

## Local Risk Assessments

### Gambling Act 2005



#### Background

Leeds City Council is the licensing authority under the Gambling Act (the Act). The licensing authority is responsible for considering and determining applications for premises licences which offer gambling facilities within Leeds. The licensing authority also has a role in gambling regulation by ensuring compliance with the Act.

The Act contains three licensing objectives which guide the way that the licensing authority performs its functions and the way that gambling operators carry on their activities. They 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.
- (c) Protecting children and other vulnerable persons from being harmed or exploited by gambling.

The Act places a legal duty on the licensing authority to aim to permit gambling in so far as it thinks it reasonably consistent with the licensing objectives. The effect of this duty is that the licensing authority must approach its functions in a way that seeks to regulate gambling by using its powers, for example to attach conditions on licences, to moderate its impact on the licensing objectives rather than by starting out to prevent it altogether.

The licensing authority will set out how it intends to carry out its functions under the Act in its Statement of Licensing Principles, also known as Licensing Policy. This statement is kept under review and is updated every three years.

The Commission (the Commission) is responsible for issuing operating licences to gambling operators who are deemed suitable and competent to provide facilities for gambling. As a requirement of these operating licences operators must ensure that they comply with and meet the requirements of the LCCP.

There has been a shift in policy to a risk based approach to considering the potential impacts that gambling premises may have on the licensing objectives under the the Act. The Commission has introduced a new social responsibility code within their Operating Licence Conditions and Codes of Practice (LCCP) that will require gambling operators to assess that risk.

The introduction of the new social responsibility codes within the LCCP encourages local authorities, the Commission and the industry to work in partnership to address local issues and concerns.

Leeds City Council (the Council) has developed this guidance to assist gambling operators in undertaking and preparing their local risk assessments. This guidance provides a framework for the local risk assessment process that will provide a uniformed approach across all non-remote gambling sectors. This will benefit the Council as licensing authority under the Act as well as responsible authorities and interested parties when considering new and variation applications. In addition, these assessments will enable the Council to establish a more advanced compliance inspection regime.

Gambling operators will be required to undertake a risk assessment for all of their existing premises by

6<sup>th</sup> April 2016. Following that date operators must also undertake a review of those assessments when certain triggers are met. These triggers, along with the Council's views on what would instigate either a new assessment or the review of an existing one is detailed within this guidance document.

The Council considers that these local risk assessments are a key component to the overall assessment and management of the local risks. The Council will assist operators in this process by providing specific information on its concerns surrounding gambling within the City and that premises can have on the licensing objectives within its Statement of Licensing Principles. Operators should have specific regard to the Council's Statement of Principles for gambling when carrying out these assessments.

## **Risk**

We have found that a risk-based approach to regulation enables the authority to prioritise resources where they can be most effective and are needed. It provides a better understanding of risk and enables a proportionate response. This approach includes looking at future risks and thinking about risks in a probabilistic way. Risk is not necessarily related to an event that has happened but it is related to the probability of an event happening and the likely impact of that event. In this case risk relates to the impact on the licensing objectives.

Although gambling is a legal entertainment activity it can have a significant negative impact on individuals and the wider community. The Council has been very active in trying to understand how gambling can affect its residents and visitors. The Council has also been looking to identify who lives in the local area and what the risks gambling premises may have on the licensing objectives locally.

In February 2015, following substantial consultation with relevant stakeholders the Commission introduced a new social responsibility code provision making it a requirement for certain gambling operators to assess the local risks to the licensing objectives posed by each of their premises based gambling operations. The Commission also introduced an ordinary code provision relating to sharing local risk assessments. These code provision state:

<b>Social responsibility code provision 10.1.1</b>	
<b>Assessing local risk</b>	
<b>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.</b>	
<i>This provision comes into force on 6 April 2016</i>	
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

### Sharing local risk assessments

**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**

*This provision comes into force on 6 April 2016*

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| 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. |
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These code provisions come into effect on the 6<sup>th</sup> April 2016. As a result all of the premises within Leeds must have been assessed to identify and the local risks posed by the gambling facilities in these locations. This guidance will assist operators in achieving these code provisions.

