

City of Westminster Cabinet Member Report

Meeting or Decision

Cabinet Member for Public Protection and Licensing

Maker:

Date: Thursday 25th October 2018

Classification: General Release

Title: Adoption of the amended Statement of Principles for

Gambling under the Gambling Act 2005.

Wards Affected: All

Key Decision: This report is a Key Decision and an entry has been

included in the Forward Plan of Key Decisions

Financial Summary: The costs associated with the adoption of this policy will

be attributed to existing budget provisions and there will be no additional financial implications as a result of this

report.

Report of: Executive Director of Policy, Performance and

Communication

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1. Executive Summary

- 1.1 The Council's Statement of Licensing Principles for Gambling expires on the 30th January 2019. The Gambling Act 2005 (the Act) requires the Licensing Authority to prepare and publish a new three year Statement of Licensing Principles which will be effective from the 31st January 2019.
- 1.2 The Licensing Authority is adopting a phased approach to the consultation and preparation of its Statement of Licensing Principles for Gambling. This phased approach will ensure that the council meets is statutory obligation to review and publish its Statement every three years and its City For All commitment to consult on a new gambling policy, leading the way nationally on setting the standards for the industry and protecting the most vulnerable in our neighbourhoods by providing better regulation of betting shops across the city.

- 1.3. This report relates to the completion of phase 1 of the three phased process which will seek the approval for the re-adoption of the existing Statement of Principles for Gambling with some minor amendments and additions associated with changes in the Gambling Codes of Practice and Guidance.
- 1.4 Following public consultation and reviewing the responses the final version of the revised current Statement of Licensing Principles is attached at Appendix 1 to this report. To fulfil the Council's statutory duties, it is recommended that the Cabinet Member for Public Protection and Licensing recommends to Full Council that the Statement of Licensing Principles, attached as Appendix 1 is formally adopted to take effect on the 31st January 2019 at the Council meeting on the 7th November 2018. The adopted Statement of Principles for Gambling would then be published on 1st December 2018.

2. Recommendations

- 2.1 That the Cabinet Member agrees the draft Statement of Licensing Principles for Gambling attached as Appendix 1
- 2.2 That the Cabinet Member recommends to full Council that the draft Statement of Licensing Principles for Gambling attached to this report as Appendix 1 should be approved and published on 1st December 2018, and made effective from 31st January 2019.

3. Reasons for Decision

3.1 The approval of this final draft of the Statement of Licensing Principles for Gambling and recommendation that it be approved for publication by Full Council will ensure that the Council meets its statutory requirements for adopting this statement.

4. Background, including Policy Context

- 4.1 The City Council as the Licensing Authority must prepare and publish a new Statement of Licensing Principles for Gambling every three years under the requirements of section 349 of the Act.
- 4.2 It has been agreed to run a phased approach to consult and prepare a new more Statement of Licensing Principles for Gambling. This proposal is part of the council's wider strategy to review our approach to gambling within the city. The council has committed to develop a new Gambling Policy as a City For All commitment. As part of this commitment the council will engage with residents, gambling operators and a host of other relevant stakeholders as part of the phased approach set out below.

4.3 Phase 1

The council's current Statement of Principles for Gambling will expire on the 30th January 2019. To ensure that the council meets is statutory obligations, we intend to readopt the existing Statement, with some minor changes, having regard to accepted comments received following the

consultation exercise. If approved, this current version of the Statement of Licensing Principles will take effect on the 31st January 2019. It will remain in force until it is replaced by a new Statement of Principles, which is planned to be in the later part of 2019.

4.4 Phase 2

In late 2018 we will begin wide public consultation on the council's future approach to gambling in Westminster. We will use the results of this consultation to support the drafting of the new Statement of Licensing Principles for Gambling.

4.5 Phase 3

We will conduct a formal consultation on the revised Statement of Licensing Principles for Gambling. Following this consultation and subject to the comments received, the council intends to adopt a substantially revised Statement of Licensing Principles for Gambling by the end of 2019/20.

