

<b>REPORT TO:</b>	<b>FULL COUNCIL 3 DECEMBER 2018</b>
<b>AGENDA ITEM:</b>	
<b>SUBJECT:</b>	<b>THE GAMBLING ACT 2005 – STATUTORY REVIEW OF LONDON BOROUGH OF CROYDON STATEMENT OF PRINCIPLES</b>
<b>LEAD OFFICER:</b>	<b>EXECUTIVE DIRECTOR OF PLACE</b>
<b>CABINET MEMBER:</b>	<b>COUNCILLOR HAMIDA ALI CABINET MEMBER FOR SAFETY CROYDON AND COMMUNITIES</b>
<b>WARDS:</b>	<b>ALL</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b>	
<p>The Gambling Act became fully operational on 1<sup>st</sup> September 2007. The Council has been processing applications with regard to this legislation since 21 May 2007, which was the start of the conversion period under the Act.</p>	
<b>FINANCIAL SUMMARY:</b>	
<p>There are no direct financial implications associated with this report, save for those set out in the body of the report with regard to decision making by the licensing committee and Full Council.</p> <p>The costs of administering the functions associated with this report will be met from existing budget.</p>	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b>	

**For general release**

## **1. RECOMMENDATIONS**

Full Council is recommended to:

- 1.1 Note that the draft revised Statement of Principles was endorsed by the Licensing Committee on 21 November 2018 and recommended it to Full Council for adoption.
- 1.2 Adopt the Statement of Principles at Appendix 5 to this report.

## 2. EXECUTIVE SUMMARY

- 2.1 The Gambling Act 2005 (the Act) came into force on 1<sup>st</sup> September 2007 and made local authorities, as licensing authorities, responsible for the administration of licences, registrations, permits, notices and notifications under the Act.
- 2.2 Local authorities are only responsible for licensing the premises on which gambling takes place. They are not responsible for licensing operators as this function falls to the Gambling Commission. As well as issuing premises licenses, local authorities are also responsible for issuing permits in respect of:
- Gaming machines in alcohol-licensed premises, such as pubs
  - Gaming machines in members clubs
  - Gaming in members clubs
  - Unlicensed family entertainment centres (small stake and payout machines only)
  - Prize gaming
  - Occasional Use Notices
  - Temporary Use Notices
  - Provisional Statements
- 2.3 For comparison, the following shows the current number of licensed premises, as opposed to that in 2007:
- Betting Shops – 2007 **59** – 2018 **64**
  - Bingo Premises – 2007 **1** – 2018 **3**
  - Adult Gaming Centres – 2007 **8** – 2018 **2**
  - Family Entertainment Centres – 2007 **0** – 2018 **0**
- 2.4 The Council licensing team undertake inspections and enforce the conditions on these issued licences as well as permits and notices. It also registers small scale society lotteries.
- 2.5 In addition to processing applications and compliance/enforcement responsibilities, the Act requires each local authority to prepare and publish a Statement of Principles (the Statement) setting out how it will exercise its functions under the Act. The first London Borough of Croydon Statement of Principles was published on 3 January 2007. In each 3 year period thereafter, the Council must keep its policy under review and revise it as it considers appropriate. In any event, before the conclusion of each 3 year period, the Act requires the Council to formally consult on its Statement of Principles, amend it accordingly and re publish it.
- 2.6 The Council is required by the Act to adopt a Statement of Principles and to review and republish this statement every three years. The Council's Statement of Principles was reviewed and re published in 2009, 2012 and 2015.
- 2.7 For the fourth statutory review, the Council must republish its Statement by 31 December 2018 - that being the required 4 weeks before the existing Statement expires.

2.8 As required by the Constitution, the Licensing Committee has considered, commented on and approved the Statement of Principles at Appendix 5 and recommends its adoption by Full Council.

### **3. DETAIL**

3.1 The Gambling Act 2005 came into force on 1 September 2007. It created a unified regulator for gambling in Great Britain called the Gambling Commission, as well as establishing a new licensing regime for commercial gambling. The Gambling Commission regulates all commercial gambling in Great Britain, except the National Lottery and Spread Betting, and issues operating and personal licences.

3.2 The Gambling Act 2005 transferred all responsibility for licensing gambling premises from Licensing Justices to Licensing Authorities (the Local Authority in England and Wales). Licensing Authorities are also responsible for a number of different permits, as well as temporary and occasional use notices.

3.3 Local Authorities acting as Licensing Authorities issue premises licences for the following activities:

- bingo
- betting
- adult gaming centres
- family entertainment centres
- casinos
- horse racing and dog tracks.

3.4 They issue permits for:

- Gaming machines in alcohol licensed premises, such as pubs
- Gaming machines for members clubs
- Other gaming activities in Members' clubs
- Category D machines\* in unlicensed family entertainment centres
- Prize gaming.

\*Category D machines are those that can be used by children and have the lowest level of stakes and prizes

3.5 They also register and issue:

- Small society lotteries
- Occasional and temporary use notices
- Provisional statements.

3.6 The Gambling Act 2005 contains three licensing objectives that underpin the entire legislation:

- I. Preventing gambling from being a source of crime and disorder, being associated with crime or disorder, or being used to support crime.
- II. Ensuring that gambling is conducted in a fair and open way.
- III. Protecting children and other vulnerable people from being harmed or exploited by gambling.

