

# licensing authority bulletin

November 2018

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## Providing up-to-date information and guidance on gambling licensing issues

## News

### Commission highlights failures to stop children playing on 18+ pub gaming machines

Tests on a sample of pubs in England indicate that almost 90% failed to prevent children accessing 18+ gaming machines. We have worked with licensing authorities and local police to test compliance with laws in place to protect children from the risks gambling can pose.

Children are not permitted to play Category C gaming machines in pubs. Staff are expected to stop children playing on the machines and there should be clear signage indicating the age restriction.

Helen Rhodes, Programme Director at the Commission, said: "We are extremely concerned that pubs across England are failing to stop children playing gaming machines designed for adults. We urgently call on the pub sector to take action immediately to enforce the laws in place to protect children and young people.

"We expect to see significant improvement in further tests and will continue to work with licensing authorities to support any action required against those failing to adhere to the requirements."

The current failure rate (89%) compares to an average failure rate of 15% to 30% for other age restricted products such as alcohol or tobacco. We have written to the pub industry outlining the findings of our work and calling for urgent improvements.

We would like to hear from any LAs who wish to participate in this ongoing exercise. Please contact your compliance manager in the first instance.

### Commission publishes new report on children and gambling trends

This year's Young People and Gambling report reveals that gambling participation by 11 to 16 year olds has increased in the last 12 months but remains lower compared to all previous years. However, the research indicated that more children are at risk of being harmed by gambling.

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Some of the key findings include:

- 14% of 11-16 year olds had spent their own money on gambling in the past week, this is up from 12% in 2017 but still lower than rates seen prior to 2017
- This compared to 13% who had drunk alcohol in the past week, 4% who had smoked cigarettes and 2% who had taken illegal drugs
- The principal forms of gambling in the past week are placing a private bet for money with friends (6%), National Lottery scratchcards (4%), fruit/slot machines (3%) and playing cards for money with friends (3%)
- Young people who have gambled in the past week spent an average of £16 on gambling during this period
- Over the past 12 months, 39% of 11-16 year olds have spent their own money on gambling
- 6% have gambled online using a parent or guardian's account
- 31% have ever opened loot boxes in a computer game or app, to try to acquire in-game items, while 3% claim to have ever bet with in-game items (so called 'skins' gambling)
- 59% agree that gambling is dangerous and only 14% agree that it is OK for someone their age to gamble
- Around half (49%) of respondents said that someone had spoken to them about the problems that gambling can lead to, with the conversation typically taking place with a parent (40%) or teacher (21%).
- 60% of young people think their parents would prefer them not to gamble at all, however only 19% stated that their parents set strict rules about gambling with no negotiation
- 1.7% of 11-16 year olds are classified as 'problem' gamblers, 2.2% as 'at risk'

## Commission CEO addresses industry

The Commission's Chief Executive Neil McArthur recently addressed over 100 gambling businesses at our Raising Standards Conference, calling for them to work together and know their customers better to make gambling in Britain the fairest and safest in the world. Mr McArthur told delegates he wanted gambling businesses to collaborate and focus on three areas - understanding the early signs which could indicate a customer is experiencing or developing problems, interacting with those customers to ensure they can receive support and advice, and rebuilding public trust by changing advertising strategies. His full speech is available on our [website](#).

## New RGSB Chair

Dr Anna van der Gaag CBE has been appointed as the new Chair for the Responsible Gambling Strategy Board (RGSB) – the Gambling Commission's expert advisors on the research, education and treatment required to reduce gambling-related harms.

## Penalties for operators

Over the past month we have announced taken action against a number of non-compliant operators:

- **Daub Alderney** will pay a £7.1m fine for failing to follow Commission rules aimed at preventing money laundering and protecting vulnerable consumers.
- **Paddy Power Betfair** will pay £2.2m for failing to protect customers and stop stolen money being gambled.
- **Mark Jarvis** to pay £94,000 and overhaul its social responsibility procedures after failing to protect a customer who was showing signs of problem gambling
- **Rank Group** to pay £500,000 for failing to follow Commission rules which protect problem gamblers.