5. Phase 1 Consultation

- 5.1 Consultation on the draft Statement of Licensing Principles was carried out between the 28th August and the 8th October 2018. During that period the Council received four responses. Of the four responses two were from local gambling operators, one was from a national trade association and one was from Citizens Advice Bureau. A copy of these submissions are contained within Appendix 2 to this report.
- 5.2 Officers have considered the responses to this consultation in detail. In doing so a commentary of the considerations given to the consultation response and any action the council intends to amend the draft Statement of Licensing Principles for Gambling is contained within the table in Appendix 3 to this report.
- 5.3 The final draft of the Statement is attached as Appendix 1, which reflects the council's considerations to the consultation responses and actions identified within Appendix 2.

6. Financial Implications

6.1 The consultation and delivery of the Statement of Licensing Principles for Gambling will be delivered within Public Protection & Licensing and Policy Performance & Communications existing budgets.

7. Legal Implications

7.1 Section 349 of the Gambling Act 2005 requires the Statement of Licensing Principles for Gambling ("Statement") to be reviewed by the council (as Licensing Authority) no later than every three years. Any amendments to that Statement are required to be formally considered

- and approved by full Council following a consultation exercise. The Statement must be published before the expiry of each three year period.
- 7.2 Section 349(2) of the Gambling Act 2005 allows the Licensing Authority to review its Statement from time to time if it is deemed necessary. If the Statement is revised further, following that review, the revised Statement will have to be formally considered and approved by full Council and published by the council. It is proposed that the proposed revision/new Statement produced under phase 3 of this process will be undertaken under this sub-section. Subject to the comments received it is anticipated that the council will produce a fundamental revised or new Statement.
- 7.3 The Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006 ("Regulations) specifies the legal requirements and procedure for drafting and preparing the Statement and any revision to that Statement.
- 7.4 Regulation 7 of these Regulations sets out the procedure for publishing the Statement or revised Statement on the council's website and placing copies of these documents for inspection in any of the following places, including:-
 - 7.4.1 public libraries within Westminster and7.4.2 other premises within Westminster as the council considers appropriate.
- 7.5 The Statement and any revised Statement must also be published in either a local newspaper, a local newsletter for the borough or on a public notice board.

8. Staffing Implications

8.1 There are no staffing implications as a result of this decision.

9. Equalities Impact Assessment

9.1 In preparing the proposed policy, officers have had regard to its Public Sector Equality Duty imposed under section 149 of the Equality Act 2010. This requires public bodies to consider how the decisions they make, and the services they deliver, affect people who share different protected characteristics including age, race and disabilities etc. It is considered that the policies in the revised Statement of Licensing Principles for Gambling will not negatively impact on any of the protected categories within the Equality Act 2010.

Appendices

Appendix 1 – Final draft of the Statement of Licensing Principles for Gambling Appendix 2 - Responses received to the Phase 1 consultation on the revision to the councils Statement of Principles for Gambling

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

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BACKGROUND PAPERS:

- Gambling Act 2005 and associated Statutory Instruments
- Gambling Commission Licence Conditions and Codes of Practice April 2018
- Gambling Commission Guidance to Licensing Authorities September 2015
- Westminster City Councils Statement of Licensing Principles for Gambling – January 2016

Responses received to the Phase 1 consultation on the revision to the councils Statement of Principles for Gambling

In consulting on the stage 1 re-adoption of the current Statement of Licensing Principles for Gambling with minor amendments the council set four questions. These questions were:

- Q1. Do you have any views on the proposal to readopt the current Statement of Licensing Principles for Gambling with some minor amendments?
- Q2. Do you have any views or comments on the proposed amendments shown within the draft Statement of Principles via tracked changes?
- Q3. Do you have any views on the councils proposed phased approach to developing the councils new Statement of Principles for Gambling?
- Q4. Do you have any other comments or suggestions relating to this consultation?

