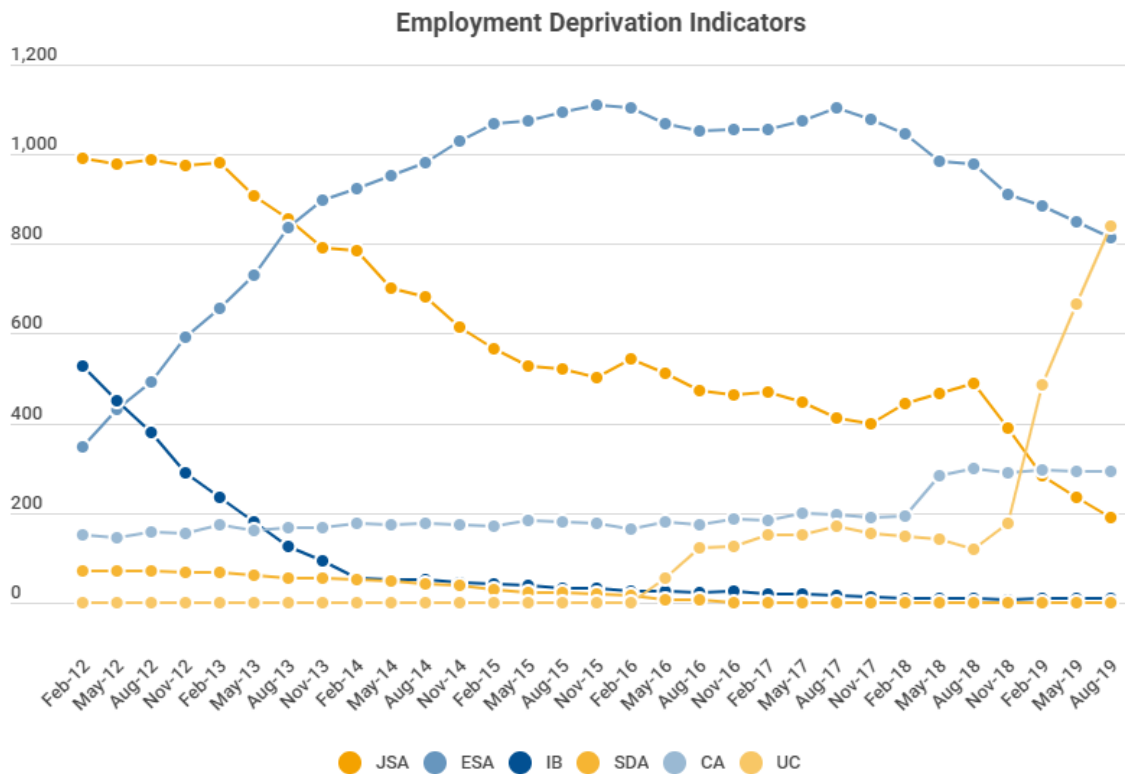


Figure 14: Period: February 2012 to August 2019 - Source: DWP

43. Middlesbrough has had a consistently higher unemployment rate than both the regional and national averages since 2008/09; however, it has been consistently reducing since 2013/14 and is now more in line with comparators.

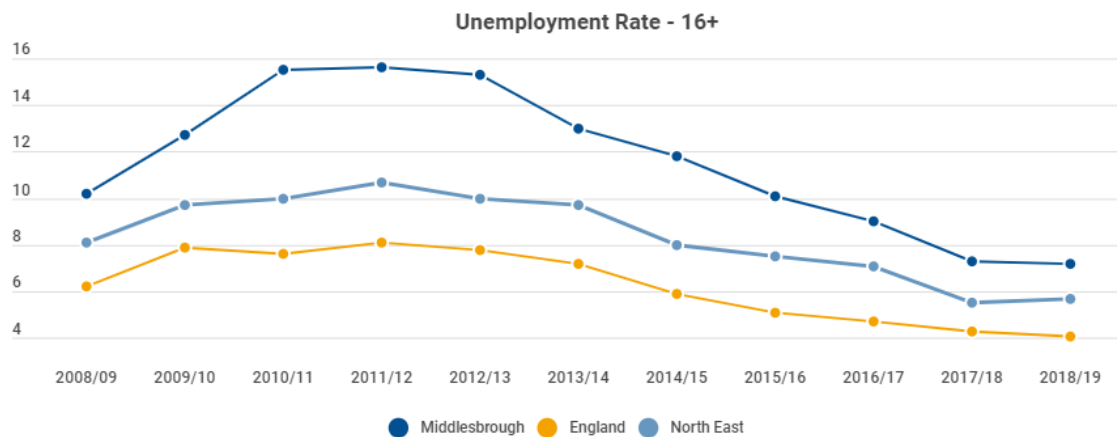


Figure 15: Period: 2008/09 to 2018/19 - Source: Office for National Statistics

44. Whilst the IMD does not factor in the unemployment rate, it is another indicator of possible deprivation causes. A falling unemployment rate indicates a rise in employment, naturally, however this does not necessarily equate to a decrease in deprivation as many people could now be classed as employed but on part-time or zero hour contracts and therefore relying on income related benefits.

45. Over the last decade, there has been a national trend in the increase of zero hour contracts, Figure 16 shows the trend in Middlesbrough, the North East and England for people in employment working less than 10 hours per week. Middlesbrough has seen an overall higher rate in this measure between 2008/19 and 2018/19. It also identifies a trend that women in Middlesbrough are more likely to be working less than 10 hours than men.



Figure 16: Period: 2008/09 to 2018/19 - Source: Office for National Statistics

46. Figure 17 shows the disparity in people working less than 10 hours by gender and location, and highlights that not only is a higher proportion of the workforce in Middlesbrough employed in these contracts but that it is significantly more likely for females than males.



Figure 17: Period: 2018/19 - Source: Office for National Statistics

47. Figure 18 shows the proportion of the resident workforce in Middlesbrough in the 2018/19 financial year, by their hours worked. This highlights that whilst the most significant proportion of the population in employment are working full-time hours or more, that there is also a significant proportion working part-time hours.

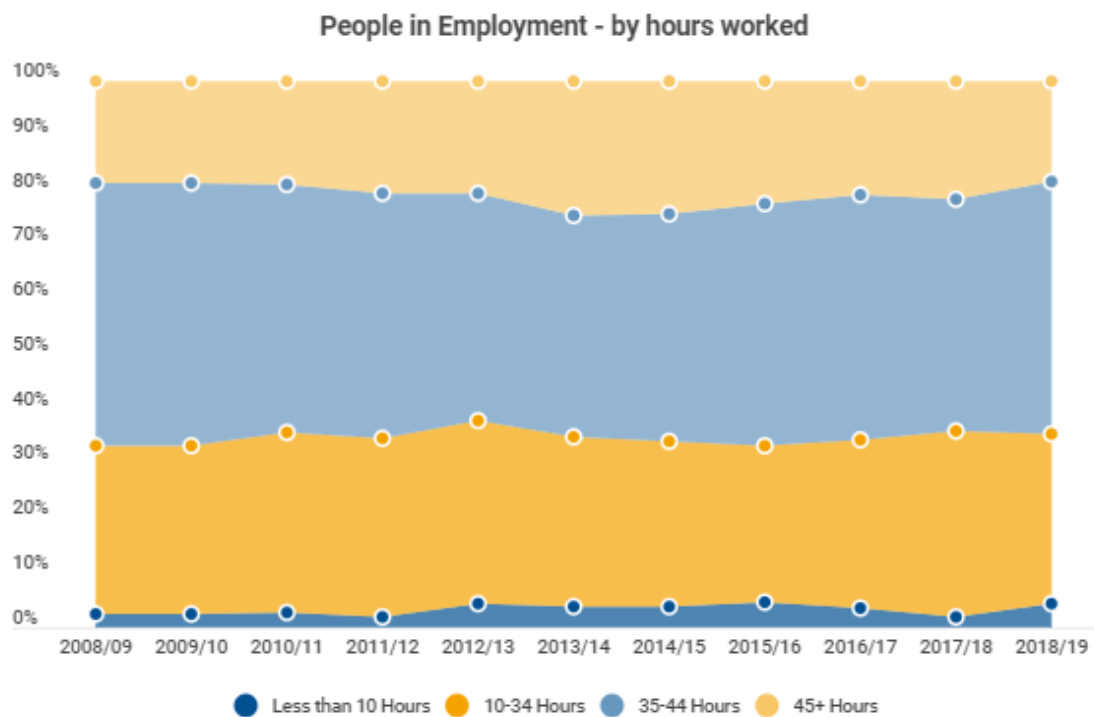


Figure 18: Period: 2008/09 to 2018/19 - Source: Office for National Statistics

48. In conclusion, the employment deprivation domain highlights that a significant number of the population in Central are either out of work, or on low incomes and therefore drawing on employment related benefits.

Education, Skills and Training Deprivation

49. The Education, Skills and Training Deprivation domain accounts for 13.5% of the overall ranking for the Indices of Multiple Deprivation, and is calculated by dividing the data into two sub-domains, one relating to Children and Young People and the other relating to Adult Skills. These sub-domains are designed to reflect the 'flow' and 'stock' of educational disadvantage within an area respectively, that is the 'children and young people' sub-domain measures the attainment of qualifications and associated measures, identifying *flow*; while the 'skills' subdomain measures the lack of qualifications in the working age resident population identifying *stock*. The indicators used for this measure are as follows:

Children and Young People

- Key Stage 2 attainment: The scaled score of pupils taking Mathematics, English reading and English grammar, punctuation and spelling Key Stage 2 exams
- Key Stage 4 attainment: The average capped points score of pupils taking Key Stage 4 (GCSE or equivalent) exams
- Secondary school absence: The proportion of authorised and unauthorised absences from secondary school
- Staying on in education post 16: The proportion of young people not staying on in school or non-advanced education above age 16⁹
- Entry to higher education: A measure of young people aged under 21 not entering higher education

Adult Skills

- Adult skills: The proportion of working-age adults with no or low qualifications, women aged 25 to 59 and men aged 25 to 64
- English language proficiency: The proportion of working-age adults who cannot speak English or cannot speak English well, women aged 25 to 59 and men aged 25 to 64

50. The neighbourhood rankings for the ward can be seen on the following table

Education, Skills and Training	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	2,536	696	1,840	⬆
Southfield Rd to Park Road North	1,731	463	1,268	⬆
Residential Victoria Rd/ Waterloo Rd	957	1,112	-155	⬇
Breckon Hill Primary	3,709	2,282	1,427	⬆
Riverside Park Road/Hill Street Centre	1,584	422	1,162	⬆

51. All neighbourhoods in Central saw an increase in the rankings for Education, Skills and Training, with the exception of the residential area of Victoria Rd/Waterloo Rd; as the rankings remain low, the increases may be attributed to improvements in this ward or a

⁹ Due to a law change in 13/14, requiring all under 18s to remain in education or an alternative work-based learning such as an apprenticeship, the score for the post-16 contribution to the IMD was retained in 2019 from the 2015 indicator.

further decline in education elsewhere. Only Breckon Hill Primary area lies outside the top 10% most deprived for Education, Skills and Training.

52. Despite having the third highest population of children aged 0-15 in Middlesbrough, there are only two primary schools within the boundaries of Central Ward: Abingdon Primary and Breckon Hill Primary, along with one further education college, Middlesbrough College. In the surrounding wards children have easy access to Newport Primary School and Ayresome Primary School in the Newport ward and North Ormesby Primary School and St Alphonsus' RC Primary in the North Ormesby ward. The latest Ofsted ratings for schools in this ward are rated "good" for most primary schools with North Ormesby Primary rated as "Outstanding" and Ayresome Primary rated as "Requires Improvement".

Local School Attainment

	2016		2017		2018		2019
Primary	Rate	Change	Rate	Change	Rate	Change	Rate
Abingdon Primary School	42.00%	⬆️	50.00%	⬇️	47.27%	⬆️	48%
Ayresome Primary School	22.00%	⬆️	31.00%	⬆️	38.16%	⬆️	44%
Breckon Hill Primary School	34.00%	⬆️	48.00%	⬇️	35.85%	⬆️	52%
Newport Primary School	35.00%	⬆️	34.00%	⬆️	41.94%	⬆️	21%
North Ormesby Primary Academy	37.00%	⬆️	40.00%	⬆️	56.52%	⬆️	61%
St Alphonsus' RC Primary School	46.00%	⬆️	80.00%	⬇️	45.83%	⬆️	43%
National	53.40%	⬆️	61.10%	⬆️	64.40%	⬆️	65%

53. Whilst these schools cater for pupils outside of the ward, they are predominantly local pupils and the attainment rates are indicative of the level of education for the children and young people of Central. All schools in and around the Central ward are not meeting the national average levels for attainment.
54. The 2011 Census shows that Central has a high proportion of residents with Level 1 (GCSE grades 1-3 or D-G)¹⁰ or lower qualifications, however there is also a significant proportion of residents in the central ward with Level 3 or higher qualifications (e.g. AS/A-level qualifications). The number of residents with higher qualification can be attributed, in part, to the migration of university students from other locations, studying at Teesside University in the town centre. The breakdown of Educational Qualifications at Census 2011 can be seen in Figure 19.

¹⁰ <https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels>

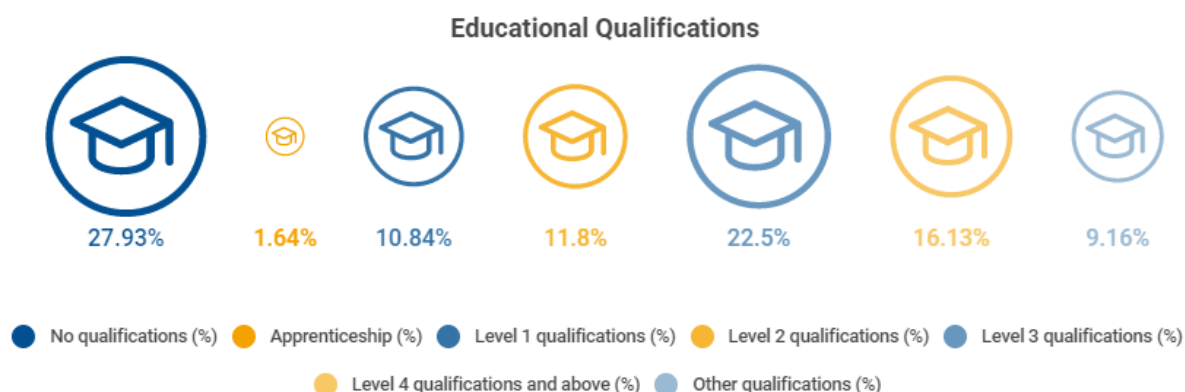


Figure 19: Period: 2011 - Source: Office for National Statistics – Census 2011

55. At Census 2011, the total working age population was 89,718 in Middlesbrough. Of this the most significant proportion had English as a first language, with a total of 83,856 (93.47%). 1,772 did not have English as a first language but spoke English Very Well (1.98%), 2,484 spoke English Well (2.77%), 1,422 could not speak English Well (1.58%) and the remaining 184 (0.21%) did not speak English.

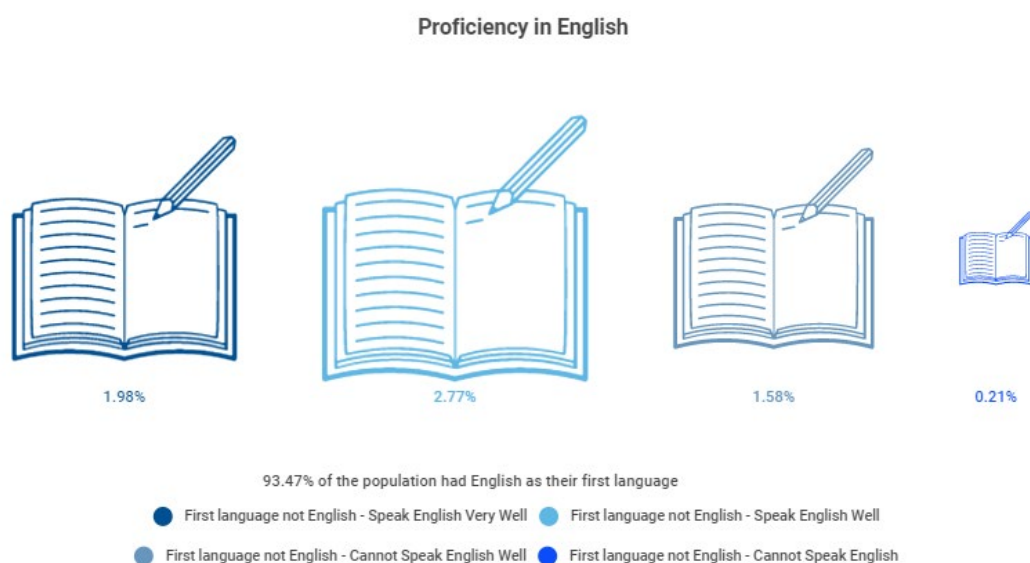


Figure 20: Period: 2011 – Source: Office for National Statistics Census 2011

56. In conclusion, the Employment, Skills and Training domain highlights that the children and young people resident in Central ward have lower attainment rates than expected, and that adults resident in the ward also have lower educational outcomes than comparators. This indicates that the children and young people in the ward may not aspire to gain a higher education than their parents or family members.

Health Deprivation and Disability

57. The Health Deprivation and Disability domain accounts for 13.5% of the overall ranking for the Indices of Multiple Deprivation and measures the risk of premature death and the impairment of quality of life through poor physical or mental health. The domain does this by measuring morbidity, disability and premature mortality but not aspects of behaviour or environment that may be predictive of future health deprivation. The indicators used for this measure are as follows:

- Years of potential life lost: An age and sex standardised measure of premature death
- Comparative illness and disability ratio: An age and sex standardised morbidity/disability ratio
- Acute morbidity: An age and sex standardised rate of emergency admission to hospital
- Mood and anxiety disorders: A composite based on the rate of adults suffering from mood and anxiety disorders, derived from hospital episodes data, prescribing data and suicide mortality data.

58. The neighbourhood ranking for this domain can be seen in the following table:

Health Deprivation and Disability	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	1,115	1,991	-876	▼
Southfield Rd to Park Road North	332	246	86	▲
Residential Victoria Rd/ Waterloo Rd	554	516	38	▲
Breckon Hill Primary	1,363	1,842	-479	▼
Riverside Park Road/Hill Street Centre	48	11	37	▲

59. All LSOAs in Central are ranked in the top 5% most deprived with regards to Health Deprivation and Disability. The LSOA of Riverside Park Road/ Hill Street Centre is the third most deprived in Middlesbrough.

60. Assuming that the average age of death is 75, the NHS calculates the years of potential life lost for people who have died without reaching this age, i.e. prematurely. In Central, 46% of recorded deaths since 2001 were premature, the average number of years of potential life lost for these residents is 9 years.

61. Figure 21 shows the average number of years of potential life lost per premature death in Central, between 2001 and 2018. Central has a consistently higher rate than that seen in the whole of Middlesbrough, with the highest difference being 5.9 years in 2013 and the lowest being 1.09 years in 2016.

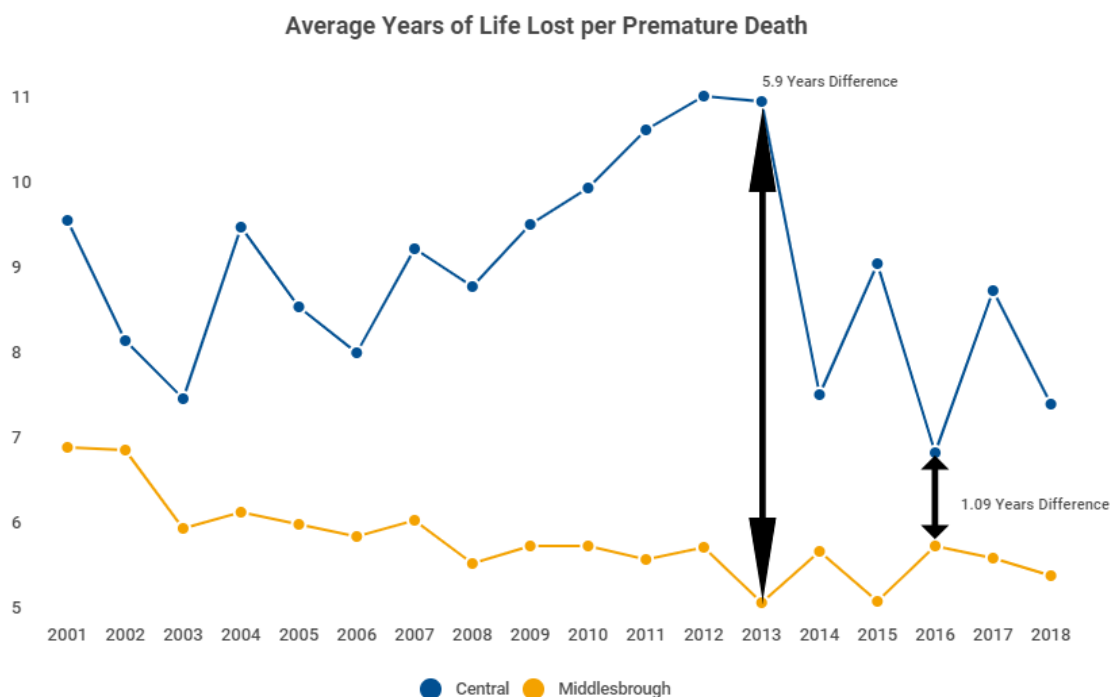


Figure 21: Period: 2001 to 2018 - Source: Public Health England

62. Whilst Life Expectancy is not a measure in the indices, it is a further important measure of possible deprivation within the ward. There are inequalities seen in Middlesbrough and across gender, with the life expectancy at birth for females in Central being 76.6 years and males being 71.4 years, both of which are lower than across the town with females at 79.8 years and males at 75.7 years. Middlesbrough, and Central ward have lower rates than seen in England, with a female life expectancy at birth rate of 83.1 years and males 79.5 years.

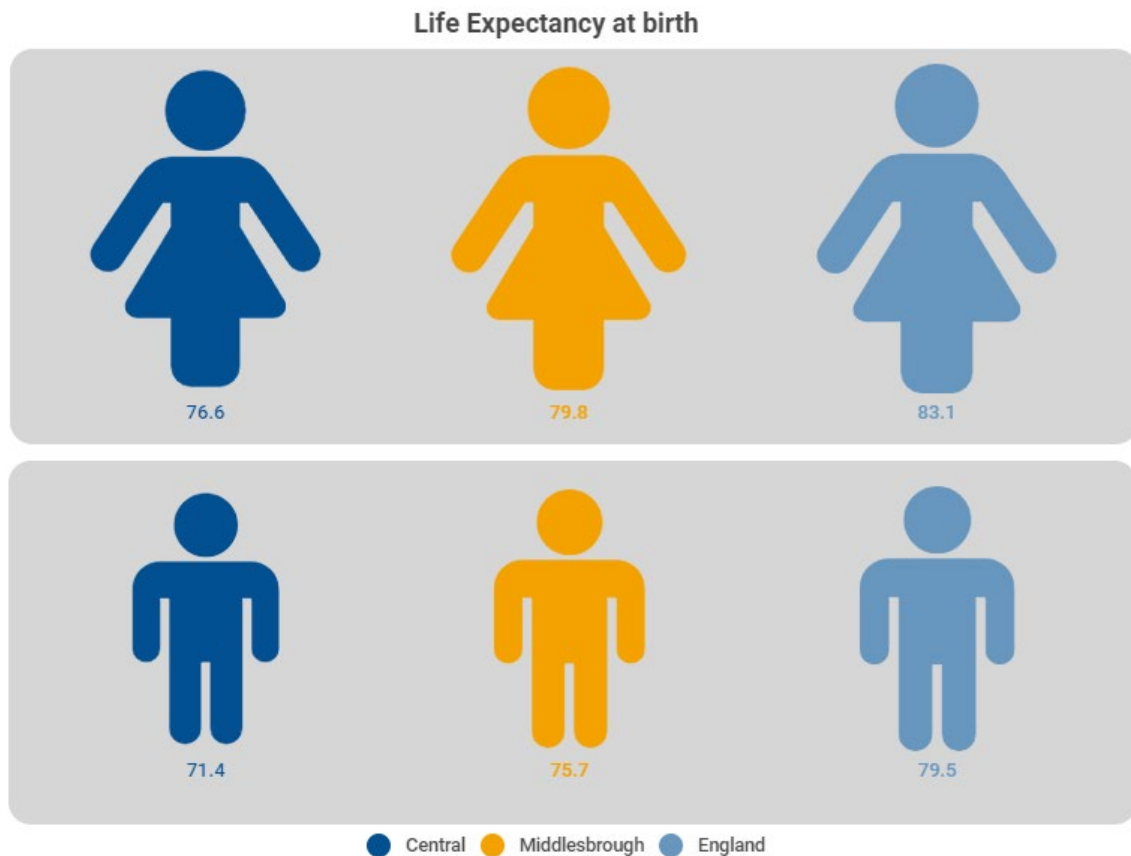


Figure 22: Period: 2015-17 - Source: PHE Fingertips - ONS

63. The comparative illness and disability ratio is an indicator of work limiting morbidity and disability, based on those receiving benefits due to inability to work through ill health. Benefits such as Employment Support Allowance (ESA), Income Benefit (IB), Severe Disability Allowance (SDA), Attendance Allowance (AA), Disability and Living Allowance (DLA) and Personal Independence Payment (PIP) are shown on the chart below. It is important to note that that PIP has now replaced DLA for all new applicants, therefore the rate of DLA has been reducing over time while PIP is rising. There is a significant rate of claimants in Central.

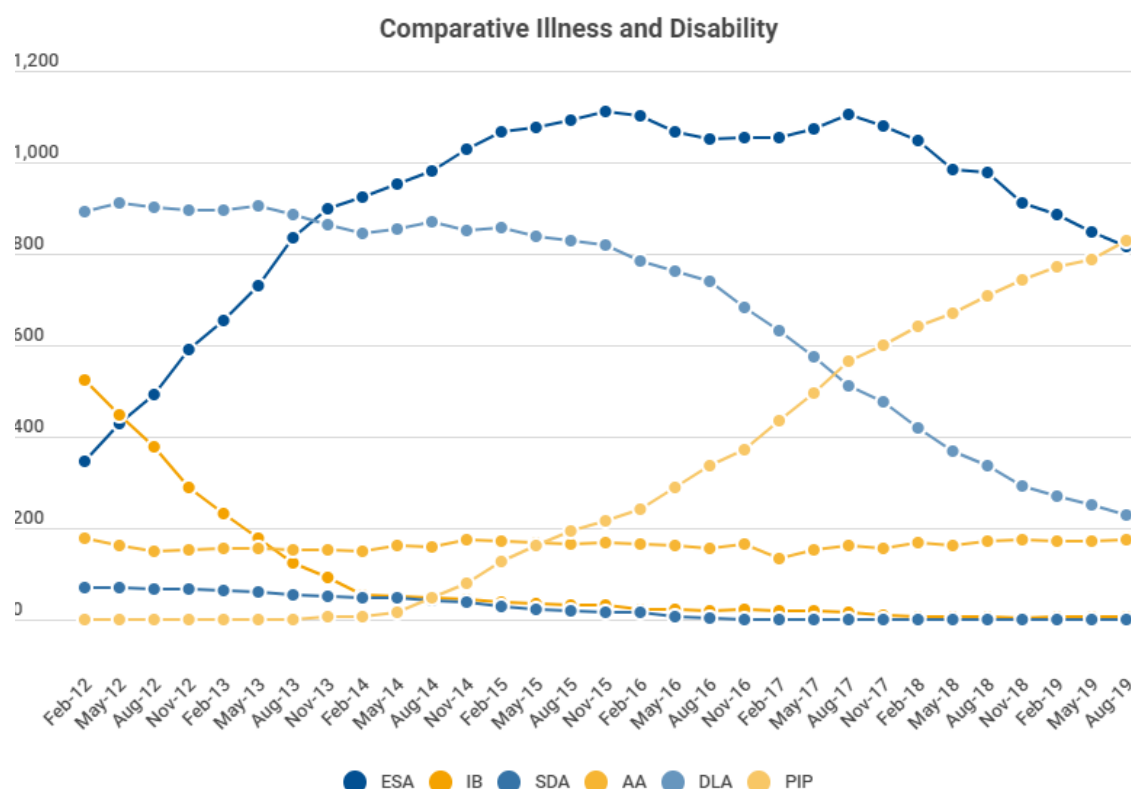


Figure 23: Period: Feb 2012 to Aug 2019 - Source: DWP

64. There is limited information for emergency admissions to hospital and whilst exact numbers are not available, the standardised admission ratios have been given at ward level. The standardised admission ratio for England is 100 for all areas, rates below 100 imply better health than nationally, whilst rates over 100 imply poorer health.
65. Figure 24 shows the ratios for the total population of Central ward and Middlesbrough for those that are available. Central ward has consistently higher ratios across all types of Emergency admissions than the overall Middlesbrough ratios for admissions for all causes, admissions for coronary heart disease, admissions for stroke, admission for myocardial infarction and admissions for Coronary Obstructive Pulmonary Disease.
66. When looking at admissions due to self-harm the ratios show a much higher prevalence in Central than the Middlesbrough ratios. This can be seen in Figure 25. Public Health England states that self-harm is an expression of personal distress and that there are varied reasons for people to carry out self-harm. This could be linked to deprivation in some cases.

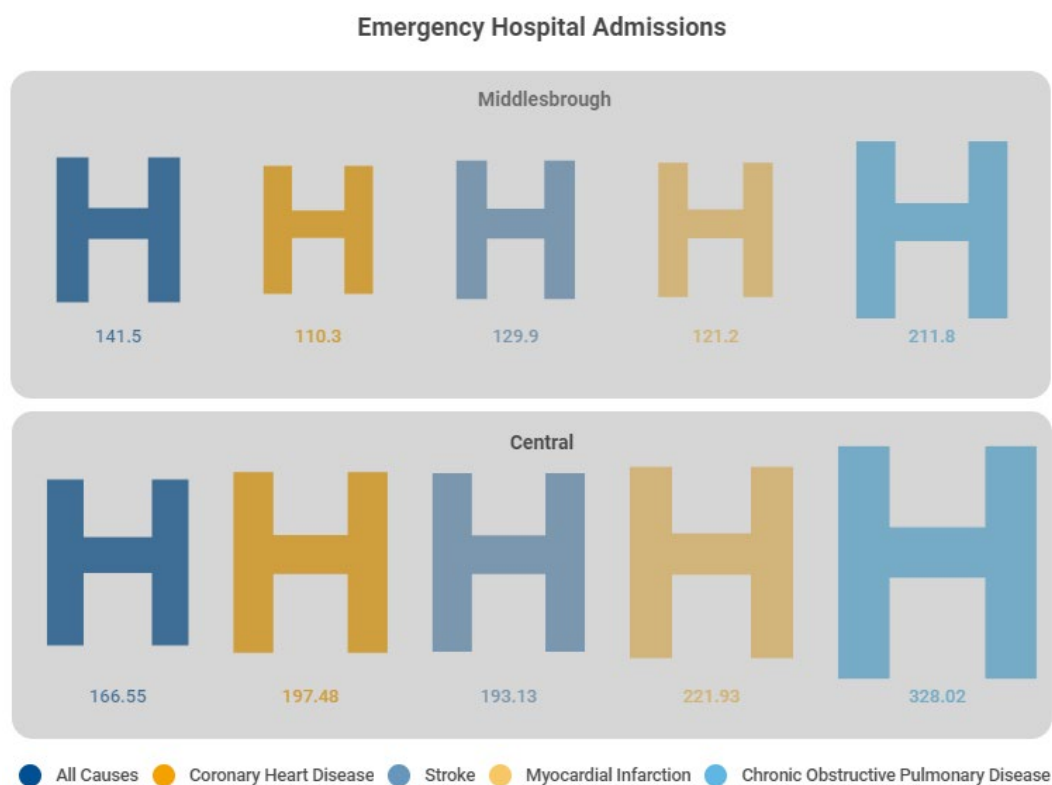


Figure 24: Period: 2013/14 to 2017/18 - Source: Public Health England

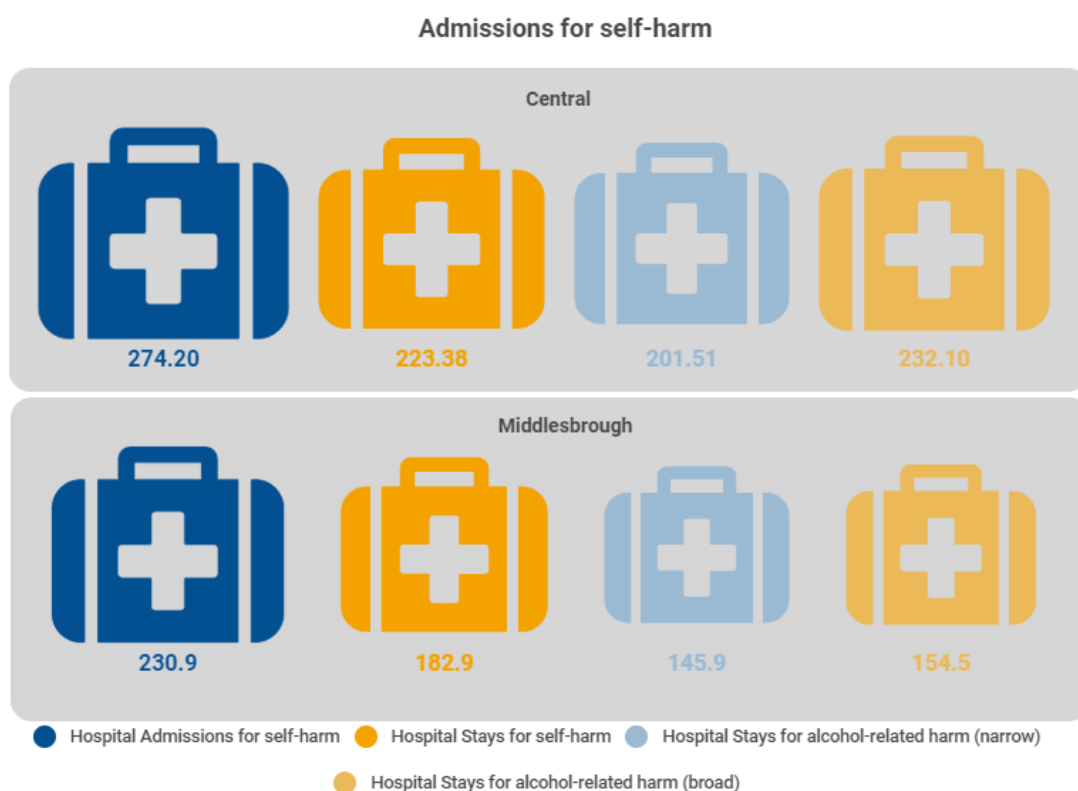


Figure 25: Period: 2010/11 to 2014/15 - Source: Hospital Episode Statistics

67. In conclusion, the measures in the Health Deprivation domain highlight that people resident in Central ward have a lower life expectancy than their town, and national counterparts and this is especially evident in males in the ward. They are also more likely to have an emergency hospital admission or self-harm.

Crime

68. The Crime domain accounts for 9.5% of the overall ranking for the Indices of Multiple Deprivation and is calculated using crime rates of certain types of crime that may be directly correlated with deprivation. Civitas.org.uk has published a report on Crime and Poverty¹¹, stating that not only are the poor more likely to commit crime to fund their lifestyle, but that the poor are also more likely to be a victim of crime. This theory can be traced as far back as Aristotle and this theory that *'Poverty is the parent of crime'*. The indicators used in this domain can be found below:

- Violence: The rate of violence per 1,000 at-risk population
- Burglary: The rate of burglary per 1,000 at-risk properties
- Theft: The rate of theft per 1,000 at-risk population
- Criminal Damage: The rate of criminal damage per 1,000 at-risk population.