### Risk assessment triggers

The local risk assessment code provisions provide a number of triggers for when a new assessment is required or an existing one requires reviewing. This section sets out the licensing authority's views on what these triggers are and when operators should provide a copy of their assessments to the licensing authority.

#### New premises

If an operator intends to apply for a new premises licence under Part 8 of the Act then a local risk assessment must be carried out. That assessment should be based on how the premises are proposed to operate at the premises location and take into account the local area. The completed assessment should be provided with the application for a new premises licence upon submission to the licensing authority.

#### Significant changes in local circumstances

Operators are required to review their local risk assessment if significant changes in local circumstances occur. Changes to local circumstances happen frequently and can be either temporary or permanent depending on the change, how long that change will remain in place and how it affects the local area. However, the requirement for review of the risk assessment is only applicable when that change is significant.

The following lists sets out some examples of what the licensing authority considers as significant changes in local circumstances:

- The area is classified or declassified by the licensing authority as being an area of heightened risk within its statement of licensing policy.
- Any substantial building development or conversion to existing premises in the area which may increase or decrease the number of visitors. For example if premises are converted to a local supermarket or new office building is constructed nearby.
- Any new pay day loan or pawn brokers open in the local area.
- Changes are made to the transport infrastructure provision, location and timings, such as a bus stop which is used by children to attend school is moved outside gambling premises.
- A vulnerable group is identified by the licensing authority.

- Educational facilities increase in the area via the construction of a new school/college or a significant change is made to an existing establishment.
- The local area is identified as a crime hotspot by the police and/or licensing authority.
- Any additional homeless hostels are provided in the area.
- Any gambling or mental health care/support facilities are opened in the area.
- A new gambling premises opens in the area.

This is not an exhaustive list of significant changes in local circumstances. Operators must consider what is happening in their local areas and identify when these changes may be considered as significant. A significant change can be temporary and should be considered with adjustments made to the local risk assessment if necessary.

### Significant changes to the premises

From time to time operators will undertake a refresh of the premises layout and décor, which is unlikely to require a change to the risk assessment for that premises. However, when a change is significant then operators must review their risk assessment and if necessary update it, taking into account the change and how it may affect one or more of the licensing objectives.

The following list sets out some examples of what the licensing Authority considers to be significant changes to the premises which either may or may not require a variation to their existing premises licence:

- Any building work or premises refit where gambling facilities or counter positions are relocated within the premises
- The premises licence is transferred to a new operator who will operate that premises with its own procedures and policies which are different from the previous licensee.
- A change to the security systems and/or arrangements is made, including any change to the CCTV system.
- The entrance or entrances to the premises are changed, such as the door materials are changed from metal with glazing to a full glass door or they are reallocated from egress to ingress or vice versa.
- New gambling facilities are made available on the premises which were not provided previously, e.g. bet in play, handheld gaming devices for customers, Self Service Betting Terminals, different category of gaming machine, etc.
- The premises are applying for a licence to provide an activity under a different regulatory regime, for example for the sale of alcohol or to provide sexual entertainment on the premises, etc.

The licensing authority will not generally request a copy of the risk assessment if significant changes to the premises have occurred unless the change will result in a variation application.

### Variation of the premises licence

Variations to premises licences are only those made under section 187 of the Act and will not include change of circumstances such as a change of premises name or change of licensee address, etc.

When preparing an application to vary the premises licence the operator must undertake a review of the local risk assessment and update it if necessary. Operators submitting a variation application to the licensing authority should provide a copy of the local risk assessment when submitting the application.

If an operator wishes to vary their converted casino premises licence from one premises to another then a new risk assessment will be required for that new premises and a copy of that assessment submitted to the licensing authority with the application form.

### Regular review of risk assessment

The licensing authority recommends that operators regularly review their risk assessments. This review programme can be carried out alongside other reviews on Health and Safety risk assessments for the premises. A review programme would ensure that these assessments are considered at regular intervals and updated if necessary.