The following responses were received in relation to this consultation. (If you are viewing this document electronically you can click on the response heading below which will take you to that response and the council comments and views in relation to that response).

| 1. Hippodrome Casino | William Hill Organisation Limited |
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| Gosschalks Solicitors on behalf of the Association of British Bookmakers (ABB) | 4. <u>Licensing Advice Project – Citizens Advice Bureau</u> |

| Date Received | Responder | Response | Councils comments and action |
|------------------------------------|--------------------------------------|---|---|
| 19 th September 2018 | Mr Simon Thomas Hippodrome Casino | Question 1: In favour Question 2: Only comments I have are should 6.4 Gambling operators will be required to undertake a risk assessment for all of their existing premises by 6th April 2016 Be 6.4 Gambling operators were required to undertake a risk assessment for all of their existing premises by 6th April 2016 And with regards to the SSBTs in 25.2 We note the council's concern and support the principle that in the interests of safer gambling, electronic betting and gaming terminals should only be made available where there are | The council is happy that the Hippodrome Casino is in favour with the council's proposal to adopt the current statement of principles for gambling subject to some minor amendments and that he agrees with the proposed phased approach to developing a new Statement of Principles for Gambling. The Licensing Authority has made amendments to paragraphs 6.4 to reflect that the risk assessments are a requirement now and that operators must comply with this process. Paragraph 25.2 has also been slightly amended to ensure that it fully reflects the consideration that the council will have with regard to self-service betting terminals (SSBT's). |

| | | appropriate levels of control and supervision. Question 3: Agree Question 4: No | |
|---------------------------------|--|---|--|
| 1 st October 2018 | Gosschalks Solicitors on behalf of the Association of British Bookmakers (ABB) | We act for the Association of British Bookmakers (ABB) and have received instructions to respond on behalf of our client to the current consultation on the Council's review of its gambling policy statement. The Association of British Bookmakers (ABB) represents over 80% of the high street betting market. Its members include large national operators such as William Hill, Ladbrokes Coral and Paddy Power, as well as almost 100 smaller independent bookmakers. Please see below for the ABB's response to the Council's current consultation on the draft gambling policy statement. | The council are glad that the Association of British Bookmakers (ABB)have taken the time to respond to our consultation on the first phase of the review of our Statement of Principles for Gambling. We are appreciative of the comments and background that they have provided through their consultation response in relation to the betting sector, to which they represent. The council welcomes the approach taken by the ABB on partnership working with local authorities relating to gambling. We agree that there is a need to work together to support and |

This response starts by setting out the ABB's approach in areas relevant to the local authority's regulation of betting shop premises, and its commitment to working with local authorities in partnership. The response finishes by highlighting matters within the policy statement which the ABB feels may need to be addressed.

Betting shops have been part of the British high street for over 50 years and ensuring a dialogue with the communities they serve is vital.

The ABB recognises the importance of the gambling policy statement in focusing on the local environment and welcomes the informed approach this will enable operators to take with regard, to the requirements for local area risk assessments.

Whilst it is important that the gambling policy statement fully reflects the local area, the ABB is also keen to ensure that the statutory requirements placed on operators and local authorities under the Gambling Act 2005 remain clear; this includes mandatory conditions (for instance, relating to Think 21 policies) and the aim to permit structure. Any duplication or obscuring of these would be detrimental to the gambling licensing regime. The ABB also believes it is important that the key protections already offered for communities, and

deliver the licensing objectives of the Gambling Act 2005 (the Act) and in particular ensure that those who are vulnerable are protected. The council has a good track record of this and has developed good relationships with the gambling sectors that enable effective communication and a partnership approach. However, as the enforcing body under the Act the council may need to take more formal action as and when there is a specific breach of the Act, the relevant Commission Codes of Practice or the Guidance.

The local gambling risk assessments that were introduced by the Gambling Commission as a social responsibility code provision within their Licensing Conditions and Codes of Practice (LCCP) is something that the council is extremely supportive of. The risk assessments should enable a gambling operator to demonstrate that they have considered all of the relevant local risks associated with

clear process (including putting the public on notice) for objections to premises licence applications, continue to be recognised.

the premises, its operation and where it is located. However, the council believes that there is still a need to

Any consideration of gambling licensing at the local level should also be considered within the wider context.

- the overall number of betting shops is in decline.
 The latest Gambling Commission industry statistics show that numbers as of March 2017 were 8,788 a decline of 349 since March 2014, when there were 9,137 recorded.
- planning law changes introduced in April 2015 have increased the ability of licensing authorities to review applications for new premises, as all new betting shops must now apply for planning permission.
- successive prevalence surveys and health surveys tells us that problem gambling rates in the UK are stable (0.6%) and possibly falling.

