



Report of the Director of Legal and Democratic Services

Overview and Scrutiny Committee

Date: 9th October 2006

Subject: Report on the consultation on the Draft Statement of Gambling Policy

Electoral Wards Affected:

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1 Purpose Of This Report

- 1.1 The purpose of this report is to update Members on the implementation of the new Gambling Act 2005 (the Act) and to ask for Member comments on the council's Draft Statement of Gambling Policy, the results of the consultation on the draft policy and officers' suggested alterations at this stage.

2 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

2.4.1 The Act requires the Council, as licensing authority, to aim to permit the use of premises for gambling in so far as the authority think it:

- In accordance with a relevant code of practice
- In accordance with any relevant guidance issued by the Gambling Commission
- Reasonably consistent with the licensing objectives and
- In accordance with the licensing authority policy issued under the Act.

2.4.2 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

2.4.3 Members will note that these objectives are different from those in the Licensing Act 2003. Specifically they do not include public nuisance or public safety and there is no positive duty to promote the objectives. In addition the Act makes it clear that issues such as the need for such premises or whether they have or will get planning permission are not relevant considerations when granting a licence.

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 (see 2.6) 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 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 30th April 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 31st July 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 Update on large/regional casino bid

2.7.1 Members will recall being provided with an update at their meeting on the 4th September 2006, on the work that is now being carried out by the Development Department in preparing a bid to the Casino Advisory Panel for a regional or large casino.

2.7.2 It was suggested at this meeting that any significant findings from the 'Health, Economic and Social Impact Study' which has been commissioned to support the bid should be incorporated into the draft policy. Unfortunately this report has yet to be finalised however Members should be aware that officers still plan to carry out this work if the timeframes will permit.

2.7.3 Members are also advised that a special 'Casino Task Group' has been set up to advise and assist Leeds City Council on the progression of its bid to host a new regional or large casino in the city. The Group which had its inaugural meeting on the 21st August 2006 will meet regularly between now and December and its membership includes representatives from West Yorkshire Police, faith communities in the city, Leeds Chamber of Commerce, both of the city's Universities and the Leeds Initiative. The group is chaired by Councillor Barry Anderson.

2.7.4 The remit of the group is as follows:

1. *To identify the social, economic and environmental objectives for casino proposals that would promote healthy and sustainable communities in Leeds.*
2. *To advise on the protections needed to support responsible gambling and to minimise the risk to health of vulnerable individuals and communities in respect of casino gambling.*
3. *To identify and define access arrangements for support services for those experiencing problems in relation to casino related gambling.*
4. *To establish effective partnership working to ensure that any casino proposal will maximise health, economic and social well being for all the people in Leeds.*

Main Issues

3.1 Origins of the draft policy

3.1.1 The Draft Statement of Gambling Policy as put out to consultation (see the attached Appendix 1) was based on a template prepared by LACORs (Local Authority Co-ordinators of Regulatory services). While it should be acknowledged that numerous local authorities used this template exclusively as the basis for their own policies, making few or no changes, Leeds' undertook a careful redrafting exercise to add and modify several sections of the template to create a document which better reflected officers' understanding of the Act and added more contextual information for the benefit of readers unfamiliar with the gambling trade. The policy was completed in May 2006. Since that time the Gambling Commission has released several key consultation documents and further consultation documents are in the pipeline, all of which should be considered if possible during any redrafting process. In this way the final policy which will be sent to Executive Board in November, while maintaining sufficient commonalities with the original draft should be a far more robust and up to date document than could have been put out to consultation in June of this year. Details of these key documents can be found below or in Appendix 5.

3.2 Statement of Gambling Policy consultation activities –

3.2.1 Members will recall that Leeds City Council has just 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 a 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.

- 3.2.2 At the previous meeting of Overview and Scrutiny Committee, Members raised concerns about the extent of the gambling policy consultation although Members were informed at this time that the preliminary report provided, did not contain a detailed breakdown of the consultation activities and the list of consultees in the draft policy did not reflect those that had actually been contacted.
- 3.2.3 Members are requested to see Appendix 5 of the consultation results report (Appendix 2) which is attached to this report. This appendix lists the complete list of consultees who were written to during the consultation exercise.
- 3.2.4 Members may also find the information contained within section 4.1 Appendix 2 useful, as this section details all of the promotional activities undertaken to advertise the consultation.
- 3.2.5 In addition Members are advised that in response to the comments made at the previous meeting regarding the level of consultation undertaken with the faith communities, officers have written to a number of additional faith organisations based within the Leeds district inviting them to offer their comments on the draft policy. Members will find at Appendix 4 a list of those additional organisations supplied with a copy of the draft policy statement for this purpose.