69. The neighbourhood rankings for this domain can be seen in the table below:

Crime	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	1,070	579	491	⬆️
Southfield Rd to Park Road North	1,294	522	772	⬆️
Residential Victoria Rd/ Waterloo Rd	2,822	1,294	1,528	⬆️
Breckon Hill Primary	3,344	5,218	-1,874	⬆️
Riverside Park Road/Hill Street Centre	3,563	3,418	145	⬆️

70. All but one of the neighbourhoods in Central saw an improvement in the ranking for the Crime domain of the IMD, with Breckon Hill Primary seeing a significant reduction in rank (consequently leading to a higher deprivation rate) of 1,874 places. All of the LSOAs in Central are within or near the top 10% most deprived LSOAs with regards to crime nationally.

71. Figure 26¹² shows that since May 2012 theft has been the most reported crime in the Central ward. The rate of reported violent crimes has more than doubled since May 2012 and has steadily increased to January 2020. With Central being covered by the new TS1 crime prevention initiative, it is hoped that these figures will show a decline going forward.

72. Due to the low numbers of sexual offences, this crime is grouped with violence to give an indication of the number of more serious crimes against a person.

¹¹ <https://www.civitas.org.uk/content/files/povertyandcrime.pdf>

¹² Due to confidentiality numbers under 5 have been reported as 5 within any references to crime rates

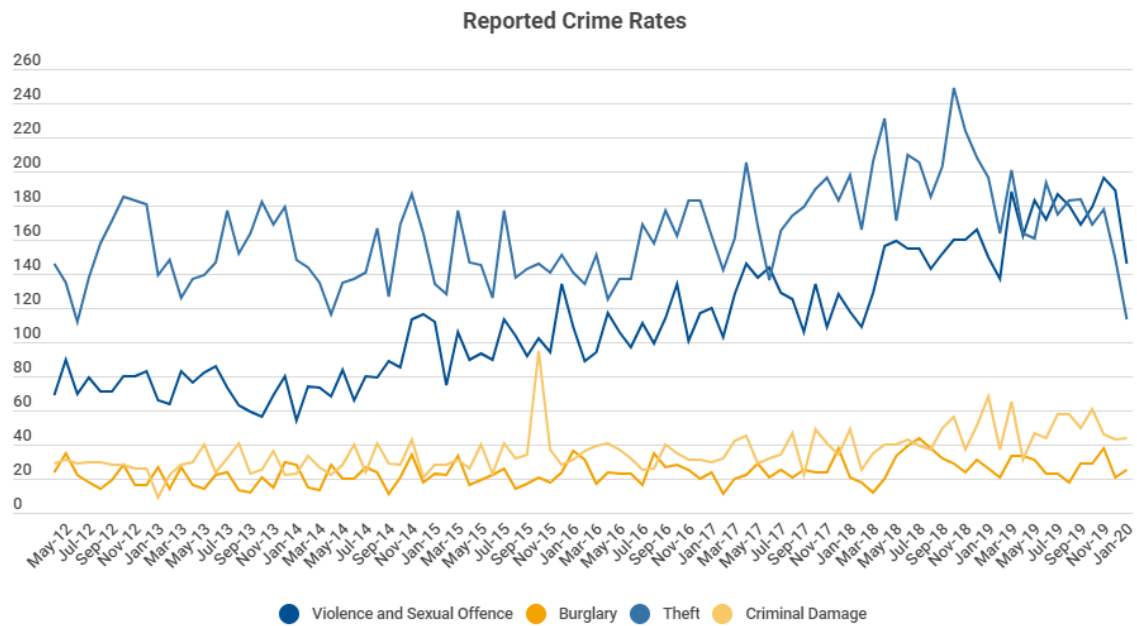


Figure 26: Period: May 2012 to Jan 2020 - Source: Cleveland Police

73. As with the previous chart, Figure 27 shows that there has been a consistent trend in the highest proportion of all crimes reported being 'theft' and 'Violence and Sexual Offence'. The data for this chart has been grouped into Quarters.

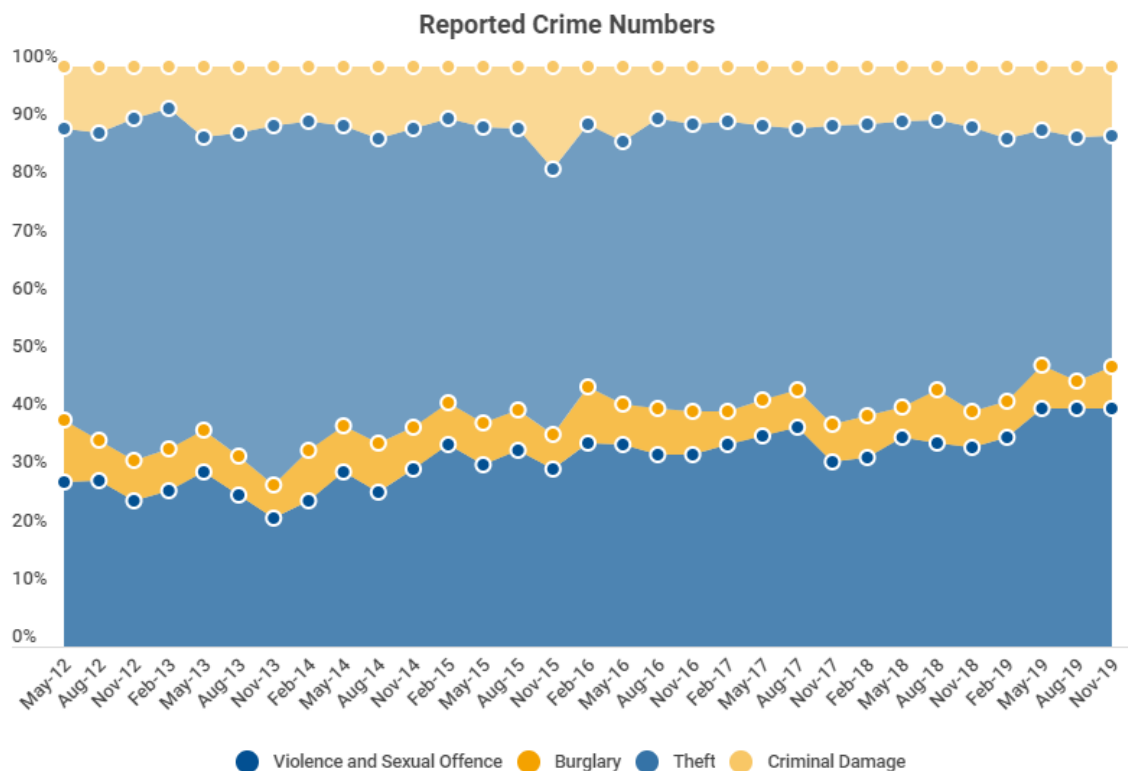


Figure 27: Period: May 2012 to Jan 2020 - Source: Cleveland Police

74. Racially motivated crime in the Central ward has tripled since 2012, with a continuously increasing trend (See figure 28). The Central ward is one of two wards in Middlesbrough with a significant number of racially motivated crimes. Numbers for the first six months of 2020 are on par with the first six months of 2019.

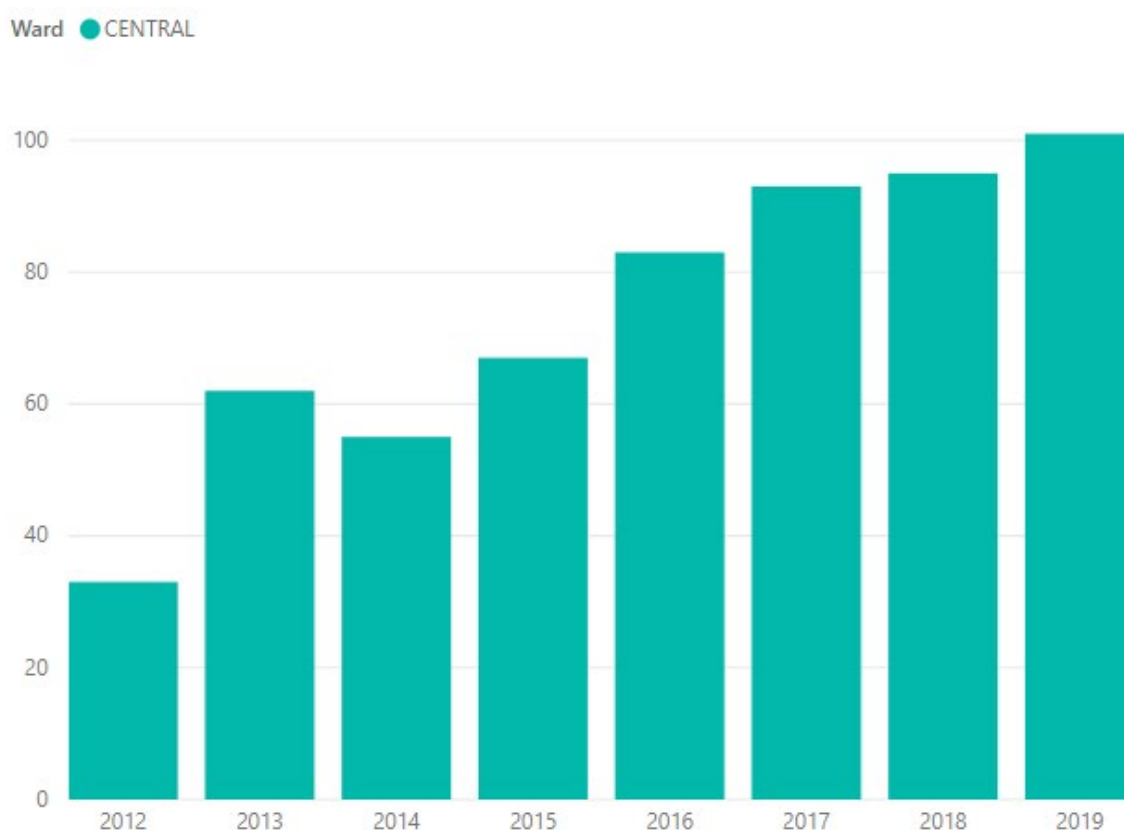


Figure 28: Period Apr 2012 to Dec 2019 - Source: Cleveland Police

75. During the period 1st February 2018 to 31st January 2020, Central ward had the highest rate of Anti-Social Behaviour (ASB), racially motivated crime and other crime in Middlesbrough. During this period there were 3,825 ASB reports, 192 racially motivated crimes, 428 fires and a total of 11,251 crime reports.
76. Data from Cleveland Police (See Figure 29) illustrates a downward trend in ASB from October 2019 to January 2020, bringing the ASB rate (blue line) well below the average of the two year period. The number of fires reported monthly during this period has remained stable (black line); whilst the overall crime rate for Central remains high (red line). Middlesbrough Council has an online reporting tool for residents to report different activities; Firmstep numbers (yellow line) are those where the activity can be deemed as criminal but are not directly reported to the police (e.g. fly tipping).

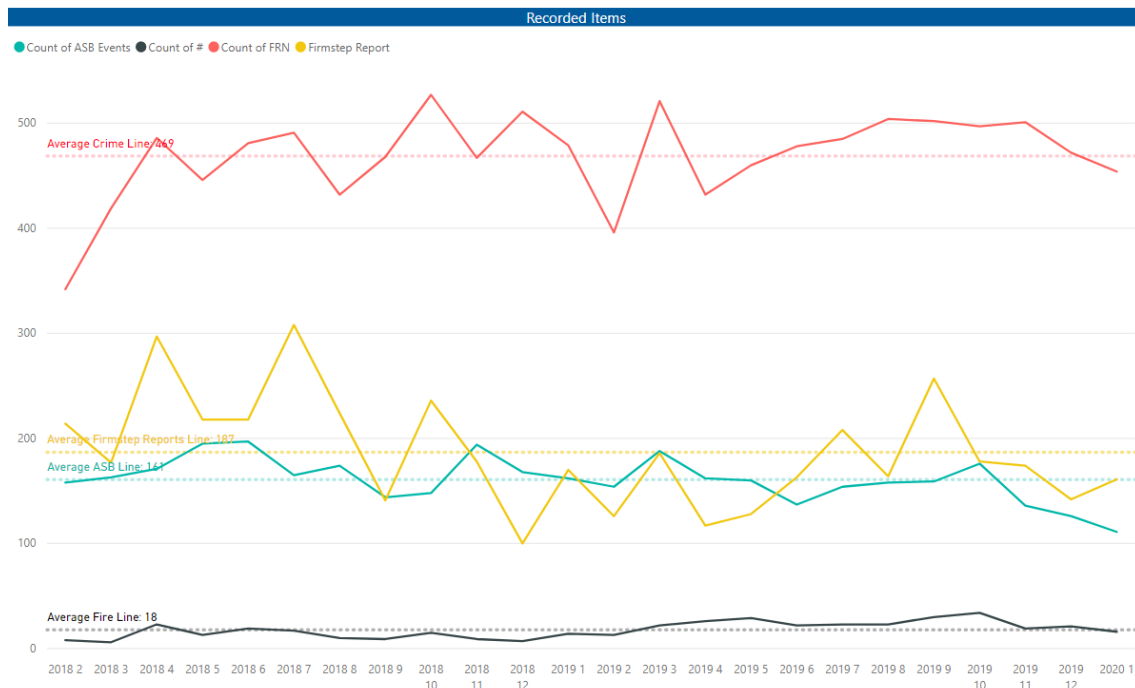


Figure 29: Period 1st February 2018 to 31st January 2020 - Source: Cleveland Police, Cleveland Fire and Middlesbrough Council

77. In Conclusion, violent crime rates in Central are steadily increasing and theft in the Central ward remains high. All of the LSOAs in Central are within or near the top 10% most deprived LSOAs with regards to crime nationally; with the LSOAs surrounding Teesside University lying in the top 5% most deprived LSOAs with regards to crime. Crime and anti-social behaviour in the Central ward remains high, and the number of racially motivated crimes in this ward is the highest in Middlesbrough.

Barriers to Housing and Services

78. The Barriers to Housing and Services domain accounts for 9.3% of the overall domain and is calculated using a range of indicators which fall into two sub-domains around 'Geographical Barriers' and 'Wider Barriers'. The indicators used to calculate this domain are listed below:

Geographical Barriers sub-domain

- Road distance to a post office: A measure of the mean road distance to the closest post office for people living in the Lower-layer Super Output Area
- Road distance to a primary school: A measure of the mean road distance to the closest primary school for people living in the Lower-layer Super Output Area
- Road distance to a general store or supermarket: A measure of the mean road distance to the closest supermarket or general store for people living in the Lower-layer Super Output Area
- Road distance to a GP surgery: A measure of the mean road distance to the closest GP surgery for people living in the Lower-layer Super Output Area.

Wider Barriers sub-domain

- Household overcrowding: The proportion of all households in a Lower-layer Super Output Area which are judged to have insufficient space to meet the household's needs
- Homelessness: Local Authority District level rate of acceptances for housing assistance under the homelessness provisions of the 1996 Housing Act, assigned to the constituent Lower-layer Super Output Areas
- Housing affordability: Difficulty of access to owner-occupation or the private rental market, expressed as the inability to afford to enter owner-occupation or the private rental market.

79. The neighbourhood rankings for this measure can be seen in the table below:

Barriers to Housing and Services	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	27,474	16,397	11,077	⬆️
Southfield Rd to Park Road North	27,409	9,707	17,702	⬆️
Residential Victoria Rd/ Waterloo Rd	24,150	12,857	11,293	⬆️
Breckon Hill Primary	25,207	17,639	7,568	⬆️
Riverside Park Road/Hill Street Centre	21,740	14,236	7,504	⬆️

80. All neighbourhoods in Central saw significant improvements in their ranking for the Barriers to Housing and Services domain of the IMD with Southfield Rd to Park Road North having a huge increase of 17,702 ranks from 9,707 to 27,409. This significant increase may be attributed the building of new affordable student accommodation in the area; the other demographics of the area have not changed significantly in recent years.

81. House prices in Central are amongst the lowest in Middlesbrough with a high proportion of rented properties¹³.
82. In September 2019 the mean house price for all properties sold in Central was £66,891, this was almost half of the Middlesbrough rate and almost a fifth of the national average.

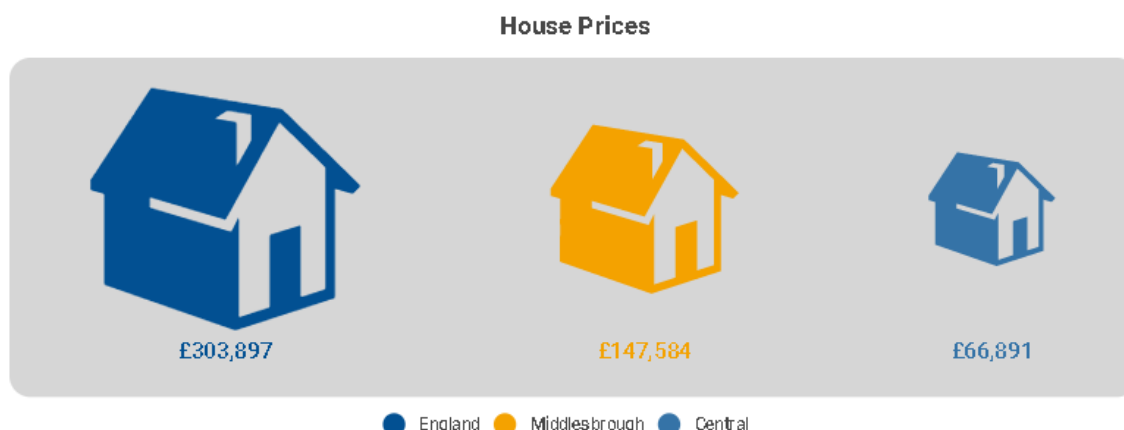


Figure 30: Period: September 2019 - Source: Office for National Statistics

83. Central has seen mean house prices, over the period between y/e September 1996 and y/e September 2019, more than double from the lowest price seen in 2001. The dip from 2008 follows the national housing market crash in 2008/2009 and since then the house prices have continued to decline.

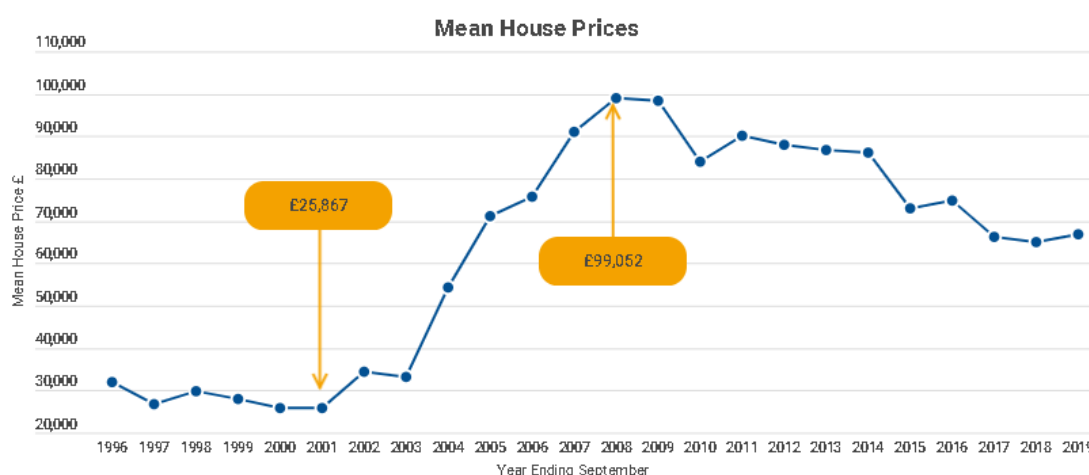


Figure 31: Period: 1996 to 2019 - Source: ONS

84. At Census 2011, the highest proportion of households were rented from private landlord or letting agency 35.86%, this was followed by 25.32% of households rented from other social landlords and the lowest proportion of households were in shared ownership. Figure 32 shows the breakdown of household tenure.

¹³ 2011 Census data, taken from IG Inform

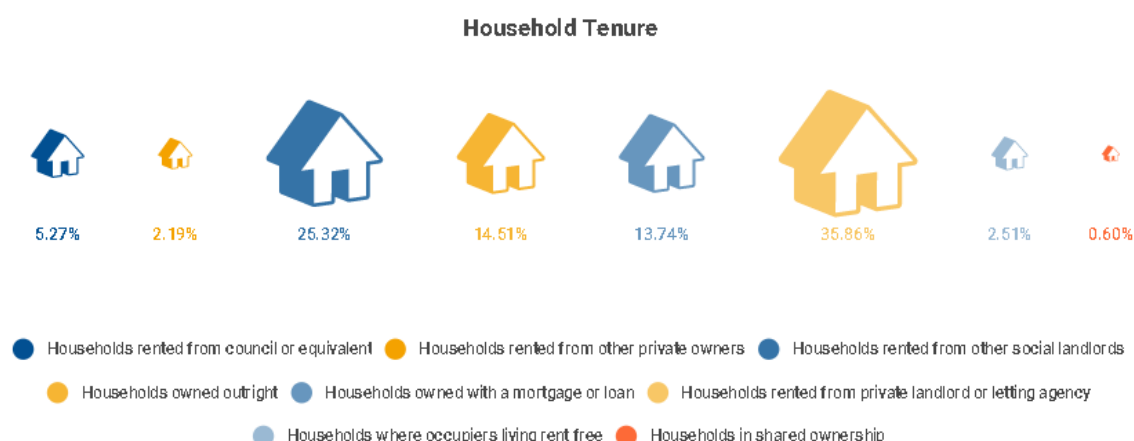


Figure 32: Period: 2011 - Source: Office for National Statistics

85. In September 2020, 6.80% of properties in the Central ward were empty and two-thirds of these had been empty for more than six months. Central had Middlesbrough's second highest outstanding council tax balance in September 2020, with over £600,000 due. In September 2019, 7.91% of properties were empty and over £400,000 council tax arrears were due; this can imply more residents are facing financial difficulties and are unable to pay their council tax bill.
86. In conclusion, the barriers to housing and services domain shows that people living in Central ward are well placed to access the variety of services and infrastructure detailed in the indices. House prices have reduced in the last 10 years and remain lower than those seen across the town and nationally. Less than one third of households are owned outright or with a mortgage.

Living Environment Deprivation

87. The Living Environment Deprivation domain accounts for 9.3% of the overall ranking for the Indices of Deprivation and is calculated using a range of indicators which fall into two sub-domains, *Indoors Sub-domain* and *Outdoors sub-domain*. The indicators used to calculate this domain are listed below:

Indoors sub-domain

- Houses without central heating: The proportion of houses that do not have central heating.
- Housing in poor condition: The proportion of social and private homes that fail to meet the Decent Homes standard.

Outdoors sub-domain

- Air quality: A measure of air quality based on emissions rates for four pollutants.
- Road traffic accidents involving injury to pedestrians and cyclists.

88. The neighbourhood rankings for this domain can be seen below:

Living Environment	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	6,037	4,060	1,977	⬆
Southfield Rd to Park Road North	11,973	10,327	1,646	⬆
Residential Victoria Rd/ Waterloo Rd	12,339	12,614	-275	⬇
Breckon Hill Primary	14,852	14,284	568	⬆
Riverside Park Road/Hill Street Centre	21,408	16,127	5,281	⬆

89. Whilst the majority of neighbourhoods in Central saw an increase in ranking at IMD 2019, Residential Victoria Rd/ Waterloo Rd saw a slight decrease in rank.
90. Houses without Central Heating was last measured in the Census 2011 and data was made available by LG Inform at ward level. Central had a rate of 3.0% of households without central heating, this was higher than the national rate of 2.7% and over one and a half times the overall Middlesbrough rate of 1.8%.

Households with no Central Heating

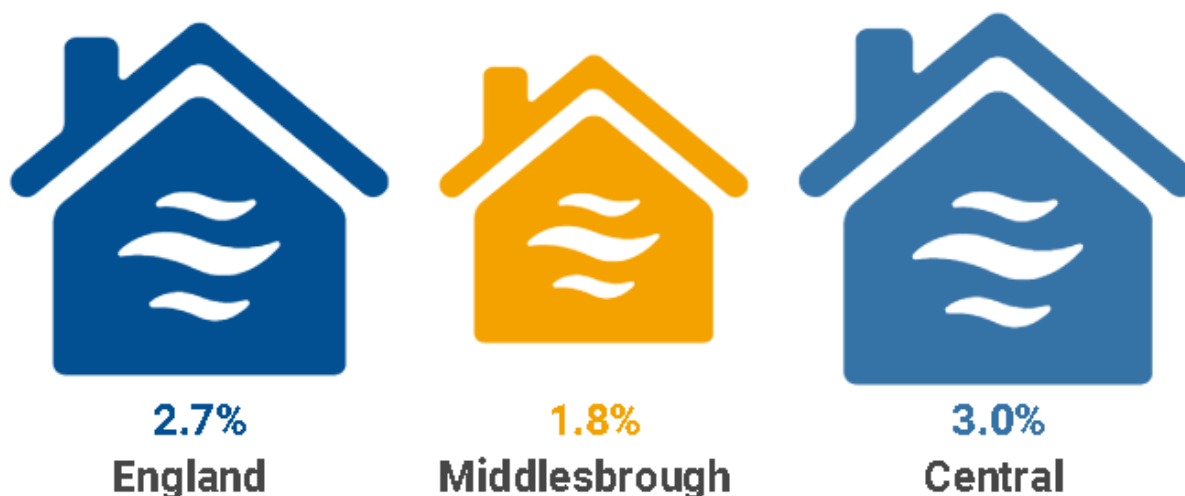


Figure 33: Period: 2011 - Source: Office for National Statistics - Census 2011

91. Poor housing conditions are associated with a wide range of health conditions, including respiratory infections, asthma, lead poisoning, injuries and mental health¹⁴. Ward level data is not available for housing in poor condition, however Shelter¹⁵ have published a report *'People living in bad housing'*, which indicates that around three in ten people live in bad housing conditions. Using an internally derived weighting towards the more deprived areas of Middlesbrough, Figure 34 below shows the number of people in Central that may be living in poor housing stock.

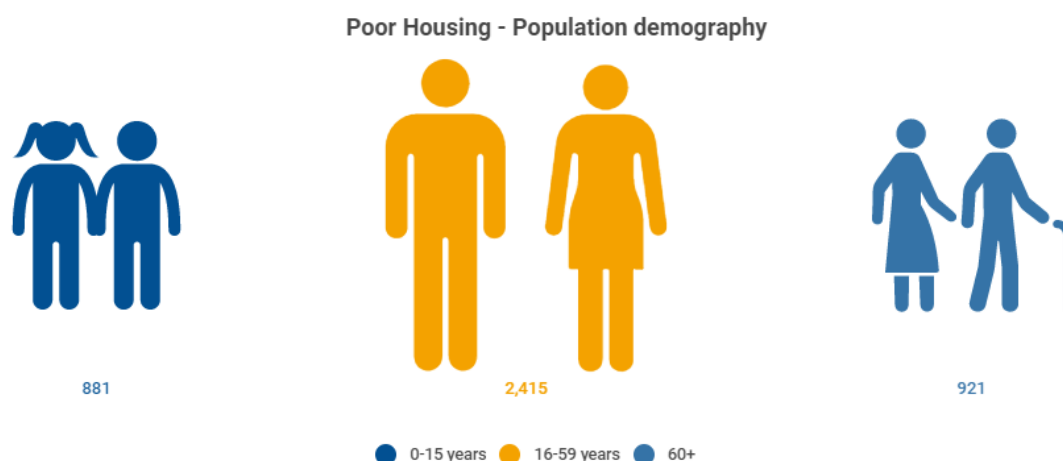


Figure 34: Period: 2018 - Source: Modelled Estimates using the Mid-Year Population Estimates

92. Air pollution is associated with a number of adverse health impacts and is recognised as contributing factor in the onset of heart disease and cancer. Additionally, air pollution particularly affects the most vulnerable in society; children and older people

¹⁴ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1447157/>

¹⁵ https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/people_living_in_bad_housing_-_numbers_and_health_impacts

and those with pre-existing heart and respiratory conditions. There is also often a strong correlation with equality issues because areas with poor air quality are also often the less affluent areas.

93. The concentration of air pollution is measured in micrograms per cubic meter air or $\mu\text{g}/\text{m}^3$. Middlesbrough has seen a significant reduction in this rate over the period from 1995 to 2017. Whilst this has been changeable with some increases, it has remained significantly lower than the target of $40\ \mu\text{g}/\text{m}^3$.

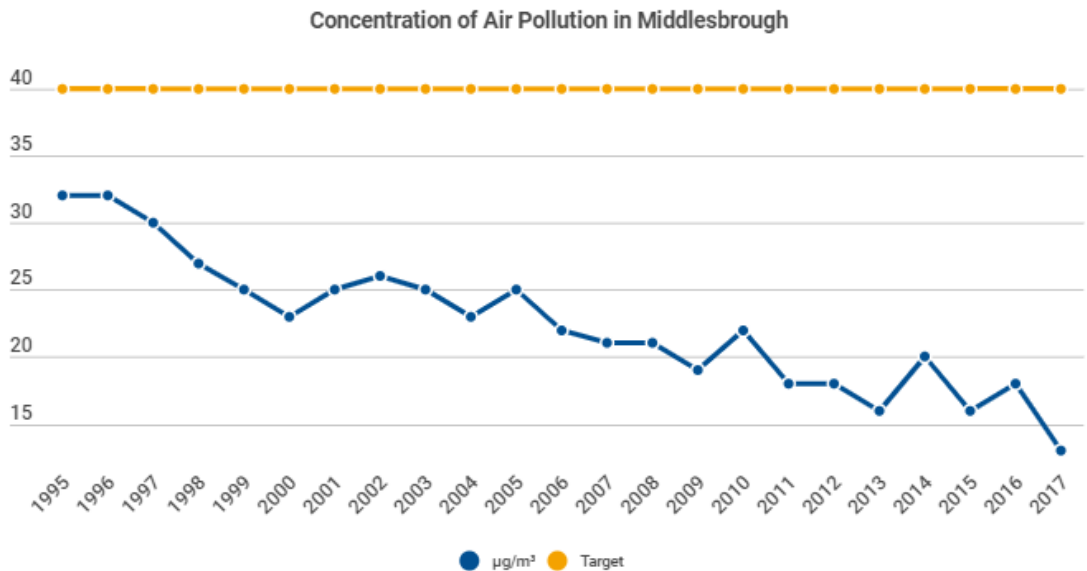


Figure 35: Period: 1995 to 2017 - Source: Middlesbrough Council Data

94. Across Middlesbrough there has been a consistent downward trend in the rate of Road Traffic Accidents of all severity, from 542 in 2000, to 220 in 2018.



Figure 36: Period: 2000 to 2018 - Source: Department for Transport

95. Whilst the overall rate of RTA's has reduced over time, the severity of those accidents has remained largely the same, with the highest proportion consistently being Slight, and a low rate of Serious ranging between 9% and 17%, whilst the rate of Fatal has remained consistently the lowest severity, between 0% and 1.7%.

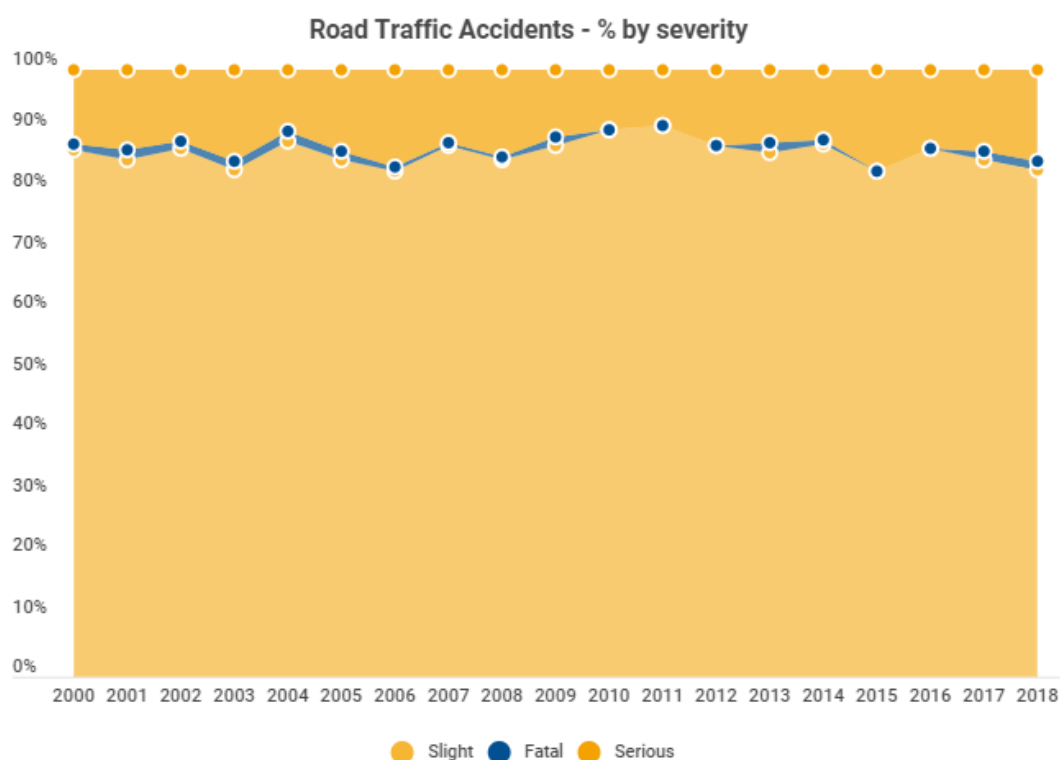


Figure 37: Period: 2000 to 2018 - Source: Department for Transport

96. In conclusion, the living environment domain indicates that people in Central are able to access affordable housing (Barriers to Housing and Services) and the quality of this housing stock is of lower quality to houses in other parts of Middlesbrough and nationally.

Income Deprivation Affecting Children Index (IDACI)

97. The Income Deprivation Affecting Children Index measures the proportion of all children aged 0-15 living in income deprived families. Family is used here to indicate a 'benefit unit', that is the claimant, any partner and any dependent children for whom Child Benefit is received. This is a sub-set of the Income Deprivation domain.
98. Middlesbrough had the worst rate of IDACI nationally, a decline from second worst at IMD 2015.
99. Central has the seventh worst rank of IDACI in Middlesbrough and 124th nationally.

Income Deprivation Affecting Children	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	2,346	2,212	134	⬆️
Southfield Rd to Park Road North	1,036	472	564	⬆️
Residential Victoria Rd/ Waterloo Rd	3,529	736	2,793	⬆️
Breckon Hill Primary	5,065	4,910	155	⬆️
Riverside Park Road/Hill Street Centre	754	774	-20	⬆️

100. Five of the six neighbourhoods in Central saw an improvement in rank at IMD 2019, with only Riverside Park Road/ Hill Street Centre (-20) seeing a slight reduction. The residential area of Victoria Rd/Waterloo Rd has seen a significant improvement of 2,793 ranks, which takes it just outside the top 10% most deprived LSOAs for IDACI.
101. Figure 38 shows the number of children affected by income deprivation in each neighbourhood in the ward.