Working in partnership with local authorities

The ABB is fully committed to ensuring constructive working relationships exist between betting operators and licensing authorities, and that where

the premises, its operation and where it is located. However, the council believes that there is still a need to further develop the current generic style of risk assessments to ensure that all of the risks are being identified and suitable and sufficient mitigation is being put forward to ensure that the premises operates so as to be reasonably consistent with the licensing objectives of the Act.

When the Gambling Commissions LCCP social responsibility code for the production and review of local gambling risk assessment was proposed the council took the view that there was a need to define its views on how to develop these assessments and meet the requirements of the code locally. The council consulted on the draft guidance and worked with Coral Racing Limited to refine that document.

The council along with Manchester

problems may arise that they can be dealt with in partnership. The exchange of clear information between councils and betting operators is a key part of this and the opportunity to respond to this consultation is welcomed.

LGA – ABB Betting Partnership Framework

In January 2015 the ABB signed a partnership agreement with the Local Government Association (LGA), developed over a period of months by a specially formed Betting Commission consisting of councillors and betting shop firms, which established a framework designed to encourage more joint working between councils and the industry.

Launching the document Cllr Tony Page, LGA Licensing spokesman, said it demonstrated the "desire on both sides to increase joint-working in order to try and use existing powers to tackle local concerns, whatever they might be."

The framework builds on earlier examples of joint working between councils and the industry, for example the Medway Responsible Gambling

City Council and the Local Government Associated commissioned Geofutures to undertake research and produce a local area vulnerability index for gambling. This was the first of its kind in the Great Britain and shows where those who may be more vulnerable to gambling related harm are located within the City. This information is available via the councils website and we expect gambling operators to take the area vulnerability maps into consideration as part of their risk assessment process.

Although we accept that for major national gambling operators there is a logistical complexity in ensuring that risk assessments are specific to the area and that each assessment has taken into account the local issues. However, the requirements under the Commissions Social responsibility code relating to risk assessments is clear and the council feels that local

Partnership which was launched by Medway Council and the ABB in December 2014. The first of its kind in Britain, the voluntary agreement led the way in trialing multi-operator self-exclusion. Lessons learned from this trial paved the way for the national multi-operator self-exclusion scheme now in place across the country. By phoning a free phone number (0800 294 2060) a customer who is concerned they are developing a problem with their gambling can exclude themselves from betting shops close to where they live, work and socialise. The ABB is working with local authorities to help raise awareness of the scheme, which is widely promoted within betting shops.

The national scheme was first trialed in Glasgow in partnership with Glasgow City Council. Cllr Paul Rooney, Glasgow's City Treasurer and Chairman of a cross-party Sounding Board on gambling, described the project as "breaking new ground in terms of the industry sharing information, both between operators and, crucially, with their regulator."

Primary Authority Partnerships in place between the ABB and local authorities

consideration to the operation of the gambling premises is essential. The generic nature of some of the risk assessments that the council has viewed in our view does not meet the full requirements of the code and need to be more specific to the local area.

The council will be developing a local area profile within the new Statement of Principles for Gambling next year which we will expect gambling operators to take into account and review their risk assessments in light of that detailed area profile.

We are pleased that the ABB are supportive of utilising best practice to drive the development of risk assessments. The council will continue to work with gambling operators and gambling sector trade organisations to develop the risk assessment approach so that operators are able to identify the key local risks and implement appropriate

All major operators, and the ABB on behalf of independent members, have also established Primary Authority Partnerships with local authorities. These partnerships help provide a consistent approach to regulation by local authorities, within the areas covered by the partnership; such as age-verification or health and safety. We believe this level of consistency is beneficial both for local authorities and for operators.

Local area risk assessments

Since April 2016, under new Gambling Commission LCCP provisions, operators have been required to complete local area risk assessments identifying any risks posed to the licensing objectives and how these would be mitigated. Licensees must take into account relevant matters identified in the licensing authority's statement of licensing policy, and any local area profile, in their risk assessment. These must be reviewed where there are significant local changes or changes to the premises, or when applying for a variation to or for a new premises licence.

and effective mitigation to address those risks.

