

Code of Practice for gaming in clubs and premises with an alcohol licence

Consultation paper, March 2007

Introduction

1. This document outlines our proposals for the code of practice that will apply to gaming (other than machines gaming – see paragraph 10 below) carried out under the authority of club gaming permits, and to exempt gaming in clubs and alcohol licensed premises. It will be of interest to all those involved in such gaming – in particular to local licensing authorities, who will be responsible for issuing club gaming permits under the Gambling Act 2005 (“the Act”) and alcohol licences under the Licensing Act 2003, to alcohol licensed operators and clubs who wish to promote or otherwise permit gaming on their premises, and to other bodies with an interest in gambling. Please see paragraph 34 for details on how to respond.

Background and context

2. The Gambling Act 2005, which will be fully implemented in September 2007, permits gambling to occur through licences (in the case of premises where the primary function of the premises is gambling e.g. an Adult Gaming Centre or a casino), a number of different permits (where higher stake gaming is permitted but where gaming is a secondary function of the premises e.g. a Miners’ Welfare Institute) and where there is an exemption. Pubs and other alcohol licensed premises will be permitted to provide facilities for equal chance gaming subject to conditions in the Act and regulations prescribed by the Secretary of State.

3. The Department of Culture, Media and Sport (“DCMS”) is currently out to consultation on the Gaming In Clubs And Alcohol-Licensed Premises regulations. The consultation period closes on 20 April. In summary the DCMS consultation proposes:

Clubs and Miners’ Welfare Institutes

4. *In broad terms clubs and institutes will be able to provide gaming facilities for their members and bona fide guests as at present. DCMS propose the introduction of limits on stakes and prizes for poker played in those clubs and institutes that do not hold a club gaming permit issued by their local licensing authority. The introduction of these limits reflects significant recent growth in the popularity of poker, and the need to address the particular risks associated with such gaming. The proposals would see a stakes limit of £10 per person per game, within a premises limit of up to £200 in stakes per day and £1000 in a week. Other proposals would see small increases in the maximum fees that clubs may charge their members for participating in gaming. Clubs and institutes holding a club gaming permit would also be able to provide facilities for specified banker’s games – these are expected to be limited to pontoon and chemin de fer where the bank rotates between players. Casino banker’s games like blackjack will not be permitted. Finally, in order to help clubs and institutes to comply with the full range of statutory requirements for gaming DCMS are proposing the introduction of a code of practice to be developed by the Commission in consultation with interested parties.*

Alcohol licensed premises

5. *The Gaming Act 1968 allows cribbage and dominoes to be played in pubs and on certain other premises with an alcohol licence. Other types of equal chance gaming are also permitted, subject to the approval of the local licensing authority. The Gambling Act 2005 removes the requirement for licensees to seek such approval, but introduces strict conditions for any gaming, including limits on stakes and prizes, and provides licensing authorities with powers to take action against individual premises in a range of circumstances. The proposals see the introduction of a fixed limit of £5 per game on the amount that may be staked by a player in any type of equal chance gaming in pubs and other premises with a bar. In addition DCMS are consulting on the daily and weekly limits on the total amounts that may be staked or won at poker on individual premises. Given that a breach of either of these limits or any of the other statutory conditions would, potentially, constitute a criminal offence there would be a significant onus on individual licensees to ensure that any gaming on their premises complies with the law. DCMS propose the introduction of a statutory code of practice to be developed by the Commission to assist licensees in meeting their obligations.*

A Code of Practice

6. DCMS and the Commission believe that gaming in clubs and alcohol licensed premises should be subject to a formal code of practice that will ensure that the licensing objectives enshrined in the Act are met.

7. The Commission is therefore proposing to develop a code of practice pursuant to section 24 of the Act. Failure to comply with the code shall not make a person liable to criminal or civil proceedings, but a code is admissible as evidence in court proceedings, shall be taken into account by a court in any relevant case before it and can be taken into account by the Commission in the exercise of its functions.

8. All equal chance gaming is captured by this proposed code of practice. The code covers games such as poker, brag and blackjack if they are played in clubs and alcohol licensed premises and the provision of traditional pub games such as dominoes and cribbage must also comply with the code. Similarly, bingo is permitted in clubs and alcohol licensed premises subject to conditions set out in the Act and the associated guidance in the proposed code of practice.

9. Bingo is subject to new rules laid down in the Act which state that when the prizes and or stakes reach more than £2000 in any seven day period the Gambling Commission must be informed. To continue to operate without an operating licence issued by the Commission any further games in the subsequent 12 months on the premises must be below this threshold.

10. Machine gaming is not covered by this code but is subject to separate sections of the Act and an associated code of practice issued by the Commission. A draft code on practice on gaming machines in clubs and alcohol licensed premises was issued in November 2006. This can be found on the Commission's website (www.gamblingcommission.gov.uk).