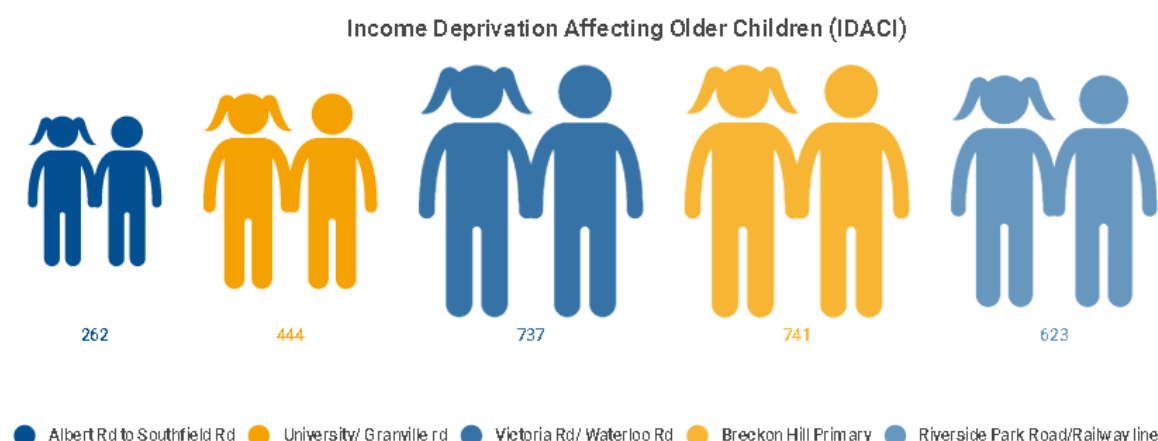


Figure 38: Period: 2018 - Source: Modelled Estimates using the Mid-Year Population Estimates

102. Children's Services data has a trend of a higher number of cases in the more deprived areas in Middlesbrough. In June 2020, Middlesbrough's Children's Services recorded 6.72% of all early help cases, 8.00% of all Children in need cases, 8.91% of all child

protection cases and 8.83% of all children looked after cases for children whose home postcode is in the Central ward. Although this is a significant proportion of Middlesbrough's Children's Services cases, in the region of 10% of Central's children are known to Social Care.

103. In conclusion, the IMD 2019 highlights that nearly half of the children resident in Central are living in the most deprived 10% of the neighbourhoods in England. Central has a significant number of Middlesbrough's Children's services cases.

Income Deprivation Affecting Older People Index (IDAOPi)

104. The Income Deprivation Affecting Older People Index measures the proportion of all those aged 60 years and over who experience income deprivation. This is a sub-set of the Income Deprivation Domain.
105. Middlesbrough had the 22nd highest rank of IDAOPi in England in 2019, which remains the same as 2015.
106. Central has the worst rank for IDAOPi in Middlesbrough, with all neighbourhoods being in the top 5% most deprived LSOAs in England. Whilst three LSOAs have increased in rank since IMD 2015, their ranks in IMD 2019 are still low.

Income Deprivation Affecting Older People	2019	2015	Movement	
Albert Rd/ Town Hall to Southfield Rd	492	948	-456	▼
Southfield Rd to Park Road North	1,068	2,028	-960	▼
Residential Victoria Rd/ Waterloo Rd	234	129	105	▲
Breckon Hill Primary	1,418	698	720	▲
Riverside Park Road/Hill Street Centre	127	96	31	▲

107. Figure 39 shows the number of the population affected by the rates of IDAOPi in the ward.

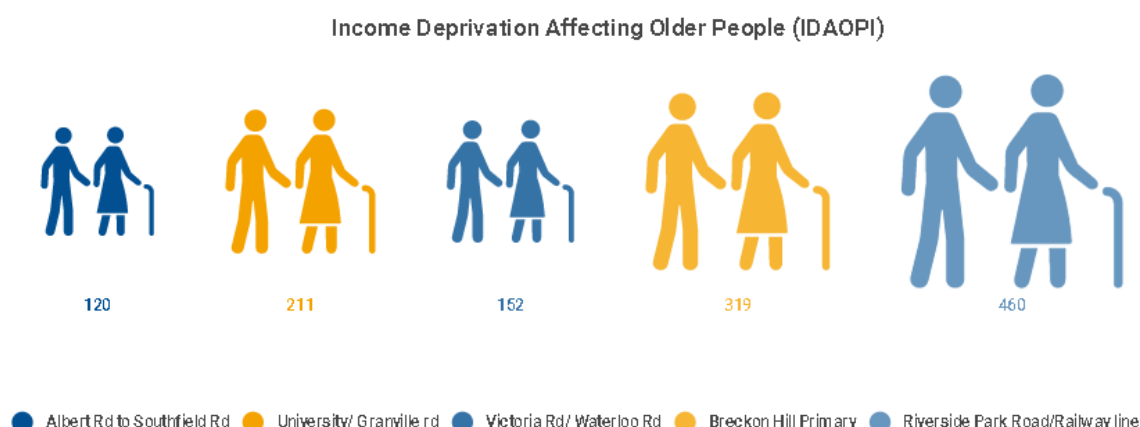


Figure 39: Period: 2018 - Source: Modelled Estimates using the Mid-Year Population Estimates

108. In conclusion, the Income Deprivation Affecting Older people highlights that Central is a deprived area for older people to be resident in, the quality of life for these people is lower than the other of areas in Middlesbrough and England.

Table of Figures

Figure 1: Domain factors.....	6
Figure 2: Central LSOA Map.....	7
Figure 3: Period: 2018 - Source: Mid-year Population Estimates - ONS.....	8
Figure 4: Central LSOA Map included in report.....	9
Figure 5: Residential Area of LSOA	10
Figure 6: Period: 2004/05 to 2018/19 - Source: Office for National Statistics	14
Figure 7: Period: 94/95-96/97 to 15/16-17/18 - Source: Office for National Statistics	15
Figure 8: Period: 94/95-96/97 to 15/16-17/18 - Source: Office for National Statistics	16
Figure 9: Period: 2018/19 - Source: Department for Work and Pensions	17
Figure 10: Period: February 2012 to August 2019 – Source: DWP.....	18
Figure 11: Period: February 2012 to August 2019 - Source: DWP	18
Figure 12: Period: February 2012 to December 2019 - Source: DWP.....	19
Figure 13: Period: February 2012 to December 2019 - Source: DWP	21
Figure 14: Period: February 2012 to August 2019 - Source: DWP	22
Figure 15: Period: 2008/09 to 2018/19 - Source: Office for National Statistics.....	22
Figure 16: Period: 2008/09 to 2018/19 - Source: Office for National Statistics.....	23
Figure 17: Period: 2018/19 - Source: Office for National Statistics	24
Figure 18: Period: 2008/09 to 2018/19 - Source: Office for National Statistics.....	25
Figure 19: Period: 2011 - Source: Office for National Statistics – Census 2011	28
Figure 20: Period: 2011 – Source: Office for National Statistics Census 2011.....	28
Figure 21: Period: 2001 to 2018 - Source: Public Health England	30
Figure 22: Period: 2015-17 - Source: PHE Fingertips - ONS.....	31
Figure 23: Period: Feb 2012 to Aug 2019 - Source: DWP	32
Figure 24: Period: 2013/14 to 2017/18 - Source: Public Health England	33
Figure 25: Period: 2010/11 to 2014/15 - Source: Hospital Episode Statistics	33
Figure 26: Period: May 2012 to Jan 2020 - Source: Cleveland Police	36
Figure 27: Period: May 2012 to Jan 2020 - Source: Cleveland Police	36
Figure 28: Period Apr 2012 to Dec 2019 - Source: Cleveland Police.....	37
Figure 29: Period 1 st February 2018 to 31 st January 2020 - Source: Cleveland Police, Cleveland Fire and Middlesbrough Council	38
Figure 30: Period: September 2019 - Source: Office for National Statistics.....	40
Figure 31: Period: 1996 to 2019 - Source: ONS	40
Figure 32: Period: 2011 - Source: Office for National Statistics	41
Figure 33: Period: 2011 - Source: Office for National Statistics - Census 2011	43
Figure 34: Period: 2018 - Source: Modelled Estimates using the Mid-Year Population Estimates.....	43
Figure 35: Period: 1995 to 2017 - Source: Middlesbrough Council Data	44
Figure 36: Period: 2000 to 2018 - Source: Department for Transport.....	44
Figure 37: Period: 2000 to 2018 - Source: Department for Transport.....	45
Figure 38: Period: 2018 - Source: Modelled Estimates using the Mid-Year Population Estimates.....	46
Figure 39: Period: 2018 - Source: Modelled Estimates using the Mid-Year Population Estimates.....	48

Regal Amusements (AGC), Newport Road, TS1 5EA



Regal Amusements (AGC), Newport Road, TS1 5EA



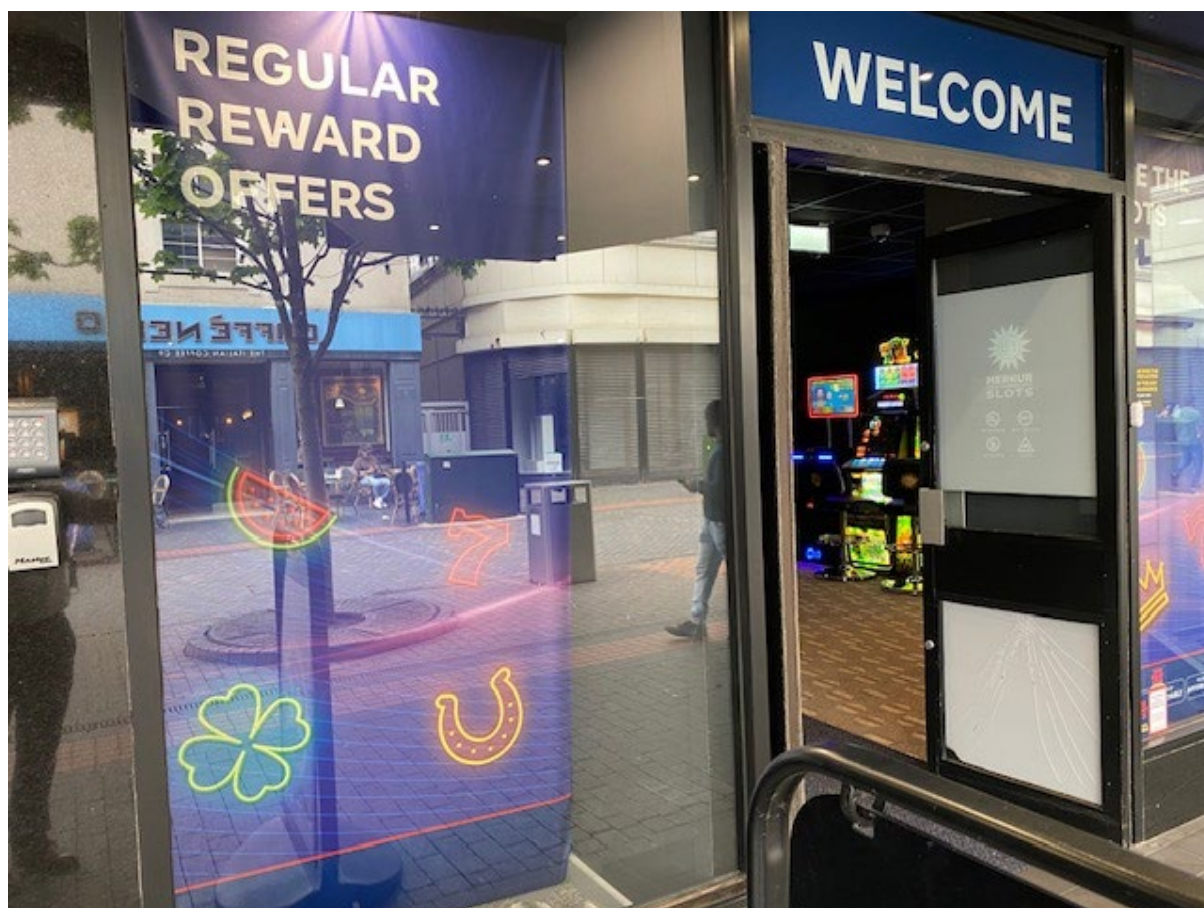
Admiral (AGC), 20-22 Newport Road, TS1 1LA



Merkur, (Bingo), 58 Linthorpe Road, TS1 1RA



Merkur, (Bingo), 58 Linthorpe Road, TS1 1RA



William Hill, Ladbrokes, Paddy Power (Betting), Corporation Road



William Hill (Betting), 17 Corporation Road, TS1 1LW



Ladbrokes, (Betting), 19 Corporation Road, TS1 1LW



Paddy Power, (Betting), 21 Corporation Road, TS1 1LW



Admiral, (AGC), 32-34 Dundas Arcade, TS1 1HT



Admiral, (AGC), 32-34 Dundas Arcade, TS1 1HT



Admiral, (AGC), 77 Linthorpe Road, TS1 5BU



Bet Fred, (Betting), 108 Linthorpe Road, TS1 2JZ



Dune Amusements, (AGC), 97 Linthorpe Road, TS1 5DD





Legend

Alcohol Premises

Off

On

Gambling Premises

AGC

Betting

Bingo

Premises_Boundary



Department
for Culture,
Media & Sport

High Stakes: Gambling Reform for the Digital Age

April 2023

Chapter 6: Land-based gambling

Summary

- The 2005 Act sets out a range of restrictions based on the assumption that restrictions on supply (for example, casino numbers and gaming machine availability) were an important protection. However, in the light of developments in technology and the availability of online gambling, the characteristics of the product and quality of monitoring have now assumed greater importance.
- This chapter sets out a number of areas where we propose to reset regulation for land-based gambling, while maintaining or strengthening safeguards that are needed to protect vulnerable groups and communities from gambling harm.

Casinos

- We have looked at the experience of the licences created under the 2005 Act and intend to extend some of their rules to the wider casino estate.
- We propose to increase machine allowances in casinos by:
 - allowing 1968 Act casinos which meet the size and non-gambling space requirements of a 2005 Act Small casino to be entitled to the same 80 maximum machine allowance, with the machine to table ratio being equalised at 5:1 for Large and Small 2005 Act and larger 1968 Act casinos,
 - allowing smaller 1968 Act casinos which do not meet the size requirements to benefit from extra machines on a pro rata basis commensurate with their size and non-gambling space, and subject to the same machine to table ratios.
- We will consult further on the details of how casinos will be able to opt to choose this allowance and ratio over their current entitlement, with fees and mandatory licence conditions in line with 2005 Act casinos.
- We propose to permit casinos to offer sports betting alongside other activities and will take steps to free up unused 2005 Act casino licences where there is no prospect of development for reallocation to other local authorities.
- With banks withdrawing facilities for processing foreign cheques, we will make a limited change to the Gambling Act which will permit casinos to offer credit to non-UK residents, subject to thorough financial risk and anti-money laundering checks. Current use of cheques is often for wealthy overseas visitors in the high-end sector.

- We will consider further the potential for allowing a wider range of games on electronic terminals at casinos, subject to appropriate restrictions.

Electronic payments

- We recognise that substantial changes are happening to how payments are being made in society. We will work with the Gambling Commission to develop specific consultation options for cashless payments, including the player protections that would be required before we remove the prohibition.

Gaming machines and products in licensed bingo premises

- The Gambling Commission will conduct a review of gaming machine technical standards to assess the role of session limits across Category B and C machines and the role of safer gambling tools.
- We propose to adjust the 80/20 ratio which governs the balance of Category B and C/D machines in bingo and arcade venues to 50/50, to ensure that businesses can offer customer choice and flexibility while maintaining a balanced offer of gambling products.
- We support allowing specific proposals for new machine games to be tested within planned industry pilots under certain conditions with the close involvement of the Gambling Commission, and will legislate when Parliamentary time allows.
- We support allowing trials of linked gaming machines in venues other than casinos, where prizes could accrue from machines linked in a community. We will legislate when Parliamentary time allows.
- We will look further at the legislative options and conditions under which licensed bingo premises might be permitted to offer side-bets in a more flexible or expanded form within a defined set of parameters with rules to reduce the risk of harm.

Licensing authority powers

- Licensing authorities have a wide range of powers under the 2005 Act to refuse or place conditions on applications for gambling premises licences where there is cause for concern, and we fully support use of these powers.
- We will also bring the licensing regime into line with that for alcohol by legislating to introduce a formal system of cumulative impact assessments (CIAs), when Parliamentary time allows.
- We will consult on raising the cap for the fees licensing authorities can charge adult gaming centres, betting premises, bingo premises, casinos and family entertainment centres for premises licences.

Our conclusions

158. **The government fully supports licensing authorities in their role as co-regulators of the 2005 Act and appreciates the local expertise that they have which guides their regulation of gambling in their communities.** As set out in detail in [section 6.1](#), licensing authorities have a wide range of existing powers in regards to both gambling premises licensing and planning applications. Through developing their policy statements, licensing authorities are able to set out their ambitions for gambling in their area, and this in turn informs how they assess and decide applications for new gambling premises. It is important that local leaders feel empowered to make use of their existing powers when making decisions about their areas. We will look to take forward legislation when time allows to bring the regime for gambling licensing more in line with that of alcohol licensing.
159. **The government is also clear that the ‘aim to permit’ requirement in [section 153](#) of the 2005 Act does not prevent the refusal of licences or the introduction of controls as necessary or desirable to minimise risk.** This requirement is also subject to guidance issued by the Commission, the policy statement produced by the licensing authority and the three licensing objectives. Licensing authorities also have the power to attach licence conditions and remove premises licences if required.
160. We also recognise that licensing authorities, as well as the Local Government Association and the Gambling Commission, have requested that CIAs are introduced. Whilst existing powers, particularly local policy statements, do allow licensing authorities to take into account factors such as public health and crime, we recognise that licensing authorities would benefit from the introduction of CIAs, in part because they are familiar with them from alcohol licensing, and in part because it explicitly allows them to consider the cumulative impact of gambling premises in a particular area. **We accept there is merit in bringing the regime for gambling in line with alcohol and will legislate to introduce CIAs when Parliamentary time allows.**
161. CIAs will complement existing powers by supporting licensing authorities to capture and regularly review a wide range of evidence, such as density of premises in a particular area, health and crime statistics, and residents’ questionnaires. Once published, CIAs place some of the ongoing analytical burden on the applicant, as the operator has the option to demonstrate that its proposals will not increase harm in a particular area. This should be more bespoke than a risk assessment and centre on particular details identified by the CIA. CIAs could allow licensing authorities to put a presumption against new premises in a particular area, based on evidence related to harm, which may take the form of ‘high impact zones’ being identified within a licensing authority boundary. This does not prevent the authority from granting a

licence, or allow them to issue a blanket refusal to applications, but a CIA does encourage the gathering of more evidence for assessing applications and requires the operator to evidence how it will mitigate risk.

162. We envisage that CIAs will be introduced using the same approach as applied in the Licensing Act 2003, for alcohol licensing. This would require introducing CIAs as an additional requirement of [section 349](#) policy statements, and therefore as an additional consideration under [section 153](#) and ‘aim to permit’. Licensing authorities will still need to assess applications on a case by case basis. The findings of a CIA would not remove a licensing authority’s discretion to grant applications for new licences or applications to vary existing licences, where the authority considers this to be appropriate in the light of the individual circumstances of the case. It is important to note that the approach used for gambling will inevitably differ to the approach used for alcohol, not least because of the difference between the licensing objectives for alcohol and for gambling.
163. The introduction of CIAs will require primary legislation and in advance of their introduction, we strongly encourage licensing authorities to make full use of their existing powers. **We recommend that licensing authorities update their policy statements using a wide range of data and analysis, including making use of spatial tools and public health data to identify vulnerable areas and to state their position on additional gambling premises in these areas.**
164. **We also recommend that licensing authorities make more use of their powers to attach conditions to premises licences, such as opening hours and security measures.** We propose that this activity will be supported by an increase in funding, as outlined in our conclusions below. Licensing authorities should also continue to use the Commission’s [Guidance to Licensing Authorities](#) which it keeps under review, as well as the regular bulletins that it sends.
165. When Parliamentary time allows, we will also make some small changes to the 2005 Act to ensure that certain powers apply to authorities and/or licensing officers in Scotland as they do in England and Wales. These are primarily technical changes and we will continue to work on the details of these amendments ahead of the introduction of any legislation.

Report of **Professor Heather Wardle, University of Glasgow**

Specialist field: **Gambling research, policy and practice**

Subject matter: Expert report on the proposal to **relocate a converted casino licence to 22 Newport Road**

Date: **03.07.2023**

Contents

Paragraph number	Paragraph contents	Page number
1.	Introduction	2
2.	The issues addressed and a statement of instructions	3
3.	My consideration of the facts	4
4.	My opinion	11
5.	Statement of compliance	12
6.	Declaration of Awareness (Civil)	12
7.	Statement of truth	12
8.	Statement of conflicts	13

Appendix A: Description of machine categories in Great Britain

Appendix B: References cited within this report

Appendix C: Glossary

Appendix D: Curriculum Vitae for Heather Wardle

1. Introduction

1.1. My details

My name is Professor Heather Wardle

My specialist field is gambling research and policy. I have worked in this field since 2006 and was Project Director of the British Gambling Prevalence Survey Series in 2007 and 2010. This study provided official statistics on the extent and nature of gambling harms in Great Britain. I have led numerous research studies into the impact of gambling upon populations, including the Machines Research Programme in 2014-2016 and a package of work assessing and understanding area vulnerability to gambling harms, funded by Westminster and Manchester Councils and the Local Government Association (2015-2016). I am currently a Professor of Gambling Research and Policy at the University of Glasgow and an Honorary Associate Professor at the London School of Hygiene and Tropical Medicine. For five years (2015-2020), I was Deputy Chair of the Advisory Board for Safer Gambling, responsible for providing independent advice to the Gambling Commission (the industry regulator) and government on gambling policy. I am a member of the WHO panel on gambling and am currently chairing the Lancet Public Health Commission on Gambling, which seeks to develop recommendations about how best to protect the public from gambling harms. I currently lead projects on gambling with independent funding from Wellcome Trust, Economic and Social Research Council and the National Institute for Health Research.

Full details of my qualifications and experience entitling me to give expert opinion evidence are in Appendix D.

1.2. Summary background of the case

The case concerns an application to relocate a converted casino licence to operate for 24 hours per day at 22 Newport Road Middlesbrough. The casino licence is being moved from an out of town location as part of a two stage process to operate a casino licence in the town centre, located adjacent to an existing AGC.

The licence request is not for a traditional casino configuration, which would normally have a mixed economy of table games staffed by croupiers, associated Category B1 electronic gaming machines, and food and alcohol/drink entertainment spaces. Instead, the licence is sought for the premises to house 20 electronic roulette terminals in lieu of table games staffed by croupiers, with the associated number of Category B1 machines and for food and alcohol/drink to be supplied in the venue.

I have been instructed by Middlesbrough Council to consider the likely impact, if any, of the proposal on the third licensing objective, namely, protecting children and vulnerable persons from being harmed or exploited by gambling.

Summary of my conclusions

This report will show that, in my professional opinion, a casino premise licence in this location should not be granted. This is because of the increased risk of the local population of gambling harms, the known relationship between increased availability of gambling and experience of gambling harms, and the greater risk of gambling harms from electronic gaming machines.

1.3. Technical terms and explanations

I have indicated any technical terms in bold type. I have defined these terms when first used and included them in a glossary in Appendix C.

2. The issues to be addressed and a statement of instructions

I am instructed by Middlesbrough Council in respect to a licensing hearing for the submission of a converted casino premise licence application made by Double Diamond Ltd situated at 22 Newport Road, TS1 5AE.

I have been asked by Middlesbrough Council to provide a report and to give evidence in the above mentioned proceedings. They have asked that I give an opinion upon whether the grant of a casino licence in the above mentioned location entails the risk of unacceptable gambling-related harms.

For the purposes of preparing this report I have been provided with a copy of the Local Area Risk Assessment and other documentation submitted by Double Diamond Ltd. I have also been provided with representations by the licensing authority and public health.

2.1. The purpose of the report

The purpose of this report, as instructed by Middlesbrough Council, is to explain the range of gambling-related harms, the prevalence among users of electronic gaming machines (including electronic roulette), consider the association between gambling availability, machine density and harms and outline the importance of the locational context. With this in mind I am to explain the risks, if any, in this case.

Note that this report focuses on electronic gaming machines because the non-standard use to which the casino licence will be put essentially involves the premise housing forty electronic gaming machines (20 of which will be electronic roulette; 20 will be B1 slot machines). Both are forms of electronic gaming machine, though I acknowledge that electronic roulette terminals are not categorised as such by the relevant legislation. Nonetheless, these types of electronic roulette terminals have the closest parallel to machines formerly known as Fixed Odd Betting Terminals (B2 machines) located within bookmakers.

To do this, I will:

- 1) give an overview of the evidence relating to **electronic gaming machines** and risk of harms and its relevance for this case;

- 2) summarise evidence and issues relating to specific area vulnerabilities to gambling harm and its relevance for this case. This will have particular focus on young people;
- 3) provide an overview of the evidence around the relationship between expanding gambling provision and risk of gambling harms
- 4) provide an overview of key critical difference between standard casino premises operations and non-standard use, where only electronic forms of gambling will be available within the premise.

3. My investigation of the facts

This case revolves around the application to open a new casino at 22 Newport Road. The proposed location is situated directly adjacent to an existing **Adult Gaming Centre**, which is operated by Luxury Leisure and the same company is proposing ultimately to operate the casino. The licence application includes the provision for the casino to operate for 24 hours per day. Unlike standard casinos, which include a mixed economy of gambling provision of table games staffed by croupiers, electronic gambling machines and food and beverage entertainment spaces, this application will provide: 20 **electronic roulette terminals (ERT)** and 20 B1 gaming machines, with alcohol and food available onsite.

Category B1 gaming machines

Regulation of **electronic gaming machines** in Britain is conducted via a regulatory pyramid approach, whereby machines with the greatest capacity for harms (because of their higher speed, higher staking sizes and/or game focus) are limited to venues where there are the greatest regulatory controls surrounding access, availability and supervision. B1 machines are designated the highest risk form of electronic gambling machines currently available within Britain and their availability is limited to casino premises only (see Appendix A). The stake limit is £5 per spin, with a maximum prize of up to £20,000. By way of comparison, apart from in casinos, the highest stake permitted in any UK premises on machines is £2, with a maximum prize of £500.

According to the Gambling Commission, there were 3142 B1 machines housed in casinos in Britain in 2021/22. In that year, people lost £180.6 million on B1 machines within casinos. The average loss per B1 machine is £57,482. The current application contains provision for 20 B1 machines, meaning that, on average, people will likely lose £1,149,586 per annum on these twenty machines. The minimum game cycle on a Category B1 machine is 2.5 seconds.

Electronic roulette terminals

ERTs are technically not regulated as gaming machines under the terms of the Gambling Act 2005. Instead, they are considered “live gaming”, meaning that people can place bets on roulette games without being present at the actual table. This technical definition means that bets placed on these machines are not subject to the same staking restrictions as virtual electronic roulette games played on B2 machines (their nearest electronic equivalent). With regard to speed, up to 50 games per hour can be played on an ERT, meaning the average spin cycle between games is one minute and 12 seconds.

Whilst, as I say, these terminals are not officially categorised as gaming machines, they are functionally very similar to them, giving electronic access to casino games like roulette, cards and

dice games. Unlike other forms of electronic gambling machines, ERTs do not have regulatory restrictions over stake size and prize levels. The nearest parallel to ERTs are the virtual casino and roulette games provided on B2 machines in bookmakers. Formerly known as **Fixed Odd Betting Terminals**, these used virtual presentations of roulette (rather than live streams) for people to bet on. Whilst spin cycles on B2 machines were limited to one game every 20 seconds, as originally permitted under the Gambling Act, the stake and prize limits were much higher than other forms of machine gambling, with stakes of £100 and prizes of £500 permitted. These levels were deemed by the British Government to be a regulatory failure and the machines were described by government “as a social blight..prey[ing] on some of the most vulnerable in society” (DCMS, 2018) This was addressed in 2018, when it was announced that stake sizes would be limited to £2 on these machines. By contrast, B1 machines have a maximum stake of £5 and ERTs have no maximum stake restrictions.

With respect to ERTs, the Gambling Commission collects data by counting how many additional table places for casino games these terminals provide. According to the Gambling Commission’s industry statistics, electronic gaming terminals provided an additional 3399 table places within casinos in 2021/22. People lost £143.18 million at these electronic table places, meaning that an average of £42,124 is lost per electronic table place within casinos. The current application includes a minimum of 20 of these electronic table places, meaning that on average, £842,480 per annum will likely be lost by people using these terminals at this venue.

The impacts of electronic gaming

Electronic gaming machines are highly associated with an increased risk of harms. This is related to their **structural characteristics**. **Gambling harms** are the adverse impacts from gambling on the health and wellbeing of individuals, families, communities and society. Harms are distributed unequally within communities, with certain communities being more likely to experience gambling harms. Changing access and availability to gambling is related to the total amount of harm experienced within a community.

The locational context of the proposed premises and specific issues around gambling harms and electronic gambling machine, are discussed below.

Location

The proposed location of the casino is at 22 Newport Road. This is located within Central ward within the borough of Middlesbrough, with Newport ward directly adjacent. The borough of Middlesbrough is one of the most **deprived** boroughs in England, in 2019 ranking as the 5th most deprived Local Authority in England (out of 317). Newport ward is the 36th most deprived ward (top 1% nationally) in England out of 7,180 wards, whilst Central ward is 89th most deprived (top 3% nationally). Within Central ward 11% of residents are unemployed in 2021/22 and 15.5% in Newport ward, compared to 5% in England.

Middlesbrough’s Black and Minority Ethnic groups (BAME) population was 11.8% compared to 4.7% in North East in the 2011 Census. Within the Central ward, 45% were BAME and in Newport ward it was 25%. Middlesbrough has a younger population compared with other LAs. The estimated median age of the Middlesbrough population was 36.2 in 2020. This is the second youngest median age in the North East behind Newcastle upon Tyne. The North East average median age is 41.7 and the

England average median age is 40.2. For Central ward the median age is 25.6 and for Newport ward it is 28.6.

A higher proportion of Middlesbrough population are living with mental health problems, with 18.3% reporting depression or anxiety compared to 13.7% nationally. There are also significantly higher rates of hospital admissions related to mental health and self-harm.

The proposed premises location is on a high street setting. The casino will be located adjacent to an existing AGC, alongside a wide range of retail premises, cafes, bars and restaurants. Other nearby facilities include a bus station, a secondary school and the Northern School of Art. Teesside University is also located within the town centre area and student accommodation is located nearby. A cumulative impact policy (currently under review) has applied to the area where 22 Newport Road is located due to number and density of licensed premises and their negative impact on crime and disorder. It is estimated in the Central Ward there are 194 premises licensed to sell alcohol (38% of all licensed premises)(Data provide by Middlesbrough Council, Licensing Service).

Using the ONS Mid-Year Estimates 2020, the total 18+ population for Middlesbrough is 108,156. Applying the national prevalence rates found by the Public Health England gambling-related harms evidence review in 2018 showed that:

- 54% (58,404) of the adult population had gambled or 40% (43,262) excluding the National Lottery.
- 3.8% (4,110) of the population were classified as at-risk gamblers.
- However regional breakdowns showed that the North East had the highest rate of at-risk gamblers with 4.9% (5,300). 0.5% (541) had reached the threshold to be considered problem gamblers.

3.1. Assumed facts

Harms associated with Electronic Gaming Machines:

Electronic gaming machines (EGMs) and casino games, like roulette, are typically associated with higher rates of problematic and harmful gambling among those who use them. Internationally, this has been observed in several jurisdictions. A recent large scale study of gambling behaviours in Canada found that EGM participation was the primary predictor of problem gambling prevalence. They also noted that EGM participation and EGM density were strong predictors of regional rates of **problem gambling** (Williams, 2021). A review of evidence from 18 different countries (including Great Britain) concluded that *“interactive Internet gambling, casino gambling, electronic gaming machines, and high-stakes unregulated/illegal gambling are often relatively closely associated with problem gambling”* (Binde, 2011). A recent Canadian longitudinal study of the association between gambling types and problem gambling concluded that whilst gambling involvement was a strong predictor of problem gambling, playing EGMs conferred additional risk (Gooding & William, 2023).

In Britain, different types of EGMs are present in different venues (see Appendix A for typologies). However, there is no available data on the rates of gambling harms among users of B1 machines alone. Latest available data from the combined Health Surveys for England and Scotland show that 6.4% of people who play EGMs of any category in venues ranging from casinos, AGCs, bingo halls and/or pubs/clubs were classified as problem gamblers (Conolly et al, 2018). This is higher than

people who bet on sports events (5.1%), people who play bingo in a bingo hall (3.9%) and people who bet online (2.5%) and lower than people who gamble online on casino games (9.2%) or who play B2 machines in an LBO (13.7%). According to this evidence around 1 in 15 people who play EGMs in venues like casinos, AGCs, bingo halls and/or pubs/clubs experience problem gambling. In addition, a further proportion of people who play these machines will experience “moderate risk” gambling (Conolly et al, 2018). **Moderate risk gambling** is defined as: gamblers who experience a moderate level of problems leading to some negative consequences from gambling. In 2016, it was estimated that 7.2% of people playing EGMs in casinos, AGCs, bingo halls and/or pubs/clubs were moderate risk gamblers. Taken together with problem gambling rates, this suggests that around one in eight people who play machines in casinos, AGCs, bingo halls or pubs/clubs experience moderate risk or problem gambling. This may be a conservative estimate when applied to B1 machines, as this category currently includes very low stake machines such as penny pushers (viewed as lower risk, and thus permissible for children to access) to B1 machines (viewed as higher risk and only permitted for adults in casinos with stricter access and supervisory arrangements).

There is no equivalent data directly estimating the proportion of people who play ERT who experience harms. FOBTs or those playing tables games in a casino can be used as their nearest equivalent. This would estimate that between 7.4% and 13.7% of those playing ERTs may be likely to experience problem gambling, with an additional 8.1% to 13.5% experiencing moderate risk gambling.

A primary explanation for these associations is the type of gambling that EGMs and ERTs offer. As Livingstone and Francis cite (2021), EGMs combine high speed of play, continuous play, high event frequency, carefully signalled random reward events (such as near-miss effects) and multiple visual and auditory stimuli – all of which are designed to maximise the amount of time people spend gambling (Schull, 2012). Described as high levels of gambling intensity, time spent gambling and frequency of gambling are highly associated with health and wellbeing harms and problem gambling (Lin et al, 2010; Mazar et al, 2020).

Vulnerability of Emerging Adults to Gambling Harms

Emerging Adults, those aged 18-24, have been identified as being at particular risk for the experience of gambling harms. Forrest and McHale showed that rates of problem gambling increased significantly between the ages of 17 and 21 (Forrest & McHale, 2018), leading them to suggest that extra measures could be warranted to protect emerging adults from harms during this period of increased vulnerability. This became one of the key questions posed by the British government in their review of the 2005 Gambling Act. Furthermore, according to Arnett (2000), who coined the term “emerging adult”, this age group is demographically distinct, with a greater propensity for risk-taking behaviour, including impulsivity, and engaging in sensation-seeking experimentation before settling into adult roles and responsibilities (Arnett, 2000). These are known risk factors for the experience of problem gambling.

Furthermore, recent evidence from a British longitudinal survey of Emerging Adults showed that playing EGMs was associated with elevated problematic gambling severity among continuing gamblers (Wardle & Tipping, 2023). In addition, the same study also estimated that the odds of attempting suicide were 9 times higher among emerging male adults who experienced problem gambling and were 4 times higher among emerging female adults than those with no problematic gambling severity (Wardle & McManus, 2021). A subsequent longitudinal analysis of the same data

demonstrated that any increase in PGSI score over time, irrespective of baseline scores, was associated with greater risk of suicide attempts among young adults. Combined, this analysis shows that not only are emerging adults with problematic gambling at higher risk of suicidality but that any increases in PGSI scores, irrespective of whether someone meets the classification of problem gambling or not, **confers additional risk of suicide attempts** among young adults (Wardle et al, 2023).

The **Local Area Risk Assessment** (LARA) submitted by the applicant acknowledges the high proportion of emerging adults within the local area, specifically highlighting the proximity of 21,000 students from Teesside University, noting that many live within the local area. However, the LARA does not specifically list any mitigating actions to prevent harms among this age group. It does not acknowledge higher risk of harms among this age group or the concurrent risk of suicidality and problematic gambling. This is a major omission.

