

## REPORT TO CABINET

07 August 2019

<b>Subject:</b>	<b>Review of Statement of Principles under the Gambling Act 2005</b>
<b>Presenting Cabinet Member:</b>	<b>Councillor Shaeen – Cabinet Member for Healthy Lives.</b>
<b>Director:</b>	<b>Executive Director of Adult Social Care, Health and Wellbeing – David Stevens Director – Prevention and Protection – Stuart Lackenby</b>
<b>Contribution towards Vision 2030:</b>	
<b>Key Decision:</b>	Yes
<b>Cabinet Member Approval and Date:</b>	10.7.2019
<b>Director Approval:</b>	10.7.2019
<b>Reason for Urgency:</b>	Urgency provisions do not apply
<b>Exempt Information Ref:</b>	Exemption provisions do not apply
<b>Ward Councillor (s) Consulted (if applicable):</b>	Not applicable
<b>Scrutiny Consultation Considered?</b>	Scrutiny consultation has not been undertaken
<b>Contact Officer(s):</b>	Neil Cox Service Manager – Regulatory Services 0121 569 3107

### DECISION RECOMMENDATIONS

**That Cabinet:**

1. Approve the formal consultation on the revised Statement of Principles under the Gambling Act 2005 provided in Appendix 1.

## 1 PURPOSE OF THE REPORT

- 1.1 Sandwell's Statement of Gambling principles was implemented in 2016. The Gambling Act 2005 (the Act) requires Sandwell Council, as the Licensing Authority, to review its Statement of Principles under the Gambling Act 2005, (Gambling Policy), every three years.
- 1.2 Having been reviewed, this report requests that Cabinet approve the formal consultation with all relevant stakeholders, as identified in the report, on the revised Statement of Principles (Appendix 1) in accordance with the Gambling Act 2005.

## 2 IMPLICATION FOR VISION 2030

- 2.1 The Gambling and betting industry is a key contributor to the UK economy, directly generating an average of £2.3 billion towards the UK GDP. However, it is also recognised that such entertainment can lead to negative impacts on the individual gambler, their family and the wider community. Such negative impacts include financial problems, mental and physical health issues, job loss and absenteeism, criminality, and the well-being of children and carers.

The revised statement of gambling principles therefore has a key role in ensuring the Council delivers on its Vision 2030 commitments including;

- Ambition 1 – “Sandwell is a community where our families have high aspirations and where we pride ourselves on equality of opportunity and on our adaptability and resilience.
- Ambition 5 - “Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods “and
- Ambition 8 “Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families”

## 3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The Council's Gambling Statement of Principles is intended to meet the Licensing Authority's obligations under Section 349 of the Gambling Act 2005 (referred to in this Statement as “the Act”).

3.2 In carrying out its licensing functions under the Act, the Licensing Authority will act in accordance with the relevant legislation, adopt the principles of better regulation, regulate gambling in the public interest and aim to permit the use of premises for gambling as it thinks fit so long as it is:

- In accordance with any relevant Codes of Practice issued by the Gambling Commission
- In accordance with any relevant guidance issued by the Gambling Commission
- Reasonably consistent with the licensing objectives, and
- In accordance with this Statement of Principles

3.3 There are 3 licensing objectives which are central to the regulatory regime created by the Act. These 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

3.4 The Act provides for 3 categories of licence:

- Operating licences
- Personal licences
- Premises licences

The Licensing Authority is responsible for issuing premises licences. The Gambling Commission is responsible for issuing operating and personal licences.

### 3.5 **The Gambling Commission**

The Gambling Commission regulates gambling in the public interest. It does so by keeping crime out of gambling:

- By ensuring that gambling is conducted fairly and openly
- By protecting children and vulnerable people

The Commission provides independent advice to the government about the way gambling is carried out, the effects of gambling and the regulation of gambling generally.

The Commission has issued Guidance under Section 25 of the Act regarding the way local authorities exercise their licensing functions under the Act and, in particular, the principles to be applied by local authorities.

3.6 The Commission has issued several codes of practice under Section 24 of the Act about the way facilities for gambling are provided, including the advertising of gambling facilities and fixed odds betting terminals.