Responsibility for adherence to the code

11. The Commission believes that it should be the responsibility of the holder of the club gaming permit or, in the case of pubs, the designated premises supervisor to adhere to the code of practice. In the case of clubs which do not hold either a permit or an alcohol licence, an individual should be nominated to supervise gaming on the premises. We recognise that other organisations may be contracted to provide facilities for gambling, for example under a brand name or poker league, but we will look, in the first instance, to designated premises supervisors to take responsibility for any gaming held on their premises and ensuring it complies with the Act, relevant regulations and the code of practice.

12. Licensing authorities may consider making an order to remove the exemption for equal chance gaming in pubs under Section 284, rendering any further such gaming illegal. They may do this if continuing to allow exempt gaming would not be reasonably consistent with the licensing objectives; when gaming has been in breach of a condition of section 279 of the Act or regulations made under that section (e.g. too high stakes); where the premises are mainly used for gaming; or if an offence under the Act has been committed.

13. It should be noted that neither the Commission nor licensing authorities will be able to give 'comfort letters' or advice as to whether an individual game is compliant.

Overall aims

14. In preparing this draft code of practice, our overall aim has been to focus on the licensing objectives of protecting children and the vulnerable, keeping gambling crime-free and ensuring that gambling is fair and open.

Access to gambling by children and young people

15. Children and young people can be permitted to enter certain clubs (depending on the club's own membership rules) and to enter alcohol-licensed premises.

16. However, the Act prohibits young people and children from participating in gambling, other than using category D machines or participating in lotteries (in the case of those aged 16 or 17).

17. Therefore, we propose a code provision for organisers of gaming in clubs and alcohol licensed premises relating to the steps that should be put in place for checking the age of any customer who appears to be underage before they participate in gaming, taking proof of age only from acceptable forms of photographic identification.

Consultation question

Question 1. What comment do you have on the code provisions setting out the best practice steps that should be taken to prevent underage gambling in alcohol licensed premises and clubs?

Protection of vulnerable people

18. It is not proposed that organisers of gaming in clubs and alcohol licensed premises should be required to offer self exclusion or any other special protection to their customers. This is due to the relatively low level of stakes and prizes set out by DCMS in the proposed regulations. However, we intend to keep this position under review.

Consultation question

Question 2. What comment do you have on our proposals in relation to the protection of vulnerable people?

Ensuring that gaming is fair and open

19. This code of practice relates to the regulations in respect of gaming in clubs and pubs. The draft regulation sets out the stakes and prizes limits (on a daily and weekly basis, as well as per game) that operators are required to observe. The draft code makes it clear that operators should not allow the stakes limits to be exceeded or permit side bets, raises above stake limits, rollovers of prizes and/or stakes or pooled stakes.

- 20.** We propose that stakes in all organised poker tournaments or games should be made in chips that are issued by the organiser of the game before the game begins.
- 21.** In informal games all the stakes should be cash. At all times the ‘pot’ – or amount of money that is staked – should be on the table where the game is played and visible to both players and organisers.
- 22.** Entry to all gaming should be paid in cash and organisers should not permit any players credit.
- 23.** It is the responsibility of the licensee or club gaming permit holder to ensure that stake/prize limits are not breached. For instance, the Commission would expect the gaming to be supervised so that no breaches of limits occur and that illegal side betting is prevented. The Commission proposes that the operator should have in place appropriate record keeping to demonstrate that the gaming is within the statutory provisions. Such records should be made available to licensing officers (in the case of pubs), Commission enforcement officers or the police (for all premises where gaming occurs) as appropriate if requested.
- 24.** It is the Commission’s expectation that all gaming in clubs will remain a low stakes activity. While the consultation document states that DCMS does not see a need at this stage to prescribe stake and prize limits for games other than poker, the Commission will keep the matter under review and recommend that the Secretary of State takes action if high stake gaming becomes prevalent in clubs.
- 25.** Clubs should ensure that they keep proper records of membership. Membership fees should be collected no more frequently than quarterly. Records of membership fees should be kept separately from any records of daily participation fees.

Consultation questions

Question 3. Should the code of practice restrict the payment of stakes to cash in informal gaming or should the gaming supervisor be able to require players to use chips for all equal chance gaming (except bingo)?

Question 4. What comments do you have on our approach to ensuring that stakes and prizes limits are enforced?

Question 5. What comments do you have on the proposals for keeping membership records?

- 26.** Players should understand the games in which they are participating and therefore any game offered should reflect what is generally understood to be the game. For example, bingo should be recognisable as a traditional bingo game and poker should be understood as a game recognised by an international body such as the World Series of Poker or the European Poker Tour.
- 27.** In the interests of fair and open gambling, participants in organised gaming should be aware of and be able to refer to, the rules of the game before and during the game. Therefore organisers of poker tournaments or bingo games should make the specific rules of the tournament available.
- 28.** Informal gaming, for example between friends, will not need to follow a standard set of rules, although it is expected that each player will understand the rules before the game begins.