Concentration of losses among those most harmed

A strong body of evidence shows that revenues from gambling are likely concentrated among a few heavy consumers, and that those experiencing gambling disorder disproportionately contribute the most to industry revenues. This has recently been examined by Wardle et al (2022) among a British sample of regular gamblers. Looking at table games played within a casino (which includes ERTs), they found first that 38.7% of participants playing tables games in a casino had a Problem Gambling Severity Index Score of 3 or more, suggesting that they experienced moderate risk or problem gambling. This same 38.7% of participants accounted for 61.7% of total gross expenditure on casino tables games. Among fruit/slot machines, equivalent estimates were 33.7% with a PGSI score of 3 or more, who accounted for 39.8% of gross expenditure. Whilst these activities do not focus on ERT or B1 machines alone, they do show an over-reliance on those harmed for an excess proportion of revenue for these broad types of activities. This pattern has been observed elsewhere drawing on data from Germany, France and Quebec (Fiedler et al, 2019) and previously in Great Britain, drawing on data from the 2010 British Gambling Prevalence Survey (Orford et al, 2011).

Unequal distribution of harms within communities

Gambling harms are not equally distributed between people or communities. There are certain types of people and certain types of communities which display elevated rates of gambling harms. These were systematically reviewed by Wardle in 2015 (Wardle, 2015) who concluded that there was strong evidence that the following groups were likely to experience elevated rates of gambling harms: those who were younger, those who were unemployed, those who were from Black and Minority Ethnic Groups, those living in deprived areas, those experiencing substance abuse/misuse, those with poorer mental health and those with cognitive impairments. Wardle also identified a “harms paradox” for a number of these group, which shows that some groups are less likely to gamble overall, but much more likely to experience harms if they do. This was evident for those from Black and Minority Ethnic groups, younger people and those with mental health issues. Wardle et al, (2019) have furthered this work demonstrating that the harm paradox also applies to migrant communities and that migrants should also be considered vulnerable to harm. Raybould et al (2020) have recently systematically reviewed these patterns across 59 different studies and concluded that “Harms appear to be dependent on specific social, demographic and environmental conditions that suggests there is a health inequality in gambling related harms”. This included age profile, ethnicity and socio-economic status (measured by employment, education, deprivation etc).

Related to this, rates of problematic gambling will vary across communities who have different characteristics. In 2016, estimates of problem gambling in Leeds found that problem gambling rates were likely to be twice the national average because of its urban population profile (Kenyon et al, 2016). Evidence from the Health Survey for England 2018 shows that problem gambling rates in the most deprived areas of Britain were nine times higher than those in the least deprived areas in Britain (0.9% vs 0.1%).

Similar results have been found by a recent YouGov poll, for GambleAware. This survey of over 18,000 people in Britain has produced local area estimates of gambling harms at a Local Authority level and at individual ward level (though some care should be taken with the latter due to small base sizes) (GambleAware, 2021). The results show that Central Ward, in which the casino would be located, and Newport Ward (immediately adjacent to the proposed casino) are all in the highest quintile for the experience of gambling harms. This means that the people who live here are likely to have higher rates of problematic gambling.

Supervision of high risk gambling formats

The LARA outlines that the opening of these premises will create 40 jobs. However, it also outlines that at any given period a maximum of four members of staff will be present within the venue (excluding security door staff). One will be the receptionist, obliged to monitor the entrance to the premises, and one will be food/drink waiting staff. Therefore only two members of staff will have direct responsibility for monitoring the gaming floor and thus have an ability to conduct staff interactions. This represents a ratio of one member of staff for every 20 machines. The LARA makes reference to their staff interaction policy, which is the primary way staff will identify and intervene with those deemed at risk of harms. Evidence presented above shows that it is likely that as many as one in five customers may be experiencing moderate risk gambling, thus requiring intervention.

In its Licence Conditions and Codes of Practice (para 3.4.1) the Gambling Commission requires staff to identify customers who may be at risk of or experiencing harms associated with gambling, interact with customers who may be at risk of or experiencing harms associated with gambling and understand the impact of the interaction on the customer, and the effectiveness of the Licensee's actions and approach.

These duties require constant vigilance and time to undertake appropriate interactions. This will likely be heightened further in these premise given the availability of alcohol. Given the high prevalence of harms among users of these products we would expect a very high number of interactions to be undertaken and I do query whether the current staff ratio outlined in the LARA is sufficient to effectively fulfil these duties.

Changing gambling access and availability and its relationship with harms

Access to and availability of gambling is a necessary precursor to the experience of harms (Orford, 2019). A critical issue is the extent to which the availability of gambling is related to the level of gambling harms experienced. This is termed the "exposure" or "total consumption" hypothesis – the more a community is exposed to gambling, the more harms are generated. A recent review of twelve studies (including two British studies) has found consistent evidence that **Total Consumption Theory (TCT)** holds true for gambling (Rossow, 2019) whereby higher rates of gambling (the population mean) are correlated with higher rates of excessive gambling. Rossow (2019) concluded

that TCT has clear implications for policy: “*strategies that effectively reduce gambling at the population level will likely also reduce excessive gambling and therefore probably reduce problem gambling and related harms*”. However, she also noted that governments may be unwilling to implement such measures because a large proportion of revenues is derived from problem gamblers.

Whilst TCT has not been explicitly considered in a UK context since the implementation of the Gambling Act 2005, two examples lend support for this theory. First, in 2010, the British Gambling Prevalence Survey (BGPS) recorded increases in gambling participation and increases in problem gambling compared with 2007. This was notable at the time because this was the first survey to be conducted after the full implementation of the Gambling Act 2005, which liberalised gambling laws and provisions. These trends were noted by Wardle et al (2011) though they also stated that further studies would be required to understand the fuller pattern of these trends. This data, however, was not forthcoming as the BGPS series was subsequently cancelled. More recently, the impact of COVID-19 and various national lockdowns has seen overall participation in gambling decline for the year April 2020-March 2021. This was also accompanied by a significant drop in rates of moderate risk and problem gambling (falling from 1.8% in 2019/20 to 1.1% in 2020/2021) (Gambling Commission, 2021b). This shows how restricting the availability of gambling is associated with a reduction in gambling harms, as noted by Kesaite & Wardle (2021).

In a recent review Abbott (2020) examined a second theory relating to the relationship between gambling availability and harms. This is “adaptation” theory. This posits that when new forms of gambling become available, in the short to medium term, there will be an increase in participation and therefore in harms (consistent with the exposure hypothesis), but that over time, these rates will stabilise or revert back to previous estimates as populations adapt. Support for this has been provided by two studies – one based in the USA examining the impact of a casino opening, the other examining changes in gambling behaviours in New Zealand in the 1990s. However, Abbott concludes that “*proponents of adaptation do not reject availability*” rather they propose that the following conditions may apply: (cited from Abbott, 2020):

- During exposure to new forms of gambling, particularly electronic gaming machines (EGMs) and other continuous forms, previously unexposed individuals, population sectors and societies are at high risk for the development of gambling problems.
- Over time, years rather than decades, adaptation (‘host’ immunity and protective environmental changes) typically occurs and problem levels reduce, even in the face of increasing exposure.
- Adaptation can be accelerated by regulatory and public health measures
- While strongly associated with problem development (albeit comparable to some other continuous forms when exposure is held constant) EGMs give rise to more transient problems.

All of these considerations apply to this application.

Finally, a further pertinent consideration is the application for the venue to be operational for 24 hrs a day. Examination of patterns of spend in British casinos on B1 machines in 2014 showed that those who gambled during the night spend significantly higher amounts of money than those gambling during the day or in the early evening. Importantly, emerging evidence suggests that those people who gamble through the night are much more likely to experience problem gambling and that those

who gamble later at night tend to place higher stakes bets.¹ No reference is made to this potential, and this is not noted within the LARA as a specific risk in need of mitigation.

3.2. Enquiries/investigation into facts by the expert

In the summary of evidence above, I have drawn on published research evidence. Where research evidence in Britain is lacking, I have primarily drawn on review data which synthesises evidence across a range of jurisdictions. If similar evidence is available across multiple jurisdictions, then we can have greater confidence in its results and its applicability to Britain, as similar results have been observed across a range of jurisdictions each of whom have differing contexts. Where reviews are not available, I have cited a number of individual studies from different jurisdictions.

I have also cited research which I have previously conducted and published. All self-citations are based on published academic work that has been subject to external peer review.

3.3. Documents

I would refer the committee to these documents:

Health Survey for England: Supplementary tables on gambling: available at:
<https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2018/health-survey-for-england-2018-supplementary-analysis-on-gambling>

GambleAware Maps: Available at: <https://www.begambleaware.org/gambleaware-gb-maps>

Gambling Commission Industry Statistics: Available at:
<https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022>

3.4. Interview or other examination

Not Applicable

3.5 Research

Please see Appendix B for a list of research cited within this report.

4. My opinion

Having carefully considered the location of the proposed venue, the characteristics of its surrounding locality, the nature of the products provided and their relationship with likely gambling harms, my opinion is that the proposed casino in this location would not be reasonably consistent

¹ Wardle H, et al (2014) Patterns of play: analysis of data of machines in bookmakers. Available at: <https://www.begambleaware.org/media/1172/patterns-of-play-analysis-of-data-from-machines-in-bookmakers.pdf>; PWC (2019) Remote gambling research: interim report on phase 2. Available at: https://www.begambleaware.org/media/1549/gamble-aware_remote-gambling-research_phase-2_pwc-report_august-2017-final.pdf

with the promotion of the licensing objective of protecting vulnerable persons from being harmed or exploited by gambling. Opening these premises would introduce a significant additional number of EGMs into the local community at much higher stake and prize limits than those in the neighbouring AGC. EGMs are consistently associated with elevated rates of harm and increasing availability of gambling has a known relationship with the experience of gambling harms. The ERTs, which provide unlimited stake and prize gambling, will greatly exacerbate this effect.

Increased supply of gambling is associated with increases in gambling harms. Whilst over time, the local population may adapt to this increased provision, there will likely be a period of time where harms increase, with attendant personal and social costs, requiring protective public health interventions to prevent the wider escalation of these harms. Furthermore, the types of gambling provisions present at this venue will be associated with a high quantum of losses, which will be disproportionately generated from those most harmed. Finally, there are significant risks for the very high emerging, young, adult population, who are at greatest risk of the onset of gambling harm, at high risk for concurrent suicidality and for whom these issues have not been adequately addressed in the LARA.

Furthermore, in my opinion the precautionary principle should prevail in this case – whereby if there are serious threats to population health “*scientific uncertainty must be resolved in the favour of prevention*” (Goldstein, 2001). In this case, and as argued by Rossow, prevention involves limiting the provision of gambling within a community. These types of prevention activities are sorely needed, as I have previously argued (Wardle, 2019), and are a critical element in reducing gambling harms and improving population health.

5. Statement of compliance

I understand my duty as an expert witness is to the hearing. I have complied with that duty and will continue to comply with it. This report includes all matters relevant to the issues on which my expert evidence is given. I have given details in this report of any matters which might affect the validity of this report. I have addressed this report to the hearing. I further understand that my duty to the hearing overrides any obligation to the party from whom I received instructions.

6. Declaration of Awareness

I confirm that I am aware of the requirements of CPR Part 35 and Practice Direction 35, and the Guidance for the Instruction of Experts in Civil Claims 2014.

7. Statement of truth

I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.

8. Statement of conflicts

I confirm that I have no conflict of interest of any kind, other than any which I have already set out in this report. I do not consider that any interest which I have disclosed affects my suitability to give expert evidence on any issue on which I have given evidence and I will advise the party by whom I am instructed if, between the date of this report and the hearing, there is any change in circumstances which affects this statement.

Signed: 

Date: 03.07.2023

Appendix A: Overview of EGM types available in Great Britain

Category of machine	Maximum stake (from April 2019)	Maximum prize (from Jan 2014)
A	Unlimited – No category A gaming machines are currently permitted	Unlimited – No category A gaming machines are currently permitted
B1	£5	£10,000 [†]
B2	£2	£500
B3A	£2	£500
B3	£2	£500
B4	£2	£400
C	£1	£100
D – non-money prize	30p	£8
D – non-money prize (crane grab machines only)	£1	£50
D – money prize	10p	£5
D – combined money and non-money prize	10p	£8 (of which no more than £5 may be a money prize)
D – combined money and non-money prize (coin pusher or penny falls machines only)	20p	£20 (of which no more than £10 may be a money prize)

References

[†] With option of max £20,000 linked progressive jackpot on premises basis only

Source: Gambling Commission: <https://www.gamblingcommission.gov.uk/guidance/guidance-to-licensing-authorities/appendix-b-summary-of-gaming-machine-categories-and-entitlements>

Appendix B: References

Abbott, M (2020) The changing epidemiology of gambling disorder and gambling-related harm: Public health implications. *Public Health*. 184: 40-45.

Arnett JJ. Emerging adulthood: A theory of development from the late teens through the twenties. *American psychologist*. 2000 May;55(5):469.

Binde, P (2011) *What are the most harmful forms of gambling? Analyzing problem gambling prevalence surveys*. Center for Public Sector Research. Available at: <https://core.ac.uk/reader/16330330>.

Conolly, A., Davies, B, Fuller, L., Heinze, N., Wardle, H. (2018) *Gambling behavior in Great Britain in 2016*. Birmingham: Gambling Commission.

Department of Digital Culture Media and Sport (2018). Press Release. Available at: [Government to cut Fixed Odds Betting Terminals maximum stake from £100 to £2 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-to-cut-fixed-odds-betting-terminals-maximum-stake-from-100-to-2)

Forrest D, McHale I. Gambling and problem gambling among young adults: insights from a longitudinal study of parents and children. 2018. GambleAware. Available at: <https://www.begambleaware.org/sites/default/files/2020-12/gambling-and-problem-gambling-among-young-adults-revision-10818-final-publish-002.pdf>. Accessed 10.02.2022.

Health Survey for England (2020) Supplementary tables: gambling. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2018/health-survey-for-england-2018-supplementary-analysis-on-gambling>

GambleAware (2021) GB Maps. Available at: Available at: <https://www.begambleaware.org/gambleaware-gb-maps>

Gambling Commission (2021) Industry Statistics. Available at: <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-November-2022>

Gambling Commission (2021b) *Statistics on participation and problem gambling for the year to June 2021*. Available at: <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/year-to-March-2021>

Gambling Commission (2019) Customer interaction – formal guidance for premises based operators. Available at: <https://assets.ctfassets.net/j16ev64qyf6l/4ae78UgfVJADGplhwuPC56/b38fcc3699189658ab8b19da18627718/Customer-Interaction-Formal-Guidance-Non-Remote-July-2019.pdf>

Goldstein, B (2001) The Precautionary Principle Also Applies to Public Health Actions. *American Journal of Public Health*.91(9): 1358-1361.

Gooding, N. B., & Williams, R. J. (2023). Are There Riskier Types of Gambling?. *Journal of gambling studies*, 10.1007/s10899-023-10231-0. Advance online publication. <https://doi.org/10.1007/s10899-023-10231-0>

Kenyon, A., Omerod, N., Parsons, D., Wardle, H. (2017) *Problem Gambling in Leeds*. Leeds: Leeds Beckett University.

Lin et al (2010) Time and money spent gambling and the relationship with quality-of-life measures: A national study of New Zealanders. *Journal of Gambling Issues*. 33-53.

Livingstone, C., Francis, L (2021) *Impacts of gambling products in the UK: do different products produce different impacts, and levels of harm? A review*. Royal Society for Public Health. Pre publication – copy provided.

Mazar et al (2020) Gambling formats, involvement, and problem gambling: which types of gambling are more risky? *BMC Public Health*, 20, 711.

Orford, J (2018) *The Gambling Establishment: Challenging the Power of the Modern Gambling Industry and its Allies*. London: Routledge.

Raybould et al (2020) Is there a health inequality in gambling related harms? A systematic review. *BMC Public Health* 21(1): 305.

Rossow, I. (2019) The total consumption model applied to gambling: Empirical validity and implications for gambling policy. *Nordic Studies on Alcohol and Drugs*. 36 (2).

Schüll N. (2012). *Addiction by design: Machine gambling in Las Vegas*. New Jersey: Princeton University Press

Wardle, H., Griffiths, MD., Orford, J., Moody, A., Volberg, R (2011). Gambling in Britain: a time of change? *International Journal of Mental Health and Addiction*.doi:10.1007/s11469-011-9319-4.

Wardle, H. (2015) *Exploring area-based vulnerability to gambling-related harm: Who is vulnerable? Findings from a quick scoping review*. London: Westminster City Council.

Wardle, H., Bramely, S., Norrie, C., Manthorpe, J. (2019) What do we know about gambling-related harm affecting migrants and migrant communities. *Addictive Behaviours*. 93: 180:193.

Wardle, H., Reith, G., Langham, E., Rogers, RD. (2019) Gambling and public health: we need policy action to prevent harms. *BMJ*. 365:l1807.

Wardle H, Kolesnikov A, Fiedler I, Critchlow N, Hunt K (2022) Is the economic model of gambling dependent on problem gambling? Evidence from an online survey of regular sports bettors in Britain, *International Gambling Studies*, DOI: 10.1080/14459795.2022.2088823

Wardle H, Kesaite V, Tipping S, McManus S (2023). Changes in severity of problem gambling and subsequent suicide attempts: a longitudinal survey of young adults in Great Britain, 2018–20. *Lancet Public Health*. In press.

Wardle H, Tipping S. (2023) The relationship between problematic gambling severity and engagement with gambling products: Longitudinal analysis of the Emerging Adults Gambling Survey. *Addiction*. <https://doi.org/10.1111/add.16125>

Williams, R et al (2021) Predictors of gambling and problem gambling in Canada. *Canadian Journal of Public Health*. 112(3):521-529.

Appendix C: Glossary

Electronic gaming machines: this is the term used to describe automated gambling devices that have a screen displaying symbols on simulated reels. Cash is inserted into the machine and buttons are used to place bets. In Britain, they are commonly described as fruit machines or slot machines. There are different types of these machines available in Britain – see Appendix A.

Electronic Roulette Terminals: These are terminals on which players can play bets on live casino games, where these games are being played elsewhere. The definition of these machines is given by the Gambling Commission as automated casino equipment, which when housed within a casino are excluded from the definition of a gaming machine. There are two types of these terminals – one which plays live gaming (i.e., where a person somewhere is spinning the roulette wheel) and fully automated versions which operate without human intervention. According to the Gambling Commission, this latter category would be considered a gaming machine if housed in any other premise other than a casino. The definitions given by the Gambling Commission are stated below:

Automated roulette (copied from Gambling Commission definitions)

16.27 There are two types of automated casino equipment that are excluded from the definition of a gaming machine in the Act. The first type is those linked to a live game of chance, for example, roulette. These enable the player to gamble on a live game as it happens, without actually being seated at the table, sometimes referred to as ‘electronic roulette’. These are not regulated as gaming machines but as live gaming and there is no limit on the number of items of such equipment.

16.28 The second type is a machine that plays a live game but is fully automated, that is, it operates without any human intervention. For example, a roulette wheel that is electrically or mechanically operated with an air blower to propel the ball around the wheel. Again, these are not regulated as gaming machines, although casinos are bound by controls on the specification and number of player positions using such equipment. This is only the case where the machine is operated in accordance with a casino operating licence – if operated outside of a casino, the exclusion does not apply and it would be considered a gaming machine. The Act requires that equipment used to play a game of chance, for example, cards, dice and roulette wheels is ‘real’ and not ‘virtual’ if it is not to be classed as a gaming machine. Additionally the game outcome must not be determined by computer as this would normally be considered virtual.

Area deprivation: Deprivation used here refers area deprivation as measured by the Index of Multiple Deprivation in England. The English Indices of Deprivation measure relative levels of deprivation in 32,844 small areas or neighbourhoods, called Lower-layer Super Output Areas, in England. It includes a range of different living conditions, including health, income, employment, crime, living environment, housing, education. It is a relative measure of deprivation, describing deprivation where people are lacking in any type of resources.

Lower-layer Super Output Areas: Are small areas or neighbourhoods in England. They have an average population of 1500 people or 650 households.

Structural characteristics: structural characteristics are the design features of gambling products (e.g., stake size, jackpot size, illusion of control features, near miss opportunities) that can influence the way gamblers play.

Gambling harms: Gambling harms are the adverse impacts from gambling on the health and wellbeing of individuals, families, communities and society

Problem gambling: This is defined as gambling that disrupts or damages personal, family or recreational pursuits. It is typically measured using a screening instrument. In Britain the most commonly used instrument is the Problem Gambling Severity Index.

Moderate risk gambling: This is a category of gambling identified by the Problem Gambling Severity Index. It is defined as gamblers who experience a moderate level of problems leading to some negative consequences from gambling.

Licensed Betting Offices: a premises not on a racecourse where bets can be placed on horses, teams, and other competitors. Commonly called a Bookmakers or bookies in Britain.

Total consumption theory: A theory used in alcohol policy which posits that changes in the overall consumption of alcoholic beverages have a bearing on the health of the people in any society. Applied to gambling, this argues that changes in the total consumption of gambling will have a bearing on the health of people in any society.

Appendix D: Full CV for Professor Heather Wardle BA (Hons), MA, PostCert, PhD

Research and leadership: I have 20 years' experience of leading social research projects on health and wellbeing for a variety of institutions/organisations. I led NatCen Social Research's gambling research programme, supervising a team of c.10 researchers on a range of projects. At Glasgow, I lead our Gambling Research Glasgow consortium, with nine team members (including four Research Associates and one PhD student) working across eight projects, with a combined value of £1.5million.

Expertise: I am an expert in the design, implementation and analysis of large-scale national surveys and am also skilled in qualitative methods and spatial analysis. My substantive expertise is in gambling research and policy, having worked in this field for 15 years.

Research grant income: In the last 10 years, I have been awarded over 30 research grants, the majority as Principal Investigator, with an income totalling over £4 million. Awarding institutes include National Institute of Health Research, Wellcome Trust, The Department of Health (via the Public Health Research Consortium), the Economic and Social Research Council and the Gambling Commission.

Publications: I have over 100 publications, of which 32 are peer-reviewed research reports, 41 are peer-reviewed articles published in academic journals and three book chapters. My H-Index is 26. My first book, *Games without Frontiers? socio-historical perspectives at the gaming/gambling intersection* was published in 2021.

Knowledge Exchange and Impact: My work has produced national statistics on gambling behaviour in Britain. These reports have been cited over 600 times and have underpinned policy decisions (e.g., by showing elevated rates of problem gambling rates among users of fixed odd betting terminals). My work on gambling machines highlighted how industry data could be used to detect harmful gambling. This underpins gambling harm prevention efforts. My work on producing gambling-related harms risk map showed, for the first time, areas in Britain where people may be more vulnerable to gambling harms. This risk maps have been adopted by several local councils and underpin their gambling policies statements. The work was incorporated into the Local Government Association and Public Health England's joint policy "A whole council approach towards tackling gambling harms" and adopted by Public Health Wales, as highlighted in the Welsh Chief Medical Officer's annual report. In 2021, I have led a three-part documentary for the BBC World Service, called *Gambling: a sure bet?* (aired April/May 2021)

Esteem:

Policy: Co-Chair of the Lancet Public Health Commission on Gambling (2021-2023); Panel member on WHO group for gambling (2020-present). Deputy Chair, Advisory Board on Safer Gambling (2015 to 2020): Provides independent advice to government on gambling policy. Invited expert witness to the House of Lord's Select Committee inquiry into the social and economic impacts of the Gambling industry (2019); the CMS Select Committee hearing into the Gambling Act 2005 (2012); Invited speaker to All Party Parliamentary Groups on Suicide; Gaming and Betting; Gambling-related harms and to the Northern Irish All Party Group on gambling.

Keynote lectures: Current Advances in Gambling Research (2022); 4th Safer Gambling Conference, Cyprus (2021); Alberta Gambling Research Institute Conference (Banff, Canada) (2019); GambleAware Annual Conference (London) (2017).

Editorial posts: Co-editor, special edition, of Public Health on gambling studies (2019/2020); Editorial Board Member for Harvard's Brief Addiction Science Information Source (BASIS) (2017 onwards); Invited conference session producer on gambling and gaming at the Children's Media Conference (Sheffield, 2019).

Leadership: Member of Wellcome's Humanities and Social Sciences Leadership Scheme, one of 12 fellows chosen for enhanced training in impact and leadership.

Employment:

Current Post Professor of Gambling Research and Policy, University of Glasgow

Email Address heather.wardle@glasgow.ac.uk

Post held since July 2020

Previous Posts:

Institution	Position Held	Dates
University of Glasgow	Adam Smith Lord Kelvin Reader	July 2020 – Jul 2023
London School of Hygiene and Tropical Medicine	Assistant Professor	July 2017 – Jul 2020
Heather Wardle Research Ltd	Director	Feb 15 – current
Gambling & Place Research Hub, Geofutures	Head	Feb 15 - current
NatCen Social Research, Health & Wellbeing team	Research Director	Dec 07 – Feb 15
Harvard Medical School, Division on Addictions	Visiting Researcher	Mar 10 - Aug 10
NatCen Social Research, Health & Wellbeing team	Senior Researcher	Jul 05 – Dec 07
NatCen Social Research, Health & Wellbeing team	Researcher	Dec 02 – Jun 05
House of Commons Members	Senior Clerk	Sept 02 – Dec 02
Royal Holloway, University of London	Archives Assistant	Aug 01 – Aug 02

Educational Qualifications:

Degree Type	Degree Class	Subject	University	Year
PhD*	N/A	Sociology	University of Glasgow	2015
PGCERT	N/A	Social Sciences	Open University	2003
MA	N/A	Social and Religious History	University of Warwick	2001
BA	2:1	History (Hons)	University of Durham	2000

*ESRC funded studentship

Publications:

Peer-reviewed journal articles

1. **Wardle** H, Tipping S. (2023) The relationship between problematic gambling severity and engagement with gambling products: Longitudinal analysis of the Emerging Adults Gambling Survey. *Addiction*. <https://doi.org/10.1111/add.16125>
2. McGrane E, **Wardle** H, Clowes M, Blank L, Pryce R, Field M, Sharpe C, Goyder E. (2023). What is the evidence that advertising policies could have an impact on gambling-related harms? A systematic umbrella review of the literature. *Public health*, 215, 124–130. <https://doi.org/10.1016/j.puhe.2022.11.019>
3. **Wardle** H, Kesaite V, Tipping S, McManus S (2023). Changes in severity of problem gambling and subsequent suicide attempts: a longitudinal survey of young adults in Great Britain, 2018–20. *Lancet Public Health*.
4. Biggar B, Zendle D, **Wardle** H (2023) Targeting the next generation of gamblers? Gambling sponsorship of Esports Teams. *Journal of Public Health*.
5. **Wardle**, H., Critchlow, N., Brown, A., Donnachie, C., Kolesnikov, A., & Hunt, K. (2022). The association between gambling marketing and unplanned gambling spend: Synthesised findings from two online cross-sectional surveys. *Addictive behaviors*, 135, 107440. <https://doi.org/10.1016/j.addbeh.2022.107440>
6. Forward C, Norrie C, Bramley S, **Wardle** H, Stewart G, Nyanda S, Parker J, Shearer J, Finch E, Manthorpe J. (2022) Assessing potential brief screening questions for use within different social care-related contexts to identify individuals experiencing gambling-related harms: A scoping review. *Health and Social Care in the Community*. <https://doi.org/10.1111/hsc.13976>
7. Critchlow, N., Hunt, K., **Wardle**, H., & Stead, M. (2022). Expenditure on Paid-for Gambling Advertising During the National COVID-19 'Lockdowns': An Observational Study of Media Monitoring Data from the United Kingdom. *Journal of gambling studies*, 1–15. Advance online publication.
8. **Wardle** H, Kolesnikov A, Fiedler I, Critchlow N, Hunt K (2022) Is the economic model of gambling dependent on problem gambling? Evidence from an online survey of regular sports bettors in Britain, *International Gambling Studies*, DOI: 10.1080/14459795.2022.2088823
9. Sichali JM, Dube A, Kachiwanda L, **Wardle** H, Crampin A. (2021) Case Report: A gambling-related suicide in rural Malawi [version 1; peer review: 2 approved]. *Wellcome Open Res* 2021, 6:308.
10. **Wardle** H, Reith G, Dobbie F, Rintoul A, Shiffman J (2021) Regulatory Resistance? Narratives and Uses of Evidence around “Black Market” Provision of Gambling during the British Gambling Act Review. *International Journal of Environmental Research and Public Health*. 18(21), 11566.
11. **Wardle**, H., McManus S. (2021) Suicidality and gambling among young adults in Great Britain: results from a cross-sectional online survey. *Lancet Public Health*, 6(1) E39-E49.
12. **Wardle**, H., et al (2021) The impact of the initial Covid-19 lockdown upon regular sports bettors in Britain: Findings from a cross-sectional online study. *Addictive Behaviors*. 118: DOI: 106876.
13. **Wardle**, H., Zendle, D. (2020) Loot Boxes, Gambling, and Problem Gambling Among Young People: Results from a Cross-Sectional Online Survey. *Cyberpsychology, social networking and behaviour*. Ahead of print. <http://doi.org/10.1089/cyber.2020.0299>.
14. **Wardle** H, Petrovskaya E, Zendle D (2020) Defining the esports bettor: evidence from an online panel survey of emerging adults, *International Gambling Studies*, 20:3, 487-499, DOI: 10.1080/14459795.2020.1826559

15. **Wardle, H., John, A., Dymond, S., McManus, S. (2020)** Problem gambling and Suicidality in England: secondary analysis of a representative cross sectional survey. *Public Health*. <https://doi.org/10.1016/j.puhe.2020.03.024>.
16. **Wardle, H. (2020)** The Emerging Adults Gambling Survey: study protocol [version 1; peer review: 2 approved]. *Wellcome Open Res*, 5:102
17. Hunt K, Critchlow N, Brown A, Bunn C, Dobbie F, Donnachie C, Gray CM, Purves R, Reith G, Stead M, Mitchell D, **Wardle H. (2020)** Protocol for a Mixed-Method Investigation of the Impact of the COVID-19 Pandemic and Gambling Practices, Experiences and Marketing in the UK: The “Betting and Gaming COVID-19 Impact Study” *International Journal of Environmental Research and Public Health*. 17(22):8449.
18. **Wardle, H., Reith, G., Langham, E., Rogers, RD. (2019)** Gambling and public health: we need policy action to prevent harms. *BMJ*. 365:l1807.
19. **Wardle, H. (2019)** The same or different? Convergence of skin gambling and other gambling among children. *Journal of Gambling Studies*, <https://doi.org/10.1007/s10899-019-09840-5>.
20. **Wardle, H., Bramely, S., Norrie, C., Manthorpe, J. (2019)** What do we know about gambling-related harm affecting migrants and migrant communities. *Addictive Behaviours*. 93: 180:193.
21. **Wardle, H (2018)** Perceptions, people and place: findings from a qualitative review of research on youth gambling. *Addictive Behaviours*. 90:99-106.
22. **Wardle, H. (2018)** Learning lessons: the need for effective evaluation of regulatory change. *International Journal of Drug Policy*, 53: 124-125.
23. **Wardle, H., Astbury, G., Thurstain-Goodwin, M (2017)**. Mapping risk to gambling problems: a spatial analysis of two regions in Britain. *Addiction Research Theory*. DOI: 10.1080/16066359.2017.1318127.
24. Graham, H., Hutchinson, J., Law, C., Platt, L., **Wardle H. (2016)** Multiple health behaviours among mothers and partners: clustering, social patterning and intra-couple concordance. *Social Science and Medicine Population Health*. 2: 824-833.
25. McAloney, K., Graham, H., Law, C., Platt, L., **Wardle H. (2014)**. Inter-generational concordance of smoking status between mothers and young people aged 10-15 in the UK. *Public Health*. 128(9): 831-833.
26. Francis, K.L., Dowling, N.A., Jackson, A.C., Christensen, D.R., **Wardle, H. (2014)** Gambling motives: application of the reasons for gambling questionnaire in an Australian population survey. *Journal of Gambling Studies* DOI 10.1007/s10899-014-9458-1.
27. Barnard M., Kerr J., Kinsella R., Orford., J., Reith G., **Wardle, H. (2014)**. Exploring the relationship between gambling, debt and financial management in Britain. *International Gambling Studies*, 14(1).
28. **Wardle, H., Keily, R., Astbury, G., Reith, G. (2014)** Risky places?: mapping gambling machine density and socio-economic deprivation. *Journal of Gambling Studies*, 30 (1): 201-212.
29. Blanco, C., Blaszczyński, A., Clement, R., Derevensky, J., Goudriaan, A E., Hodgins, D., van Holst, R.J., Ibanez, A., Martins, S., Moersen, C., Molinaro, S., Parke, A., Peren, F.W., Petry, N., **Wardle, H. (2013)**: Assessment Tool to Measure and Evaluate the Risk Potential of Gambling Products – ASTERIG. *The Journal of Gambling Business and Economics* (7):1.
30. McAloney, K., Graham, H., Law, C., Platt, L., **Wardle, H., Hall, J. (2013)**. Fruit and vegetable consumption and sports participation among UK youth. *International Journal of Public Health*, 59(1):117-121.
31. Orford, J., **Wardle, H., Griffiths, M, (2013)** What proportion of gambling is problem gambling? Estimates from the British Gambling Prevalence Survey. *International Gambling Studies*,13(1): 4-18.

32. Planzer, S., **Wardle, H.** (2012) What we know about the impact of advertising on disordered gambling. *European Journal of Risk Regulation*, 4:488.
33. Planzer, S., **Wardle, H.** (2012) What we know about the comparative effectiveness of Gambling Regulation. *European Journal of Risk Regulation*, 3:410.
34. Sims, M., Mindell, J., Jarvis, M., Feverabend, C., **Wardle, H.**, Gilmore, A. (2011) Did smokefree legislation in England reduce exposure to secondhand smoke among nonsmoking adults? Cotinine analysis from the Health Survey for England. *Environmental Health Perspectives*, 120(3):425-30.
35. **Wardle, H.**, Moody, A., Griffiths, M., Orford, J., Volberg, R. (2011). Defining the online gambler and patterns of behaviour integration: Evidence from the British Gambling Prevalence Survey. *International Gambling Studies*; 11:336-359.
36. Forrest, D., **Wardle, H.** (2011) Gambling in Asian communities in Great Britain *Asian Journal of Gambling Studies*; 2(1):2-16.
37. **Wardle, H.**, Griffiths, MD., Orford, J., Moody, A., Volberg, R (2011). Gambling in Britain: a time of change? *International Journal of Mental Health and Addiction*.doi:10.1007/s11469-011-9319-4.
38. Orford, J., **Wardle, H.**, Griffiths, M.D., Sproston, K., Erens, B. (2010). The role of social factors in gambling: Evidence from the 2007 British Gambling Prevalence Survey. *Community, Work and Family*. [13](#) (3);257-271.
39. Griffiths, M.D., **Wardle, H.**, Orford, J., Sproston, K., Erens, B. (2010).Gambling, alcohol consumption, cigarette smoking and health: findings from the 2007 British Gambling Prevalence Survey. *Addiction Research and Theory* 18 (2) 208-223.
40. Orford, J., **Wardle, H.**, Griffiths, M.D., Sposton, K., Erens, B. (2010). PGSI and DSM-IV in the 2007 British Gambling Prevalence Survey: Reliability, item response, factor structure and inter-scale agreement. *International Gambling Studies* 10 (1) 31-4.
41. Griffiths, M.D., **Wardle, H.**, Orford, J., Sproston, K., Erens, B. (2009). Internet gambling, health. smoking and alcohol use: Findings from the 2007 British Gambling Prevalence Survey. *International Journal of Mental Health and Addiction*
42. Griffiths, M.D., **Wardle, H.**, Orford, J., Sproston, K., Erens, B. (2009). Socio-demographic correlates of internet gambling: findings from the 2007 British Gambling Prevalence Survey. *CyberPsychology and Behavior*, 12, 199-202.
43. Orford, J., Griffiths, M.D., **Wardle, H.**, Sproston, K., Erens, B. (2009). Negative public attitudes towards gambling: findings from the 2006/07 British Gambling Prevalence Survey using a new attitude scale. *International Gambling Studies*, 9, 39-54.
44. Roth, M.A., Aitsi-Selmi, A., **Wardle, H.**, Mindell, J. (2009) Under-reporting of tobacco use among Bangladeshi women in England. *Journal of Public Health*. 10.1093/pubmed/fdp060.
45. Zaninotto, P., Head, J., Stamatakis, E., **Wardle, H.**, Mindell, J. (2008) Trends in obesity among adults from 1993 to 2004 by age and social class and projections of prevalence to 2012. *Journal of Epidemiology and Community Health* 2008; 62 (1-7).