### 3.7 **Authorised Activities**

“Gambling” is defined in the Act as either gaming, betting, or taking part in a lottery.

- Gaming means playing a game of chance for a prize
- Betting means making or accepting a bet on the outcome of a race, competition, or other event or process; the likelihood of anything occurring or not occurring, or whether anything is true or not
- A lottery is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process which relies wholly on chance

3.8 The main functions of the Licensing Authority are to:

- Licence premises for gambling activities
- Grant permits for gambling and gaming machines in clubs
- Regulate gaming and gaming machines in alcohol licensed premises
- Grant permits to family entertainment centres for the use of certain lower stake gaming machines
- Grant permits for prize gaming
- Consider notices given for the temporary use of premises for gaming
- Consider occasional use notices for betting at tracks
- Register small societies lotteries

For clarity further clarity, Spread betting is regulated by The Financial Conduct Authority, Remote Gambling is regulated by the Gambling Commission and The National Lottery is regulated by the National Lottery Commission.

## 4 THE CURRENT POSITION

4.1 The table below depicts the current premises licenced under the Councils Gambling Statement of Principles;

Premises type	Number
Automatic entitlements (notifications of up to 2 gaming machines in pubs)	144
Alcohol licensed premises gaming machine permits (3 or more gaming machines in pubs)	34
Club machine permits	34
Adult Gaming Centres	12
Betting Premises Licences	58
Bingo Premises Licences	6
Casino Premises Licences	2
Track Betting Premises Licenses	1
Family Entertainment Centre Premises Licenses	0

4.2 The updated Gambling statement of Principles has been drafted in conjunction with partners, in recognition of the impact that Gambling has on the borough's population and economy.

4.3 The table below provides details of the proposed changes made to Statement of Gambling Principles during the review.

Page No	Proposed Change
3	Local area demographics update.
4	Contribution to Vision 2030 included.
6	Updated contact details for Gambling Commission provided
10	Increased expectations around Safeguarding, Businesses playing a positive role in helping identify abuse.
11	Paragraph 9.2 has been updated to reflect current Gambling Commission guidance.

12	Paragraph 9.4 table has been included to confirm required access provisions for licensed premises
13 - 14	Inclusion of paragraphs that define who can make a representation against a licence and the representation process
14 - 15	Updated information provided on the need for operators to carry out risk assessments.
17	Local Area Profiles and links to the Sandwell trends website provided.
22	GDPR introduced
24	Inclusion of the Black Country Regulators Operating Framework and link to document
25	Inclusion of paragraph on test purchasing
25	Inclusion of Information on Modern Day slavery

The proposed changes to the Statement of Principles do not fundamentally change the Councils approach to licensing of Gambling premises or have significant impact upon existing or new licensed premises.

- 4.4 The Statement of Principles is supported by The Gambling Commission codes of practice. Under Section 24 of the Act this guidance structures the way facilities for gambling are provided, including the advertising of gambling facilities and fixed odds betting terminals.
- 4.5 Changes are not proposed to existing license fees or enforcement policy.

## 5 **CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 Cabinet Office guidance on public consultations state that the time required for a public consultation 'will depend on the nature and impact of the proposal (for example, the diversity of interested parties or the complexity of the issue, or even external events), and might typically vary between two and twelve weeks'.
- 5.2 In consideration of the changes made, a consultation period of six weeks is recommended. This duration has been determined in the context that the changes do not have any implications upon groups with protected characteristics under the Equalities Act, there are no financial implications and the changes will not adversely affect licensed premises.

- 5.3 The following key organisations and agencies are planned to be consulted in accordance with Section 349(3) of the Act.