3.3 Outcome of Draft Statement of Gambling Policy Consultation

- 3.3.1 Members will find attached at Appendix 2 to this report the consultation findings in respect of the Draft Statement of Gambling Policy. In summary the consultation revealed broad support among respondents for the policies and proposals suggested in the draft policy.
- 3.3.2 A handful of replies took a negative view of the policy although most of these respondents were seeking to express their general anti gambling sentiments which often centered on aspects of the new legislation outside the control of the council or policy.
- 3.3.3 The consultation process did however identify some concerns regarding the suggested controls related to the protection of vulnerable persons. For example concerns were raised that that if vulnerable persons can not make informed or balanced decisions, the provision of guidance material about problem gambling on posters and websites would be ineffective. Also respondents offered suggestions as to other categories of persons that the authority should consider as potentially vulnerable such as the elderly, ethnic minorities, the families and the children of those who may have a gambling addiction, or people with learning disabilities.
- 3.3.4 Another key finding of the report which Members may wish to reflect on centered on the title of the document. Several consultees highlighted anti gambling sentiments seemingly misinterpreting the purpose of the draft policy as a pro gambling

document. In its current form the title of the policy fails to address the underlying purpose of the document which is to outline the principles for the licensing of gambling premises, and consequently a more appropriate title is required.

3.5 Summary of redrafting process

3.5.1 Members will find attached at Appendix 3 to this report a draft document in table format headed 'Draft Gambling Policy – Key Consultation Messages'. Within this draft document we have set out the key consultation messages along with any amendments suggested as a result. This document once in its final form will be put before by Full Council at the time of approving the final policy, as the definitive response to the consultation. The suggested approach for the redrafting process can be summarised as follows:

- Comments made by Members at today's meeting will be incorporated into the afore mentioned table and policy changes will be made where appropriate.
- Similarly responses from the additional consultees as identified at Appendix 4 will be included in the same table, and policy changes will be made where appropriate.
 - DCMS and Gambling Commission policy and regulatory documents will be reviewed and policy changes made accordingly. (See Appendix 5)
 - Any significant findings/recommendations from the Development Departments research on the social impact of a regional casino will be incorporated into the draft policy if timeframes permit. (see 2.7.2)
- Following this work the document 'Draft Gambling Policy – Key Consultation Messages' will be completed summarising all consultee replies, the council's responses and detailed notes on policy changes. This document and the final policy will then be put before Executive Board in November ahead of full council approval in December. See section 3.3 on 'Adoption of the Policy'.

3.6 Adoption of the Policy

3.6.1 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. Executive Board received the draft policy and the consultation results at their meeting on the 20th September and hence the item being received by Overview and Scrutiny Committee today forms stage two of the adoption process.

3.6.2 The adoption of the policy can be summarised as follows:

- Consultation ended (**3rd September 2006**)
- Cover report, draft policy and consultation results put before Executive Board (**20th September 2006**). Executive Board referred item to Overview and Scrutiny Committee.

- Scrutiny to consider consultation results as set out in the 'Draft Gambling Policy – Key Consultation Messages' (presently in draft form), and the draft policy. **(TODAY - 9th October 2006)**
- Scrutiny will report findings back to the Executive Board
- Executive Board will consider final draft of policy **(15th November 2006)** and will recommend to Full Council to approve the draft policy
- Full Council approval **(13th December 2006)**

4.0 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 The timeframes do not allow for any slippage as the Policy must be published by 3rd January 2007.

5.0 Legal And Resource Implications

- 5.1 These new responsibilities will require additional legal support, to both the Licensing Committee and Entertainment Licensing Section, and a review of the existing resources within the Entertainment Licensing Section.

6.0 Recommendations

- 6.1 Members are requested to note the contents of this report and the accompanying appendices and to provide comments as they feel appropriate.

Appendices

- Appendix 1 – Draft Statement of Gambling Policy
 Appendix 2 – Gambling Policy Consultation Report
 Appendix 3 - Draft Gambling Policy - Key Consultation Messages
 Appendix 4 – Table of additional consultees
 Appendix 5 – Summary of key DCMS and Gambling Commission policy and regulatory documents