The council doesn't agree with the view of the ABB that conditions imposed by the Licensing Authority on premises licences under the Act should only be applied in exceptional circumstances. The councils view. which is clearly set out in the current Statement of Principles for Gambling is that conditions will be imposed on individual premises licences on the basis of merit. However, there are a number of measures that the council will commonly consider utilising conditions in order to ensure gambling operators continue to operate reasonably consistently with the licensing objectives of the Act. The council does not impose standard conditions on premises licences that are issued by the council and considers each case on its merits and any evidence presented.

The ABB fully supports the implementation of risk assessments which will take into account risks presented in the local area, such as exposure to vulnerable groups and crime. The requirements build on measures the industry haD already introduced through the ABB Responsible Gambling Code to better identify problem gamblers and to encourage all customers to gamble responsibly.

This includes training for shop staff on how to intervene and direct problem gamblers to support services, as well as new rules on advertising including banning gaming machine advertising in shop windows, and the introduction of Player Awareness Systems which use technology to track account based gaming machine customers' player history data to allow earlier intervention with any customers whose data displays known 'markers of harm'.

Best practice

The ABB is committed to working pro-actively with local authorities to help drive the development of best practice with regard to local area risk assessments, both through responses to consultations such as this and directly with local authorities. Both the ABB and its members are

The ABB have identified that paragraph 17 in Part 3 makes reference to Primary Gambling Activity and that in their view this concept is no longer used by the Gambling Commission and therefore this paragraph should be redrafted. We do not feel that is entirely accurate as the Gambling Commissions Guidance refers to "Primary Gambling Activity in relation to Licence Condition 16 at paragraphs 17-55, 18-24 and 19-21. The councils defines primary gambling activity as the primary authorisation for the relevant gambling premises licence. Each gambling premises licence category has a primary gambling activity and a number of entitlements or permitted ancillary activities under the Act. In terms of betting shops the primary gambling activity will be the take and placing of bets. However, betting shops are also entitled to provide gaming machines as an entitlement

open and willing to engage with any local authority with questions or concerns relating to the risk assessment process, and would encourage them to make contact.

Westminster Council is one local authority which entered into early dialogue with the industry, leading to the development of and consultation on draft guidance on the risk assessment process, which the ABB and our members contributed to. Most recently one operator, Coral, has been working closely with the Council ahead of it issuing its final version of the guidance, which we welcome.

The final guidance includes a recommended template for the local area risk assessment which we would point to as a good example of what should be expected to be covered in an operator's risk assessment. It is not feasible for national operators to submit bespoke risk assessments to each of the c.350 local authorities they each deal with, and all operators have been working to ensure that their templates can meet the requirements set out by all individual local authorities.

The ABB would be concerned should any local authority seek to prescribe the form of an operator's risk assessment. This would not be in line with better regulation principles. Operators must remain

under the Act.

The Gambling Commission has set out in their LCCP that gaming machines are only made available in combination with the named non-remote activity of the operating licence. Therefore betting operators must offer substantive facilities for non-remote betting to enable them to make gaming machines available for use on the premises.

To better reflect the working of the Commissions LCCP and Guidance the council has amended paragraph 17. However, the council will maintain the use of the term 'primary gambling activity'.

free to shape their risk assessment in whichever way best meets their operational processes.

The ABB has also shared recommendations of best practice with its smaller independent members, who although they deal with fewer different local authorities, have less resource to devote to developing their approach to the new assessments. In this way we hope to encourage a consistent application of the new rules by operators which will benefit both them and local authorities.

Concerns around increases in the regulatory burden on operators

The ABB is concerned to ensure that any changes in the licensing regime at a local level are implemented in a proportionate manner. This would include if any local authority were to set out overly onerous requirements on operators to review their local risk assessments with unnecessary frequency, as this could be damaging. As set out in the LCCP a review should only be required in response to significant local or premises change. In the ABB's view this should be where evidence can be provided to demonstrate that the change could

impact the premises' ability to operate consistently with the three licensing objectives.

Any increase in the regulatory burden would severely impact ABB members at a time when overall shop numbers are in decline, and operators are continuing to absorb the impacts of significant recent regulatory change. This includes the increase to 25% of Machine Games Duty, limits to staking over £50 on gaming machines, and planning use class changes which require all new betting shops in England to apply for planning permission.