## Case studies

### North Devon Council supports Responsible Gambling Week

North Devon Council's lead licensing officer, Howard Bee invited their local compliance manager Richard Nokes to accompany him on some joint premises visits during Responsible Gambling Week with a focus on responsible gambling and how to help safeguard vulnerable people. The staff at the betting shops visited had already been well briefed and had information about responsible gambling to hand out to customers.

### Worcestershire Regulatory Services Local Area Profile

Intelligence Officer Peter Werner-de -Sondberg for Worcestershire Regulatory Services (WRS), shares his experiences of producing the 'local area profile' to accompany the WRS statements of gambling policy.

Peter said "Profiles are widely used across the intelligence community as they provide a greater understanding of a particular issue within a specific area; and can encompass all aspects of regulation and enforcement. This makes producing them a positive and rewarding experience. Our local area profile intended to explore the prevalence of 'at risk' groups who, research has found, are at greater risk of gambling related harm.

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It also aimed to identify geographical areas within the county that are, or are likely to be, higher risk.”

## Challenges

The Geofutures research ([exploring area-based vulnerability to gambling-related harm](#)) had identified a number of potentially vulnerable groups but one of the most challenging aspects of this profile was identifying datasets that were current, relevant at a ‘local level’ and consistent (e.g. available at ward level) in relation to those groups.

- Certain datasets were already held by WRS as they are relevant to other reports and assessments, including those relating to population, deprivation and crime.
- Other data was obtained through open source research such as the location of education establishments, job centres, and support groups for alcohol, drug and gambling dependency.
- In certain circumstances, particularly in relation to mental health, data could not be identified and it was recorded as a limitation to be addressed in future versions of the profile.

## Findings and timescales

Once data had been collected and evaluated, analysis was undertaken, including a comparison with the gambling licences and registrations currently in force across Worcestershire. This led to a number of key findings, including the identification of seven areas where the level of risk was significantly increased due to;

- a) a greater concentration of gambling permissions, or
- b) a greater prevalence of at risk groups residing in, or visiting the area

From setting the objectives to publishing on our website, the four stages of the intelligence cycle (direction, collection, analysis and dissemination) were completed in three to four weeks. Whilst we accept there are certain areas which remain unexplored, it further demonstrates how the collection, evaluation and analysis of data and information can enhance understanding and inform decision makers.

## Warrington Borough Council prevents illegal SSL on Facebook

Warrington Borough Council recently received an application for a small society lottery (SSL) running on Facebook, under the banner ‘Warrington Lottery’. The lottery application purported to be raising funds for local charities and had been made by two local individuals.

It had been set up to raise monies via Facebook, seeking to obtain funds locally but stating no actual good cause therefore the Council refused the application as they were satisfied that it was a commercial entity and not for charitable causes. Licensing officers liaised with trading standards colleagues to investigate the individuals who also alleged that they had a similar venture in the Crewe area for which a registration had been granted. This information was in fact false. The Commission took steps to remove the Facebook page which was eventually withdrawn by the applicants.

LAs and police are encouraged to send case studies for inclusion in future bulletins. Please supply details to [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk).

## Feature article

### Lotteries promoted on social media

We have seen an increasing number of instances where lotteries are being promoted on the internet by individuals who do not hold the relevant permissions to run lotteries and are promoting them particularly through Facebook pages and groups, often for private or commercial gain. We work with those sites and the payment processors to close them down.

Whilst it may seem like an easy way to raise money or to have fun on online social networks, lotteries (which includes raffles and sweepstakes) are a form of gambling and are subject to laws about how they can be run and who can run them. It is a criminal offence under the Gambling Act 2005 (“the Act”) to promote an unlawful lottery.

As well as committing a criminal offence, the promoters of such lotteries may be breaching the terms and conditions of the site, so could have their profile removed.

The law sets out specific requirements for those running a lottery. It is unlawful for any lottery to sell tickets through remote means (e.g. the internet) unless the entity promoting the lottery is either licensed by the Commission or holds a registration with their local licensing authority.



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Lotteries in Great Britain can only be promoted for charities and other good causes. They cannot be promoted for private or commercial gain.

If anyone runs or promotes a lottery on a social network, they could be acting unlawfully and could face prosecution. If convicted, they could be fined, imprisoned or both.

Whilst many societies do legitimately advertise their lotteries on social media, most do not run the lotteries or sell tickets in this way – they generally link to their own websites to do so. Most of the lotteries selling tickets directly through social media are unlawful.