- 3.7 Section 349 of the Gambling Act 2005 requires local authorities to prepare and publish a statement of the principles (henceforth to be referred to as the 'statement of principles') that they propose to apply in exercising their functions under the Act. The statement shall last for a period of 3 years and then must be reviewed. However, a local authority may review their statement sooner should the need arise.
- 3.8 The Act requires that prior to adopting and publishing their statement, or subsequently reviewing it, a local authority shall consult:
- The chief officer of police for the authority's area
  - 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
  - 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 the Act.
- 3.9 The consultation on the review took place between 25 September 2018 and 5 November 2018 and the statement was amended to reflect any relevant responses/comments made.
- 3.10 On 21 November 2018, the Licensing Committee, in accordance with the provisions of the Constitution, considered the draft Statement of Principles and recommended that Full Council adopt the draft Statement of Principles as set out at Appendix 5 to this report. The Adoption of the Statement of Principles is a matter reserved to full Council.
- 3.11 Attached at Appendix 1 is a copy of the covering letter that accompanied the consultation, setting out the proposed changes to the existing Statement. As can be seen, in addition to the proposed changes to the document and as separate and distinct from the Statement of Principles, the letter also set out the Administration's proposal to look to begin a dialogue with interested parties around any perceived and actual public health harms in Croydon associated with gambling in the borough with a view to collating Croydon specific data on the effects, or indeed lack thereof, for Croydon residents.
- 3.12 Attached at Appendix 2 is a list of persons/bodies consulted with.
- 3.13 Attached at Appendix 3 are copies of the comments received during consultation.
- 3.14 Attached at Appendix 4 is a schedule of the specific comments made by the respondents, including via the Council's website, showing where the Statement has, or has not, been changed as a result of those comments.
- 3.15 Accordingly, attached at Appendix 5 to this report is a copy of the draft, revised 'Statement of Principles' which is recommended for adoption by Full Council.
- 3.16 Appendix 6 gives a Glossary of Terms for the Gambling Act 2005.

#### **4. CONSULTATION**

- 4.1 The Gambling Act requires all Local Authorities to prepare, consult and publish a Statement of Principles, which sets out how the authority will exercise its functions under the Act. The statement then has to be reviewed by the end of each subsequent three year period. The review is open to public consultation and the revised document must be approved by the Full Council before its publication.
- 4.2 Croydon's Statement of Principles was initially published in January 2007 and now requires review. The document has been revised and publicly consulted on and the timetable leading up to the policy being re published is as follows:

<b>DATE</b>	<b>ACTION</b>
05.11.18	Deadline for consultation responses.
21.11.18	Licensing Committee
03.12.18	Full Council
31.12.18	Publication (by)

#### **5. FINANCIAL CONSIDERATIONS**

##### **1 Revenue and Capital consequences of report recommendations**

There are no direct financial implications associated with this report. This matter is being processed as part of normal duties and therefore the work associated with it is contained within the departmental budget.

##### **2 The Effect of the Decision**

There are no direct financial implications associated with this report.

##### **3 Risks**

There are no direct risks associated with the recommendations in this report.

##### **4 Options**

There are no other options available to the Council.

##### **5 Savings/Future Efficiencies**

None identified.

(Approved by: Flora Osiyemi, Head of Finance Place, Residents & Gateway on behalf of Lisa Taylor, Director of Finance, Investment and Risk)

#### **6. COMMENTS OF THE SOLICITOR TO THE COUNCIL**

- 6.1 The Solicitor to the Council comments that the procedures associated with the implementation of provisions of the Gambling Act 2005 are determined by regulations and statutory guidance. The provisions relating to the adoption of the revised Statement of Principles and the time frames within which this must occur are detailed within the body of the report.

- 6.2 (Approved by: Sandra Herbert, Head of Litigation and Corporate Law, for and on behalf of Jacqueline Harris-Baker, Director of Law and Governance).

## **7. HUMAN RESOURCES IMPACT**

- 7.1 The workload associated with the review of the Statement of Principles has been undertaken within existing resources.

## **8. CUSTOMER IMPACT**

- 8.1 The Statement of Principles sets out, within the ambit of the Gambling Act and the statutory Guidance, the principles which the Council will apply when exercising its licensing functions under the Act. The provisions of the Gambling Act and Statement impact on existing and potential premises' licensees. Well managed licensed premises attract customers and contribute to a vibrant local economy.

## **9. EQUALITIES IMPACT**

- 9.1 The Statement is primarily to assist in ensuring the successful management of licensed gambling premises, so the gambling operators are the primary stakeholders. There are no service users as such, as it is the legislation that permits the activity (providing gambling facilities) and the Act also contains the sanctions for poorly managed premises. The Gambling Act 2005 is also quite prescriptive, on both operators and the Council as Licensing Authority and takes primacy over the Statement. The Statement therefore, in the main, reflects the requirements of the legislation, statutory guidance & codes of practice. There will be no significant impact on groups that share a protected characteristic (compared to non-protected groups) and as such a full equality analysis will not be required.

## **10. ENVIRONMENTAL IMPACT**

- 10.1 There are potential environmental impacts associated with the development of large casinos (though the Council does not have any licensed casinos). However, the majority of gambling premises in Croydon are small buildings like betting shops, amusement arcades and bingo halls. Many of these premises already have established use and are not considered to impact on the local environment.

## **11. CRIME AND DISORDER REDUCTION IMPACT**

- 11.1 There are not considered to be any local crime and disorder problems associated with the local authority being responsible for the administration of premises licences. The local authority is only responsible for licensing of the physical premises. The licensing of operators of the premises used for gambling is the responsibility of the Gambling Commission.

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**BACKGROUND DOCUMENTS:** None