Peer reviewed research reports

46. **Wardle, H.**, Dymond, S., John, A., McManus, S. (2019) *Problem gambling, suicidal thoughts, suicidal attempts and non-suicidal self-harm. Evidence from the Adult Psychiatric Morbidity Survey 2007*. GambleAware: London.
47. John, A., Lee, S.C., **Wardle H.**, McManus, S., Dymond, S. (2019) Exploring problem gambling, loneliness and lifetime suicidal behaviours: a cross-sectional study using the Adult Psychiatric Morbidity Survey 2007. GambleAware: London.
48. John, A., **Wardle, H.**, McManus, S., Dymond, S. (2019) *Scoping Current Evidence and Evidence-Gaps in Research on Gambling-Related Suicide*. GambleAware: London.

49. Rogers, R.D., **Wardle**, H., Sharp, C., Dymond, S., Davies, T.J., Hughes, K., Astbury, G., (2019). *Framing a public health approach to gambling harms in Wales: Challenges and opportunities*. Bangor University: Bangor.
50. Robert D. Rogers, **Wardle**, H., Sharp, C., Wood, S., Hughes, K., Davies, T., Dymond, S., Bellis, M. (2019) *Gambling as a public health issue in Wales*. Public Health Wales: Bangor.
51. Graham, H. M., **Wardle**, H., Law, C., Platt, L. & Philo, D. (2019). *Health behaviour and health behaviour change among adults in England*. Public Health Research Consortium: University of York.
52. Conolly, A., Davies, B, Fuller, L., Heinze, N., **Wardle**, H. (2018) *Gambling behavior in Great Britain in 2016*. Birmingham: Gambling Commission.
53. Conolly, A., Fuller, L., Jones, H., Maplethorpe, N., Sondaal, A., **Wardle**, H. (2017) *Gambling behavior in Great Britain in 2015*. Birmingham: Gambling Commission.
54. Kenyon, A., Omerod, N., Parsons, D., **Wardle**, H. (2017) *Problem Gambling in Leeds*. Leeds: Leeds Beckett University.
55. **Wardle**, H. Fuller, E., Maplethorpe, N., Jones, H. (2017) *Follow-up study of loyalty card customers: gambling behaviour over time*. London: GambleAware.
56. Forrest, D., McHale, I., **Wardle**, H. (2016) *Examining the impact of the uplift of stakes and prizes on B1 gambling machines in casinos*. London: Responsible Gambling Trust.
57. **Wardle**, H., Welch, G., Bollen, A., Kennedy, J., Gariban, S. (2016) *Problem gambling in licensed bingo premises*. London: Responsible Gambling Trust.
58. **Wardle**, H. (2016) *People who play machines in bookmakers: secondary analysis of the loyalty card survey data*. London: Responsible Gambling Trust.
59. Astbury, G., Wardle, H. (2016) *Examining the effect of proximity and concentration of B2 machines on gambling play*. London: Responsible Gambling Trust.
60. **Wardle**, H, Astbury, G, Thurstain-Goodwin, M, Parker, S. (2016) *Exploring area based vulnerability to gambling-related harm: developing the gambling-related harm risk index*. London: Westminster City Council
61. Salis, S., **Wardle**, H., Morris, S., Excell, E., (2015) *ABB code for responsible gambling and player protection: evaluation of early impact among machine gamblers*. London: Responsible Gambling Trust.
62. Bridges, S., **Wardle**, H., Husain, F. (2015) *Developing a logic model for the ABB code for responsible gambling and player protection*. London: Responsible Gambling Trust.
63. **Wardle**, H. (2015) *Exploring area-based vulnerability to gambling-related harm: Who is vulnerable? Findings from a quick scoping review*. London: Westminster City Council.
64. **Wardle**, H., Parke, J., Excell, D., (2014) *Report 1: Theoretical markers of harm for machines in bookmakers: a rapid scoping review*. London: Responsible Gambling Trust.
65. **Wardle**, H., Excell, D., Ireland, E., Iliac, N., Sharman, S., (2014) *Report 2: Identifying problem gambling: findings from a survey of loyalty card customers*. London: Responsible Gambling Trust.
66. Excell, D., Bobashev, G., **Wardle**, H., Gonzalez-Ordenez, D., Whitehead, T., Morris, R., Ruddle, P. (2014). *Report 3: Predicting Problem Gambling: Analysis of industry data*. London: Responsible Gambling Trust.
67. **Wardle**, H., Philo, D. (2014) *Changes in machine gambling behaviour. Headline findings from a follow-up study of participants to the Health Survey for England 2012, Scottish Health Survey 2012 and the British Gambling Prevalence Survey 2010*. London: Responsible Gambling Trust.
68. **Wardle**, H., Ireland, E., Sharman, S., Excell, D., Gonzalez-Ordenez, D. (2014) *Patterns of play: analysis of data from machines in bookmakers*. London: Responsible Gambling Trust.
69. Collins, D., Green, S., d'Ardenne, S., **Wardle**, H., (2014) *Understanding of Return to Player messages: Findings from user testing*. Responsible Gambling Trust: London.

70. **Wardle, H.**, Seabury, C., Ahmed, H., Payne, C., Byron, C., Corbett, J., Sutton, R. (2014) *Gambling behaviour in England and Scotland*. Gambling Commission: Birmingham.
71. **Wardle, H.**, Seabury, C., Ahmed, H., Coshall, C. (2013) *Scoping the use of industry-held data on category B gaming machines*. Responsible Gambling Trust: London.
72. Husain, F., **Wardle, H.**, Kenny, T., Balarajan, M., Collins, D. (2013) *Examining machine player behaviour: a qualitative exploration*. Responsible Gambling Trust: London.
73. **Wardle, H.**, Sutton, R., Philo, D., Hussey, D., Nass, L. (2013) *Examining machine gambling in the British Gambling Prevalence Survey*. Gambling Commission: Birmingham.
74. **Wardle, H.**, Moody, A., Spence, S., Orford, J., Volberg, R., Griffiths, M., Jotangia, D., Hussey, D., Dobbie, F. (2011) *British Gambling Prevalence Survey 2010*. Gambling Commission: Birmingham.
75. **Wardle H.**, Pickup D, Lee L, Hall J, Pickering K, Moodie C, Mackintosh A (2010). *Evaluating the impact of picture health warnings on cigarette packets*. Public Health Research Consortium: York.
76. **Wardle, H.**, Sproston, K., Orford, J., Erens, B., Griffiths, M., Constantine, R., Piggot, S. (2007) *British Gambling Prevalence Survey 2007*. Gambling Commission: Birmingham.
77. Zaninotto, P., **Wardle, H.**, Stamatakis, E., Mindell, J., Head, J. (2006), *Forecasting obesity to 2010* Department of Health. Available at: http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsStatistics/PublicationsStatisticsArticle/fs/en?CONTENT_ID=4138630&chk=XVZ/60.

Non-peer reviewed research reports

78. LOOT BOX REVIEW
79. HARMS REPORT
80. Ashford R, Bates B, Bergli C, Purdon S, Bryson C, **Wardle H.** (2022) Gambling participation and the prevalence of problem gambling survey: Pilot stage Methodology review report. Gambling Commission: Birmingham.
81. **Wardle, H.**, Reith, G., Best, D., McDaid, D., Platt, S. (2018) *Measuring gambling-related harms: a framework for action*. Gambling Commission: Birmingham
82. Bridges, S., Fuller, E., Ahmed, H., **Wardle, H.** (2014) *Fairness and the GMC: Doctors' views of the General Medical Council*. General Medical Council: London
83. Seabury, C., **Wardle, H.** (2014) *Gambling in England and Scotland: Headline findings*. Gambling Commission: Birmingham.
84. **Wardle, H.** (2013) 'Gambling behaviour' in Rutherford, L., Hinchliffe, S., Sharpe, C. (eds) *Scottish Health Survey 2012*. Scottish Government: Edinburgh.
85. **Wardle, H.**, Seabury, C. (2013) 'Gambling behaviour' in Craig, R., Mindell, J. (eds) *Health Survey for England 2012*. Information Centre for Health and Social Care: Leeds.
86. Parke, J., **Wardle, H.**, Parke, A., Rigbye, J. (2013) *Exploring social gaming: scoping, classification and evidence*. Gambling Commission: Birmingham.
87. Gray, M., **Wardle, H.** (2013) *Observing gambling behaviour using video technology and think aloud techniques. A methodological review*. NatCen Social Research: London.
88. **Wardle, H.** (2010) 'Smoking, drinking and drug use' in Fuller L, Sanchez M (eds). *Smoking Drinking and Drug Use 2010*. Information Centre for Health and Social Care: Leeds.
89. **Wardle, H.** (2010) 'Adult cigarette smoking' in Craig, R., Hirani, V. (eds) *Health Survey for England 2009*. Information Centre for Health and Social Care: Leeds.
90. **Wardle, H.** (2009) 'Adult cigarette smoking' in Craig, R., Mindell, J., Hirani, V. (eds) *Health Survey for England 2008*. The Information Centre for Health and Social Care: Leeds.

91. **Wardle, H., Dobbie, F., Kerr, J., Reith, G. (2009).** *Questionnaire development for a longitudinal study of gamblers: phase 1.* Gambling Commission: Birmingham.
92. **Wardle, H., D'Souza, J., Farrell, M. (2009)** 'Gambling Behaviour' in McManus, S., Meltzer, H., Brugha, T., Bebbington, P., Jenkins, R. (eds). *Adult Psychiatric Morbidity in England.* Information Centre for Health and Social Care: Leeds.
93. Griffiths, M., **Wardle, H., Orford, J., Sproston, K., Erens, B. (2008)** *Internet gambling: a secondary analysis of findings from the 2007 British Gambling Prevalence Survey.* Gambling Commission: Birmingham.
94. Scholes, S., **Wardle, H., Griffiths, M., Orford, J., Sproston, K., Erens, B. (2008)** *Understanding Non-response to the British Gambling Prevalence Survey,* Gambling Commission: Birmingham.
95. **Wardle, H., Mindell, J. (2008)** 'Adult Cigarette Smoking' in Craig, R., Mindell, J. (eds.) *Health Survey for England 2007,* The Information Centre for Health and Social Care: Leeds.
96. **Wardle, H. (2007)** 'Cigarette Smoking' in Craig, R., Mindell, J. (eds.) *Health Survey for England 2006,* The Information Centre for Health and Social Care: Leeds.
97. **Wardle, H. (2006)** 'Chapter 5: Overview' in Craig, R., Mindell, J. (eds.) *Health Survey for England 2005: Mental Health and Wellbeing: The health of older people.* The Information Centre for Health and Social Care: Leeds.
98. **Wardle, H. (2006)** 'Chapter 4: Self reported health state (EQ-5D)' in Craig, R., Mindell, J. (eds.) *Health Survey for England 2005: Mental Health and Wellbeing: The health of older people.* The Information Centre for Health and Social Care: Leeds.
99. **Wardle, H. (2006)** 'Chapter 4: Use of Tobacco Products' in Mindell, J., Sproston, K., (eds) *Health Survey for England 2004: The health of minority ethnic groups.* NatCen: London.
100. MacGregor, A., **Wardle, H. (2005)** 'Chapter 2: Smoking' in Bromley, C., Sproston, K., Shelton, N. (eds) *The Scottish Health Survey. Volume 2: Adults.* Scottish Executive: Edinburgh.
101. Speight, S., **Wardle, H., Bromley, C. (2005)** 'Chapter 3: Fruit and Vegetable consumption and Eating Habits' in Bromley, C., Sproston, K., Shelton, N. (eds) *The Scottish Health Survey. Volume 2: Adults* Scottish Executive: Edinburgh.
102. **Wardle, H. (2005)** 'Smoking' in Bromley, C., Sproston, K., Shelton, N. (eds) *The Scottish Health Survey.* Scottish Executive: Edinburgh.
103. **Wardle, H. (ed)** *Obesity among children under 11 Department of Health, 2005* <http://www.dh.gov.uk/PublicationsAndStatistics/Publications/fs/en>.
104. **Wardle, H. (2004)** 'Cigarette Smoking' in Primatesta, P., Sproston, K. (eds) *Health Survey for England 2003: risk factors for cardiovascular disease.* The Stationery Office: London.
105. Hedges, B., **Wardle, H. (2003)** 'Chapter 2: Cigarette smoking' in Primatesta, P., Sproston, K. (eds) *Health Survey for England 2002: the health of children and young people. Volume 1.* The Stationery Office: London.

Books

106. **Wardle, H. (2021)** Games without Frontiers? Socio-Historical Perspectives on the Gaming/Gambling intersection. Palgrave MacMillen. In press.

Book chapters

107. Biggar B, Ukhova D, Kesaitė V, Wardle H. WOMEN'S SPORTS
108. Wardle H, Laidler F. WOMEN GAMBLING

109. Reith G, Wardle H. The Framing of Gambling and the Commercial Determinants of Harm: Challenges for Regulation in the UK in Nikkenen et al (eds) *The Global Gaming Industry*. Springer.
110. **Wardle**, H (2017) 'The 'Re-feminisation' of gambling: social, cultural and historical insights into female gambling behaviour in Great Britain' in Bowden Jones, H & Prever, F (eds). *Gambling Disorders in Women: an international female perspective on treatment and research*. Routledge: Oxford.
111. **Wardle**, H. (2014) 'Chapter 1: Gambling Behaviour in Britain' in Bowden Jones, H & Sanju G (eds). *Clinicians guide to working with problem gambling*. Routledge. London.

Comments/editorials

112. Kesaite V, **Wardle** H. (2022) Changes in gambling harms show need to consider the relationship between harms and availability. *Lancet Regional Health – Europe*. <http://doi.org/10.1016/j.lanepe.2021.100288>
113. **Wardle**, H., Degenhardt, L., Ceschia, A., Saxena, S (2021) The Lancet Public Health Commission on gambling. *Lancet Public Health* 6 (1): E2-E3.
114. **Wardle** et al. (2020) Open letter from UK based academic scientists to the secretaries of state for digital, culture, media and sport and for health and social care regarding the need for independent funding for the prevention and treatment of gambling harms. *BMJ*; 370:m2613
115. **Griffiths, S.**, Reith, G., Wardle, H., Mackie, P. (2020) Pandemics and epidemics: gambling and public health. *Public Health*. 184: 1-2.
116. Patel JA, Nielsen FBH, Badiani AA, Assi S, Unadkat VA, Patel B, Ravindrane R, **Wardle** H. (2020) Poverty, inequality and COVID-19: the forgotten vulnerable. *Public Health*. 183:110-111.
117. Zendle,D., **Wardle**, H., Reith, G., Bowden-Jones, H. (2019) A new public body is necessary to effectively regulate the UK video game industry. *BMJ*. <https://blogs.bmj.com/bmj/2019/10/09/a-new-public-body-is-necessary-to-effectively-regulate-the-uk-video-game-industry/>
118. Reith, G., **Wardle**, H., Gilmore I. (2019) Gambling harm: A global problem requiring global solutions. *Lancet*. doi: 10.1016/S0140-6736(19)31991-9.
119. **Wardle**, H. (2015). *What the data from gambling machines tells us about betting behaviour*. Significance: The Royal Statistical Society.
120. **Wardle**, H., Griffiths, M. (2011) *Defining the online gambler: the British perspective*. World Online Gambling Review.
121. **Wardle**, H., Deverill, C. (2007) *The impact of unconditional incentives on response: The Health Survey for England* Proceedings of XXIII International Methodology Symposium, Ottawa.
122. **Wardle**, H., Robinson, C. (2007) *Choosing web surveys: mode choices among Youth Cohort Study respondents* Proceedings of the Association of Survey Computing Annual Conference, Southampton.

Recent research grants (last 10 years):

1. Gambling Prevalence and Problem Gambling Survey, Co-principal investigator. Gambling Commission. £1,000,000.
2. Evidence review on the impact of gambling advertising. Co-investigator. Greater London Authority. £20,000.

3. Modelling treatment need for gambling harms. Co-investigator. Office for Health Improvements and Disparities. £150,000.
4. Modelling gambling harms in Greater Manchester. Principal Investigator. Greater London Combined Authorities. £25,000.
5. Can a 'trigger' question to identify gambling harms to individuals or affected others be validated and used in three local authority (LA) Adult services departments (ASDs)? Co-investigator. NIHR. £238,658 2021-2023.
6. Rapid Review of evidence on Loot Boxes. Co-investigator. £40,000. Department of Digital Culture Media and Sport. 2021.
7. Gambling Harms in Greater Manchester: Data Scoping Project. **Principal Investigator**. Greater Manchester Combined Authority. £9,900. 2020-2021.
8. Betting and gaming: the Covid-19 impact study. **Co-PI**. ESRC. £580,000. 2020-2021.
9. Football Fans and Betting: a feasibility study and randomised pilot trial of a group-based intervention to reduce gambling involvement among male football fans. Co-investigator. Funded by the National Institute for Health Research. £629,765.79. 2020-2021.
10. Wellcome Humanities and Social Sciences Research Fellowship. Funded by Wellcome. **Principal Investigator**. £215,000. 2017-2021.
11. Longitudinal scoping study. Co-**Principal Investigator**. Funded by the Gambling Commission. £15,000. 2019.
12. Gambling-related harm among migrant communities: an urban phenomenon. **Principal Investigator**. Funded by LSHTM/King's joint fund. £15,000. 2018.
13. Suicidality and gambling behaviour. **Principal Investigator**. Funded by GambleAware. £35,000. 2018.
14. Review of gambling as a public health issue. Co-**Principal Investigator**. Funded by Public Health Wales. £75,000. 2017/18.
15. Evaluation of Prostate Cancer UK's training programme. Co-investigator. Funded by Prostate Cancer UK. £20,000. 2016-17.
16. Problem gambling in Leeds. Co-investigator. Funded by Leeds City Council. £30,000. 2016.
17. Follow-up study of loyalty card holders. **Principal Investigator**. Funded by Responsible Gambling Trust. £140,000. 2016.
18. Study of problem gambling among bingo patrons. Co-investigator. Funded by Responsible Gambling Trust. £125,000. 2016
19. Secondary analysis of loyalty card survey. **Principal Investigator**. Funded by Responsible Gambling Trust. £15,000. 2016
20. Exploring area-based vulnerability to gambling-related harm. **Principal Investigator**. Funded by Westminster and Manchester City Councils. £79,000. 2015.
21. Gambling among professional sports people. **Principal Investigator**. Funded by the Professional Players Federation. £4000. 2015.
22. Health behaviours and health behaviour change among adults in England. Co-investigator. Funded by Department of Health. £350,000. 2015-2018.
23. Evaluation of the Association of British Bookmaker's code of responsible practice. **Principal Investigator**. Funded by the Responsible Gambling Trust. £127,000. 2014-2015
24. Evaluation of the uplift of stakes and prizes on B1 casino machines. Co-investigator. Funded by the Responsible Gambling Trust. £70,000. 2014-2015.
25. Survey of gambling machine players, **Principal Investigator**. Funded by the Responsible Gambling Trust. £130,000. 2014.
26. Survey of bookmaker's loyalty card holders, **Principal Investigator**. Funded by the Responsible Gambling Trust. £156,000. 2014.
27. Gambling behaviour in Britain, 2012, **Principal Investigator**. Funded by the Gambling Commission. £37,000. 2014.

28. Machines research strategy. Core phase 1. **Principal Investigator**. Funded by the Responsible Gambling Trust. £67,000. 2014
29. Scoping the use of gambling industry data for research, **Principal Investigator**. Funded by the Responsible Gambling Trust. £47,000. 2013.
30. Social gaming: scoping, classification and evidence review, Co-investigator. Funded by the Gambling Commission. £27,000. 2013
31. Fairness and the General Medical Council. **Principal Investigator**. Funded by the General Medical Council. £111,000. 2012-2014.
32. Secondary analysis of machine gambling behaviour in Britain. **Principal Investigator**. Funded by the Gambling Commission. £15,000. 2012-2013.
33. Exploring machine player behaviour. Co-investigator. Funded by the Responsible Gambling Trust, £55,000. 2012-2013.
34. Understanding bingo play, **Principal Investigator**. Funded by the Bingo Association. £9,000. 2012.
35. Multiple risk factors for Cardiovascular Disease: examining relationships between parents and children. Co-investigator with Prof Hilary Graham, University of York. Funded by the Department of Health. £250,000. 2011-2015.

Conference papers and presentations:

- Wardle H** (2022) Exploring the commercial, political and economic determinants of gambling harms. Current Advances in Gambling Research. (Invited Keynote).
- Wardle H** (2022) Learning lessons? Britain's experiment with the liberalization of gambling. National Council of Problem Gambling, USA. Boston (invited speaker).
- Wardle H** (2022) Learning lessons? Britain's experiment with the liberalization of gambling. National Council of Problem Gambling. California Problem Gambling Council. (invited speaker)
- Wardle H** (2021) Gambling as a public health issue. Glasgow Gambling Summit (invited speaker).
- Wardle H** (2021) Global solutions to a global problem: The Lancet Public Health Commission on Gambling. 4th Safer Gambling Conference. Cyprus. (invited keynote).
- Wardle H** (2021) Global gambling harms: commercial, political and commercial drivers and implications for prevention. European Gambling Harms Prevention Network. (invited Keynote)
- Wardle H** (2021) Global solutions to a global problem: The Lancet Public Health Commission on Gambling. French Gambling National Authority Seminar. (invited speaker)
- Wardle H.** (2021) *Measuring Gambling Harms: the challenge of converting theory into practice*. New Horizons in Responsible Gambling; Vancouver. (Invited speaker)
- Wardle H.** (2020) *Gambling during Covid-19: findings from the Betting and Gambling Covid-19 impact study*. Society for the Study of Addiction Annual Conference.
- Wardle H** (2020) *Public Health perspectives on Gambling*. John Hopkins Fall Institute/Institute of Public Health, Barcelona. Half Day seminar. (invited seminar leader)
- Wardle H.** (2019) *British Gambling Regulation: Context and Challenges*. WHO Panel on Gambling, Istanbul. (Invited speaker)
- Wardle H.** (2019) *When gaming become gambling*. British Science Festival. Coventry.

- Wardle H.** (2019) *Gambling and gaming*. Children's Media Conference. Sheffield. (Invited panelist and conference session producer)
- Bramley, S, **Wardle H** (2019) *Migrants and gambling*. Current advances in gambling research. London.
- Wardle H,** (2019) *Mapping harms: current applications and future directions – a case study of Newham*. Current advances in gambling research. London
- Wardle H,** Miller T (2019) *Making Harms Matter*. 17th International Conference on Gambling and Risk Taking. Las Vegas.
- Wardle H,** (2019) *Gambling harms*. Sporting Resolution conference. London. (Invited panelist)
- Wardle H** (2019) *Socio-historical perspectives on the blurring boundaries between games and gambling*. Albert Gambling Research Institute Conference: Banff.
- Wardle H** (2019) *Developing a picture of gambling harms locally*. Local Government Association's Annual Licensing Conference (invited speaker)
- Wardle H** (2019) *Gambling and suicide*. All Party Parliamentary Group on Suicide and Self Harm. House of Commons. London (invited speaker)
- Wardle H** (2018) *Gambling advertising and marketing*. Gambling Commission Raising Standards Conference (invited speaker)
- Wardle H** (2018) *Putting women first...* European Association of Study of Gambling. Malta.
- Wardle H** (2018) *Rites of passage: the changing role of gambling in the lives of children*. European Association for the Study of Gambling. Malta.
- Wardle H** (2018) *Gambling harms: implications for treatment, policy and practice*. Treating Addiction Conference. London. Invited speaker.
- Wardle H** (2018) *Understanding gambling-related harms*. Local Government Association Launch of a Towards a Whole Council Approach to tackling gambling-related harms (invited speaker)
- Reith G, **Wardle H** (2018) *Understanding gambling-related harms*. Public Health England Annual Conference. Invited speakers.
- Wardle H** (2017) *Technological change and the health of wellbeing of youth: a case study of gambling*. GambleAware Annual Conference. Invited Keynote.
- Wardle H** (2017) *Is it all in the mind? Historical and social perspectives of gambling*. All Party Parliamentary Group: Betting and Gaming seminar. House of Commons, London. Invited speaker.
- Wardle H** (2016) *Changes in gambling behaviour over time*. Annual conference of the Responsible Gambling Trust.
- Wardle H** (2016) *Mapping vulnerability to gambling-related harm: a British case study*. 16th International Conference on gambling and risk taking. Las Vegas.
- Wardle H** (2016) *Who loses? Losing money on machines in boomers: Evidence from Great Britain*. 16th International Conference on gambling and risk taking. Las Vegas.
- Wardle H** (2016) *Gambling and vulnerable people*. Regulatory Briefing on Greece. Athens. Invited speaker.

- Wardle H** (2015) "There is no evidence" – Use of evidence and research practice in contested spaces: A case study of gambling. Annual Conference of the Social Research Association. London.
- Wardle H** (2015) *Identifying Harm Among Machine Players: Findings From a Multicomponent Research Study*. New Horizons Conference 2015: Vancouver, Canada.
- Wardle H** (2014) *Gambling, gaming and youth: should we be concerned?* Institute of Child Health seminar series (invited speaker)
- Wardle H** (2014) *The challenges of convergence: a case study of gambling, gaming and the digital world*. British Sociological Association Annual Conference: Leeds
- Wardle H, Sharp C** (2014) *Gambling behaviour and health in Scotland: findings from the Scottish Health Survey 2012*. 3rd International Symposium of excessive gambling. Neuchatel: Switzerland.
- Wardle H** (2014) *Women and gambling: understanding behaviours, attitudes and motives*. 3rd International Symposium of excessive gambling. Neuchatel: Switzerland.
- Wardle H**, (2013) *UK social gaming: policy and perspective*. Social Gambling Conference: London (invited speaker)
- Wardle H** (2013) *The challenges of convergence: a case study of gambling, gaming and the digital world*. European Association for the Study of Gambling seminar: Social gaming: threat or opportunity. Brussels: Belgium (invited speaker).
- Wardle H, Graham H, Law C, Platt L**. (2013) *The health behaviours of mothers in England: A Latent Class Analysis*. Society and Social Medicine Annual Conference: Brighton.
- Parke J, **Wardle H** (2013) *Player insights using player data: Scoping research opportunities for understanding risk in gaming machines in Great Britain*. 15th International Conference on Gambling and Risk. Las Vegas: USA.
- Wardle H** (2012) *Understanding self-exclusion: people, processes and procedures*. 9th European Conference on Gambling Studies and Policy. Loutraki: Greece
- Wardle H** (2012) *Understanding self-exclusion: findings of a research study*. Discovery Conference: Toronto: Canada
- Wardle H** (2011) *What have we learnt from gambling prevalence research and how do we measure prevalence of problem gambling?* Romanian Association for the Study of Gambling 1st conference: Cluj Napoca: Romania (invited speaker)
- Wardle H**. (2011) *Gambling in Britain: Past, present and Future*. Global Gaming Management Series. Macau Polytechnic Institute. (Invited speaker)
- Wardle H**. (2011) *Gambling behaviour, policy and practice: perspectives from other jurisdictions*. 1st Pan European Gaming and Social Responsibility Forum: Corporate Culture or State Coercion?. Athens: Greece (Invited speaker).
- Wardle H**. (2010) [Measuring gambling involvement: towards a consensus? New directions from the British Gambling Prevalence Survey](#). 8th European Conference on Gambling Studies and Policy. Vienna: Austria.

Moody A, **Wardle H** (2010). *Gambling subtypes: A tale of two methods*. 8th European Conference on Gambling Studies and Policy. Vienna: Austria.

Wardle H. (2010) Introduction to Framework. Comparing approaches to qualitative data analysis. One day seminar on qualitative research methods. Harvard University: USA

Wardle H, Hussey (2009) Positioning Problem Gambling: Findings from the English Adult Psychiatric Morbidity Survey 2007. 14th International Conference of Gambling and Risk Taking. Lake Tahoe: USA

Wardle H. (2008) *Who uses the internet to gamble? Findings the 2007 British Prevalence Study*. 7th European Conference on Gambling Studies and Policy. Nova Gorica: Slovenia.

Other public engagement and impact activity:

Blogs and podcasts (most recent)

The Guardian: Britain need not be a nation of gamblers. We have to rein in this industry. <https://www.theguardian.com/commentisfree/2021/oct/04/britain-nation-gamblers-industry-profits-review>.

Sky News Podcast: Rolling the dice? Has Covid-19 caused a gambling pandemic? <https://news.sky.com/story/rolling-the-dice-has-covid-19-caused-a-gambling-pandemic-12239976>

The Cynic podcast: football and gambling. <https://twitter.com/90MinuteCynic/status/1234554220612812800>

BMJ Podcast: “tackling gambling” to support our article “gambling and public health”. Listened to over 16,000 times: <https://www.bmj.com/content/365/bmj.l1807>

The Conversation: New gambling tax is moving up the agenda: here’s how it needs to work. <https://theconversation.com/new-gambling-tax-is-moving-up-the-agenda-heres-how-it-needs-to-work-118648>

Huffington Post: [Gambling With Our Future: Betting Industry Football Sponsorship Needs Tackling Head-On](https://www.huffingtonpost.co.uk/entry/football-gambling-premier-league_uk_5b7434f6e4b0182d49af791e). https://www.huffingtonpost.co.uk/entry/football-gambling-premier-league_uk_5b7434f6e4b0182d49af791e

LSE Digital Parenting Blog: The tale of iggle-piggle and the slot machine: children’s exposure to gambling: <http://blogs.lse.ac.uk/parenting4digitalfuture/2018/06/27/childrens-exposure-to-gambling/>

Harvard BASIS blog: Rites of passage: changing engagement in risky behaviours. <https://www.basisonline.org/2017/09/rites-of-passage-changing-engagement-in-youth-risk-behaviours.html>

LSHTM blog: The end of the experiment? Labour’s new position on gambling policy and practice. <https://www.lshtm.ac.uk/newsevents/expert-opinion/end-experiment-labours-new-position-gambling-policy-and-practice>

LSHTM feature on gambling: Gambling is a public health issue (video blog): <https://www.youtube.com/watch?v=nTmk2Wv4GeQ>

Blog to support Channel 4 Dispatches documentary: <http://www.channel4.com/programmes/dispatches/articles/2012/britains-high-street-gamble-how-where-why>

Television and radio:

2022: Appeared in documentary series with Darren McGarvey on gambling. Interviewed for Newsnight. Several print interviews.

2021: Interviewed for Sky News about the Gambling Act Review (March); Interviewed for BBC Radio Scotland and Go Radio on Betting during Covid (March); Interviewed for Daily Mail article on gambling and suicide (Jan); Three-part documentary series for BBC World Service airing April – May.

2020: Interviewed for Sky News looking at gambling during covid (May); Interviewed on BBC Football Focus about gambling and football (Jan); interviewed by The Guardian on need for funding change (July)

2019: Featured in BBC Panorama investigation on gambling (August); interviewed for BBC Radio 4 The Long View (gambling and technological change); Interviewed on BBC Radio 4 You and yours (gambling and credit).

2018: Interviewed for BBC Radio 4 Women's Hour (skin gambling and betting); interviewed for Five Live (world cup betting)

2017: Interviewed on BBC Radio 4's Women's Hour (gambling and children).

2016: Gambling risk maps discussed on BBC 6 o'clock news; gambling risk maps discussed on Victoria Derbyshire show; interviewed on BBC Breakfast Berkshire; interviewed on Share Radio.

2015: Consultant on BBC Panorama "Britain at the Bookies".

2014: Interviewed on BBC Breakfast; interviewed on BBC Five Live.

2013 and earlier: Interviewed on BBC Radio Wales; BBC Radio Northampton and various other radio appearances. Interviewed on Channel 4 Dispatches programme (2012).

Other:

- Presented evidence to the House of Lords Select Committee enquiry into the Social and Economic Impact of the Gambling Industry
- Presented evidence to the All Party Parliament Groups on gambling harms; suicide and fixed odd betting terminals; Northern Irish All Party Group on Gambling
- Presented evidence to the Culture, Media and Sport Select Committee hearing about the impact of the Gambling Act 2005. November 2011.
- Various print media interviews.
- Sole nominee from LSHTM for British Science Festival Award Lectures (2019)

This page is intentionally left blank

**MIDDLESBROUGH COUNCIL
LICENSING SUB-COMMITTEE**

12TH JULY 2023

22 NEWPORT ROAD, MIDDLESBROUGH TS17 7BU

**SKELETON ARGUMENT ON BEHALF OF
DIRECTOR OF PUBLIC HEALTH
AND LICENSING AUTHORITY**

Introduction

1. There are two applications before the Sub-Committee.
2. The first is an application by Luxury Leisure to vary its Adult Gaming Centre licence by reducing the area of the premises.
3. This application has received a representation from the licensing authority (page A32).
4. The second is an application by Double Diamond to vary its premises licence at Teesside Leisure Park to a small area within 22 Newport Road, and to permit it to open for 24 hours rather than mid-day to 6 a.m.
5. This application has received representations from:
 - the licensing authority (page A34).
 - the Director of Public Health (page A37).
6. The responsible authorities have filed documents in support, in particular:
 - Independent expert report of Professor Heather Wardle (pages A 497 – A530).
 - Updated representation from Director of Public Health (page A424).
 - Central Ward, Index of Multiple Deprivation (page A428). (The Sub-Committee may be assisted by briefly reading the Executive Summary at pages A430-431).

- Map of gambling premises in locality (page A491). The Sub-Committee will particularly note that there are five gambling premises in the short stretch between the Bus Station and Dundas Mews.
 - Photographs of frontages of gambling premises, with prominent gambling offers (pages 478-490).
7. The main issue in this case concerns the proposed relocation of the casino licence from Teesside Leisure Park to 22 Newport Road. The responsible authorities' concerns, which are cumulative, are:
- (1) The introduction of a casino with the highest stake and prize machine gambling which can be provided in UK premises. The casino the 20 x Category B1 gaming machines will offer £5 stakes and £10,000 prizes¹ with a 2.5 second game cycle. The 20 x electronic roulette machines will offer a maximum stake of £100 and, presumably, a maximum prize of £3,500 (page A65 para 33). In comparison, the hardest gaming machines currently offered in the locality are in adult gaming centres and betting offices carry maximum stakes and prizes of £2 and £500 respectively.
 - (2) The fact that the entire gambling provision is by rapid play machines which are associated with high rates of problem gambling.
 - (3) The availability of alcohol on the premises, permitted in casinos but not in adult gaming centres or betting offices.
 - (4) The hard nature of the gambling environment, a function of the aim to fit a large number of roulette terminals and gaming machines in a single high street unit.
 - (5) The 24 hour nature of the premises: with still greater risk attaching to night-time gambling.
 - (6) Its co-location with a further 24 hour gambling premises, i.e. Luxury Leisure's Adult Gaming Centre, another exclusively machine-based gambling environment which is not permitted to have alcohol, but whose customers will be tempted if not

¹ £20,000 for linked progressive jackpots.

encouraged to cross over into the casino both by the higher stakes and prizes and alcohol available there.

