



Report of the Director Legal and Democratic Services

Executive Board

Date: 20th September 2006

Subject: Update on implementation of the Gambling Act 2005 and determination of a Statement of Gambling Policy

Electoral Wards Affected: All

Specific Implications For:
Equality and Diversity <input type="checkbox"/>
Community and Cohesion <input type="checkbox"/>
Narrowing the Gap <input type="checkbox"/>

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

1. The Gambling Act 2005 reforms the regulatory arrangements for all commercial gambling in Great Britain apart from the National Lottery and spread betting. Within this new regime local councils are appointed as licensing authorities and are responsible for issuing premises licences to gambling premises such as casinos, bookmakers and amusement arcades. Under the Act each licensing authority must publish a Statement of Gambling Policy showing how it will exercise its functions under the Act. Executive Board are advised that Leeds has recently completed a public consultation on its draft policy. Officers are now seeking approval to refer an updated draft policy to Overview and Scrutiny Committee for their comments. A final draft of the policy will then be brought back to Executive Board in November ahead of Full Council approval at a special meeting in December.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to advise Executive Board on the preparatory work being carried out for the implementation of the Gambling Act 2005 (the Act) including the steps taken to prepare a Draft Statement of Gambling Policy to meet the requirements of section 349 of the Act.
- 1.2 Executive Board are asked to note the attached report (labeled Appendix 2) which is the findings of the consultation on the Draft Statement of Gambling Policy and to authorise referral of the policy to Overview and Scrutiny Committee to oversee the amendment of the policy as necessary before bringing the final draft of the policy back to Executive Board in November. Executive Board will then be asked to refer the policy to Full Council for approval in accordance with the budgetary and policy framework rules.

2.0 Background Information

- 2.1 The Gambling Act 2005 gives effect to the government's proposals for reform of the law on gambling. The Act contains a new regulatory system to govern the provision of all commercial gambling in Great Britain, other than the National Lottery and spread betting.
- 2.2 The Gambling Commission is the national gambling regulator and has a lead role in working with central government and local authorities to regulate gambling activity. Its principal role will be to issue operators licences and personal licences to gambling businesses and their staff.
- 2.3 Leeds City Council is appointed as the licensing authority for Leeds and has a local role to play issuing premises licences to gambling premises within the Leeds district. The council will also issue various permits and notices to regulate smaller scale and or ad hoc gambling in various other locations such as pubs, clubs and hotels. It should be noted that any operator wishing to provide gambling at a certain premises must have applied for the requisite operators licence and personal licences from the Gambling Commission before they can approach the licensing authority for a premises licence. This forms a screening process which means applicants for premises licences have already been vetted by the Gambling Commission to ensure they have the correct credentials to operate gambling premises.

2.4 Licensing objectives

The licensing authority will carry out its functions under the Act with a view to promoting the three licensing objectives set out at section 1 of the Act. 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
- protecting children and other vulnerable persons from being harmed or exploited by gambling.

2.5 Role of the Licensing Authority

2.5.1 Premises providing certain types of gambling will require a premises licence issued by the local authority. Within this framework the licensing authority's role is to ensure that given premises are suitable for providing gambling in line with the three licensing objectives and any codes of practice issued by the Gambling Commission.

2.5.2 The regulations which determine the detailed nature of the application process for existing gambling operators during transition and for new operators have yet to be made, however it is anticipated that the process will be similar to that of the Licensing Act 2003. Operators will have to submit copies of applications to all responsible authorities including West Yorkshire Police and the Local Safeguarding Children Board. Plans will also be required to show the areas where gambling will take place and if this includes different categories of gaming machines the exact areas where these machines will be located. It is also anticipated that new applications for premises licences will need to be advertised both on site and in a local newspaper. Any representations which responsible authorities or other interested parties wish to make will need to be based on one or more of the licensing objectives.

2.5.3 It should be noted that public nuisance is not a licensing objective and so issues of this nature may not be addressed by the Gambling Act 2005. The Act also states that the licensing authority may not take into account whether a premise is likely to be awarded planning or building consent, in its consideration of an application.

2.5.4 The Council will issue premises licences to:

- Bookmakers
- Casinos
- Bingo halls
- Tracks (eg. Racecourses, dog tracks)
- Licensed Family Entertainment Centers
- Amusement Arcades

2.5.5 The Council will also issue various permits and notices to authorise smaller scale and or ad hoc gambling at certain other premises. These permits are:

- Unlicensed Family Entertainment Center gaming machine permit
- Temporary use notices (to allow gambling temporarily at premises such as hotels, conference centers by gambling operators)
- Occasional Use Notices (for tracks)
- Club gaming and club machines permits
- Alcohol licensed premises gaming machine permit

2.6 Transitional arrangements

2.6.1 The transitional period is currently expected to commence on the 1st of January 2007. From this date Gambling operators will be able to approach the Gambling Commission to make applications for personal licences and operators licences. From the 31st January 2007 those organisations that have made the requisite applications with the Gambling Commission will then become eligible to approach the Licensing Authority to apply for the necessary premises licence(s). These applications must be made by the 27th April 2007. Existing operators that make the necessary applications in this transitional window will qualify for continuation rights

which will allow them to continue trading once the Act is brought into full force. It is anticipated that the Act will come into full force on the 1st September 2007.