Whilst we have been engaging for some time with promoters of these lotteries, as well as Facebook, to educate and ensure the lotteries cease to operate, we are looking to engage more widely with other interested stakeholders to:

- a) educate the public on the rules around running lotteries; and
- b) engage stakeholders to work with us to prevent more of them taking place.

Research has shown that a large proportion of those running and playing these illegal lotteries are in receipt of state support and are also more likely to be in social housing.

Often, the profits from the lotteries form a considerable sum of undeclared income, and we have seen an increase in highly organised groups using lotteries to obtain funds through illegal lotteries or running lotteries without the intention of paying out prizes.

Whilst we continue to engage with the police, social media and departments such as HMRC and The Department for Work and Pensions, we are also calling for local authorities to engage with us on how to inform the public about the illegality of these lotteries, and to assist us in taking action to halt existing schemes and prevent new ones.



Further information is available on our Advertising and promoting your lottery or raffle online webpage. Signposting colleagues and members of the public to this webpage is one way you can help in our aim to inform and educate people about lotteries promoted on social media.

## Advice and guidance updates

### New E learning modules

The Institute of Licensing and the Commission have worked together to produce two more gambling e-learning modules to add to the existing suite of gaming machine modules.

- Inspection powers and inspection preparation – designed to help co-regulators familiarise themselves with their powers to enter and inspect gambling premises and the preparation to undertake before conducting an inspection of any gambling premises (0.5 hours CPD)
- Introduction to inspecting a betting premises – aimed at helping co-regulators improve their understanding of what to check when conducting an inspection of a betting premises - both inside and outside the premises.(1 hour CPD).

The new modules sit alongside the three existing ones about gaming machines which cover the various types of gaming machines, the physical components and signage requirements and how to deal with non-compliant machines.

The gaming machines sector is a diverse and complex one and these modules are only designed to give a basic introduction, for help with complex issues seek specialist advice.

All of these modules can be accessed by anybody. You can access these modules via the [IOL website](https://www.instituteoflicensing.org), and they are CPD accredited. Once on the website simply click on the 'e-learning' tab on the top right, then log in if you have an existing account, or request a log in via [membership@instituteoflicensing.org](mailto:membership@instituteoflicensing.org) to get started.

### Reminder about Primary Authority gambling agreements

Following a few recent queries, LAs are reminded that whilst the National Inspection Strategies are no longer in place in the Ladbrokes/Coral and Paddy Powers partnerships, any LAs wishing to undertake proactive test purchasing must use the test purchasing protocol and methodology set by the Primary Authority (PA).

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Officers can access the PA contact details on the [Primary Authority Register](#) along with further information about the age verification agreements, in advance of an inspection of an operators with a PA agreement in order to get the most of out the visit. Details of the gambling age verification PA agreements signed to date are on our [website](#).

## Reminder about crane grabs and limited prize gaming machines

LAs are reminded that crane grab machines (non complex category D machines with a maximum stake of £1 and a maximum prize of £50 (non-monetary)) are gaming machines and a premises licence/permit from the licensing authority is needed to site them.

They should only be sited in premises used wholly or mainly for making gaming machines available (eg AGCs, FECs or UFECs) or in premises with an appropriate permit (eg a pub) and therefore not in the corridors of motorway service centres or shopping centres. They should be labelled as category D gaming machines. Further information is available on [our website](#) with some [example of crane grab machines](#).

In contrast [limited prize gaming machines](#) are exempt from licence or permit requirements as the prize value does not exceed the cost to play.

S249 of the Act, states that a person does not commit an offence under s37 or s242 if they make a gaming machine available for use by an individual; and the individual does not, by using the machine, acquire an opportunity to win a prize of a value in excess of the amount paid for or in connection with use of the machine. These “limited prize gaming machines” can therefore be legitimately sited in areas not covered by a permit or licence and do not have any signage requirements beyond stating “play until you win” or “prize every time”.

## The Point-to-Point horse-race season has started!

Most point-to-point meetings offer commercial betting facilities under an occasional use notice (OUN) which must be sent in writing to the LA.

Point-to-point organisers have a responsibility to ensure that commercial betting facilities at meetings are provided lawfully. [The fixture list for 2018/19 can be found here](#). For general betting facilities this means by holders of a betting operator’s licence.

