

licensing authority bulletin

Summer 2017

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News



Consultation on new lottery codes of practice

We have published a [consultation](#) proposing to improve transparency for society lottery players.

The proposed requirements look to ensure lottery operators provide consumers with more information about how lottery proceeds are used and what good cause the lottery is raising funds for by:

- publishing annually the percentage of all lottery ticket sales (proceeds) that are returned directly to the purposes of the society or applied to the purposes for which the local authority has the power to incur expenditure
- requiring all those promoting lotteries as part of a branded lottery scheme to make it clear to consumers the name of the society whose lottery they are participating in, before they purchase a ticket.

The consultation also clarifies what we regard as instant win and low frequency lotteries, to reflect the changes made recently to the Remote Technical Standards, as well as reinforce the changes published as part of the review of our regulatory data collection requirements.

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We expect operators to be more transparent about the nature of the gambling products they offer to consumers, and encourage even small society lottery operators registered with local authorities to equally consider how they can give more information to players about the lotteries they run and the amount returned to good causes. As a matter of best practice, local authorities should encourage small societies to publish in an appropriate format the proportion of lottery proceeds that are returned to the purposes of the society, as well as consider how best to ensure their lottery – if run as part of a branded lottery scheme – is marketed in a way as to bring the name of the society to the attention of the player.

Changes to lottery requirements should come as no surprise to much of the sector - in May 2017, Sarah Harrison, CEO of the Gambling Commission, told the lottery sector in her keynote speech at the Lotteries Council annual conference that:

“The role you play to generate funds for good causes; the motivation of those who support you, and the trust people put in you to deliver, places a high premium on the standards by which you need to operate - specifically the transparency of key terms, and contributions to good causes.

The law requires a minimum of 20% of proceeds in a lottery to be returned to good causes... We want operators to raise standards and to do more to make clear the scale of contributions to good causes... it is vital that ELMs and society lottery operators ensure sufficient information to make it clear to consumers which society lottery they are being invited to participate in.”

Local authorities holding lottery licences themselves should note that the proposed codes will also apply to the lotteries they operate. The closing date for responses is 30 September.



Online tool for consumer complaints

From 1 August, gambling consumers will be able to use **Resolver**, the online support tool, to make complaints related to gambling.

Resolver is a free, independent tool for consumers. It provides information about the issue the consumer wants to complain about, and support to help the consumer write emails and letters of complaint.

Resolver is not an intermediary, and doesn't act on the consumer's behalf – but it does help the consumer to make their complaint in a structured way, and to make informed choices about what actions to take. This can help businesses to deal with complaints more efficiently when they receive them, and manages customer expectations about their complaint issue.

Resolver also helps the consumer to store all the complaint information in one place, and acts as an email service. This means the consumer's complaint will be sent from a Resolver email address, rather than the customer's usual email address. We expect operators to accept complaints customers send via a Resolver email address just as they would from other email services.

We worked with the team at Resolver to help develop the information that Resolver uses about gambling, though Resolver remains entirely independent of us.

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Six-monthly London boroughs' meeting

We are holding our second meeting of the year for licensing officers from London Boroughs on Thursday 5 October 2017 in Camden Town Hall. Updates will include statements of policy and public health. London licensing authorities should contact info@gamblingcommission.gov.uk if you haven't already received your invitation.

Commission's new enforcement strategy

Following a recent consultation, we have published an **updated enforcement strategy** which will be used to tackle operators who breach gambling regulations. Key changes include:

- changes to our statement on financial penalties including introducing higher penalties for breaches, particularly where it sees systemic and repeated failings
- putting all regulatory tools, including licence review (both of the operator and personal management licences), on an equal footing by removing the current bias in favour of settlement
- using time-limited discounts to create better incentives for early settlement.

There were a variety of illegal machines gaming machines on the ground floor including a Black Horse machine and various Joker Poker machines as well as a betting terminal.

It was noted that the Black Horse machine displayed a "For Amusement Only" sign but had been adapted to be able to print a ticket. Also sited throughout the premises were several gaming tables.



The police seized seven gaming machines including the betting terminal. An illegal worker was arrested for unlawfully staying in the country. The owner of the premises will be subject to police prosecution under s37 of the Gambling Act (use of premises) and s242 (making machines available for use).

Case studies

Illegal machines operation – London Borough of Hackney

We recently assisted the police in the London Borough of Hackney in an operation at an unlicensed premises in the borough where a drugs warrant was executed under s23 Misuse of Drugs Act 1971. The premises were secured with staff and customers detained, the premises comprised of two floors, a ground floor and a basement floor.

Illegal gambling den – Met police

An illegal gambling den was found in a snooker club in the London Borough of Camden where Met police executed a drugs warrant. In the club's back room three card tables were set up for black jack, as well as a roulette wheel and roulette table.