### **Local risks and control measures**

There are two specific parts to the risk assessment process:

- the identification of the local risks, and
- the appropriate mitigation to reduce those risks.

The risks that operators must identify relate to the potential impact a gambling premises and its operation may have on the licensing objectives. The gambling operator will be expected to identify and list all of the local risks within the assessment. The risks can range from being low to very high depending on the potential impact they can have on the licensing objectives. This risk will have a direct impact on the level of control measures necessary to mitigate those risks.

This process is not new to gambling operators as they are already undertaking elements of this assessment, albeit in a less formalised form

This local risk assessment process, although similar requires a much broader range of considerations when identifying local risk. Operators must consider the local area in which the premises are situated, the gambling operation and the premises both internally and externally.

### Local area risks

There are a number of factors relating to the local area that operators will need to consider. A few examples of these factors list below.

- The types of premises and their operation in the surrounding these premises
- Is the location residential, commercial or rural
- The footfall in the area, e.g. predominately residents, workers or visitors, family orientated area, popular with children and young people, etc.
- Transport links and parking facilities
- Educational facilities
- Community centres
- Hospitals, mental health or gambling care providers
- Homeless or rough sleeper shelters, hostels and support services

The local area will be different depending on the premises and the size of its operation. For example a casino may have a wider catchment area than a neighbourhood betting shop as the casino attracts customers from further afield.

### Gambling operational risks

The gambling operation relates to how the premises will be or is run. This will include the operator's policies and procedures which have been put in place to meet the requirements of the business, the Act and/or specific code provisions within the LCCP. It will also include other elements such as:

- the gambling products it provides in the premises,
- the facilities to enable gambling within premises,

- marketing material within premises,
- standard shop fixtures and their design,
- security and crime prevention arrangements,
- shop displays and provision of information to customers,
- staffing levels, and
- loyalty cards.

It is likely that the identification of risks associated with this element of the assessment will be very similar for all premises with slight variations depending on any specific factors that relate to the premises or the local area.

The control measures that operators will put in place to mitigate any risk associated with the gambling operation will be dependent on the type of gambling activities provided, how the company operates and the size of the organisation.

#### Premises design risks

The design of the premises is an extremely important factor when considering local risks. For example, premises which are located within an area which has a high number of children and young people present throughout the day may identify that their standard external design may mean that children and young people can see into the premises and see gambling taking place. As a result the mitigation in this case may be that the operator amends the design by installing a screen or by covering the windows to obscure the interior of the premises. These changes would be considered as control measures which will mitigate the risk on attracting children to gambling.

As part of the design process, the layout of the premises is a major consideration as the wrong design may create significant risks to one or more of the licensing objectives.

#### Interior design risks

The internal design and layout will reflect the premises operation and the type of gambling facilities it offers. For some premises the design will be subject to certain limitations due to the gambling premises licence mandatory conditions, such as the distance between the gaming tables and other gambling facilities in casinos, the restrictions on the location of ATMs, etc.

Operators will need to assess the risk presented by the internal layout of the premises and the location of gambling facilities within them. For example if a gaming machine is placed within the direct line of sight of the cashier counter then staff will be able to monitor player behaviour and undertake interventions if there is a concern over the customers spending habits. Staff can also monitor the use of the machines and challenge any customers who are believed to be under the age of 18 or staff can monitor if customers damage the machines or appear to be attempting to launder money. By a simple assessment of the location of these machines operators can reduce the risk to the licensing objectives significantly.

## Exterior design risks

The exterior of premises will be a major advertisement for the gambling operator. However, the design will need to be assessed based on the associated risk. Operators will identify the risk associated with the design and introduce control measures based on that perceived risk. For example if a premises has a large amount of glass frontage in an area prone to criminal damage operators may consider the risk of standard toughened glass to be high and introduce a control measure such as roller shutters and external CCTV cameras.