- (7) The location of the unit on the high street, on a direct route from the bus station to the town centre, encouraging casual, ambient gambling, in distinction to the current location in the leisure park which acts as a destination.
 - (8) The concentration of gambling premises in the immediate locality. Within 135m of 22 Newport Road, there are no fewer than six existing hard gambling premises: Admiral next door; Regal (a large adult gaming centre 30 metres away); Merkur, a machine-led bingo premises, and three licensed betting offices next door to each other – Ladbrokes, William Hill and Paddy Power. Within the wider locality there are three Admiral adult gaming centres.
 - (9) The serious social and economic deprivation in the locality, which is associated with higher rates of gambling harms.
 - (10) The demographics of the local population, which include a high proportion of young persons and students, who are particular risk groups.
 - (11) The high crime in the locality.
 - (12) The designation of the locality as a cumulative impact area, as a result of high levels of alcohol-related crime and anti-social behaviour.
8. As a result, the responsible authorities' strong advice to the Sub-Committee is that the location of an electronic casino in this particular location would not be reasonably consistent with the gambling objective of protecting vulnerable people from being harmed or exploited by gambling.
9. The responsible authorities' advice is supported by the independent expert report of Professor Heather Wardle, to which the Sub-Committee is respectfully referred.

The law

10. The Sub-Committee's discretion arises under section 153(1) of the Gambling Act 2005:

1) In exercising their functions under this Part a licensing authority shall aim to permit the use of premises for gambling in so far as the authority think it—

(a) in accordance with any relevant code of practice under section 24,

(b) in accordance with any relevant guidance issued by the Commission under section 25,

(c) reasonably consistent with the licensing objectives (subject to paragraphs (a) and (b)), and

(d) in accordance with the statement published by the authority under section 349 (subject to paragraphs (a) to (c)).

11. The Gambling Commission has the duty under section 25 of issuing guidance as to:

(a) the manner in which local authorities are to exercise their functions under this Act, and

(b) in particular, the principles to be applied by local authorities in exercising functions under this Act.

12. The Commission's guidance states that the Sub-Committee has no discretion to grant an application where that would mean taking a course which it did not think accorded with the licensing objectives (para 1.37 and 4.10).

13. In deciding whether the application to site a casino at 22 Newport Road accords with the licensing objectives:

(1) the Licensing Sub-Committee is concerned with the acceptability of the proposed casino in this particular location.

(2) the Sub-Committee's judgment is not one of hard fact. It is an evaluative judgment, based on its own assessment.

14. Both of these points were made clear by the Court of Appeal in the leading case of R (Hope and Glory) v City of Westminster Magistrates' Court²:

² [2011] EWCA Civ 31.

42. Licensing decisions often involve weighing a variety of competing considerations: the demand for licensed establishments, the economic benefit to the proprietor and to the locality by drawing in visitors and stimulating the demand, the effect on law and order, the impact on the lives of those who live and work in the vicinity, and so on. Sometimes a licensing decision may involve narrower questions, such as whether noise, noxious smells or litter coming from premises amount to a public nuisance. Although such questions are in a sense questions of fact, they are not questions of the "heads or tails" variety. They involve an evaluation of what is to be regarded as reasonably acceptable in the particular location. In any case, deciding what (if any) conditions should be attached to a licence as necessary and proportionate to the promotion of the statutory licensing objectives is essentially a matter of judgment rather than a matter of pure fact.

(Underlining added.)

15. Naturally, one cannot prove that Gambler A, B or C will be harmed by the location of a 24 hour, high stake and prize, gaming machine environment here. That is not required. All that is required is that the Sub-Committee's evaluative judgment is that the casino will not be reasonably consistent with the objective of preventing vulnerable people from being harmed or exploited by gambling.

16. As the Government has recently stated in the White Paper:

- *“Licensing authorities have a wide range of powers under the 2005 Act to refuse or place conditions on applications for gambling premises licences where there is cause for concern, and we fully support use of these powers” (page A494).*
- *“The government fully supports licensing authorities in their role as co-regulators of the 2005 Act and appreciates the local expertise that they have which guides their regulation of gambling in their communities” (page A495).*
- *“The government is also clear that the ‘aim to permit’ requirement in section 153 of the Act does not prevent the refusal of licences or the introduction of controls as necessary or desirable to minimise risk” (page A495).*

- *“As outlined above, the Gambling Act does provide licensing authorities with a wide range of powers to assess and set out the risks in their local areas as well as the ability to attach conditions to premises licences to manage these risks. The intent of the Gambling Act 2005 is to provide licensing authorities with the ability to manage local risks and make decisions using local knowledge.” (Para 6.5).*

17. If the Sub-Committee considers, based on the evidence, including independent expert evidence, the advice of its professional advisers and its own local knowledge, that this proposal in this place, is not consistent with the licensing objectives, then it can, and should, refuse the application.

Deficiencies

18. In respect of the proposed casino, the only application before the Sub-Committee is for the casino shown on the plan at page A41 made by Double Diamond.

19. The plan at page A41 shows a hatched box, with no detail given whatsoever. For example, no information is given regarding the location or layout of the gaming facilities, reception desk, WCs, seating, beverage service or back of house, frontage, fenestration, interior visibility etc.

20. Even the size of the box is unclear, with the legend stating 50.8 square metres, but the scale suggesting an area a quarter of that size.

21. This gives rise to a number of issues.

22. First, section 153(1) of the Act requires the Sub-Committee to consider compliance with the Gambling Commission’s Licence Conditions and Codes of Practice. The complete lack of information in the application makes it impossible for the Sub-Committee to do so.

23. Within the Licence Conditions and Codes of Practice, Social Responsibility Code 9.1.3 states:

1 Gaming machines may be made available for use in licensed casino premises only where there are also substantive facilities for non-remote casino games

and/or games of equal chance, provided in reliance on this licence, available in the premises.

2 Facilities for gambling must only be offered in a manner which provides for appropriate supervision of those facilities by staff at all times.

3 Licensees must ensure that the function along with the internal and/or external presentation of the premises are such that a customer can reasonably be expected to recognise that it is a premises licensed for the purposes of providing facilities for casino games and/or games of equal chance.

24. No information has been provided whether these provisions are complied with in respect of the hatched box shown at page A41.

25. Second, regulation 3 of the Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007 makes it a mandatory condition on the premises licence that the layout of the premises shall be maintained in accordance with the plan. In this case, the plan does not show the layout of the premises, circumventing the objective of the regulations.

26. Third, Schedule 1 Part 1 paragraph 2 of the Regulations states that there must be a gap of at least 2 metres between any ordinary gaming table and any other equipment, apparatus or structure used by a person to gamble on the premises. The lack of any detail on the plan prevents any judgment being made regarding compliance with this regulation.

27. Fourth, Schedule 1 Part 1 paragraph 5 of the Regulations states that any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling at any gaming table, gaming machine or betting machine in order to do so. The plan does not state whether there will be an ATM, or show whether its location meets the requirements of the Regulations.

28. Fifth, as stated above, the Commission's Guidance must be taken into account by the Sub-Committee, both under section 25 and section 153 of the Act. The Guidance regarding uncompleted developments is appended hereto. It makes clear that:

- (1) A licence should only be issued for premises which the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future (para 7.58).
- (2) The authority must consider whether, applying the principles in section 153, the premises ought to be permitted to be used for gambling (para 7.59).
- (3) Where the plan shows the proposed fit-out, it may be appropriate to issue the licence subject to a condition that trading in reliance on it shall not commence until the premises have been completed in all respects in accordance with the scale plans that accompanied the licence application (para 7.60).
- (4) If the plans are changed during fit out, then the applicant will be in breach of the licence (para 7.61).
- (5) The authority will need to be satisfied that the completed works comply with the plan (para 7.62).

29. The grant of a premises licence for a small, hatched box lacking any detail at all is in clear breach of the Commission's Guidance.

30. In addition to the deficiencies in the plan, the casino application is not by Luxury Leisure but by Double Diamond. However:

- (1) No information whatsoever has been presented regarding Double Diamond, e.g. regarding the company's status, its policies, training or anything else.
- (2) Its most recent accounts, to 29th August 2021, show trading losses of £4.5m, a balance sheet deficit of £6.3m and a deficit on its profit and loss account of £19.5m.³
- (3) In 2021, it paid £247,000 to the Gambling Commission in lieu of a financial penalty for ineffective implementation of safer gambling policies and

³ <https://find-and-update.company-information.service.gov.uk/company/06896085/filing-history/MzM1ODAzMDMwMWFkaXF6a2N4/document?format=pdf&download=0>

procedures and inadequate money laundering policies, including in a case relating to a student.⁴

31. The Sub-Committee has been provided with no information to answer any concerns regarding Double Diamond trading an ambient, high stake and prize hard gaming facility in central Middlesbrough.
32. The applicant has purported to sidestep all of the above requirements by stating that it has no intention of trading the proposed premises, and instead offers a condition that it won't trade the premises unless and until a further variation application is made.
33. However, this is an insufficient answer.

- (1) It is not open to an applicant to avoid scrutiny of whether an application is compliant with the rules governing casino licences by offering a condition not to operate the casino for which they are seeking a licence. Section 153 makes it clear that in considering applications, the authority must consider consistency with the licence conditions and codes of practice, the guidance and the licensing objectives.
- (2) Parliament did not create a technical exemption for converted casino licences being moved around boroughs, to enable them to move into inoperable premises of their choosing and without supplying the information required by the rules. Rather, it permitted operators to apply to move them, subject to the usual rules governing applications. In short, the usual rules apply.
- (3) The Commission's Guidance sets out the purpose of conditions at paragraph 9.31:

Conditions imposed by the licensing authority must be proportionate to the circumstances which they are seeking to address. In particular, licensing authorities should ensure that the premises licence conditions are:

⁴ <https://www.gamblingcommission.gov.uk/public-register/regulatory-action/detail/129>

- a. relevant to the need to make the proposed building suitable as a gambling facility directly related to the premises (including the locality and any identified local risks) and the type of licence applied for*
- b. fairly and reasonably related to the scale and type of premises*
- c. reasonable in all other respects.*

I.e. according to the Guidance, conditions are to be applied to make the premises suitable for gambling. They are not to be applied to prevent the premises being used for gambling, far less to relieve the applicant of having to provide the information required by the rules.

- (4) The Sub-Committee’s discretion to attach conditions to a premises licence must be exercised to further the policy and objectives of the Gambling Act 2005: Padfield v Minister of Agriculture, Fisheries and Food [1997] AC 997, 1030. It should not be exercised to save the applicant from having to demonstrate compliance with the Act, regulations and guidance.
- (5) A licence with a condition preventing the use of the premises for the very activities granted by the licence is at best of doubtful legality: , see e.g. R v Inner London Crown Court ex parte Sitki [1993] COD 249.

34. The applicant may argue that other authorities have permitted licences to migrate to “post-box” sites. This does not make it lawful or proper. Further, in this case, the ultimate proposal is to migrate the licence and develop it at this particular site. Accordingly, the Sub-Committee should apply the rules governing such applications in the usual way.

35. The applicant may also seek to argue that the condition preventing opening is similar to a works condition. It isn’t. In the case of a works condition, the applicant properly sets out the proposals, which the Sub-Committee is then in a position to judge. The works condition simply states that the premises should not be operated until the approved works have been carried out. This is described by the Commission in paragraph 7.60 of its Guidance (attached). The condition suggested by the applicant is

not a works condition. It is a device which seeks to justify the absence of the detail normally required, and which is needed by the Sub-Committee in order to make a competent judgment.

36. Accordingly, on this independent ground, the application should be refused.

Luxury Leisure's case

37. Luxury Leisure stresses its processes to mitigate the risk that vulnerable people will be harmed or exploited by gambling. (See e.g. page A95 para 25.)

38. Leaving aside the fact that the applicant is not Luxury Leisure but Double Diamond, such processes are required of, and provided by, all casino operators.

39. Despite such processes, Professor Wardle explains that up to 27% of those playing electronic table games in a casino are likely to be problem or moderate risk gamblers (A503), and 38.7% of regular players of table games in casinos experience problem or moderate risk gambling while contributing 61.7% to gross revenues (see page A504). There is no figure specifically for category B1 gaming machines, as opposed to gaming machines in general including lower stake/prize machines in premises in general, but approximately one in eight machine players experiences problem or moderate risk gambling (page A503). The primary explanation for these figures rests with the gaming machines themselves: high speed of play, continuous play, high event frequency, random reward events (such as near-miss effects) and multiple visual and auditory stimuli (A 503), all of which will apply in the proposed electronic casino.

40. Professor Wardle demonstrates how harms are unequally distributed among communities, with deprived communities particularly at risk (page A504). Neither the applicant's evidence nor its local area risk assessment acknowledges this. Young adults are particularly at risk for problem gambling, with the odds ratio of attempting suicide nine times higher for young male problem gamblers than non-problem gamblers (page A503). This is particularly important given the large tertiary education facility nearby and the relative youth of the local population (page A502). Professor Wardle describes the applicant's lack of acknowledgment of higher risk of harms among this age group as a "major omission."

41. In summary, it is not in issue that Luxury Leisure will implement processes, e.g. to track player behaviour and spend and interact with those actually displaying signs of problem gambling, although it is concerning that the casino expects only to have 3 members of staff on duty, plus a bar server when the bar is open (page A148).
42. The issue, however, is not whether Luxury Leisure has processes which it is obliged to have by law in any event. The issue is whether the location of the casino at 22 Newport Road is reasonably consistent with the licensing objectives, having regard to the demographics and vulnerabilities of the local population and the nature and casual accessibility of the product to be offered. This remains largely unaddressed by Luxury Leisure.
43. A possible reason for this is that Luxury Leisure appears to be indifferent to the actual economic circumstances of Middlesbrough. This is reflected in its characterisation of a high spending customer as one who conducts a single transaction of over £10,000; any cumulative transactions in a single session of over £10,000, or any monthly cumulative transactions of over £50,000 (page A185). To put this into context, the mean average salary for residents of Middlesbrough is £32,000 per year.⁵
44. Luxury Leisure already operates three premises in central Middlesbrough, one a large premises directly adjacent to the proposed casino. As such, it could have presented evidence as to the average spend, range of spends, dwell time or regularity of visits of its customers, which would have provided useful evidence as to the behaviours of those customers, and the affordability of their behaviour in comparison to median income locally. Their evidence, however, is silent.
45. Luxury Leisure is also in a position to assist the Sub-Committee by producing its full incident logs in relation to those premises, together with data on customer interactions and self-exclusions. This would have helped to depict and quantify the adverse behaviours of its customers, and in particular whether they are associated with problem gambling or other economic, social or mental issues. However, again, Luxury Leisure

⁵ <https://www.varbes.com/economy/middlesbrough-economy> . In another part of the papers it is indicated that “an interaction” will take place when a customer has spent £500 (A197), equivalent to the median weekly salary of local residents, but this appears to be a warning of anti-money laundering measures rather than problem gambling interactions (see page A128 para 20), and in any case neither the application plan nor the indicative layout plan show any “quiet and discreet area for interactions by staff” suggested at page A183.

has elected not to produce this basic material.⁶ Therefore, it has not supported its assertion that its processes will be effective with readily available evidence as to whether they are effective.

46. Further, while mounting detailed critiques of the actions of various bodies including government, ministers and Middlesbrough Council, it has not thought it worth producing observation evidence as to the social issues in the area, which is a cumulative impact area because of a high degree of alcohol-related crime and disorder.

47. Therefore, even leaving aside the fact that the applicant is not Luxury Leisure but Double Diamond, the assertion that Luxury Leisure is a competent operator is of little or no assistance in determining these applications. All casino operators are expected to be competent. Their competence does not assist in resolving the issue, identified in Hope and Glory, whether they should be permitted to site this operation in this location among this local population.

Other matters

48. The Sub-Committee will be principally concerned with this particular proposal in this location.

49. Despite that, the applicant's evidence contains much information which is unlikely to be of significant or any weight in the Sub-Committee's deliberations, including:

- (1) Parliamentary and Select Committee debates from 2003 – 2021.
- (2) The question of whether wholly electronic casinos are unlawful. They are not unlawful.
- (3) Whether wholly electronic casinos have been permitted elsewhere. They have, but this is not relevant.
- (4) The fact that there is an existing casino licence in Middlesbrough, at Teesside Leisure Park. There is. The question is whether moving it to 22 Newport Road will be reasonably consistent with the licensing objectives. If the application is

⁶ Its local area risk assessment refers briefly to police call-outs (page A150), but this falls well short of a frank account of customer behaviour and other issues in its premises.

refused, the applicant will remain entitled to attempt to propose a better offer in a better location.

- (5) The Casino Advisory Panel's award to Middlesbrough of the right to grant a large casino under the Gambling Act 2005. Middlesbrough Council made a bid because the large casino process entitled it to demand the provision of additional benefits from the winner of the casino licensing competition. However, the casino project did not come to fruition, while other casino projects in Middlesbrough (including on a boat, in a leisure park, in a hotel, within an ongoing redevelopment scheme) have either failed or not been built, as the Sub-Committee knows. This reflects the lack of commercial demand for a casino locally. It may also explain why (despite its arguments to the contrary), Luxury Leisure wishes to promote casino trade by permitting or even encouraging its existing adult gaming centres customers to walk into the casino and spend money on higher stake and prize products, as demonstrated by the common street entrance it is proposing, the glazed screen between the two units, and the fact that it already describes its adult gaming centre as a "casino slots experience" (page A479). Notably, it also states that the casino and adult gaming centre will fit a similar customer profile (page A133 para 9). Its suggestion that its adult gaming centre customers may not cross over because they do not carry ID is most unconvincing. Whatever the reality, the fact that, 17 years ago, Middlesbrough bid for a 2005 Act casino is not relevant to whether this proposed casino is consistent with the licensing objectives.
- (6) Whether and if so why the casino licensing competition envisaged by the Gambling Act 2005 failed.
- (7) Whether Middlesbrough Council was well-advised by its officers in relation to its casino licensing competition.
- (8) Whether and if so why the Gambling Act 2005 failed in the way it defined small and large casinos.
- (9) Gambling policies from Brighton & Hove and Swansea.

- (10) Challenges by gambling industry consultants to official, peer-reviewed, data on gambling harms.
- (11) The question of whether public policy decisions regarding gambling should be determined by reference to the health and well-being of disordered participants, where this infringes on the liberty of the majority of players, who are not disordered. This is a political argument which has nothing to do with gambling premises licensing under the Gambling Act 2005. A key statutory objective of the Act is specifically to prevent vulnerable people from being harmed or exploited by gambling. The focus of the Act is expressly upon vulnerable people.
- (12) Whether gambling disorder is a separate phenomenon from problem gambling. The Act does not use either expression. It asks whether vulnerable persons risk being harmed or exploited by gambling. Harm may take many forms, including adverse impact upon their resources, relationship and health.
- (13) The question of whether gambling-related harms are caused by problem gambling or associated with it. While that topic is of interest to industry commentators, and pursued by them as their contribution to legislative and policy debates it is not relevant to the question in this case, which is whether the location of these premises, offering these products in this place risks harming or exploiting vulnerable people. For completeness, it should be added that, not only is this an inappropriate forum for this topic to be aired, it ignores very clear evidence, for example, that vulnerable people are harmed by gambling (which is why there is now a national problem gambling treatment service), that the national regulator is caused to intervene and impose sanctions when vulnerable people are permitted to gamble, and that problem gamblers are much more prone to suicide than non-problem gamblers.
- (14) Action by the Gambling Commission to shut down illegal online lotteries.
- (15) The expiry of the Middlesbrough gambling policy. This means that it is not available to guide the determination of this application (favourably or

unfavourably), but does not prevent the consideration of the application on its individual merits.

(16) The illustrative plan dated 30th June 2023 (page A84) showing the eventual proposal a) because there is no application before the Sub-Committee incorporating that plan and b) the plan is only indicative in any event. (It might be noted that the plan involves pushing the dividing wall back so enlarging the casino and diminishing the AGC.)

50. Among the many points raised are several grievances about how, and how strictly, gambling is regulated in the UK. Such points belong in the press, Parliament and public discourse. They are singularly inapposite for the determination of a premises licence application by a local Licensing Sub-Committee. Furthermore, they are apt to distract from the central issues in the case. The Sub-Committee is invited to make this clear at the hearing and in its decision.

Conditions

51. If, contrary to the above, the Sub-Committee decides to grant the casino variation, the Sub-Committee is asked to consider the following conditions:

- (1) At all times an SIA-badged security officer shall guard the principal entrance to the premises (see page A127 paragraph 17, A142 para 30);
- (2) In addition to the said security officer, there shall at all times be a minimum of three members of staff working at the premises of whom one shall hold a personal management licence and one shall hold a personal functional licence (page A148);
- (3) A Challenge 25 proof of age scheme shall be operated at the premises where the only acceptable forms of identification are recognised photographic identification cards, such as a driving licence, passport or proof of age card with the PASS Hologram (see page A128 para 17);
- (4) Prominent signage and notices advertising the Challenge 25 Policy will be displayed showing the operation of such policy.

- (5) No facilities for gaming shall be provided outside the hours of 0900 – 0000 (see Prof Wardle report page A506-7);
- (6) Members of staff shall track gaming by players in real time (see page A129 paragraph 19, A130 para 29);
- (7) No ATM shall be provided at the premises (the applicant is proposing an ATM which can cash out up to £1,000: page A197. This is strongly opposed. The median pre-tax income for Middlesbrough employees is £600 per week.⁷)
- (8) Safer gambling messages shall be displayed on all gaming machines and terminals (see page A130 para 29);
- (9) The maximum stake on electronic roulette terminals shall be £100 (page A131 para 33);
- (10) All staff working at the premises shall receive induction training including independent training on social responsibility, together with refresher training every six months thereafter. Record of such training shall be maintained and produced immediately on request to the licensing authority. (See page A139 para 14);
- (11) The venue shall install and maintain a comprehensive CCTV system at the premises which should cover, as a minimum:
- a. all entry and exit points to and from the premises enabling frontal identification of every person entering under any light conditions;
 - b. the areas of the premises to which the public have access (excluding toilets);
and
 - c. gaming machines and the counter area;
- (12) The CCTV system shall continually record whilst the venue is open for licensable activities and during all times when customers remain on the premises. All recordings shall be stored for a minimum period of thirty one days with date

⁷ <https://www.varbes.com/economy/middlesbrough-economy>

and time visible. Recordings shall be immediately arranged by a member of staff for handover to the Police or an authorised officer following their request.

- (13) A staff member from the premises who is conversant with the operation of the CCTV system shall be on the premises at all times when the premises are open to the public. This staff member shall be able to arrange for Police to view recent data or footage with the absolute minimum of delay when requested.
- (14) There shall be an external camera at the premises which will provide live images to staff in the service counter area.
- (15) Notices indicating that CCTV is in use at the premises shall be placed at or near the entrance to the premises and within the premises.
- (16) The licensee shall:
 - a. provide training on the CCTV system and how to access the footage if requested to do so by the police or authorised officer as part of the staff induction training programme or when the system is changed, and
 - b. periodically provide refresher training to all of its staff working at these premises on the CCTV viewing process.
 - c. ensure that participation in this training is formally recorded on each member of staff's training records which, if requested will be presented to the licensing authority immediately upon request.
- (17) The licensee shall ensure that the outside areas of the premises are monitored so as to ensure there is no public nuisance or obstruction of the highway.
- (18) An incident log shall be kept at the premises and made available on request to an authorised officer of the Licensing Authority or the Police. Details to include:
 - a. all crimes reported to the venue
 - b. all ejections of patrons
 - c. any complaints received concerning crime and disorder

- d. any incidents of disorder
 - e. all seizures of drugs or offensive weapons
 - f. any visit by a relevant authority or emergency service
 - g. any attempts by children and young persons to gain access to the premises to gamble
 - h. any Challenge 25 Refusals.
- (19) Third party testing on age restricted sales systems shall be carried out on the premises at least 3 times a year and the results shall be provided to the Licensing Authority immediately upon request.
- (20) The licensee shall not allow their logos or other promotional material to appear on any commercial merchandising which is designed for use by children.
- (21) The licensee will ensure, through regular checks and intervention that customer's children are not left unsupervised outside the premises.
- (22) A magnetic locking device, commonly referred to as a Maglock, will be installed and maintained on the main entrance/exit to the premises which will be operable by the ground floor staff.
- (23) If at any time (whether before or after the opening of the premises), the police or licensing authority supply to the premises names and/or photographs of individuals which it wishes to be banned from the premises, the licensee shall use all reasonable endeavours to implement the ban through staff training.
- (24) The licensee shall implement a policy of banning any customers who engage in crime, disorder or anti-social behaviour within or outside the premises.
- (25) The licensee will refuse entry to customers who appear to be under the influence of alcohol or drugs.
- (26) The licensee shall install and maintain an intruder alarm on the premises.

- (27) The licensee will ensure that customer toilets are checked hourly and access is permitted by interaction with staff members
- (28) All public signage/documentation relating to age restrictions, gambling advice and gambling support information (e.g. GamCare or similar support service) is displayed or provided on the premises in written English and any other language appropriate to the area and customer base.
- (29) Prominent GamCare documentation will be displayed at the premises.
- (30) Prominent signage indicating the permitted hours for the licensable activity shall be displayed so as to be visible before entering the premises.
- (31) The licensee shall not offer any enticement promotions, such as free spins, bonuses or happy hours during which gaming machines stakes are reduced.
- (32) The licensee shall train staff on specific issues related to the local area and shall conduct periodic refresher training. Participation in the training shall be formally recorded and the records produced to the police or licensing authority upon request.
- (33) The licensee will contact local treatment and support services to provide information on problem gambling support services and how their residents can self-exclude from Merkur Slots premises.
- (34) The licensee shall take all reasonable steps to prevent street drinking of alcohol directly outside the premises and to ban from the premises those who do so.
- (35) The licensee shall place a notice visible from the exterior of the premises stating that customers drinking alcohol outside the premises is not permitted and those who do so will be banned from the premises.
- (36) The licensee shall develop and agree a protocol with the police as to incident reporting, including the type and level of incident and mode of communication, so as to enable the police to monitor any issues arising at or in relation to the premises.
- (37) The licensee shall provide the Licensing Authority with their compliance/operating manual which sets out all of the premises policies to meet the regulatory requirements under the Gambling Act 2005 and shall provide a copy of

any update or revision as soon as practicable following the implementation of that change.

- (38) The casino shall not be advertised or promoted from within the adjoining adult gaming centre.

Conclusion

52. This application is to bring a premises involving exclusively rapid-play electronic machines offering the highest gaming stakes and prizes available in the UK to a high street in an area which is not only economically deprived but which also suffers from serious social issues, to site it immediately adjacent to an associated gaming premises, with a large number of other gambling premises nearby, and in such a way as to encourage ambient gambling. The Sub-Committee's professional officers advise strongly against granting the application. Their advice is in turn strongly supported by a leading, eminent independent expert on gambling prevalence and harms. The Sub-Committee is asked to accept the advice and refuse the application.
53. If, however, the Sub-Committee decides to grant the application, it is asked to impose the conditions set out above.
54. As for the application to diminish the size of the adult gaming centre, the only objection to this is that it is associated with the insertion of a casino. In and of itself, a diminution of the premises is unobjectionable. Whether the applicant wishes to pursue it in the event that the casino licence application is refused is another matter.

PHILIP KOLVIN KC

11 KBW

Temple

London EC4

11th July 2023

Extract from Gambling Commission Guidance to Licensing Authorities

7.58. In determining applications, the licensing authority should not take into consideration matters that are not related to gambling and the licensing objectives. One example would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal. Licensing authorities should bear in mind that a premises licence, once it comes into effect, authorises premises to be used for gambling. Accordingly, a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use. Equally, licences should only be issued where they are expected to be used for the gambling activity named on the licence. This is why the Act allows a potential operator to apply for a provisional statement if construction of the premises is not yet complete, or they need alteration, or he does not yet have a right to occupy them. Part 11 of this guidance gives more information about provisional statements.

7.59. As the Court has held in a 2008 case (*The Queen (on the application of) Betting Shop Services Limited –v- Southend-on-Sea Borough Council* [2008] EWHC 105 (Admin)), operators can apply for a premises licence in respect of premises which have still to be constructed or altered, and licensing authorities are required to determine any such applications on their merits. Such cases should be considered in a two stage process; first, licensing authorities must decide whether, as a matter of substance after applying the principles in s.153 of the Act, the premises ought to be permitted to be used for gambling; second, in deciding whether or not to grant the application a licensing authority will need to consider if appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

7.60. For example, where the operator has still to undertake final fitting out of the premises but can give a reasonably accurate statement as to when the necessary works will be completed, it may be sufficient to simply issue the licence with a future effective date, as is possible under the Regulations (SI 2007/459: The Gambling Act 2005 (Premises Licences and Provisional Statements) Regulations 2007 and SSI No 196: for Scotland). The application form allows the applicant to suggest a commencement date and the notice of grant allows the licensing authority to insert a date indicating when the premises licence comes into effect. In other cases, it may be appropriate to issue the licence subject to a condition that trading in reliance on it shall not commence until the premises have been completed in all respects in accordance with the scale plans that accompanied the licence application. If changes to the pre-grant plans are made, then parties who have made representations should be able to comment on the changes made. Part 9 of this guidance gives more information about licence conditions.

7.61. If the plans submitted at the time of the application for a premises licence are changed in any material respect during the fitting out of the premises after the grant of the licence, then the applicant will be in breach of the licence. If the applicant wishes to change the proposed plans after grant then, in order to avoid breaching the licence, it will be necessary for the

applicant to either make a fresh application under s.159 or seek an amendment to a detail of the licence under s.187 of the Act. If there are substantive changes to the plans then this may render the premises different to those for which the licence was granted. In such a case, variation of the licence under s.187 is not possible. For this reason, and while this is a matter of judgement for the licensing authority, the Commission considers it would be more appropriate in the case of any material post grant change, for the applicant to make a fresh application under s.159 to preserve the rights of interested parties and responsible authorities to make representations in respect of the application.

7.62. The local authority will need to be satisfied in any individual case that the completed works comply with the original, or changed, plan attached to the premises licence. Depending upon circumstances, this could be achieved either through physical inspection of the premises or written confirmation from the applicant or surveyor that the condition has been satisfied.

7.63. Requiring the building to be complete before trading commences would ensure that the authority could, if considered necessary, inspect it fully, as could other responsible authorities with inspection rights under Part 15 of the Act. Inspection will allow authorities to check that gambling facilities comply with all necessary legal requirements. For example, category C and D machines in a licensed family entertainment centre must be situated so that people under 18 do not have access to the category C machines. The physical location of higher stake gaming machines in premises to which children have access will be an important part of this, and inspection will allow the authority to check that the layout complies with the operator's proposals and the legal requirements.

7.64. If faced with an application in respect of uncompleted premises which it appears are not going to be ready to be used for gambling for a considerable period of time, a licensing authority ought to consider whether – applying the two stage approach advocated above – it should grant a licence or whether the circumstances are more appropriate to a provisional statement application. For example, the latter would be the case if there was significant potential for circumstances to change before the premises opens for business. In such cases, the provisional statement route would ensure that the limited rights of responsible authorities and interested parties to make representations about matters arising from such changes of circumstance are protected. Licensing authorities may choose to discuss with individual applicants which route is appropriate, to avoid them having to pay a fee for an application that the licensing authority did not think was grantable.

7.65. When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have to comply with the necessary planning or building consents. Nor should fire or health and safety risks be taken into account. Those matters should be dealt with under relevant planning control, building and other regulations, and must not form part of the consideration for the premises licence. S.210 of the Act prevents licensing authorities taking into account the likelihood of the proposal by

the applicant obtaining planning or building consent when considering a premises licence application. Equally, the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building.