Two arrests were made and the premises' alcohol licence was revoked following previous offences in 2012.

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Betwatch acts against drug dealers: West Midlands

In late May 2017 we were approached by Birmingham City Council to assist with issues relating to a city centre betting shop following concerns raised by West Midlands Police around suspected drug dealing and associated antisocial behaviour in the area. Thanks to the partnership working approach in place for tackling such issues through the Betwatch scheme in this area, discussions were held between the betting shop operator, West Midlands Police and the Commission culminating in a meeting in our offices in early June 2017.

Following that meeting Betwatch banning notices were issued to five individuals suspected of being involved with the sale of illegal substances. This prohibits them from entering any of the twenty four betting shops in the Birmingham Central Betwatch scheme and circulates details of the ban along with images to allow identification. In addition to this, all advertising materials were removed from the shop windows to allow a clear view into the shop, staff training was refreshed and relationships developed between betting shop staff and neighbourhood police officers. Feedback from West Midlands Police indicates that these measures have achieved the desired result and that they are pleased with the timeframe of the actions taken by the betting shop operator.

West Midlands Police, Designing Out Crime Officer, Sharon Horner said "Bet Watch illustrates the calmative effect of people working together to reach a mutually desired outcome of reducing crime and anti-social behaviour in the community and enhancing the betting experience".

This is another example of how Betwatch schemes achieve the right result with regards to the prevention of crime licensing objective in a swift manner with minimal impact on police, local authority and Commission resources.

Further information on Betwatch can be found on [our website](#) with enquiries to your compliance manager.



Test purchasing: East Northamptonshire

During the IOL's Licensing Week of Action, East Northamptonshire officers carried out an underage gambling test purchasing exercise on six local gambling premises using two teenage mystery shoppers who were challenged on entry.

Staff at all betting and arcade premises asked at entry to see ID from the youngsters and then politely explained why they could not allow them in.

Illegal betting in pub - Bradford

A bookmaker approached the council to ask if he could have an Occasional Use Notice to offer betting facilities in an alcohol licensed premises, attaching an advert from a rival pub who appeared to be offering the same facilities on Royal Ascot Ladies Day. The advert stated, amongst other things, 'Live Racing and Licensed Bookmaker'.

When questioned, the Designated Premises Supervisor (DPS) denied offering gambling facilities and put the offering of a licensed bookmaker down to a 'typo' although he advised that he was intending to offer a 'runner' to collate customer bets and take them to a nearby bookmakers.

The DPS was advised that that it was not permissible to offer the services of a bookmaker (whether licensed or not) on the premises and that he could not offer the services of a runner.

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He was advised that the customers of the pub wishing to place a bet must be directed to do so by either attending the local bookmaker themselves or by using their own betting account accessed either online or over the phone.

The enquiry then developed further by asking if iPads or similar devices could be rented and made available for customers to create or access their own accounts. This is also unacceptable as the DPS would be offering gambling facilities as in this case the provision of devices on the day would be specifically aimed at those customers wishing to bet despite the fact that the devices could access any number of non-betting related websites.

Our quick guide: [facilitating betting in pubs is illegal](#) provides more information about illegal betting in pubs, with further details on our website about when OUNs can be used.

LAs are encouraged to send case studies for inclusion in future bulletins. Please supply details to info@gamblingcommission.gov.uk

We have produced a [template letter](#) to assist LAs in seeking reassurance that the clubs (and third parties) are aware of, and abiding by, the requirements including supervision of children and young people, record keeping, membership and display of rules and stakes and prizes.

Direct access reminder

Whilst on joint visits, compliance managers have recently encountered a number of issues in relation to direct access between gambling premises, particularly between adult gaming centres (AGCs) and family entertainment centres (FECs). There is no definition of “direct access” in the Act or regulations, although LAs may consider that there should be an area separating the premises concerned, such as a street or café which the public go to for purposes other than gambling, for there to be no direct access.

Licensing authorities are reminded that the mandatory and default conditions set out access requirements which can be summarised as:

Type of premises	Access provisions
Casinos	<ul style="list-style-type: none"> the principal entrance to the premises must be from a ‘street’ no entrance to a casino must be from premises that are used wholly or mainly by children and/ or young persons no customer must be able to enter a casino directly from any other premises which holds a gambling premises licence.
AGCs	<ul style="list-style-type: none"> no customer must be able to access the premises directly from any other licensed gambling premises.

Advice and guidance

Police powers quick guide

We have published a [quick guide setting out police statutory powers under the Gambling Act](#). LAs are encouraged to share this with their local police licensing colleagues.

Third party poker in clubs - template letter

In May we advised of incidences where clubs with club gaming permits were using third party organisers to run the poker who were not adhering to the [provisions of the code of practice for equal chance gaming in clubs and premises with an alcohol licence](#).