Consultation question

Question 6. Do you have any comments on the display of rules?

29. To help prevent cheating, all equipment necessary for the gaming should be provided by the premises: this includes cards, dice, chips, bingo cards, dominoes etc. Players participating in organised tournaments should not be permitted to use their own equipment which could influence the outcome of the game.

Consultation question

Question 7. Do you have any comments on the proposal that the organiser of the gaming should provide all the equipment?

Preventing gambling being a source of crime and disorder

30. Organisers should attempt to maintain a pleasant environment for all customers and employees, but are not responsible for the conduct of any player. Organisers should deny participation in gaming if a participant:

- colludes with another player or engages in any other form of cheating;
- verbally or physically threatens any customer or employee;
- creates a disturbance by arguing, shouting, or making excessive noise;
- throws, tears, bends, or crumples equipment.

Consultation question

Question 8. Do you believe that gaming could present licensees with additional problems which may result in crime and disorder which need to be dealt with by the code of practice?

Other issues

31. At this stage, we have not identified any additional issues that should be covered by our codes of practice for gaming in clubs and alcohol licensed premises.

Consultation question

Question 9. Do you believe there are any other issues which the Commission's codes of practice for gaming in clubs and alcohol licensed premises should cover which are not already addressed by other means?

Next steps

32. Following review of the responses to this consultation, we intend to finalise the Codes of Practice, issuing the final versions in July 2007.

Responses to this document and further information

33. For more information on the Commission please visit www.gamblingcommission.gov.uk

34. There is a twelve week consultation period for this paper. Therefore the consultation period for this document will close on **Friday 22 June 2007**.

Please send your comments to **consultation@gamblingcommission.gov.uk**, or by post to:

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Gambling Commission, March 2007

The Gambling Commission regulates gambling in the public interest.

It does so by keeping crime out of gambling, by ensuring that gambling is conducted fairly and openly, and by protecting children and vulnerable people from being harmed or exploited by gambling. The Commission also provides independent advice to government on gambling in Britain.

For further information or to register your interest in the Commission please visit our website at:

www.gamblingcommission.gov.uk

Annex – Draft Gambling Commission Code of Practice

Introduction

This is the Commission's Code of Practice issued pursuant to section 24 of the Gambling Act 2005 ('the Act') relating to the provision of facilities for gaming carried out under the authority of club gaming permits and for exempt gaming in clubs and alcohol licensed premises. It is the responsibility of the club gaming permit holder, the designated premises supervisor (in the case of alcohol licensed premises), or the person nominated to supervise gaming in a club with no alcohol on sale to ensure compliance with the code of practice. This person is known as the "gaming supervisor".

1. All gaming carried out on the premises must be located so that it can be supervised by staff whose duties include supervision of gaming (including bar or floor staff).
2. The gaming supervisor should put into effect procedures designed to prevent underage gambling. This should include:
 - checking the age of potentially underage customers; and
 - refusing access to the gaming to anyone apparently underage who cannot produce an acceptable form of identification.

3. The gaming supervisor should take reasonable steps to ensure that all employees understand their responsibilities for preventing underage gambling.

Acceptable identification will:

- contain a photograph from which the customer can be identified;
- be valid, and
- be legible and have no visible signs of tampering or reproduction.

(The Commission considers acceptable forms of identification to include any identification carrying the PASS logo, e.g. Citizencard, Validate and the Governments own Connexions card, driving licence (including a provisional licence) with photocard; and passport).

Procedures should be in place for dealing with cases where an underage person repeatedly attempts to gamble including verbal warnings and reporting the offence to the Gambling Commission and the police.

4. Entry fees and stakes for all gaming covered by this code should be paid for in cash before the commencement of the game. No credit may be offered to customers by the gaming supervisor.
5. All equipment used in the gaming should be supplied by the premises and the equipment should be secured when not in use. The equipment should be replaced when damaged or marked. No player should supply his/her own equipment.
6. For all organised games, the rules of the game being played should be displayed or otherwise made available to all players before and during the game.
7. The gaming supervisor should keep a record of the number of games played, the amount staked and the number of players to ensure that the individual, daily and weekly stake and prize limits are not exceeded.
8. The gaming supervisor should ensure that individual stakes are not exceeded through the side bets, additional raises or other ways of increasing the pot.

9. Gaming supervisors should ensure a pleasant atmosphere and deny participation to customers who cheat or conspire with other players, threaten other players or employees, create a disturbance or damage equipment.

Specific provisions for poker.

10. Stakes in poker games organised by, or on behalf of the premises should be played in chips supplied by the premises.
11. Stakes in informal poker games should be paid in cash. The pot should be kept in sight so that it can be viewed by the gaming supervisor at all times.

Specific provisions for clubs.

12. Clubs must ensure that membership records are completed for each member with a record of membership fees paid. Records of daily participation fees should be kept separately.