LUXURY LEISURE AND DOUBLE DIAMOND, 22 NEWPORT ROAD, MIDDLESBROUGH, TS1

5AE

MIDDLESBROUGH COUNCIL LICENSING SUB-COMMITTEE

12 JULY 2023

APPENDIX TO THE BUNDLE

<u>DOCUMENT</u>	<u>PAGE</u>
Section 6: Appendix to the Bundle	355
Subsequently Developed Parked Casino Licences and Acquisitions (Converted Casino Licence Applications in 28 Licencing Authority Areas)	356-363
List of Licensing Authority Areas	364
Casino Licences granted under the Gaming Act 1968 and granted as converted casino licences under transitional provisions including licences that have never been operated under the 2005 Act and those closed and parked in their original location in other licensing authority areas	365-366
The Gambling Act 2005 (Transitional Provisions) Order 2006 (Article 2)	367
Ordinary and Social Responsibility Codes Relating to Non-Remote Casino Licences	368 - 385
House of Commons, Culture, Media and Sport Committee: The Gambling Act 2005: A bet worth taking? First Report of Session 2012-13, Volume I (Supplementary written evidence submitted by National Casino Industry Forum (NCiF) January 2012)	386 - 389
House of Commons, Culture, Media and Sport Committee: The Gambling Act 2005: A bet worth taking? First Report of Session 2012-13, Volume I (Further supplementary written evidence submitted by the National Casino Industry Forum (NCiF) February 2012)	390-392
Middlesbrough Council Report, Gambling Act 2005: Review of Licensing Policy Statement, 5 December 2012 (Tim Hodgkinson)	393-398

This page is intentionally left blank

APPENDIX TO THE BUNDLE
SECTION 6

Subsequently Developed Parked Casino Licences and Acquisitions (Converted Casino Licence Applications in 28 Licensing Authority Areas)

Key:

* Developed as an electric casino straight away
+ Licences that have been parked pending development at another site
+ * Parked and developed as an electric casino at a later date
Licences developed at their final site

1	2008	Manchester Hard Rock closed Casino to G Casino	Grosvenor+*	Manchester City Council
2	2008	Ladbrokes Paddington Casino to Cumberland Hotel	Clermont Leisure+ (on acquisition)	City of Westminster Council
3	2008	Scarborough to E Casino	Grosvenor+*	North Yorkshire Council (formerly Scarborough Council)
4	2008	Genting closed Luton International to Skimpot Road	Genting* (on acquisition)	Luton Borough Council
5	2008	Gala Glasgow Rotunda to Gala Merchant City	Gala+*	Glasgow City Council
6	2008	Gala closed Bristol to new Bristol Casino	Gala*	Bristol City Council
7	2008	Gala closed Nottingham to Maid Marian Way	Gala*	Nottingham City Council
8	2009	Leeds closed Moortown to Leeds Merrion Way	Grosvenor*	Leeds City Council
9	2009	Genting undeveloped new Glasgow St Enoch's to Genting Sauciehall Street	Genting* (undeveloped new licence to new electric)	Glasgow City Council

10	2009	Grosvenor closed Liverpool to E Casino	Grosvenor+*	Liverpool City Council
11	2009	Gala closed Piccadilly to London Park Lane Hilton Hotel	Gala+	City of Westminster Council
12	2009	Blue Chip Walsall to Walsall Grosvenor	Grosvenor* (on acquisition)	Walsall Metropolitan Borough Council
13	2009	Development of Manchester parked licence to create separate electric casino	Grosvenor	Manchester City Council
14	2010	Grosvenor Manchester Whitworth Street to Manchester G Casino	Grosvenor+	Manchester City Council
15	2010	Connoisseur Club to Gloucester Road Casino	Grosvenor+*	Royal Borough of Kensington and Chelsea
16	2010	50 St James Mayfair to Empire Poker Club creating separate casino within same building with a dividing passage way	LCI*	City of Westminster Council
17	2010	Parked Reading Mecca to initial Reading G	Grosvenor+	Reading Borough Council
18	2011	Nottingham Victoria to Maid Marion Way	Gala* (on acquisition)	Nottingham City Council

19	2011	Parked Stockton Mecca to extension to form Stockton Casino	Grosvenor (implementation)	Stockton-on-Tees Borough Council
20	2011	G Casino Manchester to new Didsbury development	Grosvenor (implementation)	Manchester City Council
21	2011	Parked Birkenhead Mecca to New Brighton development	Grosvenor (implementation)	Metropolitan Borough of Wirral
22	2012	Reading Genting Racino to Genting Richfield Avenue	Genting+*	Reading Borough Council
23	2012	Parked Southend Mecca to new Park Hotel development	Grosvenor (implementation)	Southend-on-Sea Council
24	2012	Clermont Cumberland to Victoria Training Room	Grosvenor+ (on acquisition)	City of Westminster Council
25	2012	Reading parked licence to new Reading G development	Grosvenor (implementation)	Reading Borough Council
26	2012	Grosvenor closed Casino Hove to basement of Brighton Casino	Grosvenor+	Brighton and Hove City Council

27	2012	Swansea Mecca parked licence moved to High Street Casino to create second electric casino	Grosvenor+* (implementation as Electric Casino)	City and County of Swansea Council
28	2012	Southampton closed Harbour House to Genting Southampton	Genting* (on acquisition)	Southampton City Council
29	2012	Hilton Hotel to Park Lane Casino	Silverbond Limited (on acquisition from Gala)	City of Westminster Council
30	2012	Victoria Training Room to new separate poker room casino on 2 nd floor (accessed via unlicensed reception and staircase and landing lobbies)	Grosvenor (implementation of additional licence)	City of Westminster Council
31	2013	Liverpool E to Leo Grosvenor Casino	Grosvenor* (on acquisition)	Liverpool City Council
32	2013	Edinburgh Mecca parked casino licence to Corinthian parked venue	Corinthian+ (sale of licence required by CMA)	City of Edinburgh Council
33	2013	Bristol closed Triangle Independent to Genting Bristol	Genting+ (on acquisition)	Bristol City Council
34	2013	Clermont Glasgow to Mecca Bingo Glasgow	Grosvenor+ (on acquisition)	Glasgow City Council

35	2013	Clermont Bradford to Mecca Bingo Bradford	Grosvenor+ (on acquisition)	City of Bradford Metropolitan District Council
36	2013	Clermont Wolverhampton to Mecca Bingo Bilston	Grosvenor+ (on acquisition)	City of Wolverhampton Council
37	2013	Kingdom Casino Sheffield to Grosvenor Sheffield	Grosvenor+* (on acquisition)	Sheffield City Council
38	2013	Parked Oldbury Mecca to reduced size casino	Grosvenor+* (implementation as Electric)	Sandwell Council
39	2014	Genting closed Derby to Derby Riverlights	Genting*	Derby City Council
40	2014	Gala New Coventry (undeveloped) to Ricoh G Casino	Grosvenor* (on acquisition)	Coventry City Council
41	2014	Gala New Northampton (undeveloped) to Grosvenor Regent Road	Grosvenor* (on acquisition)	West Northamptonshire Council (formerly Northampton Council)
42	2015	Grosvenor closed Southsea to Portsmouth Gunwharf	Grosvenor*	Portsmouth City Council

43	2015	Genting closed Leith to Genting Edinburgh Fountainbridge	Genting*	City of Edinburgh Council
44	2015	Grosvenor Princes Glasgow on closure to Grosvenor Merchant City	Grosvenor*	Glasgow City Council
45	2015	Mecca Bradford (former Clermont) to Grosvenor Bradford	Grosvenor*	City of Bradford Metropolitan District Council
46	2016	Mecca Glasgow (former Clermont) to Grosvenor Riverboat	Grosvenor*	Glasgow City Council
47	2016	Genting closed Coventry to Genting Coventry Arena	Genting*	Coventry City Council
48	2016	Genting closed Manchester to Genting Portland Road	Genting*	Manchester City Council
49	2018	Napoleons closed Sheffield Eccleshall to Owlerton	A and S+	Sheffield City Council
50	2018	Parked former Hove licence developed as electric casino	Grosvenor	Brighton and Hove City Council

51	2018	Closed Clermont Club to Cumberland Hotel	Clermont Leisure+	City of Westminster Council
52	2018	Grosvenor closed Leeds Merrion to former Gala Westgate	Grosvenor*	Leeds City Council
53	2019	Golden Nugget to Empire Casino London	LCI+	City of Westminster Council
54	2019	Cumberland Hotel back to re-developed Clermont Club by new owners	Clermont Leisure (UK) Ltd	City of Westminster Council
55	2020	Ritz closed Casino to basement cellar of Hard Rock Café Piccadilly	Hard Rock CC London Limited+	City of Westminster Council
56	2021	Maxims/Palace Gate closed Casino (in administration)	Coastbright Limited in administration+	Royal Borough of Kensington and Chelsea
57	2023	Birmingham Clockfair (in administration) to Metropolitan	Metropolitan Gaming+	Birmingham City Council

List of Licensing Authority Areas

	Local Authority	Number
1	Manchester City Council	5
2	Westminster City Council	10
3	North Yorkshire Council (formerly Scarborough Council)	1
4	Luton Borough Council	1
5	Glasgow City Council	5
6	Bristol City Council	2
7	Leeds City Council	2
8	Liverpool City Council	2
9	Walsall Metropolitan Borough Council	1
10	Royal Borough of Kensington and Chelsea	2
11	Birmingham City Council	1
12	Reading Borough Council	3
13	Brighton and Hove City Council	2
14	City and County of Swansea Council	1
15	Southampton City Council	1
16	Metropolitan Borough of Wirral	1
17	Southend-on-Sea Council	1
18	City of Edinburgh Council	2
19	Portsmouth City Council	1
20	City of Bradford Metropolitan District Council	2
21	City of Wolverhampton Council	1
22	Sheffield City Council	2
23	Sandwell Council	1
24	Derby City Council	1
25	Coventry City Council	2
26	West Northamptonshire Council (formerly Northampton Council)	1
27	Nottingham City Council	2
28	Stockton-on-Tees Borough Council	1

CASINO LICENCES GRANTED UNDER THE GAMING ACT 1968 AND GRANTED AS CONVERTED CASINO LICENCES UNDER TRANSITIONAL PROVISIONS INCLUDING LICENCES THAT HAVE NEVER BEEN OPERATED UNDER THE 2005 ACT AND THOSE CLOSED AND PARKED IN THEIR ORIGINAL LOCATION IN OTHER LICENSING AUTHORITY AREAS

CATEGORY 1:

Closed in the early 2000's and not operated under the 2005 Act:

- Genting Walsall
- Genting Lytham St Annes
- Genting Great Yarmouth

CATEGORY 2:

Closed after 2005 Act was implemented but not re-located – all post 2010:

- Swansea Aspers
- Swansea Aspers second licence
- LCI Southend
- Glasgow Corinthian

CATEGORY 3:

Closed as a result of the opening of Victoria Gate (Large) Casino Leeds:

- LCI Leeds
- Grosvenor second Merrion Way Licence
- Grosvenor Casino Bradford
- Grosvenor second Casino Bradford

CATEGORY 4:

Closed as a result of the impact of the pandemic:

- Ritz Club in Ritz Hotel (acquired by Hard Rock CC London Limited and parked in basement of Hard Rock Café)
- Maxims Casino, Kensington (currently in administration)
- Genting Margate
- Genting Bristol
- Genting second licence Bristol parked at same site
- Genting Southport
- Genting Torquay
- Genting Nottingham
- Clockfair Birmingham (fell into administration and acquired recently by Metropolitan Gaming and parked)

- Grosvenor Russell Square
- Double Diamond Cardiff

CATEGORY 5:

1968 Act licences not as yet developed and implemented:

- Cheshire Sporting Club Manchester (parked and recently re-located)
- Aspers Bournemouth
- State Casino Liverpool
- Genting Hull
- Corinthian Edinburgh

Casino Licences that have not been maintained:

- International Casino Aberdeen
- Bannatynes Newcastle
- Soul Casino Aberdeen
- Gala Casino Dundee
- Gala Casino Wolverhampton
- Reds Casino Huddersfield
- Grosvenor Acocks Green

Cookies on Legislation.gov.uk

The cookies on legislation.gov.uk do two things: they remember any settings you've chosen so you don't have to choose them on every page, and they help us understand how people browse our website, so we can make improvements and fix problems. We need your consent to use some of these cookies.

Yes, these cookies are OK

Find out more or set individual cookie preferences

No, I want to reject all cookies

Cymraeg

[Home](#) [Browse Legislation](#) [New Legislation](#) [Coronavirus Legislation](#) [Changes To Legislation](#)
[Search Legislation](#)
 Title: Year: Number: Type: [Search](#)
[Advanced Search \(including Welsh legislation in Welsh language\)](#)

The Gambling Act 2005 (Transitional Provisions) Order 2006

UK Statutory Instruments 2006 No. 1038 Article 2

[Table of Contents](#) [Content](#) [Explanatory Memorandum](#) [More Resources](#)
[Previous: Provision](#) | [Next: Provision](#)
[Plain View](#)[Print Options](#)

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Modification of the powers of the Gambling Commission to issue certificates of consent

2.—(1) This article applies to the exercise by the Gambling Commission([1](#)) of its powers to issue a certificate of consent under paragraph 4 of Schedule 2 to the 1968 Act during the period beginning on the date on which this Order comes into force and ending on the date on which the repeal of that paragraph by section 356(3)(g) and (4) of, and Schedule 17 to, the Gambling Act 2005 takes effect for all purposes.

(2) Where a consent application in respect of a casino licence is made on or after 29th April 2006, the Gambling Commission may only issue a certificate of consent on that application in the circumstances specified in paragraph (3).

(3) The circumstances are that—

- (a) the person making the application holds one or more casino licences in respect of premises in the same licensing area; and
- (b) the Gambling Commission is satisfied that the applicant intends to relinquish such a casino licence if the casino licence in respect of which the consent application is made is granted.

(4) In paragraph (3)(a) the reference to the same licensing area is—

- (a) where the premises to which the consent application relates are in England or Wales, to the local justice area in which those premises are situated; and
- (b) where the premises to which the consent application relates are in Scotland, to the licensing board area in which those premises are situated.

- (1) The Gaming Act 1968 confers this function on the Gaming Board for Great Britain, but by virtue of the Gambling Act 2005 the function is now exercisable by the Gambling Commission. The Gambling Commission is established by section 20 of the Gambling Act 2005. Section 21 of that Act provides for the transfer of functions, rights and liabilities of the Gaming Board for Great Britain to the Gambling Commission. Sections 20 and 21 were brought into force by S.I. [2005/2455](#) on 1st October 2005. Schedule 5, paragraph 4, to the Gambling Act 2005 provides for a reference to the Gaming Board in any enactment to be treated after the commencement of section 21 as a reference to the Gambling Commission.

[Previous: Provision](#) | [Next: Provision](#)
[Help](#) [About Us](#) [Site Map](#) [Accessibility](#) [Contact Us](#) [Privacy Notice](#) [Cookies](#)
[Back to top](#)

OGL All content is available under the [Open Government Licence v3.0](#) except where [otherwise stated](#). This site additionally contains content derived from EUR-Lex, reused under the terms of the [Commission Decision 2011/833/EU](#) on the reuse of documents from the EU institutions. For more information see the [EUR-Lex public statement on re-use](#).

© Crown and database right

1.1.1 - Cooperation with the Commission

Ordinary code

Applies to:

All licences

1. As made plain in its Statement of principles for licensing and regulation, the Commission expects licensees to conduct their gambling operations in a way that does not put the licensing objectives at risk, to work with the Commission in an open and cooperative way and to disclose anything which the Commission would reasonably need to be aware of in exercising its regulatory functions. This includes, in particular, anything that is likely to have a material impact on the licensee's business or on the licensee's ability to conduct licensed activities compliantly. Licensees should have this principle in mind in their approach to, and when considering their compliance with, their obligations under the conditions attached to their licence and in relation to the following provisions of this code.

1.1.2 - Responsibility for third parties – all licences

Social responsibility code

Applies to:

All licences

1. Licensees are responsible for the actions of third parties with whom they contract for the provision of any aspect of the licensee's business related to the licensed activities.
2. Licensees must ensure that the terms on which they contract with such third parties:
 - a. require the third party to conduct themselves in so far as they carry out activities on behalf of the licensee as if they were bound by the same licence conditions and subject to the same codes of practice as the licensee
 - b. oblige the third party to provide such information to the licensee as they may reasonably require in order to enable the licensee to comply with their information reporting and other obligations to the Commission
 - c. enable the licensee, subject to compliance with any dispute resolution provisions of such contract, to terminate the third party's contract promptly if, in the licensee's reasonable opinion, the third party is in breach of contract (including in particular terms included pursuant to this code provision) or has otherwise acted in a manner which is inconsistent with the licensing objectives, including for affiliates where they have breached a relevant advertising code of practice.

2.1.1 - Anti-money laundering – casino

Ordinary code

Applies to:

All remote and non-remote casino licences

1. In order to help prevent activities related to money laundering and terrorist financing, licensees should act in accordance with the Commission's guidance on anti-money laundering, The Prevention of Money Laundering and Combating the Financing of Terrorism - Guidance for remote and non-remote casinos.

3.1.1 - Combating problem gambling

Social responsibility code

Applies to:

All licences

1. Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling including the specific policies and procedures required by the provisions of section 3 of this code.
2. Licensees must make an annual financial contribution to one or more organisation(s) which are approved by the Gambling Commission, and which between them deliver or support research into the prevention and treatment of gambling-related harms, harm prevention approaches and treatment for those harmed by gambling.

3.2.1 - Casinos SR code

Social responsibility code

Applies to:

All non-remote casino licences

1. Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.
2. Licensees must ensure that their policies and procedures take account of the structure and layout of their gambling premises.
3. Licensees must designate one or more supervisors for each casino entrance.
4. A supervisor's responsibilities include ensuring compliance with this section of the code.
5. A supervisor must implement the following procedures:
 - a. checking the age of customers who appear to be, or are suspected of being, underage
 - b. refusing entry to anyone unable to produce an acceptable form of identification, ie one which:

- i. contains a photograph from which the individual can be identified
 - ii. states the individual's date of birth
 - iii. is valid
 - iv. is legible and shows no signs of tampering or reproduction
- c. taking action when there are unlawful attempts to enter the premises, including removing anyone who appears to be underage and cannot produce an acceptable form of identification.
- 6. Licensees must not deliberately provide facilities for gambling in such a way as to appeal particularly to children or young people, for example by reflecting or being associated with youth culture.
- 7. In premises restricted to adults, service must be refused in any circumstances where any adult is accompanied by a child or young person.
- 8. Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling. This must include appropriate training which must cover all relevant prohibitions against inviting children or young persons to gamble or to enter gambling premises, and the legal requirements on returning stakes and not paying prizes to underage customers.
- 9. Licensees must conduct test purchasing or take part in collective test purchasing programmes as a means of providing reasonable assurance that they have effective policies and procedures to prevent underage gambling, and must provide their test purchase results to the Commission, in such a form or manner as the Commission may from time to time specify.

Read additional [guidance on the information requirements](#) contained within this section.

3.2.2 - Casinos ordinary code

Ordinary code

Applies to:

All non-remote casino licences

1. There should be a sufficient number of supervisors at casino entrances to enable a considered judgement to be made about the age of everyone attempting to enter the casino and to take the appropriate action (for example checking identification) whilst at the same time not allowing others to enter unsupervised. The nature of this task means that it cannot be properly accomplished only by using CCTV; it will require a physical presence. Heavily used entrances may require more than one designated supervisor.
2. Supervisors may be assisted by other door keepers provided the supervisor retains the responsibility for compliance with this section of the code and deals personally with any case where there is any doubt or dispute as to someone's eligibility to enter.
3. The Commission considers acceptable forms of identification to include: any identification carrying the PASS logo (for example Citizencard or Validate); a military identification card; a driving licence (including provisional licence) with photocard; or a passport.
4. Licensees should put into effect procedures that require their staff to check the age of any customer who appears to them to be under 21.

5. Licensees should consider permanent exclusion from premises of any adult accompanied by a child or young person on more than one occasion to premises restricted to adults, or if there is reason to believe the offence was committed knowingly or recklessly.
6. Procedures should be put into effect for dealing with cases where a child or young person repeatedly attempts to gamble on premises restricted to adults, including oral warnings, reporting the offence to the Gambling Commission¹ and the police, and making available information on problem gambling.
7. In providing training to staff on their responsibilities for preventing underage gambling, licensees should have, as a minimum, policies for induction training and refresher training.

Read additional guidance on the information requirements contained within this section.

3.3.1 - Responsible gambling information

Social responsibility code

Applies to:

All licences, except gaming machine technical, gambling software, host, ancillary remote bingo, ancillary remote casino and remote betting (remote platform) licences

1. Licensees must make information readily available to their customers on how to gamble responsibly and how to access information about, and help in respect of, problem gambling.
2. The information must cover:
 - a. any measures provided by the licensee to help individuals monitor or control their gambling, such as restricting the duration of a gambling session or the amount of money they can spend
 - b. timers or other forms of reminders or 'reality checks' where available
 - c. self-exclusion options
 - d. information about the availability of further help or advice.
3. The information must be directed to all customers whether or not licensees also make available material which is directed specifically at customers who may be 'problem gamblers'.
4. For gambling premises, information must be available in all areas where gambling facilities are provided and adjacent to ATMs. Information must be displayed prominently using methods appropriate to the size and layout of the premises. These methods may include the use of posters, the provision of information on gambling products, or the use of screens or other facilities in the gambling premises. Information must also be available in a form that may be taken away and may also be made available through the use of links to be accessed online or using smart technology. Licensees must take all reasonable steps to ensure that this information is also readily accessible in locations which enable the customer to obtain it discreetly.

¹ These matters are to be reported to us online via our 'eServices' digital service on our website.

3.3.2 - Foreign languages

Ordinary code

Applies to:

All licences, except gaming machine technical, gambling software, host, ancillary remote bingo and ancillary remote casino licences

1. Licensees who market their services in one or more foreign languages should make available in that, or those, foreign languages:
 - a. the information on how to gamble responsibly and access to help referred to above
 - b. the players' guides to any game, bet or lottery required to be made available to customers under provisions in this code
 - c. the summary of the contractual terms on which gambling is offered, which is required to be provided to customers as a condition of the licensee's operating licence.

3.4.1 - Customer interaction

Social responsibility code

Applies to:

All licences, except non-remote lottery, gaming machine technical, gambling software and host licences

1. Licensees must interact with customers in a way which minimises the risk of customers experiencing harms associated with gambling. This must include:
 - a. identifying customers who may be at risk of or experiencing harms associated with gambling.
 - b. interacting with customers who may be at risk of or experiencing harms associated with gambling.
 - c. understanding the impact of the interaction on the customer, and the effectiveness of the Licensee's actions and approach.
2. Licensees must take into account the Commission's guidance on customer interaction.

3.5.1 - Self exclusion – Non-remote and trading rooms SR code

Social responsibility code

Applies to:

All non-remote licences (except lottery, gaming machine technical and gambling software licences) and remote betting intermediary (trading rooms only) licences

1. Licensees must have and put into effect procedures for self-exclusion and take all reasonable steps to refuse service or to otherwise prevent an individual who has entered a self-exclusion agreement from participating in gambling.
2. Licensees must, as soon as practicable, take all reasonable steps to prevent any marketing material being sent to a self-excluded customer.
3. Licensees must take steps to remove the name and details of a self-excluded individual from any marketing databases used by the company or group (or otherwise flag that person as an individual to whom marketing material must not be sent), within two days of receiving the completed self-exclusion notification.
4. This covers any marketing material relating to gambling, or other activities that take place on the premises where gambling may take place. However, it would not extend to blanket marketing which is targeted at a particular geographical area and where the excluded individual would not knowingly be included.
5. Licensees must close any customer accounts of an individual who has entered a self-exclusion agreement and return any funds held in the customer account. It is not sufficient merely to prevent an individual from withdrawing funds from their customer account whilst still accepting wagers from them. Where the giving of credit is permitted, the licensee may retain details of the amount owed to them by the individual, although the account must not be active.
6. Licensees must put into effect procedures designed to ensure that an individual who has self-excluded cannot gain access to gambling. These procedures must include:
 - a. a register of those excluded with appropriate records (name, address, other details, and any membership or account details that may be held by the operator);
 - b. photo identification (except where the Licensee can reasonably satisfy themselves that in the circumstances in which they provide facilities for gambling an alternative means of identification is at least as effective) and a signature;
 - c. staff training to ensure that staff are able to administer effectively the systems; and
 - d. the removal of those persons found in the gambling area or attempting to gamble from the premises.
7. Licensees must ensure that their procedures for preventing access to gambling by self-excluded individuals take account of the structure and layout of the gambling premises.
8. Licensees must, when administering the self-exclusion agreement, signpost the individual to counselling and support services.

3.5.2 - Self-exclusion – non-remote ordinary code

Ordinary code

Applies to:

All non-remote licences and remote betting intermediary (trading rooms only) licences, but not gaming machine technical and gambling software licences

1. Self-exclusion procedures should require individuals to take positive action in order to self-exclude. This can be a signature on a self-exclusion form.

2. Individuals should be able to self-exclude without having to enter gambling premises.
3. Before an individual self-excludes, licensees should provide or make available sufficient information about what the consequences of self-exclusion are.
4. Licensees should take all reasonable steps to extend the self-exclusion to premises of the same type owned by the operator in the customer's local area. In setting the bounds of that area licensees may take into account the customer's address (if known to them), anything else known to them about the distance the customer ordinarily travels to gamble and any specific request the customer may make.
5. Licensees should encourage the customer to consider extending their self-exclusion to other licensees' gambling premises in the customer's local area.
6. Customers should be given the opportunity to discuss self-exclusion in private, where possible.
7. Licensees should take steps to ensure that:
 - a. the minimum self-exclusion period offered is of a duration of not less than 6 nor more than 12 months
 - b. any self-exclusion may, on request, be extended for one or more further periods of at least 6 months each
 - c. a customer who has decided to enter a self-exclusion agreement is given the opportunity to do so immediately without any cooling-off period. However, if the customer wishes to consider the self-exclusion further (for example to discuss with problem gambling groups), the customer may return at a later date to enter into self-exclusion
 - d. at the end of the period chosen by the customer, the self-exclusion remains in place for a further 6 months, unless the customer takes positive action in order to gamble again
 - e. where a customer chooses not to renew the self-exclusion, and makes a positive request to begin gambling again during the 6 month period following the end of their initial self-exclusion, the customer is given one day to cool off before being allowed access to gambling facilities. The contact must be made via telephone or in person
 - f. notwithstanding the expiry of the period of self-exclusion chosen by a customer, no marketing material should be sent to them unless and until they have asked for or agreed to accept such material.
8. The licensee should retain the records relating to a self-exclusion agreement at least for the length of the self-exclusion agreement plus a further 6 months.
9. Please note that the Commission does not require the licensee to carry out any particular assessment or make any judgement as to whether the previously self-excluded individual should again be permitted access to gambling. The requirement to take positive action in person or over the phone is purely to a) check that the customer has considered the decision to access gambling again and allow them to consider the implications; and b) implement the one day cooling-off period and explain why this has been put in place.
10. Licensees should have, and put into effect, policies and procedures which recognise, seek to guard against and otherwise address, the fact that some individuals who have self-excluded might attempt to breach their exclusion without entering a gambling premises, for example, by getting another to gamble on their behalf.
11. Licensees should have effective systems in place to inform all venue staff of self-excluded individuals who have recently attempted to breach a self-exclusion in that venue, and the licensees neighbouring venues.

12. In providing training to staff on their responsibilities for self-exclusion, licensees should have, as a minimum, policies for induction training and refresher training.

3.5.6 - Multi-operator non-remote SR code

Social responsibility code

Applies to:

All non-remote casino, bingo and betting licences (except in respect of the provision of facilities for betting in reliance on a track premises licence) and holders of gaming machine general operating licences for adult gaming centres

1. Licensees must offer customers with whom they enter into a self-exclusion agreement in respect of facilities for any kind of gambling offered by them at licensed gambling premises the ability to self-exclude from facilities for the same kind of gambling offered in their locality by any other holder of an operating licence to whom this provision applies, by participating in one or more available multi-operator self-exclusion schemes.

3.5.7 - Multi-operator non-remote ordinary code

Ordinary code

Applies to:

All non-remote casino, bingo and betting licences (except in respect of the provision of facilities for betting in reliance on a track premises licence) and holders of gaming machine general operating licences for adult gaming centres

1. Licensees should contribute to and participate in the development and effective implementation of multi-operator self-exclusions schemes with the aim of making available to customers the ability to self-exclude from facilities for gambling provided by other licensed operators within their local area(s).

3.6.3 - Casino

Ordinary code

Applies to:

All non-remote casino licences

1. Licensees who employ children (under-16-year-olds) and young persons (those aged 16 and 17) should be aware that it is an offence:
 - a. to employ them to provide facilities for gambling;
 - b. if gaming machines are sited on the premises, for their contracts of employment to require them, or for them to be permitted, to perform a function in connection with a gaming machine at any time; and

- c. to employ them to carry out any other function on casino licensed premises while any gambling activity is being carried on in reliance on the premises licence (except that they can be employed on a part of regional casino premises when that part of the premises is not being used for the provision of facilities for gambling).
- 2. As to 1b, it should be noted that in the Commission's view the relevant provision of the Act applies to any function performed in connection with a gaming machine. This includes servicing or cleaning such a machine.
- 3. Accordingly, licensees should have and put into effect policies and procedures designed to ensure that:
 - a. children and young persons are never asked to perform tasks within 1a or 1b above
 - b. all staff, including those who are children or young persons themselves, are instructed about the laws relating to access to gambling by children and young persons.
- 4. Licensees should consider adopting a policy that:
 - a. children and young persons are not employed to work on casino licensed premises (other than in an area of a regional casino where gambling does not take place) at any time when the premises are open for business
 - b. gaming machines are turned off if children and young persons are working on the premises outside the hours when the premises are open for business.

3.8.1 - Money-lending – casinos

Ordinary code

Applies to:

All non-remote casino licences

1. Licensees should take steps to prevent systematic or organised money lending between customers on their premises.
2. While the nature of those steps will depend to some extent on the layout and size of the premises, they should cover matters such as:
 - a. systems for monitoring for such activity;
 - b. instructions to staff concerning what they should do if they spot what they believe to be significant money lending and to managers about the ways in which they should handle and act on any such lending; and
 - c. excluding from the premises, either temporarily or permanently as appropriate, any person whom the evidence suggests has become involved in organised or systematic money lending.
3. There should be appropriate arrangements in place to cover any cases where it appears that the lending may be commercial in nature or may involve money laundering. In the latter case, the requirements in respect of reporting suspicious transactions must be followed. In all cases where the operator encounters systematic or organised money lending, a report should be made to the Commission.²

² These matters are to be reported to us online via our '[eServices](#)' digital service on our website.

4.1.1 - Fair terms

Social responsibility code

Applies to:

All licences, except gaming machine technical and gambling software licences

1. Licensees must be able to provide evidence to the Commission, if required, showing how they satisfied themselves that their terms are not unfair.

4.2.1 - Display of rules – casino

Social responsibility code

Applies to:

All non-remote casino licences

1. In complying with any condition on a casino premises licence requiring the display of rules about gaming, licensees must ensure that the following are included:
 - a. the rules of each type of casino game available to be played
 - b. a player's guide to the house edge
 - c. a player's guide to the rules of any equal chance games which are made available.

4.2.5 - Supervision of games

Social responsibility code

Applies to:

All non-remote casino licences

1. Licensees must have and put into effect policies and procedures designed to ensure that proper supervision of gaming at tables is carried out by supervisors, pit bosses and croupiers in order to ensure the integrity of the gaming is not compromised. Such policies and procedures must take into account, but need not be limited by, any mandatory premises licence conditions relating to the layout of premises.

5.1.1 - Rewards and bonuses – SR code

Social responsibility code

Applies to:

All licences (including ancillary remote licences), except gaming machine technical and gambling software licences

1. If a licensee makes available to any customer or potential customer any incentive or reward scheme or other arrangement under which the customer may receive money, goods, services or any other advantage (including the discharge in whole or in part of any liability of his) ('the benefit') the scheme must be designed to operate, and be operated, in such a way that:
 - a. the circumstances in which, and conditions subject to which, the benefit is available are clearly set out and readily accessible to the customers to whom it is offered;
 - b. neither the receipt nor the value or amount of the benefit is:
 - i. dependent on the customer gambling for a pre-determined length of time or with a pre-determined frequency; or
 - ii. altered or increased if the qualifying activity or spend is reached within a shorter time than the whole period over which the benefit is offered.
 - c. if the value of the benefit increases with the amount the customer spends it does so at a rate no greater than that at which the amount spent increases; and further that:
 - d. if the benefit comprises free or subsidised travel or accommodation which facilitates the customer's attendance at particular licensed premises the terms on which it is offered are not directly related to the level of the customer's prospective gambling.
2. If a licensee makes available incentives or reward schemes for customers, designated by the licensee as 'high value', 'VIP' or equivalent, they must be offered in a manner which is consistent with the licensing objectives.

Licensees must take into account the Commission's guidance on high value customer incentives.

5.1.2 - Proportionate rewards

Ordinary code

Applies to:

All licences (including ancillary remote licences), except gaming machine technical and gambling software licences

1. Licensees should only offer incentive or reward schemes in which the benefit available is proportionate to the type and level of customers' gambling.

5.1.3 - Alcoholic drinks

Social responsibility code

Applies to:

All non-remote bingo and casino licences

1. If licensees offer customers free or discounted alcoholic drinks for consumption on the premises they must do so on terms which do not in any way link the availability of such drinks to whether, or when, the customer begins, or continues, to gamble.
2. Licensees must not make unsolicited offers of free alcoholic drinks for immediate consumption by customers at a time when they are participating in gambling activities.

5.1.4 - Promotion by agents

Social responsibility code

Applies to:

All non-remote casino licences

1. Where a licensee employs agents to promote its business (wherever that business is conducted), it must ensure that its agreement with any agent makes clear that the agent must not encourage players to play longer or wager more than the player might otherwise do. In particular, payments should not be directly dependent upon, nor directly calculated by reference to, the length of time for which, or frequency with which, the customer gambles. If the payment to the agent increases with the amount the customer spends it must do so at a rate no greater than that at which the amount spent increases.

5.1.6 - Compliance with advertising codes

Social responsibility code

Applies to:

All licences, except lottery licences

1. All marketing of gambling products and services must be undertaken in a socially responsible manner.
2. In particular, Licensees must comply with the advertising codes of practice issued by the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP) as applicable. For media not explicitly covered, licensees should have regard to the principles included in these codes of practice as if they were explicitly covered.
3. The restriction on allowing people who are, or seem to be, under 25 years old (ie: those in the 18-24 age bracket) to appear in marketing communications need not be

applied in the case of non-remote point of sale advertising material, provided that the images used depict the sporting or other activity that may be gambled on and not the activity of gambling itself and do not breach any other aspect of the advertising codes.

5.1.8 - Compliance with industry advertising codes

Ordinary code

Applies to:

All licences

1. Licensees should follow any relevant industry code on advertising, notably the Gambling Industry Code for Socially Responsible Advertising.

5.1.9 - Other marketing requirements

Social responsibility code

Applies to:

All licences

1. Licensees must ensure that their marketing communications, advertisement, and invitations to purchase (within the meaning of the Consumer Protection from Unfair Trading Regulations 2008) do not amount to or involve misleading actions or misleading omissions within the meaning of those Regulations.
2. Licensees must ensure that all significant conditions which apply to marketing incentives are provided transparently and prominently to consumers. Licensees must present the significant conditions at the point of sale for any promotion, and on any advertising in any medium for that marketing incentive except where, in relation to the latter, limitations of space make this impossible. In such a case, information about the significant conditions must be included to the extent that it is possible to do so, the advertising must clearly indicate that significant conditions apply and where the advertisement is online, the significant conditions must be displayed in full no further than one click away.
3. The terms and conditions of each marketing incentive must be made available for the full duration of the promotion.

5.1.10 - Online marketing in proximity to information on responsible gambling

Ordinary code

Applies to:

All licences

1. Licensees should ensure that no advertising or other marketing information, whether relating to specific offers or to gambling generally, appears on any primary web page/screen, or micro site that provides advice or information on responsible gambling

5.1.11 - Direct electronic marketing consent

Social responsibility code

Applies to:

All licences

1. Unless expressly permitted by law consumers must not be contacted with direct electronic marketing without their informed and specific consent. Whenever a consumer is contacted the consumer must be provided with an opportunity to withdraw consent. If consent is withdrawn the licensee must, as soon as practicable, ensure the consumer is not contacted with electronic marketing thereafter unless the consumer consents again. Licensees must be able to provide evidence which establishes that consent.

6.1.1 - Complaints and disputes

Social responsibility code

Applies to:

All licences (including ancillary remote licensees) except gaming machine technical and gambling software licences

1. Licensees must put into effect appropriate policies and procedures for accepting and handling customer complaints and disputes in a timely, fair, open and transparent manner.
2. Licensees must ensure that they have arrangements in place for customers to be able to refer any dispute to an ADR entity in a timely manner if not resolved to the customer's satisfaction by use of their complaints procedure within eight weeks of receiving the complaint, and where the customer cooperates with the complaints process in a timely manner.
3. The services of any such ADR entity must be free of charge to the customer.
4. Licensees must not use or introduce terms which restrict, or purport to restrict, the customer's right to bring proceedings against the licensee in any court of competent

jurisdiction. Such terms may, however, provide for a resolution of a dispute agreed by the customer (arrived at with the assistance of the ADR entity) to be binding on both parties.

5. Licensees' complaints handling policies and procedures must include procedures to provide customers with clear and accessible information on how to make a complaint, the complaint procedures, timescales for responding, and escalation procedures.
6. Licensees must ensure that complaints policies and procedures are implemented effectively, kept under review and revised appropriately to ensure that they remain effective, and take into account any applicable learning or guidance published by the Gambling Commission from time to time.
7. Licensees should keep records of customer complaints and disputes and make them available to the Commission on request.

In this Code, 'ADR entity' means

- a. a person offering alternative dispute resolution services whose name appears on the list maintained by the Gambling Commission in accordance with The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 and,
- b. whose name appears on the list of providers that meet the Gambling Commission's additional standards found in the document 'Alternative dispute resolution (ADR) in the gambling industry – standards and guidance for ADR providers'.

Both lists are on the Commission's website and will be updated from time to time.

Read additional [guidance on the information requirements](#) contained within this section.

7.1.1 - Gambling staff – casinos

Social responsibility code

Applies to:

All non-remote casino licences

1. Licensees must have and put into effect policies and procedures to manage relationships between staff and customers, based on the principle that in carrying out their duties staff must not engage in any conduct which is, or could be, likely to prejudice the licensing objectives.

7.1.2 - Responsible gambling information for staff

Social responsibility code

Applies to:

All licences, including betting ancillary remote licences, but not other ancillary remote licences

1. Licensees must take all reasonable steps to ensure that staff involved in the provision of facilities for gambling are made aware of advice on socially responsible gambling and of where to get confidential advice should their gambling become hard to control.

8.1.1 - Ordinary code

Ordinary code

Applies to:

All licences

1. As stated earlier in this code, the Commission expects licensees to work with the Commission in an open and cooperative way and to inform the Commission of any matters that the Commission would reasonably need to be aware of in exercising its regulatory functions. These include in particular matters that will have a material impact on the licensee's business or on the licensee's ability to conduct licensed activities compliantly and consistently with the licensing objectives.
2. Thus, licensees should notify the Commission, or ensure that the Commission is notified, as soon as reasonably practicable and in such form and manner as the Commission may from time to time specify³, of any matters which in their view could have a material impact on their business or affect compliance. The Commission would, in particular, expect to be notified of the occurrence of any of the following events in so far as not already notified in accordance with the conditions attached to the licensee's licence⁴:
 - a. any material change in the licensee's structure or the operation of its business
 - b. any material change in managerial responsibilities or governance arrangements
 - c. any report from an internal or external auditor expressing, or giving rise to, concerns about material shortcomings in the management control or oversight of any aspect of the licensee's business related to the provision of gambling facilities.