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Betting shops	<ul style="list-style-type: none"> • access must be from a 'street' or from other premises with a betting premises licence • no direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind unless that shop is itself a licensed betting premises.
Tracks	<ul style="list-style-type: none"> • no customer must be able to access the premises directly from a casino or AGC
Bingo premises	<ul style="list-style-type: none"> • no customer must be able to access the premises directly from a casino, an AGC or a betting premises, other than a track
FECs	<ul style="list-style-type: none"> • no customer must be able to access the premises directly from a casino, an AGC or a betting premises

Section 7 of the [Guidance to Licensing Authorities](#) contains detailed information about the premises licence regulations. If LAs have concerns about any new applications of this sort, or about arrangements that are already in place, please contact your compliance manager.

Reminder re permit renewal process

Last year we reminder LAs that the 10 year renewal process for club gaming permits, club machine permits and unlicensed family entertainment centres (uFEC) starts this year. We previously published a [special bulletin](#) and supporting materials on the club permit renewal process and similarly for the [uFEC renewal process](#) including a suggested application form and template reminder letters.

In connection with the current unlicensed FEC permit renewal programme, North Devon Council in association with their compliance manager recently conducted a series of premises visits to holiday parks and arcades in the Woolacombe and Ilfracombe areas.

It was very pleasing to note that in general a high level of compliance was being observed particularly so in respect of the unlicensed FECs. The premises visits provided the opportunity to discuss recent changes/ updates with the operators face to face as ensured that permits were issued for appropriate premises (those wholly or mainly used for making gaming machines available for use).

If you are unsure about a permit renewal application, please contact your compliance manager in the first instance.

Information sharing

Preventing gambling harm in London communities: outreach support and training

Betknowmore UK, a not-for-profit social enterprise, has been serving the communities of Islington and surrounding boroughs since 2014. Established by Frankie Graham, himself a former gambling addict, it provides fast, tailored support to gamblers and those affected by their partner's or others' gambling. The establishment of a community focused gambling support hub provides a focal point for Islington organisations and residents to access services, including an outreach programme, counselling, drop-in and family support service. Gambling harm is often linked with other social and co-morbidity issues and Betknowmore UK support includes addressing those needs, as well as the client's holistic health and wellbeing.

Betknowmore UK has connected with over 60 organisations in Islington alone and provided harm minimisation support, ranging from workshops/ presentations to their front-line teams, to the provision of screening tools and resources.

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Partnership working has been extremely valuable for supporting clients with complex needs, for example, working in partnership with voluntary and statutory mental health services in the borough. This includes a Betknowmore UK dual diagnosis project, which identifies and provides specialist therapeutic treatment and safeguarding support to highly vulnerable individuals.

Running since last October 2016, a pilot project, Don't Gamble with Health, was launched in collaboration with the Association of British Bookmakers. The aim of the project is to reduce gambling related harm amongst the customer base frequenting ABB member's licensed betting offices (LBO) in Islington. Betknowmore UK provides services consisting of (1) accredited ACT outreach support programme (2) workshops and other supporting resources/materials to gambling operator's staff (3) on-going community support to other stakeholders. Customers experiencing perceived harm can self-refer or be referred to the service by a staff member. Clients report that rapid support is a key feature of the service, as is the treatment focus on their holistic health and wellbeing.

Betknowmore's team includes BACP (British Association for Counselling and Psychotherapy) counsellors, mental health experts and outreach workers, together with a volunteer base that helps deliver services cost-effectively. The team also delivers engaging gambling awareness workshops to a wide range of organisations, training frontline staff in the psychology of the gambler and how to identify and help someone who may be at risk. This includes screening and identification advice and resources.

The organisation plans to further develop this innovative way of addressing gambling related harm and continue working with existing and new stakeholders to build capacity and growth into the gambling support sector.

Please contact frankie@betknowmoreuk.org for further information or visit their website www.betknowmoreuk.org

Commission's annual report

We have published our [annual report and accounts](#) for 2016/17 which summarises performance and progress by the organisation over the last financial year. Highlights include:

- launch of a strategy to improve consumer engagement
- setting the social responsibility agenda with the boards of operators through the introduction of assurance statements
- joining forces with regulatory partners such as the Competitions and Markets Authority and Advertising Standards Authority, to take action against unfair and misleading practices by online operators
- revising the Commission's approach to enforcement, enabling use of the full range of powers to drive up standards across the industry
- a clear focus on Camelot's performance in protecting the integrity of the National Lottery and ensuring contributions to good causes in the UK are maximised.