Employing additional licence conditions

It should continue to be the case that additional conditions are only imposed in exceptional circumstances where there are clear reasons for doing so. There are already mandatory and default conditions attached to any premises licence which will ensure operation that is consistent with the licensing objectives. In the vast majority of cases, these will not need to be supplemented by additional conditions.

The LCCP require that premises operate an age verification policy. The industry operates a policy

called "Think 21". This policy is successful in preventing under-age gambling. Independent test purchasing carried out by operators and the ABB, and submitted to the Gambling Commission, shows that ID challenge rates are consistently around 85%. The ABB has seen statements of principles requiring the operation of Challenge 25. Unless there is clear evidence of a need to deviate from the industry standard then conditions requiring an alternative age verification policy should not be imposed.

The ABB is concerned that the imposition of additional licensing conditions could become commonplace if there are no clear requirements in the revised licensing policy statement as to the need for evidence. If additional licence conditions are more commonly applied this would increase variation across licensing authorities and create uncertainty amongst operators as to licensing requirements, over complicating the licensing process both for operators and local authorities

Considerations specific to the Phase 1 Consultation – Minor Changes to the Existing Statement of Principles

On the basis that there are very few changes to the

Statement of Principles given that a further consultation on the council's future approach to gambling in Westminster is to commence shortly, we have very few comments with regard to the current proposal to readopt (with minor changes) the existing Statement of Principles.

One alteration that we do urge be made relates to Paragraph 17 in Part 3. This refers to "Primary Gambling Activity" which is a concept no longer used by the Gambling Commission. Accordingly, Paragraph 17 should be redrafted to reflect current guidance and (as far as Paragraph 17.2 is concerned) to remove suggestions that gaming machines must be "an ancillary offer" on the premises.

The current guidance reflects SR Code provision 9 that gaming machines are only to be made available in combination with the named non-remote activity of the operating Licence. Unless a betting premises operator offers substantive facilities for non-remote betting then it should not make gaming machines available for use on the premises in question. There is no need for a contest between the use of the betting facilities and the use of machines.

| | | Conclusion | |
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| | | The ABB and its members are committed to working closely with both the Gambling Commission and local authorities to continually drive up standards in regulatory compliance in support of the three licensing objectives: to keep crime out of gambling, ensure that gambling is conducted in a fair and open way, and to protect the vulnerable. | |
| | | Indeed, as set out, the ABB and its members already do this successfully in partnership with local authorities now. This includes through the ABB Responsible Gambling Code, which is mandatory for all members, and the Safe Bet Alliance (SBA), which sets voluntary standards across the industry to make shops safer for customers and staff. | |
| | | We would encourage local authorities to engage with us as we continue to develop both these codes of practice, which are in direct support of the licensing objectives, as well as our processes around local area risk assessments. | |
| Monday 8 th | Licensing Advice | Question 1: | The council is pleased that the |

| October 2018 | Project, Citizens Advice Bureau | We welcome the re-adoption of the current Statement of Principles (SoP) to ensure that the Council meets its statutory obligations, and look forward to the implementation of Phase 2 in due course. Question 2: We note and welcome the amendment in 15.4 making clear that the onus is on the applicant to identify any sensitive premises in the area and mitigate risk accordingly. Question 3: No. We look forward to the implementation of phase 2 in due course. | Licensing Advice Project took the time to respond to this consultation. The service that's provided by this Citizens Advice Bureau is extremely valuable to local residents and highly regarded. The council welcomes the view that the re-adoption of the current Statement of Principles for Gambling with the proposed amendments is welcomed by the Licensing Advice Project. The council will ensure that the Citizens Advice Bureau is consulted as part of the further phases to the |
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| | | Question 4: No. | |
| Monday 8 th October 2018 | William Hill Organisation | Further to your invite to take part in the consultation as below, I can advise that we don't have anything we wish to respond to at this first stage. | The council is pleased that William Hill have responded to this consultation and note that they have no comments to this phase of the development of the councils |

| | Statement of Principles for Gambling within the City. |
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