³ These matters are to be reported to us online via our 'eServices' digital service on our website.

⁴ Events which must be reported, because the Commission considers them likely to have a material impact on the nature or structure of a licensee's business, are set out in general licence condition 15.2.1

Read additional [guidance on the information requirements](#) contained within this section.

9.1.3 - Casino

Social responsibility code

Applies to:

All non-remote casino operating licences, except 2005 Act operating licences

1. Gaming machines may be made available for use in licensed casino premises only where there are also substantive facilities for non-remote casino games and/or games of equal chance, provided in reliance on this licence, available in the premises.

22 Facilities for gambling must only be offered in a manner which provides for appropriate supervision of those facilities by staff at all times.

3. Licensees must ensure that the function along with the internal and/or external presentation of the premises are such that a customer can reasonably be expected to recognise that it is a premises licensed for the purposes of providing facilities for casino games and/or games of equal chance.

10.1.1 - Assessing local risk

Social responsibility code

Applies to:

All non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences.

1. Licensees must assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in the licensing authority's statement of licensing policy⁵.
2. Licensees must review (and update as necessary) their local risk assessments:
 - a. to take account of significant changes in local circumstances, including those identified in a licensing authority's statement of licensing policy;
 - b. when there are significant changes at a licensee's premises that may affect their mitigation of local risks;
 - c. when applying for a variation of a premises licence; and
 - d. in any case, undertake a local risk assessment when applying for a new premises licence.

⁵ This is the statement of licensing policy under the Gambling Act 2005.

10.1.2 - Sharing local risk assessments

Ordinary code

Applies to:

All non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences

1. Licensees should share their risk assessment with licensing authorities when applying for a premises licence or applying for a variation to existing licensed premises, or otherwise on request.

REFERENCES

- Abbott, M, Volberg, R Bellringer, M, Reith, G (2004). The Auckland Report Responsibility in Gambling Trust see pages 114–116 for a full discussion on adolescent gambling
- Breen, R B. 2004. “Rapid onset of pathological gambling in machine gamblers: A replication.” *International Journal of Mental Health and Addiction* 2 (1): 44–49.
- Clark, Luke, Andrew J, Lawrence, Frances Astley-Jones, and Nicola Gray. 2009. “Gambling Near-Misses Enhance Motivation to Gamble and Recruit Win-Related Brain Circuitry.” *Neuron* 61 (3) (February 12): 481–490. doi:10.1016/j.neuron.2008.12.031.
- Disley, E, Pollitt, A, Culley, D M, Rubin, J (2011). Map the Gap a critical review of the literature on gambling-related harm RAND Technical Report on www.rgfund.org.uk/Research-Publications or www.rand.org/content/dam/rand/pubs/technical_reports/2011/RAND_TR1013.pdf
- Downs, C (2009). “Young People Playing with Risk Social networking and the normalisation of gambling behaviours”—Academia.edu.mht
- Fisher, S 1999. “A prevalence study of gambling and problem gambling adolescents.” *Addiction Research* 7: 509–538.
- Griffiths, Mark. 2002. *Gambling and gaming addictions in adolescence*. Leicester: John Wiley & Sons.
- Griffiths, M. 2003. “Adolescent gambling: Risk factors and implications for prevention, intervention, and treatment.” In *Reducing Adolescent Risk: Toward an Integrated Approach*, ed. Daniel Romer, 223–238. Thousand Oaks, CA: Sage.
- Griffiths, M. 2007. Special report: gambling addiction in the UK. Breakthrough Britain: Ending the Cost of Social Breakdown. London: The Centre for Social Justice. www.centreforsocialjustice.org.uk/client/downloads/gambling.pdf.
- Griffiths, M. 2008. “Adolescent gambling in Great Britain.” *Education Today* 58 (1): 7–11.
- Ipsos MORI. 2009. British survey of children, the National Lottery and gambling 2008–09: report of a quantitative survey. London: National Lottery Commission. www.natlotcomm.gov.uk/publications-and-research/research-programme/underage-play/british-survey-of-children-the-national-lottery-and-gambling-2008-09.
- Moodie, C, and Frances Finnigan. 2006. “Prevalence and Correlates of Youth Gambling in Scotland.” *Addiction Research and Theory* 14 (4): 365–385. doi:10.1080/16066350500498015.
- Ólason, Dániel Thor, Guðmundur A Skarphedinsson, Johanna Ella Jonsdottir, Mikael Mikaelsson, and Sigurdur J Gretarsson. 2006. “Prevalence estimates of gambling and problem gambling among 13- to 15-year-old adolescents in Reykjavik: An examination of correlates of problem gambling and different accessibility to electronic gambling machines in Iceland.” *Journal of Gambling Issues* 18 (October): 39–55. doi:10.4309/jgi.2006.18.7.
- Olason, D. et al (2011) Internet gambling and problem gambling among 13–18 year old adolescents in Iceland *Int Journal Mental Health Addiction* 7 257–263
- Planzer, S. and Wardle, H. (2011) *The Comparative Effectiveness of Regulatory Approaches and The Impact of Advertising on Propensity for Problem Gambling*. The Responsible Gambling Fund
- Productivity Commission. 2010. *Gambling: Public Inquiry*. Melbourne: Commonwealth of Australia. www.pc.gov.au/projects/inquiry/gambling-2009.
- Valentine, G. (2008). Literature Review of Children and Young People’s Gambling. Gambling Commission. www.gamblingcommission.gov.uk/UploadDocs/publications/Document/LitReviewChildrenYoungPeople.PDF.
- January 2012

Supplementary written evidence submitted by National Casino Industry Forum (NCiF)

During the oral evidence session which my NCiF colleagues attended your Committee members raised a couple of points that we promised to answer. The NCiF response is contained herewith.

TAXATION

The issue of taxation is immensely complicated. There is no consolidated research focused on tax rates. Another problem is in comparing like with like; a lot of countries have different approaches to taxing casinos than that used in the UK, some have a Gross Gaming Yield (GGY) base with other fixed cost bands attached dependent on other factors and some use very different ways of calculating GGY. For example, German casinos are taxed at an apparently punitive rate of between 45% and 80%. However online gambling is illegal and German operators are state-run. This means a very different competitive environment exists for German casinos

than that in the UK; also there is an element of supernormal profit from the effective monopoly that suggests a higher tax rate is appropriate. There is a similar picture in other Germanic countries such as Austria and Switzerland.

The approach in the US varies across states. Most have a gross gaming revenue base with rates that are on average between 20 and 30% although Nevada has a rate of 6.75%. Colorado, Illinois, Indiana and Iowa have graduated rates with a max ranging from 20% to 50% (and with admission taxes in some instances on top); New Jersey has an 8% rate plus an investment alternative obligation graduated across different rates. Again though, this in a place where the scale of geography of the United States means the casinos (other than the clusters in Nevada and other high roller destinations) are not necessarily competing with each other, and where online gambling is illegal.

Macau has introduced a GGY based tax of 35% with additional fixed charges of up to 2% and 3% for “social and economic purposes.”

Our concern is that as well as being subject to one of the highest tax rates in the world, the UK casino industry has its products and pricing mechanisms strictly but poorly controlled (the current review is three years late and is set to take more than 18 months) and is increasingly disadvantaged in its ability to compete with a mature domestic gambling market and the on-line market that this neither controlled in terms of product or price, nor subject to UK taxes.

THE PROFITABILITY OF GAMING MACHINES

The profitability of gaming machines is again a complex area. In the United States slot machines can contribute around 70% of a casino’s revenue. However, in the UK the situation is very different, in most high end, London casinos, the machine’s stakes and prizes are considered not to have any commercial value and therefore gaming machines are simply not even offered. Where machines are offered, they contribute on average around 10% of revenue.

Determining relative profitability, in relation to other generators of gaming revenue, ie table games is very difficult, depending on complex calculations around floor space, staff numbers, varying levels of taxation, machine cost, depreciation etc. However, to help the committee, we estimate that on the basis of 20 machines occupying an equivalent space as four mixed gaming tables in a similar operating environment with a similar customer base, there is almost parity on profitability.

Another proxy that could be used is to equate gaming machine revenues to “between 10–15%” of a casino’s total revenues [gaming and ancillary].

NCiF is concerned that our key messages regarding providing a modern innovative industry and meeting some of the Chancellors asks around the “growth agenda” are being stifled and failing to be acknowledged by DCMS.

The NCiF has demonstrated the following through the Ernst and Young report:

1. Current (casino) machine entitlements are not keeping pace with customer demand.
2. Less than 1% of all gaming machines in the UK are in the most controlled environment ie casinos.
3. The sector is not intending to replace table games with machines.
4. Machine entitlements (numbers, stakes and prizes) within UK casinos are amongst the lowest in the wider casino world.
5. Ireland is on the verge of asking for a 10:1 machine table ratio possibly capping tables at 15.
6. UK casinos are safe, fully supervised, well regulated and the most appropriate environments for socially responsible, leisure machine gambling.
7. Social policy is driving unmet customer demand for safe, leisure machine gambling, into less well supervised environments and into online environments where little to no supervision exists and where there are no common machine standards, stakes or prize limits.

LOCAL AUTHORITY CASINO NETWORK (LACN)

We listened carefully to the evidence of the Local Authority Casino Network (LACN), the group representing the 16 areas that have been given the power (by virtue of the 2005 Act process) to issue new Large or Small licences. Some of the evidence the witnesses gave was verifiably inaccurate and we have sought briefly to correct the errors. I hope you will find this useful.

CASINO DEVELOPMENT

A witness from the LACN said all but one of the 16 local authorities they represented had got through to Stage 2, or the Competition Stage of the licensing process and witnesses indicated a satisfactory level of interest in the process. This was an inaccurate misrepresentation of progress. *The latest verified information is that seven of the 16 new licensing authorities have yet to set a date for the commencement of Stage 1 of the process.*

Since September 2007, when the Act passed into law, only one Large casino has opened in Newham, one further Large licence has been granted in Solihull and a single open ended “Provisional Statement” has been issued in Hull for which there was *no* competition. No date has yet been identified for the opening of the Hull casino the *earliest* date cannot be envisaged before 2014. No Small casino licences have been granted and one in Scarborough is currently subject to a legal challenge. The process has been pushed back “*indefinitely*” by a number of authorities. Meanwhile, the existing industry is expected to wait the outcome of this process before the Minister will consider any of its proposals.

The LACN stated in their written submission at Para 30 that:

“in no case has an authority determined not to proceed with its casino project.”

We understand this is incorrect as the position in Dumfries and Galloway has stated that a public referendum would be required before the process could continue.

Para 31(2) of the LACN submission refers to three further cases where Stage 2 was in process—of these Solihull was subsequently granted without competition to the one remaining applicant; Middlesbrough has still not closed the date for lodging Stage 2 applications as there is believed to now be only one applicant; and Great Yarmouth has extended the licence process to a total of 18 months so there will be no award until the spring. The indication the LACN clearly intended to give in July last year was that a further three licences would be awarded in 2011 (making it six of the 16) but there are still only three.

Para 31(5) is also misleading as this refers to another seven commencing the process within six months,—none have, with only Luton and Leeds about to commence Stage 1 six months later. Swansea and Wolverhampton show no sign of being anywhere near launching the process. Southampton is on record as saying the economic climate is not suitable to progress and Torbay and East Lindsey are reviewing whether to proceed at all.

At paragraph 55 of their written evidence the LACN state that the number of operating casinos has only increased in recent years as a result of the opening of small electronic casinos. This is also incorrect. During the period between April 2007 and March 2010 there had been a considerable number of closures and between April 2007 and March 2011 a total of 10 full-scale new additional casino licences opened. The number of operating casinos further increased in 2010–11 was as a result of several electronic casinos opening to replace small uneconomic casinos that had closed as a result of the increases in gaming duty. A further four new additional casino licences granted under the 1968 Act are currently being fitted out and will be opening within the next 12 months with the Hippodrome London to open in the spring 2012.

CASINO NETWORK SUBMISSIONS ON IMPACT OF PORTABILITY

The LACN at Para 56 states:

“the current picture of no fewer than 40 dormant casino licences demonstrates that casino operators took advantage of a window of opportunity afforded to them by government in the final days of the Gaming Act 1968 regime to bank licences which they had little or no immediate intention of using and for which there was no or inadequate local demand.”

The argument advanced by the LACN may have some substance in relation to new entrants to the industry but in relation to the established operators only six of the licences obtained under the 1968 Act (five of which were granted before the guillotine on applications was announced) have not as yet been implemented, almost in every case as a result of the 1968 Act licence having been granted in areas that were subsequently negatively impacted by the award to the local authority of the ability to grant another, and more valuable, licences, under the 2005 Act. However, nine of the licences granted under the 1968 Act in other areas (including the four mentioned above) are currently in the course of development as full-scale casinos.

In the following paragraphs of their written evidence the LACN suggest that existing operators would wish to use the proposals on portability to move licences to areas that form the wider catchment areas for the 16 new licences. NCIF’s members argue for very sound economic reasons in contradiction to the LACN opinion, that, it is the position whereby 10 of the 16 areas chosen by the last Secretary of State overlap with existing casino areas that gives rise to a strong case for allowing the unused licences to be moved away from the areas of the new 2005 Act licences, providing those “new casino” areas a greater chance to provide the regeneration benefits that will accrue from what is likely to be a reduced number of 2005 Act licences that will be developed. The fact that it is in the overlapping geographical areas that unimplemented licences have not been developed or are not currently operated provides cogent evidence that the LACN is flawed in its conclusions.

In paragraph 62 the LACN made the following statement:

“The Network is seriously concerned that permitting operators to move existing licences across boundaries will not only compete with 2005 Act casinos, but will provide a major disincentive to such operators to compete for the new licences, where to win the licence they will need to promise to provide benefits to the area of the licensing authority. Furthermore, the Network is concerned that the prospect of competition from portable licences will reduce the amount of benefit which competitors are prepared to offer in order to win the 2005 Act licensing competition. Even if operators decide not to compete with the 2005 Act licences with substantial casinos, they may decide

to operate low-cost, low-staff, highly mechanised e-casinos, producing little benefit for the area but reducing the potential profitability of 2005 Act casinos, and therefore the benefits which competitors can offer for those licences.”

One of our main arguments is that the selection of 10 of the 16 being in existing areas means that there are considerable numbers of casinos that will not be able to compete against the new style casinos—so to suggest that existing operators will all want to move into the new casino areas has no economic or commercial foundation—indeed exactly half of the unimplemented 68 licences are in or immediately border one of the new casino areas—so if there is any evidence that the opposite is true we have it from the existing industry not developing its existing licences in those areas.

Taking this and Para 61 of the LACN’s written submission into account demonstrates their lack of comprehension of the Portability issue.

NCiF questions why 16 local authorities are permitted to prevent and effectively put a strangle hold on other Local Authorities, many that previously expressed an interest in having a casino (during the 2005 CAP process) and which still may wish to benefit from the re-generative elements ie jobs, revenue and construction which those 30 existing licences could provide.

THE STAKE AND PRIZE TRIENNIAL REVIEW

NCiF would like to draw to the Committee’s attention that at the time NCiF gave evidence to the Committee, no announcement had been made regarding a stake and prize review. In December the Minister announced a long overdue review. However, the anticipated time scale is 18 months. The industry will do all it can to speed up the process by responding promptly with data. However, we are astounded that a simple increase in the stakes and prizes on slot machines is a 19 stage process expected to involve four government departments and the European Union. This compares very unfavourably with the previous five stage process, which took between six and nine months. It is also inconsistent with both the process the Commission undertook to review its fee structure and the Treasury’s process for increasing machine gaming duty. By the time the review will have been concluded it will be approaching eight years since the casino industry had a pricing review.

There is a total imbalance in the business equation with the cost side—represented by fees and taxes—increasing, whilst the revenue side—stakes and prizes, is anchored by bureaucracy and political inertia.

January 2012

Supplementary written evidence submitted by William Hill

William Hill has commissioned both a legal and regulatory analysis on the online gambling market and economic modelling concerning the effect of a point of consumption tax (at various levels) on that market.

At the point the Select Committee called for evidence and at the time William Hill gave oral evidence to the Committee, this work had not been fully completed, the first report being used by Deloitte as a reference source for their later report.

Furthermore, we are aware that the Committee has received views from other gambling sectors and companies which make the case for harmonisation of gambling taxes (online and retail), on the basis that imposing the same tax rate for retail and online would in some way “level the playing field” between retail and online and in some way alleviate the regulatory, tax and commercial problems of the retail sector.

We are clear that the above proposition is a complete misnomer which will give no boost to retail and only serve to damage the online industry (certainly as far as sports betting and gaming is concerned). William Hill has both a substantial UK retail business (75% of group revenues) and an online business. We are clear that whilst there is some limited overlap between retail and online currently the two businesses have largely different demographics.

Most importantly, it is important to note that online margins are around half those of retail because of the highly competitive nature of the online market.

Whilst DCMS policy to regulate offshore online operators is predicated on the basis of “increased public protection”, these two reports demonstrate that a double figure rate of taxation attached to regulation would increase rather than decrease public protection risk.

At a 15% rate what is currently a highly competitive and broadly well regulated online market (with margins half those in retail) would experience significant market disruption.

A number of smaller online operators would see their operating margins eroded to the point where market exit was almost inevitable. This could lead to some two fifths of UK consumers (at a 15% tax rate) migrating to the grey or black market as firms would still be able to target the UK market.

With no government having successfully established effective enforcement mechanisms over their online market (France being the most extreme example of grey market leakage—70%) a policy of imposing tax on top of regulation could open up the UK Government to the prospect of legal challenge under EU law as it

decide whether its arrangements are compliant with the promotion obligation flowing from the mandatory condition in section 95(5) that:

“Where a person purchases a lottery ticket in a lottery promoted by an. non commercial society in reliance on the licence he receives a document which—

- (a) identifies the promoting society,
- (b) states the name and address of a member of the society who is designated, by persons acting on behalf of the society, as having responsibility within the society for the promotion of the lottery, and
- (c) either—
 - (i) states the date of the draw (or each draw) in the lottery, or
 - (ii) enables the date of the draw (or each draw) in the lottery to be determined”.

25. On the face of it this condition might be thought to permit a lottery to be promoted in such a way that it was not until the participant had bought his ticket that he became aware of the identity of the society on whose behalf the lottery was being promoted. However, the Commission considers the better interpretation, given the indications in the Act, including the use of the present tense in section 99(5) itself, which suggest that the purchase and receipt of the document referred to are envisaged as happening at the same time is that it is a requirement of the promotion of a lottery that the potential participant knows (or at the very least has a genuine opportunity to discover) in whose lottery he will be participating before he purchases his chance. Furthermore, it would also be necessary in terms of the second licensing objective for the consumer to know that they were purchasing a ticket for a lottery draw on behalf of a society distinct from the marketing brand.

CONCLUSION

26. In conclusion, the Commission’s legal analysis suggests that when faced with novel developments of this sort what it is required to do is to consider whether the way in which the parties involved are conducting their affairs is in reality as well as formally consistent with the legislation, including the licensing objectives. This is what the Commission has sought, and continues to seek, to do in relation to the Scheme. But, as outlined above, the Commission cannot properly go beyond the legislation, and specifically licensing objective imperatives, to secure objectives such as limiting the proceeds raised for a number of societies by means of a common marketing scheme. The Secretary of State does, however, have the power to impose conditions which go wider than the Act’s licensing objectives.

February 2012

Further supplementary written evidence submitted by the National Casino Industry Forum (NCiF)

Since NCiF gave evidence and the Committee concluded its sessions, Aspers’ new Large casino at the Westfield Shopping Centre in Stratford in East London has opened. We understand that the Committee has visited the casino. This development and some ambiguity in other evidence presented to the committee persuade us that there are a number of points of clarification we should address.

There was written evidence from the “Casino network”—the organisation representing the 16 Local Authorities (LA’s) that hold the right to issue the 16 2005 Act licences, which is blatantly protectionist, wrong in fact and with which we profoundly disagree.

The economic mechanism which controlled the supply of casino licences under the 1968 Act—the “Demand Test”—was effectively abandoned in 2001. This followed the government’s acceptance of the recommendation of Sir Alan Budd’s committee that the demand test should be abolished in favour of a free market approach. In anticipation of broad deregulation the Gaming Board ceased objecting to applications for 1968 Act Casino licences on the basis of an absence of a proven unmet demand. The outcome was that between 2000, when 123 casino licences were in existence, to the end of the 1968 application process in April 2006 around 60 of the extant 186 licences were granted in the 53 permitted Areas without consideration of demand.

Currently, 146 of those 186 licences are in operation. A further 10 of the 40 non-operating licences are in various stages of development and may open in the coming months. Some existing operations may close. At least 18 licences have operated in the Permitted Areas in which they were granted and have closed, trapped in areas where the supply side is saturated, the local demographic has changed or some other factor—including the grant of a 2005 Act licence—has eroded the economic basis for their development. Licences are “locked in” while other interested local authorities are “locked out” causing the market to fail. Only 13 licences have never opened.

Meanwhile, demand for casinos in other non-permitted areas, which would generate investment, jobs and tourism is unmet because licences are not portable.

There was also oral evidence from the Casino Network, in response to a question from the Chair, that is simply not credible.

One witness said:

“...in terms of the process itself, a lot of the authorities are moving forward and we are confident that the 16 will be developed.”

“I think there is one authority that obviously did not get to the competition stage but the rest are all proceeding to stage 2.”

Those statements are at best optimistic in the extreme and at worst totally misleading. At least six of 16 LA's have stated that they have no plan to progress the licence process at all. Only one licence was subject to a proper competition and is operating. Of the remaining nine; two LA's have just begun their process, three have gone to legal challenge, four licences have been granted but have not been developed and of that four only one is in a genuine development process.

Considering the Act passed into law in September 2007, and only one of the 16 licences has opened in over four years, we suggest any optimism is misplaced. The existing industry is being held back to await the outcome of an “experiment” which is never going to be concluded because there never was a realistic mechanism to ensure it would begin.

The failure in the market was compounded by the Independent Casino Advisory Panel process. As Richard Caborn MP, acknowledged this panel was a failure; the industry would say an unmitigated disaster. The ICAP identified the 17, subsequently reduced to 16 areas for new casino developments as part of an ill-defined experiment to test the regenerative benefits of casinos.

The primary criteria for selection of locations as defined by the DCMS were:

- to ensure that locations provide the best possible test of social impact (which may require a range of locations of different kinds such as seaside resorts, edge of town developments or inner city centres);
- to include areas in need of regeneration (as measured by employment and other social deprivation data) and which are likely to benefit in these terms from a new casino; and
- to ensure that those areas selected are willing to license a new casino.

The ICAP included no less than 10 existing Permitted Areas with operating 1968 casinos in the 16 locations it identified.

The outcome of the ICAP choice is negative both to the commercial health of the industry and has proven unfit for on all three of primary criteria of the DCMS published intended purpose.

- No mechanisms have been established, planned or even suggested either by DCMS or the Gambling Commission to determine how a LA is supposed to measure the social impact of a new 2005 Act casino from existing gambling products. Where a new casino is established in an existing Permitted Area with other casinos and licensed betting offices (LBOs) offering the same products—albeit in fewer numbers—any chance of separating out the causal effects is less still.
- Benefit, in terms of investment and employment, can only be identified and quantified if it is incremental and does not displace or replace existing benefits. For that to happen the market must be prepared to make additional investment in the identified areas without damaging existing businesses. That has not happened.
- The willingness to licence must be aligned to both the LA's expectation of economic benefit and the industries willingness to invest. The fact that only one licence has been developed and six LA's have *de facto* opted out of the process is evidence of the failure of the choice to meet the third criteria.

The industry would assert that the evidence is clear: the market has failed, and in our opinion can only be reinstated by introducing the portability of licences and a single style of casino.

This artificially constrained and flawed market also fails the consumer.

The legislation has created within casinos a very limited number of the safest (Richard Caborn's evidence) environments in which to gamble, but has failed to redistribute the most popular products in sufficient numbers to meet the demand. Less than 1% of gaming machines are to be found in the safest place to gamble casinos. Recent changes to legislation mean that the percentage of machines in casinos is likely to decrease further as the betting industry, bingo and the arcade sectors increase the supply of higher stake and prize machines on the high street.

Not only is the percentage decreasing but the offer to consumers is increasingly confusing, with some casinos premises (1968 Act) being able to offer no more than 20 machines, whether or not they offer table games at all and others offering either up to 80 (2005 Act Small) or 150 (2005 Act Large) machines with bewildering ratios of machines to tables.

It cannot be right that a casino in a shopping centre in East London can offer facilities to local shoppers that are significantly different to those attempting to meet the demand of tourists in, for example, Central London.

We believe a simple ratio of five gaming machines to one table for all casinos would clarify the consumer offer and to begin to rebalance the market failure.

We have noted the evidence from on-line operators and other witnesses about the growth in popularity of on-line and other electronic products and repeat that casinos are recognised as the safest places in which to gamble and should therefore have access to the products that are attracting the largest audiences.

The benefits are that casinos offer real, not virtual, environments, in which conduct can be monitored, and consumer protection can be at its most stringent and the return to the exchequer most rewarding.

We believe that casinos should be allowed to offer the most modern gaming products in keeping with other jurisdictions and market forces.

Finally, when the Minister, John Penrose MP gave evidence he said, in response to a question from Damian Collins MP, that the increase in stakes and prizes for B3 machines was a manifesto commitment by the Conservative Party which he felt obligated to honour. It is not clear that such a manifesto commitment exists in the public domain. Our concern is that the hierarchy of values and protections has been eroded unnecessarily.

In our opinion the hierarchy of stakes and prizes and products be re-established, with casinos at the top of the pyramid, and a more appropriate and swifter stake and prize review process be established.

SUMMARY

We believe that if our key proposals outlined below were implemented then the land based casino industry could make a significant contribution to the Government's growth agenda:

- portability of licences and a single style of casino;
- a simple ratio of five gaming machines to one table for all;
- casinos are allowed to offer the most modern gaming products; and
- casinos are re established at the top of the pyramid of stakes and prizes and a more appropriate and swifter review mechanism is established.

February 2012

Written evidence submitted by bet365

We welcomed the opportunity to contribute our thoughts in relation to the Select Committee's Gambling Enquiry in the evidence session in November. In case it is helpful, we are just writing now to set out some further background information about our Company, along with a brief commentary on some of the key issues for bet365 and the industry, which the Committee has been considering.

We would be very grateful, therefore, if this could be treated formally as further evidence to the Committee's enquiry from bet365.

BET365—BACKGROUND AND MARKET POSITION

Market position

- bet365 provides online Sports and Gaming products and services via its website www.bet365.com.
- bet365 is one of the world's leading online gambling groups with over 7.5 million customers in over 200 different countries.
- bet365 is the largest online sports betting operator in the world, as measured by reference to International Accounting Standard's definition of income.
- Winner of eGaming Review Awards 2010 and 2011, including Operator of the Year, Best Website Performance, Sports Betting Operator of the Year, and In-play Sports Operator of the Year.

Background

- The website was established in 2001 and initially provided Sports betting products only.
- As the business expanded and developed, it introduced various additional types of products and services to its website including poker, casino, games and bingo (together "Gaming" products).
- bet365's Sports products have always, and continue to be, licensed in the UK and run from Stoke-on-Trent.
- Gaming products have always been licensed offshore due to historic restrictions in the UK.

Financials and UK Employment

- For the year ended March 2011, bet365's gross win was £422 million (Sports £316 million) on amounts wagered of £8.5 billion, with full year March 2012 forecasts currently being a gross win of £585 million (Sports £435 million) on amounts wagered of £11.0 billion.
- In terms of revenues, around 75% derives from our Sports products.

MIDDLESBROUGH COUNCIL

COUNCIL REPORT

5th December 2012

<p>GAMBLING ACT 2005: REVIEW OF LICENSING POLICY STATEMENT</p>

<p>KEVIN PARKES, DIRECTOR OF NEIGHBOURHOODS AND COMMUNITIES</p>
--

PURPOSE OF THE REPORT

1. To seek Council's approval of the Gambling Act 2005: Licensing Policy Statement.

BACKGROUND

2. The Gambling Act 2005 gives powers and responsibilities to licensing authorities to issue licences for gambling premises. This legislation came into full effect on September 2007 and effectively modernised gambling legislation, providing an improved structure for gambling regulation.
3. The Act also created a new independent regulatory body; The Gambling Commission. The Gambling Commission regulates operators and deals with national gambling issues.
4. The Act contains three licensing objectives underpinning the function that the Gambling Commission and local authorities will perform. The objectives 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 way; and
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.
5. The Act provides for three types of licences. Operating and Personal licences which are issued by the Gambling Commission. Premises Licences are issued by the Council and they authorise the provision of gambling facilities on certain premises including casino premises, bingo premises, betting premises, adult gaming centres and family entertainment centres. Councils may attach conditions to premises licences.
6. The Council as a licensing authority is required to prepare and publish a Gambling Act 2005: Licensing Policy Statement of Principles that it proposes to apply in exercising its functions under the Act. In December

2006, the Council formally ratified its first Statement of Gambling Licensing Policy. The Policy was again reviewed in 2009, reflecting changes as a result of the Council being approved as one of the Local Authorities permitted to issue a Large Casino Premise License. This Policy was formally ratified by the Council on 2 December 2009.

7. The Licensing Authority is required to keep their Gambling Policy under review and is required as a minimum to review it every three years, or sooner if the authority considers it to be necessary. This authority is required to review its current policy by 31 January 2013. A draft amended Policy was prepared by Officers for consultation. There were no significant amendments proposed to the draft Policy which was prepared for consultation other than some amendments to the wording to reflect:-

- The completion of the process and subsequent award of a Provisional Statement for a Large Casino Premises License.
- Amendments made to the Gambling Commission's 'Guidance to Licensing Authorities, 4th Edition'.
- Separate advice issued by the Gambling Commission in relation to primary gambling activity on betting premises.
- Amendments to contact addresses for Responsible Authorities

8. A summary of the main changes to the draft amended Policy were:

The Casino Application Process

9. The Policy has been amended to reflect that fact that since the last review of the Policy in 2009, the Council has completed the process required for awarding the Large Casino License in Middlesbrough. The casino application process was completed on 30 May 2012 when the successful applicant was awarded a provisional statement for a Large Casino under the Gambling Act 2005. The criteria used and principles applied by the Council during the application process have been removed from the main body of the Policy and have been detailed in separate appendices.

Proposed Amendments to the Gambling Commission's 'Guidance to Local Authorities'

10. In September 2012, The Gambling Commission published amended 'Guidance to Local Authorities, 4th Edition'. This is statutory guidance on the functions of licensing authorities required under the Gambling Act 2005. The guidance was last published in May 2009 and this new edition provides updates on a number of issues. The changes made to the Policy are consistent with the amended guidance and are of a minor nature. These include:-

- Amendments to the definition of a Members Club (in relation to Club Gaming and Club Machine Permits).

- Updates in relation to Categories of Gaming Machines permitted in certain premises.

Primary Gambling Activity on Betting Premises

11. In November 2011, the Gambling Commission issued separate guidance entitled 'Indicators of betting as a primary gambling activity' following a number of applications throughout the Country for betting premises licences from operators who wished to take advantage of the gaming machines entitlement for a betting premises without providing facilities for betting. The draft amended Policy was amended, to reflect this guidance and stated that the Council will not look favourably on such applications where a betting premises licence is sought with little or no provision for betting facilities.

Amendments to contact addresses for Responsible Authorities

12. There have been amendments made to the contact details for a number of the Responsible Authorities.

Consultation

13. A report presented to the Executive Member for Community Protection on 17 July 2012 provided details of the draft Policy and approval was granted for public consultation on the document. A comprehensive consultation was carried out between 23 July 2012 and 1 October 2012. Details of the consultees are shown in the back of the Policy document in Appendix 1.
14. At the end of the consultation period 3 responses/comments were received. Details of these responses and any further amendments proposed to the draft Policy as a result of the responses are as follows:-

a) Association of British Bookmakers

Highlighted that paragraph 55 of the draft Policy made reference to a document published by the Gambling Commission entitled 'Indicators of Betting as a Primary Activity'. The Association of British Bookmakers advised that this document had been withdrawn by The Gambling Commission in November 2011 and that the Gambling Commission are currently consulting with the industry on this issue.

Action – reference to the document removed from the draft Policy.

b) Middlesbrough Council's Development Control Service

Advised of a change of address for the above service.

Action – draft Policy amended to reflect correct address.

c) Mr E Kunonga, Director of Public Health, Middlesbrough Council

The Director of Public Health provided a response which raised a number of issues in respect of the impact of gambling on health and well-being of the local population. In summary, the response raised issues in relation to considering the health impact of gambling premises and how to engage with the industry at a local level in relation to responsible gambling.

In relation to the issues raised, there is limited scope to consider the health and wellbeing impact of gambling premises at a local level, as the licensing objectives under the Gambling Act do not include a public health objective. Any consideration or objection made by a responsible authority or interested party has to link to one of the existing licensing objectives. The third licensing objective: 'protecting children and other vulnerable persons from being harmed or exploited by gambling' aims to protect children from taking part in gambling/being exploited by gambling and not wider health issues.

These issues in relation to responsible gambling are considered and regulated by the Gambling Commission nationally, through a raft of conditions and codes of practice and through the Operator Licensing process, which is required for all gambling operators prior to them obtaining premises licences from local authorities. Within these codes there are Social Responsibility Codes which all Operators are required to follow and to make commitments to contributions to prevent problem gambling, education on gambling safely and treatment services for problem gamblers.

This response was provided to Mr Kunonga on 12 November 2012 and he was in agreement that no amendment to the policy was necessary.

15. A further report was presented to the Executive Member for Community Protection on 21 November 2012 which provided details of the final draft Policy. A recommendation was made to refer the draft Policy to Council for approval.

The final draft Policy is appended at Appendix 1.

EQUALITY IMPACT ASSESSMENT

16. An initial assessment has been carried out and no differential impact on these groups have been identified which would have an adverse impact in this policy.

OPTION APPRAISAL/RISK ASSESSMENT

17. In line with the Gambling Act, 2005, Licensing Authorities are required to review their Gambling Policy every three years. The current Policy was implemented on 31 January 2010, and therefore, must be reviewed and published by 31 January 2013.
18. The process for reviewing the Gambling Act Policy is set down in the Gambling Act and associated Guidance. Failure to follow this process may leave the Council open to future legal challenges against its policy.
19. **Financial Implications** - The ongoing costs of the administration and regulation responsibilities under the Gambling Act 2005 are met through initial application and annual fees.
20. There are 41 betting premises, 2 casinos and 1 bingo hall in Middlesbrough. The Council also issue licences for 11 amusement arcades, 92 pubs, 75 small lotteries and 31 club gaming permits.
21. **Legal Implications** – As stated above, in line with the Gambling Act 2005; Licensing Authorities are required to review their Gambling Policy every three years. The current Gambling Policy was implemented on 31 January 2010 and therefore must be reviewed and published by 31 January 2013.
22. The Licensing Authority is required by the Gambling Act to consult on the revisions to the Gambling Licensing Policy with the police, people who represent gambling businesses in the area and people who represent the interests of people likely to be affected by the Authority's actions in relation to exercising their functions under the Act.
23. Following the consultation, all responses have been duly considered in the production of the final Policy. The final Policy must be ratified by full Council.
24. **Ward Implications** – Gambling establishments are widely dispersed throughout the town in both commercial and residential areas.

RECOMMENDATIONS

25. That the responses to the consultation on the contents of the draft Licensing Policy are noted.
26. That Council approve the Gambling Act 2005: Licensing Policy Statement to enable it to be adopted by 31 January 2013.

BACKGROUND PAPERS

27. Gambling Commission, Guidance to Licensing Authorities, 4th Edition, September 2012.

AUTHOR

Tim Hodgkinson, Principal Licensing Officer
Tel No. 728720