New money laundering requirements in place

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into effect on 26 June 2017, following a period of transposition of the EU 4th Money Laundering Directive and replace the previous Money Laundering Regulations 2007. All casino operators both non-remote and remote (online) must comply with the new requirements and will need to ensure they have effective measures in place.

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Gambling training modules for LAs

We have a number of refresher modules for licensing officers which compliance managers can deliver at these at regional/IOL licensing meetings.

Modules available are:

- 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
- Money laundering (for police/LAs)
- 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.

The Commission and Institute of Licensing (IOL) have also produced two e-learning modules on gaming machines. The modules are designed to help LAs and other co-regulators to improve their understanding of gaming machines and the local regulation of gaming machines. Work is underway on the third module which address the illegal siting of machines and appropriate regulatory action, which will be launched later this year.

The first module covers the role of LAs in the regulation of gambling, what is a gaming machine and the various types of gaming machines.

The second module covers the physical components of a gaming machine, how they work and the signage requirements.

These modules can be accessed by anybody. You can access these modules via the [IOL website](#), and they are CPD accredited (based on a 30 minute average). 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 to get started.

Please note, that the gaming machines sector is a diverse and complex one and this training is only designed to give a basic introduction, for help with complex issues seek specialist advice.

Primary Authority (PA) FAQs

A set of frequently asked questions are available on the PA register (log in then search of for a PA gambling partnership – listed below – and then go to the advice/information section). They explain the background to PA gambling agreements and the difference between PA advice and national inspection strategies. The FAQs set out how operators use third party age verification testing, how the tests are conducted and what having a PA relationship means. One question of particular interest to LAs is:

Q. What do local authorities need to do if they want to test purchase from betting shops covered by a NIS?

Each operator with a NIS has committed to a series of random tests by local authorities co-ordinated via the Primary Authority and without the knowledge of the operator, with no upper limit. Local authorities must contact the Primary Authority in order to participate in the NIS. The local authority must also commit in writing to following the protocol and providing feedback to the Primary Authority within the specified timeframes to participate. The PA will then discuss all the results with the operator and agree on steps to address any weaknesses.

The results ultimately assist in improving the protection for young people from gambling harm which is why the consistent approach is important and so conclusions can be reliably drawn. They are also intended to lend a reality check to the operator's Serve Legal testing to ensure they are providing a realistic picture of operator performance. The local authority tests use an actual under 18, rather than the 18/19 year olds used by Serve Legal, but again will 'mystery shop' against the Think 21 policies.

The results are also shared with the Gambling Commission and a report, including all the test purchases will be provided to the participating local authorities at the end of the NIS.

Currently, the operators involved in a NIS are Coral, Ladbrokes and Paddy Power. See the [PA register for further details](#) of the NIS, and also other Primary Authority Advice only partnerships.

Please contact the PA directly if you wish to participate in the NIS testing.

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List of Primary Authority gambling agreements

Gambling Primary Authorities (PA) agreements signed to date. LAs are reminded that there is **no restriction** on any LAs wishing to undertake proactive test purchasing activity where the PA has not developed a National Inspection Strategy.

Milton Keynes - Ladbrokes
(with National Inspection Strategy)
London Borough of Newham - Corals
(with National Inspection Strategy)
Reading - Paddy Power
(with National Inspection Strategy)
Reading - BACTA
Reading - ABB
Reading - Welcome Break
Reading - MOTO
Westminster - William Hill

LAs should check the [Primary Authority register](#) to see which trade association members have signed up to the BACTA and ABB agreements (you need to search for Reading or for the name of the operator itself).

Print friendly quick guides and templates

LAs are reminded that we have a number of quick guides. Some are designed to give to operators when undertaking visits, others provide an accessible how to for licensing staff. For print friendly versions: just click on the print friendly instruction on the front of each quick guide and make sure your printer is set to print on both sides of the paper:

- [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](#)

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.

Licensing authority inspection outcome letters and inspection guidance

In 2013, we worked together with the Leicester, Leicestershire and Rutland Licensing Forum and the Leicester and Leicestershire Enterprise Partnership (LLEP) to create templates for assessments at gambling premises. The templates included reference to the social responsibility code provisions issued by the Commission under s153 of the Act. We also jointly created a suite of letters to assist LAs in communicating the assessment outcome to operators.

These documents were last updated in October 2016 and now include a simple risk rating system for LAs to use as part of their inspection planning if required. At the same time, 2 new assessment templates were added – a machine monitoring checklist and a crime and anti money laundering checklist. You can find the assessment templates the [LLEP website](#).

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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, s12 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 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.

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 sending all necessary correspondence to info@gamblingcommission.gov.uk.

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.

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. 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

Our [public register](#) contains 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 six 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).

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Join our LinkedIn group

Our [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](#).

Keeping gambling fair and safe for all
www.gamblingcommission.gov.uk