A small number of point-to-point organisers have also historically offered pool betting facilities under an authorisation provided by the Tote.

Any authorisations granted to individuals under the terms of the Tote’s exclusive licence ceased to have effect as of 13 July 2018. Pool betting at these locations can now only be provided by the holder of a pool betting licence or through a new authorisation provided by a pool betting licensee. We have liaised with the Point to Point community about this matter but would also ask that you consider this point when served with an OUN in the future. More guidance on the lawful use of occasional use notices can be found on our [website](#).



LAs are also reminded that an OUN must be submitted for EACH day that betting activity will be conducted on the premises. For example, if betting activity is taking place over 3 consecutive days, then 3 separate notices must be submitted by the operator.

## Updated consolidated codes of practice

Following a consultation last year the Licence Conditions and Codes of Practice (LCCP) was updated to reflect changes to provide stronger protection for consumers and ensure they are treated fairly by gambling businesses. [These LCCP changes](#) came into force on 31 October 2018.

This [version of the consolidated gambling codes of practice](#) for LAs reflects the social responsibility (SR) and ordinary code (OC) changes. The amended or new SR codes are 1.1.2; 1.1.3; 4.2.10; 5.1.6; 5.1.7; 5.1.9; 5.1.11; 6.1.1 and OC 5.1.8 and 5.1.10.

## Updated LLEP assessment templates

The [assessment templates](#) have also been updated to reflect the abovementioned LCCP changes, and the statement on entry advice has been [updated on the website](#) to make it clearer for LAs to follow. There is now an explanation of how the information sheets can help them comply with The Gambling Act 2005 (Inspection) (Provision of Information) Regulations 2007.

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It also emphasises the fact that if LAs use the [premises information templates](#), they will have to amend it to show their own contact details before issuing to operators.

## Information exchange between the Commission and police forces

We have produced an [information note](#) setting out how the Commission and police forces in England and Wales can share information in order to monitor the incidence of gambling in Great Britain and to uncover illegal activity associated with gambling. We hope to produce a similar note for Scottish police next year.

## Public Health toolkit

LAs are reminded that we have range of information about gambling and public health on our [website](#), research and evidence, national and local initiatives (including work in [Leeds](#), [Wirral](#), and [Brighton and Hove](#)) and resources available for both public health and licensing teams including a [briefing note](#) suggesting steps they can take in developing a 'whole Council' approach to gambling harm. The Royal Society for Public Health have developed an [e-learning resource](#) to assist front line staff in providing a brief intervention to address the risks and harms associated with problem gambling

## Information sharing

### GamCare annual statistics 2017/18 published

These [statistics](#) are gathered from calls to the National Gambling HelpLine and from the treatment services delivered across GamCare's network in England, Scotland and Wales.

Some of the key trends include:

- Target calls from problem gamblers and affected others increased by 2% to 29,889
- Clients in treatment across Great Britain increased by 3% to 8,310
- A gradual increase in the number of callers to the National Gambling HelpLine disclosing issues with online gambling, rising from 47% of callers in 2014/15 to 55% of callers in 2017/18.
- More clients in treatment are disclosing issues with online gambling, rising from 38% in 2014/15 to 53% in 2017/18.
- Overall, 43% of callers mention impacts on their mental wellbeing last year, including anxiety, stress, depression, isolation, plus suicidal thoughts and feelings.

## Gambling training modules for LAs

We have several refresher modules for licensing officers which compliance managers can deliver at regional/IOL licensing meetings. Modules available are:

- Public health and gambling
- Safeguarding
- Money laundering
- Illegal betting in pubs
- Poker in pubs
- Small society lotteries
- Club gaming and club machine permits
- Test purchasing in England and Wales
- Gaming machines
- Betting at tracks
- Police powers on conducting gambling premises inspections (in gambling premises and alcohol licensed premises in England and Wales)
- Permit renewals

If you are interested in receiving such training, please contact your compliance manager.

## Reference materials

### Print-friendly quick guides and template letters

LAs are reminded that we have several quick guides. Some are designed to give to operators when undertaking visits, others provide an accessible 'how to' for licensing staff.

