

LICENSING ACT 2003 COMMITTEE
23 APRIL 2019

LICENSING PRINCIPLES FOR GAMBLING ACT 2005

Purpose of the Report

1. The purpose of this report is to invite Members to consider a Draft Statement of Licensing Principles for the Gambling Act 2005.

Background

2. The Gambling Act 2005 gives responsibility to the Gambling Commission for the issue of Operating Licences in respect of businesses offering gambling and also for the issue of Personal Licences for those employed in the business of gambling, eg croupiers, betting shop and bingo hall managers etc. Local Authorities are responsible for the licensing of premises used for gambling, eg betting shops and bingo halls etc and the issue of permits for gaming and small society lotteries.
3. The 2005 Act requires all Local Authorities to prepare, consult on and publish a Gambling Policy. This Policy is a “living document” which must be reviewed at least every three years (notice of intention to publish the document must also be advertised at least two weeks prior to publication).
4. To avoid confusion with Local Authority Licensing Policies required under the Licensing Act 2003, the Gambling Policy is referred to as the “Statement of Principles”. This document sets out the matters the Council will be considering when dealing with applications for Premises Licences and various permits. The Policy comprises sections of the legislation, parts of the Gambling Commission guidance and some general information on how the Council will deal with applications and enforce the legislation.
5. The first policy was approved by Members at their meeting of Council on 23 November 2006 and was duly published on 3 January 2007 to take effect on 31 January 2007. It has been revised every three years and was last revised by Council in November 2015 for publication on 31 January 2016. The Policy is therefore due to be revised.
6. Darlington’s current statement of licensing principles was published in January 2016 and, as such, a new policy should have been published in January 2019. However due to a restructure and the process of appointing of a new Licensing Manager, the consultation was delayed. The Gambling Commission has been made aware of this.

Information and Analysis

7. The Gambling Act 2005 has three licensing objectives as follows:
 - (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 gambling is conducted in a fair and open way.
 - (c) Protecting children and other vulnerable persons from being harmed or exploited by gambling.
8. The Gambling Commission plays a leading role in relation to the first objective and determines the suitability of businesses and persons involved in the gambling industry by virtue of the Operating and Personal licences. The Local Authority is not able, therefore, to grant a Premises Licence until an Operating Licence has been granted by the Gambling Commission. The Gambling Commission also addresses the second objective and the only role for the Local Authority in relation to this objective will be when dealing with the track-betting environment. The final objective impacts on Local Authorities and consideration may be given to, amongst other things locality, supervision of premises, separation of adult gaming areas and promotion of gambling support organisations.
9. Most functions of the Gambling Act 2005 have been delegated to the Committee established by the Council to deal with the Licensing Act 2003 in accordance with national guidance. The approval of the Council's policy in respect of the Gambling Act 2005 is however one of the few functions that, by statute, must be dealt with by Council.
10. The Council currently licences 12 Betting Shops and 26 Licensed Clubs and Pubs for the provision of gambling. Unlike parts of the Licensing Act 2003, the Gambling Act 2005 does not provide Local Authorities with wide discretion. The 2005 Act requires Local Authorities to follow the Guidance and Codes of Practice issued by the Gambling Commission and also the Council's own policy statement.

Changes to the Policy

11. The policy has remained largely unchanged apart from minor amendments that have been made to reflect revised guidance to local authorities from key stakeholders since it was last approved on 19 November 2015.

Consultation

12. A widespread consultation exercise has been undertaken over a 6-week period, from 11 February 2019 to 23 March 2019, which included the Responsible Authorities, the gaming industry, the leisure industry and organisations dealing with problems arising from gambling. The draft policy has also been made

available on the Council's website.

13. Following the period for consultation, two responses were received in respect of the revised document, one from Darlington Borough Council's Public Health and the other from the Association of British Bookmakers (ABB). These have been reproduced in full at **Appendix 1**.
14. The representation made by Public Health highlighted the harms gambling can cause and made reference to the Local Government Association guidance document 'Tackling Gambling Related Harm'. This has been considered during the preparation of the statement. One matter that had been of concern in previous years was the proliferation of 'Fixed Odds Betting Terminals' (FOBT's), which have maximum permitted stake of £100. These have been widely regarded as harmful to gamblers. The Government, however announced in May 2018 its intention to reduce the maximum stake on FOBT's from £100 to £2. This has been welcomed in the response from Public Health along with the fact that the updated Statement of Principles recognises the dangers of harmful gambling, in particular the risk it poses to children and vulnerable groups.
15. It was announced in the 2018 Budget that this change would be implemented in October 2019, however there has been much discussion within Government regarding this date and may be subject to change.
16. The second representation was made on behalf of ABB. This organisation represents over 80% of bookmakers. They pointed out that the number of betting shops is in decline and some regulatory changes such as planning in 2015 have had an adverse effect. It is yet to be established what effect the change to FOBT's will have on the industry. ABB highlighted in their response that they were keen to demonstrate promotion of the licensing objectives by encouraging engagement with the local authority. They also pointed out that some terminology used in the draft statement was outdated along with potential conflict between licensing and planning legislation. These observations have been reflected in the revised Statement.

Recommendation

17. Members are invited to approve the revised Licensing Principles for the Gambling Act 2005 (see **Appendix 2**) and if appropriate, agree its recommendation to full Council.

Reasons

18. The recommendation is supported by the following reasons:
 - (a) To enable the Council to formally adopt and publish a statement of licensing principles in compliance with the Gambling Act 2005 requirements.
 - (b) To clarify the way that the Council will consider applications for licences.

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Appendices

Appendix 1 – Responses from consultation

Appendix 2 – Draft statement of the Licensing Principles