### **Control measures**

Control measures that relate to systems will be measures that have been put in place through policies and procedures. These can either be systems that apply to all of the operator's premises or systems that have been developed specifically for that premises to deal with a specific local risk factor. System control measures will include staff training, security policies and procedures, etc. They may also relate to implementing security personnel on entrances, implementing membership criteria or providing support to local vulnerable groups through financial or other means.

Design control measures are measures that are built into the design of the premises. These can range from the location of gambling facilities within the premises, design and location of cashier counter, exterior design, etc. For example a control measure for the interior of the premises could be moving a cashier counter from the rear of the premises to the front next to the main entrance. An external design control measure may be where the exterior design is tailored to address local risks, e.g. more open window displays to enable staff to see out of the premises or a design to avoid attracting children to the premises.

The final control measures relate to specific hardware that will address an identified risk factor. These hardware control measures will be alarms, CCTV cameras, doors, magnetic locks, time locks on safes, spit kits, window shutters, fogging systems, UV lights in toilets, etc.

Due to the nature of the risk factors the control measures identified to mitigate the perceived risk may be a combination of systems, design and hardware. For example to address the risk factors relating to children gaining access to an over 18 restricted gambling premises the operator may identify the following control measures:

Systems:	PASS card or age verification policies, challenge 21 scheme, staff training and door staff,
Design:	Exterior design which will not attract children into the premises, the entrance layout will enable staff and security to visibly watch those entering and challenge them
Hardware:	Magnetic door locks and ID scans.

### **Licence conditions**

For applications for new premises or to vary an existing licence will have to carry out an assessment. The control measures specified in these assessments may identify control measures that can be specified as conditions on the new or varied premises licence if granted. The licensing authority has provided guidance on the mandatory, default and model conditions. Operators can review and choose relevant model conditions to address specific risks depending on the results of their assessment. Operators are encouraged to use this guidance when undertaking their risk assessments. Operators should also read the relevant section from the licensing authority's Gambling Act 2005 Statement of Licensing Policy.

## Undertaking a local risk assessment

An assessment of gambling premises should be carried out in a step by step approach. The approach that the licensing authority suggests is to assess the local area and identify the relevant risk factors, then the gambling operation and finally the premises design, both internal and external.

Once the risk factors have been identified the control measures to mitigate the risks will be considered. These control measures may either already be in place or will need to be implemented. To assist the licensing authority has developed a local risk assessment form that encompasses that step by step approach to the assessment. It also enables the assessor to identify actions such as installation or production of control measures. The assessor can identify these actions and record who they were tasked to and when they were completed.

It will be down to the gambling operator to assign the assessor for assessing the local risks for their premises. The person assigned as the assessor must be competent to undertake this role as failure to carry out this function could result in a breach of the LCCP code provisions. The assessor must understand how the premises will operate, its design and where it is located. The assessor will need to understand the local area and can use staff or area managers to assist in gaining an understanding of that local area.

### Step 1: The local area

Operators will be expected to identify the local risk factors surrounding that premises. The risk factors will differ from location to location so an understanding of the specific characteristics of the local area and the people who live, work or visit that area is important.

To assist in assessing the local area the licensing authority has produced a Local Area Profile within its Statement of Licensing Principles. The Local Area Profile sets out the demographic profile of the area, the specific concerns and risks that the licensing authority has identified in relation to gambling.

The first step is to identify the local risk factors associated with the local area in which the premises are located. Local risk factors are risks that effect one or more of the licensing objectives which are specific to that area. In some areas of the city, the licensing authority has developed Local Area Profiles which identify some of the risk factors which are considered to be of significant for an area of the City. Although the Local Area Profile will assist in identifying key considerations, operators will still need to identify other risks to the licensing objectives that may not have been identified within that profile.

The list below is a small example of some of the risk factors that may be present in an area where gambling premises are located.

- Significant presence of young children.
- High crime area.
- High unemployment area.
- Nearby homeless hostels.
- Nearby gambling, alcohol, drug or mental health support facilities.
- The area has a high number of rough sleepers/homeless people.
- The area has a specific ethnic population.
- Pawn broker/pay day loan businesses in the vicinity.
- Other gambling premises in the vicinity.



