

Report of	Meeting	Date
Chief Executive	Annual Council	16 May 2006

## ARRANGEMENTS FOR THE GAMBLING ACT 2005

### PURPOSE OF REPORT

- To inform Council of the implications of the Gambling Act 2005.  
Seek Council approval for the implementation strategy proposed.  
Recommend that Council take preparatory measures by delegation of powers to officers.

### CORPORATE PRIORITIES

- There are no corporate priorities directly affected by this report

### RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy	✓	Information	
Reputation	✓	Regulatory/Legal	✓
Financial	✓	Operational	✓
People	✓	Other	

- As with any policy there is a risk that the policy may be subject to a challenge by way of Judicial Review. If any such challenge were made then this could delay the processing of applications and would have cost implications if a challenge were successful.

### BACKGROUND

- The Gambling Act 2005 received royal assent on 7 April 2005. Various sections of the act and subordinate regulations will be implemented by a series of commencement orders between now and 2007. The act is a complex statute and the following paragraphs provide a simplistic overview of the implications.
- The Act introduces 3 Gambling Licensing Objectives, which are:
  - Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
  - Ensuring that gambling is conducted in a fair and open way.
  - Protecting children and other vulnerable persons from being harmed or exploited by gambling.

7. The Gambling Act 2005 provides for three categories of licence:

- Operating Licence

Individuals and companies who intend to provide facilities for certain types of gambling must obtain an operating licence from the Gambling Commission. In general these licenses cover the principal commercial forms of gambling for example a casino operating licence, a bingo operating licence or a gaming machine operating licence.

- Personal Licences

One of the mandatory conditions that the Commission must place on operating Licences, except in the case of a small scale operator, is to ensure that for each operating licence at least one person holds a specified management office and that person must hold a personal licence from the Commission.

- Premises Licences

Will be issued by local authorities and may authorise the provision of facilities on casino premises, bingo premises, betting premises, adult gaming centres and family entertainment centres. Premises Licences may only be issued to people with a relevant gambling operating licence as detailed above. Premises licences are transferable to someone else holding a valid operating licence.

## **GAMBLING COMMISSION**

8. The act establishes the Gambling Commission who will:

- Issue operating licenses to authorise the licensee to provide facilities for gambling.
- Issue personal licences to certain individuals involved in gambling.
- Specify general licence conditions.
- Issue industry Codes of Practice.
- Investigate illegal gambling and offences under the act.
- Issue guidance to Local Authorities.

9. Chorley Borough Council becomes a Licensing Authority and an applicant who has obtained an 'operating licence' from the Gambling Commission may then apply to the local Licensing Authority for a 'Premises Licence' to provide gambling facilities within that Council's area. Chorley Borough Council will become responsible for licensing:

- Casino Premises
- Commercial Bingo Premises
- Adult Gaming Centre Premises
- Family Entertainment Centre Premises
- Betting Premises
- Betting Track Premises
- Temporary Use Notices
- Gaming machines in all the above types of premises
- Gaming machines in Members Clubs
- Lotteries other than the national lottery and lotteries registered with the Gambling Commission
- Prize Gaming Permits

## **TIMETABLE FOR IMPLEMENTATION**

10. The implementation timetable is subject to change, but currently is;
  - May 2006 Gambling Commission to publish guidance for licensing authorities.
  - June 2006 Gambling Commission to publish licence conditions and codes of practice.
  - Late 2006 Gambling Commission will start to invite applications for operating and personal licenses.
  - January 2007 Licensing authorities will accept applications for all licenses and permits.
  - September 2007 new licenses take effect.
11. Under the Act the full council becomes the 'Licensing Authority' but is obliged to delegate all 'operational' functions to the Licensing Statutory Committee, that Committee having been established under the Licensing Act 2003. The legal requirement for this is Section 154 of the Act.

## **MANDATORY CONSIDERATION REGARDING CASINOS**

12. Prior to the Licensing Authority being in a position to accept applications, full Council has to make certain strategic steps, which cannot be delegated.
13. Council will have to whether or not it will allow any casino licences in Chorley under section 166 of the Act. This resolution needs to be made every 3 years, whether or not government restricts the number of casino licences that can be issued throughout the country.

## **STATEMENT OF LICENSING POLICY**

14. The Council will also be required to publish a Statement of Licensing Policy under the act, which is a statement of principles that the Licensing Committee must consider when determining a Premises Licence application.
15. The Statement of Licensing Policy will be a comprehensive document which will define the principles in exercising its new functions.
16. In order that members are able to approve a comprehensive statement of licensing policy, approval is sought to delegate to the Director of Customer, Democratic and Legal Services power, to carry out all necessary steps to consult and prepare a draft Statement of Licensing Policy for approval.
17. The target for licensing authorities to receive premises licensing applications is January 2007. Statements of policy must be available one month before this. The Gambling Commission advice to Local Authorities is scheduled to be delivered by May 2006.
18. Consultation will take place between June and September 2006, the final draft prepared and approved by Council October 2006. The Statement of Licensing Policy will then be available for at least month prior to applications being accepted.
19. A fee will be payable on application for the licence and there will also be an annual fee due. Fee levels in England and Wales will be set by the Secretary of State via a series of bands with a prescribed maximum.
20. Under future regulations if Chorley Borough Council acquires the power to set fees this will be a matter for full Council.

## COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES

21. There are no apparent human resources implications contained in this report.

## COMMENTS OF THE DIRECTOR OF FINANCE

22. The financial impact at this stage of proceedings is unclear. Whilst the number of premises to be licensed for wholesale gambling is limited, their requirement to licence in particular gaming machinery will influence the level of resources required. In addition there will be some costs associated with providing the relevant training for officers and members. At this stage the assumption is that the effect will be cost neutral and any costs will be contained within current budgets. However only when we have some experience of the scales of the task will this assumption be tested. If the assumption is proven incorrect then a further report will be presented to member of the cost implications.

## RECOMMENDATION (S)

23. That Council approves:

- 1) The amendment of the Constitution to delegate all the Council's functions under the Gambling Act 2005 to the Statutory Licensing Committee in accordance with section 154 Gambling Act 2005 except:
  - i) The approval of a Statement of Licensing Policy under Section 349 of the act.
  - ii) Resolving whether to issue any Casino Licences in the Borough of Chorley under section 166 of the act.
  - iii) The setting of fees for licences.
- 2) Council authorises the Director of Customer, Democratic and Legal Services to carry out all necessary consultations and other statutory requirements to prepare a future report to Council in order for a resolution to be made regarding casinos in the Borough.
- 3) Council authorises the Director of Customer, Democratic and Legal Services to carry out consultations and other statutory requirements under the act and produce a draft Statement of Licensing Policy in favour of approval by Council.

DONNA HALL  
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Howard Bee	5665	11 May 2006	LEGREP/92530LM