- [Public health and gambling \(NEW\)](#)
- [Sharing information and intelligence \(NEW\)](#)
- [Statement of Principles \(for councillors\)](#)
- [Money laundering](#)
- [Gaming machines in pubs](#)
- [Race night, casino night or poker night](#)
- [Members' club or commercial club](#)
- [Poker in clubs](#)
- [Poker in pubs](#)
- [Facilitating betting in pubs and clubs is illegal](#)
- [Skills with prizes](#)
- [Illegal gaming machines](#)
- [Comparing lottery ticket dispensers and B3A machines](#)
- [Illegal siting of gaming machines](#)
- [Fairs and fairgrounds](#)
- [Running a lottery](#)
- [Running prize competitions and free draws](#)
- [Multi-activity sites](#)
- [Police statutory powers under the Gambling Act](#)

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[Examples of non-complex category D gaming machines](#) and information about how they should be correctly labelled as category D non-complex crane grab machines is also available in this section of the website.

Example letter templates are also available, which LAs may wish to use when dealing with issues such as [illegal machines in pubs](#), and [illegal poker or betting in pubs](#) and [third parties running poker in clubs](#).

We also have compiled a [list of sample conditions](#) that LA have attached to premises licences. These are provided for illustrative purposes only. They provide examples of sorts of conditions a licensing authority may wish to think about when addressing similar evidenced based concerns within a local area.

## Gambling Act statutory notices and forms

LAs are advised that DCMS has asked the Commission to host all the statutory notices and application forms on the [Commission's website](#) as they are no longer available on the DCMS website.

## Using the right forms

It is a statutory requirement that applicants use the correct forms to give proper notice of applications, variations etc to all responsible authorities, including the Commission (part 3, s 12 and 13 of the Gambling Act 2005 (Premises Licences and Provisional Statements) Regulations 2007).

LAs also have statutory duties to notify the Commission as well as the applicant and other responsible authorities of the grant/rejection of applications (new, variations, transfers etc) as well as the revocation, surrender or lapse of a premises licence using the correct statutory forms. Having all the statutory forms (both in English and in Welsh) in one place should help you to comply with those statutory processes.



Additionally we are aware that the gambling pages on many LA websites signpost applicants to the DCMS website for more information. As you will know the separate government departments now all use the [www.gov.uk](http://www.gov.uk) website and much of the historic gambling material is no longer available. LAs may wish to review and update their websites, signposting to the Commission's website where appropriate.

## Statutory notifications and premises licence register

LAs are reminded that the information on the publicly available [premises register](#) is based on the statutory notifications received from LAs regarding grants, variations, revocations, lapses etc, and is updated monthly. LAs are encouraged to use email to submit details of grants, transfers, notices, revocations, permits by sending **all** necessary correspondence to [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk). Where email notification has been made it is not necessary to follow up by post.

In relation to gaming machines, please only share notices of grant/rejection of Club Machines Permits and Gaming Machine Permits, as there is no requirement to advise us when an alcohol licence holder submits their notification for an automatic entitlement to two gaming machines. However LAs must keep a record of how many automatic entitlement notifications it receives each year, as that information is requested in the annual LA returns.

## Find operating licence holders

We also [publish](#) the names of all companies and individuals who hold, or have applied for, operating licences in Great Britain along with the names of companies or individuals whose licences have lapsed, been revoked, forfeited, expired, suspended or surrendered in the last 6 months. LAs are reminded to check the operator licence quoted on premises applications with the register before granting a premises licence. An application for premises licence may only be made by persons who have an operating licence which allows them to carry out the proposed activity for example a bingo operating licence for a bingo premises, or have applied for an operating licence (although the premises licence cannot be determined until an operating licence has been issued).

## Change of licensing personnel?

We try to ensure our contact records are up-to-date, but please help us out by letting us know when there are any changes of gambling contacts in your LA so that our communications reach the correct person.

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## Join our LinkedIn group

The [licensing officers and LAs group](#) is aimed at helping licensing officers understand the key role LAs play in gambling regulation in Great Britain.

You can share good practice and find out how LAs have a number of regulatory functions including issuing premises licences, regulating gaming and gaming machines in clubs and pubs, inspection and enforcement of licences and lots more.

You can also follow [the LinkedIn Gambling Commission company page](#).

**making gambling fairer and safer**  
[www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)