2.7 Leeds Large Casino Bid

- 2.7.1 Following the announcement that Leeds City Council has not been short listed to go through to the next stage of the regional casino bid, the council is now focusing its resources on the bid for a large casino. Work is now being undertaken by the Development Department in preparing a case for this bid to the Casino Advisory Panel. The Casino Advisory Panel is an advisory group which is working under the authority of the Secretary of State for Culture, Media and Sport to recommend the areas where the new regional casino and eight large and eight small casinos would best be located. The primary criterion, as laid down by the Secretary of State is:

'to ensure that locations satisfy the need for 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)'

- 2.7.2 Work being undertaken to support the bid includes a 'Health, Economic and Social Impact Study' which will be used to measure the provision of current support available for problem gamblers as well as research into the likely impact of a large casino. The social impact study will be completed by late October 2006. In addition a PR and communications campaign is currently underway to raise awareness of the bid and to encourage debate and consultation on a new style 'large' casino.

3.0 **Main Issues -**

3.1 **Statement of Gambling Policy – Scope, Purpose and Approval**

- 3.1.1 Under the Act each licensing authority must prepare a Statement of Gambling Policy which outlines how the authority will seek to promote the Licensing Objectives. This document fulfils a similar role to that of the Statement of Licensing Policy. Before a statement is published, a draft statement must be consulted on with certain statutory agencies and various other organisations as defined in the regulations and accompanying guidance issued by the Gambling Commission. A policy must be published at least every three years however amendments can be made during this time as long as those elements which are being changed are also consulted upon. Members will find attached at **Appendix 1** to this report a copy of the Draft Statement of Gambling Policy as put out to public consultation.
- 3.1.2 Leeds City Council has recently completed a consultation on its Draft Statement of Gambling Policy. The consultation ran for 11 weeks ending on the 3rd September 2006. The draft statement together with consultation questionnaires were distributed to libraries and one stop centres as well as being available on the council website. An extensive mailshot was also sent out to our list of identified stakeholders. This included existing licence holders, national trade associations, responsible authorities, organisations concerned with the social impact of gambling, MPs, parish councils, and faith groups. In addition an advert appeared in the Yorkshire Evening Post on the 22nd June advertising the consultation and a further advert appeared in the Leeds Weekly News on 6th July.
- 3.1.3 Approval of the policy is a matter reserved to Full Council however the consideration of the policy before approval must follow the budgetary and policy framework rules which requires the policy to be considered by the executive, referred to scrutiny and then further considered by the executive before being recommended for approval.

Members will find attached at **Appendix 2** to this report a report detailing the findings of the consultation on the Draft Statement of Gambling Policy which is presented as stage 1 of the approval process.

- 3.1.4 Redrafting work in accordance with the consultation feedback is now ongoing and Members are asked to note the contents of the consultation report and refer the policy to Overview and Scrutiny Committee for their comments. It is proposed that when Executive Board meet to consider the final draft of the policy, that Entertainment Licensing provide a summary document showing the key consultation messages along with any amendments made as a result. This document would need to be approved by Full Council as the definitive response to the consultation when it approves the final version of the licensing policy.
- 3.1.5 It is important to note that the research being carried out on the social impact of a large casino (see 2.7.2 above) will have implications for the Statement of Gambling Policy. As this research is being used to support a bid to the Casino Advisory Panel it is appropriate that any significant findings/recommendations from this research are incorporated into the draft policy before it is approved so that in the event that the council is successful in its bid, the policy is flexible enough to address the implications of this. Given this research will not be completed until late October it may be necessary to call an extra meeting of the Overview and Scrutiny Committee to consider any revisions made to the policy by/at this time before the final draft of the policy is passed back to Executive Board.
- 3.1.6 The adoption timeframe can be summarised as follows:
- Consultation ended (3rd September 2006)
 - Cover report, draft policy and consultation results appendix put before Executive Board (TODAY) Executive Board to refer item to Scrutiny
 - Scrutiny will consider consultation results and draft policy (9th October 2006)
NB: this date may need to be put back to late October to allow findings of Development research into social impact of gambling to be incorporated into draft policy
 - Scrutiny will report findings back to the Executive Board
 - Executive Board will consider final draft of policy (15th November 2006) and will consider recommendation to Full Council to approve the draft policy
 - Full Council approval (13th December 2006)
- 3.1.7 Executive Board should also note that Overview and Scrutiny Committee received a preliminary report on the Draft Statement of Gambling Policy at their meeting on 4th September. The committee did raise some concerns at this meeting as to the extent of the consultation undertaken, however the committee did not at this time, have a copy of the complete consultation list. A list of the stakeholders contacted was circulated to them after the meeting. Executive Board should now find the complete consultees list including all stakeholders as well as other organisations contacted during the consultation such as gambling businesses and all members clubs in the district, listed in Appendix 5 to the consultation results report. (Appendix 2)

4 Implications For Council Policy And Governance

- 4.1 Due to the strict timeframe, it will be necessary to call a meeting of Full Council in December of this year in order to approve the final Statement of Gambling Policy.
- 4.2 It is intended to make any necessary changes to the Constitution at the same time.

- 4.3 It may then be necessary to call a special meeting of Licensing Committee to deal with the necessary delegation of functions under the Act to sub committees and to officers.

5 Legal And Resource Implications

- 5.1 These new responsibilities will require additional legal support, to both the Committee and Entertainment Licensing Section, and a review of the existing resources within the Entertainment Licensing Section.
- 5.2 Approval of the policy must follow the budgetary and policy framework rules set out above in para 3.1.3. The policy must be taken into account when making decisions on applications for gambling premises licences and permits.

6 Recommendations

- 6.1 Members are requested to:

6.1.1 Note the methodology and timeframe for the adoption of the gambling policy detailed at 3.2.

6.1.2 Note the attached report at Appendix 2 which details the results of the consultation on the Draft Statement of Gambling Policy and to refer the policy and consultation results to the Overview and Scrutiny Committee .