## **Step 2: The gambling operation**

In assessing the risks factors associated with the gambling operation the assessor should take into account the local risks and how that gambling operation may affect that risk. The gambling operation will relate to how the operator conducts its business and what gambling products it provides. The operation will also include:

- staffing levels and staff training,
- the policies and procedures it has in place in relation to regulatory requirements of the Act or to meet the Commissions LCCP,
- security arrangements,
- advertising and marketing, and
- display and provision of information, etc.

## **Step 3: The design of the premises**

The design and layout of the premises is a key consideration as this could have a significant impact on the risk to the licensing objectives. In assessing the risk factors associated with the premises design and layout reference is needed to the local area risks factors already identified to ensure the design doesn't add to that risk. The design, both internal and external, should be considered and specific risk factors identified and noted. For example the premises may have a number of support pillars which the assessor identifies as obstructing the view of the gaming machines from the cashier counter or the assessor identifies that the design of the entrance to the casino is not sufficiently covered by CCTV to enable the identification of offenders. These would be identified risk factors that would need to be documented.

## **Step 4: Control measures**

Now that the risk factors have been identified the assessor should now seek to identify control measures that would mitigate the identified risks. These control measures will relate to one of the three categories of control measures mentioned above (systems, design and hardware). The control measures for some risk factors may require a combination of control measures to adequately mitigate the risk.

## **Completed assessment**

The control measures must be implemented on the premises and if applicable staff on the premises should be trained on their use or trained on the new policy or procedure. The assessment must then be stored and reviewed once a trigger occurs or as part of a regular review regime.

If the completed assessment is provided with a new application or with a variation application then the authority will consider the assessment when determining whether to grant the application. The licensing authority will assess the risk identified and the measures implemented to mitigate those risks. Some control measures identified in the assessment may be put forward as conditions on the licence to address any significant local concern.

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## Local Gambling Risk Assessment

<b>Premises Name:</b>		<b>Premises Licence No:</b>	
<b>Premises Address:</b>			

<b>Category of gambling premises licence:</b>	
<b>Name of person completing the assessment:</b>	
<b>Date original assessment carried out:</b>	

### Notes:

This risk assessment must be completed for all new premises or when the premises licence is varied. The assessment must also be reviewed when there are any significant changes to either the local circumstances and/or the premises. The forms is designed to be typed into. Add extra rows to the tables as required. If completing the form by hand, please allow for plenty of space.

- Risks:** Area of consideration to identify the risk factors that may impact on one or more of the licensing objectives
- Impact Factors:** These are the identified factors that may have a specific impact relating to area, operation and premises on one or more of the licensing objectives.
- Licensing Objective:** CD for the Crime and Disorder objective  
FO for the Fair and Open objective  
CV for the protection of children and the vulnerable.
- Control Measures:** These are measures that the operator can put in place to mitigate the risk to the licensing objectives from the risk factors. These control measures are split into three categories, systems, design and hardware.

Risk 1: Local Area			
No	Impact factors	Licensing Objective	Control Measures (system, design and hardware)
1.1			System: Design: Hardware:
1.2			System: Design: Hardware:
1.3			System: Design: Hardware:
1.4			System: Design: Hardware:

Risk 2: Gambling Operation			
No	Impact factors	Licensing Objective	Control Measures (system, design and hardware)
2.1			System: Design: Hardware:
2.2			System: Design: Hardware:
2.3			System: Design: Hardware:
2.4			System: Design: Hardware:

Risk 3: Premises Design (Internal and External)			
No	Impact factors	Licensing Objective	Control Measures (system, design and hardware)
3.1			System: Design: Hardware:
3.2			System: Design: Hardware:
3.3			System: Design: Hardware:
3.4			System: Design: Hardware:

**Actions following assessment****Local Area**

Action	Person/Dept tasked	Date tasked	Date completed

**Gambling Operation**

Action	Person/Dept tasked	Date tasked	Date completed

**Premises Design (Internal and External)**

Action	Person/Dept tasked	Date tasked	Date completed

**Signed:****Date:****Print Name:**