### **West Midlands Police**

Chief Constable, West Midlands Police Headquarters, Lloyd House, Birmingham

### **Other Key Agencies / Responsible Authorities**

West Midlands Fire and Rescue Service  
Planning and Development Services  
Local Safeguarding Children Arrangements  
Local Safeguarding Adults Board  
Director of Public Health  
Environmental Health (incl. Air Pollution / Noise Control)  
Health and Safety  
HM Revenue and Customs  
Safer Sandwell Partnership

### **Persons / Bodies Representative of the interests of persons carrying gambling businesses in Sandwell**

Chamber of Commerce  
Licensing Solicitors  
British Beer & Pub Association  
Association of British Bookmakers  
General Secretary Casino Operators Association of the UK  
National Casino Industry Forum  
British Amusement Catering Trade Association (BACTA)  
Responsibility in Gambling Trust  
Gamcare  
The Gambling Commission  
The Bingo Association  
The British Casino Association  
Business in Sport & Leisure  
British Beer and Pub Association BBPA Midland Counties  
Breweries  
Gaming Machine Companies  
Operators of Gambling Premises in Sandwell  
Amusement Arcades  
Bingo Halls  
Casinos  
Betting Offices and/or their Registered Offices

**Persons representative of the interests of the local community, residents and others likely to be affected by the exercise of the Council's functions:**

All Members of the Council (Councillors)  
Members of Parliament for the Sandwell area  
MEP's for the Sandwell area

Once the consultation has been completed, responses will be collated and used to inform a further cabinet report which will seek approval to put forward the revised statement of principles to full Council for adoption

## **6 ALTERNATIVE OPTIONS**

- 6.1 As the requirement to review the Statement of Gambling Principles every three years is outlined in the Gambling Act 2005 there are no alternative options to carrying out a review at this time.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 The Corporate Risk Management Strategy has been complied with to identify and assess the significant risks associated with this decision. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks. The assessment has determined that there are no significant risks arising from the decisions being sought.
- 7.2 There are no adverse budget implications or any other significant risks associated with the Policy amendments detailed in this report.
- 7.3 No changes to Licensing fee's proposed as a result of the review, however the current table of fee's will be included within the consultation for information purposes only.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 Sandwell's Statement of Gambling principles was implemented in 2016. The Gambling Act 2005 (the Act) requires Sandwell Council, as the Licensing Authority, to review its Statement of Principles under the Gambling Act 2005, (Gambling Policy), every three years.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 An Equality Impact Assessment has been undertaken as part of the preparation of this report in line with Council policy.

- 9.2 The results of the assessment have identified that the proposals and recommendations contained in this report will not have an adverse impact on any group with protected characteristics.
- 9.3 The proposals are both reasonable and a proportionate response to the primary objective of protecting the public, in line with the licensing objectives outlined in the relevant legislation.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 Not applicable to this decision.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 Consideration has been given to the risks associated with the proposed policy, however, no significant risks have been identified.
- 11.2 In carrying out its licensing functions, the Licensing Authority serves to protect communities and people living within the borough by reducing the risk of gambling related crime and disorder and public nuisance. Therefore, the proposed amendments to the policy should serve to have a positive impact on levels of crime and disorder in the borough.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 The proposals put forward in this report are sustainable and respond to current legislation.
- 12.2 There is no indication that either legislation or industry standards are likely to be changed or amended.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 The Gambling and betting industry is a key contributor to the UK economy, directly generating an average of £2.3 billion towards the UK GDP. However, it is also recognised that such entertainment can lead to negative impacts on the individual gambler, their family and the wider community. Such negative impacts include financial problems, mental and physical health issues, job loss and absenteeism, criminality, and the well-being of children and carers.
- 13.2 According to the British Gambling Prevalence Survey 2010, 0.9% of adults in the UK meet the clinical criteria to be considered pathological Gamblers – for Sandwell this would equate to 2,186 adults. Furthermore, there is evidence that gambling is a particular issue for adolescents, with one survey of British teenagers aged 11-15 years finding that 1.9% met

the clinical criteria for pathological gambling. This highlights the particular risks of problem gambling for young people.

13.3 Problematic gambling is also associated with a number of risk factors such as being unemployed, having poor health, being younger, male, binge drinking – factors which affect many of our local residents and therefore increase the propensity towards problematic gambling.

13.4 The Licensing Authority wishes to minimise any negative impact from licensed gambling through the revised Statement of Gambling Principles.

Public health area also developing further intelligence and support options for people with Gambling addictions.

#### **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 Not applicable to this decision.

#### **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 Based on the information outlined in this report, outlining both the legal requirement to update the Statement of Gambling principles and the need to make license holders more aware of the impact of gambling addiction on the borough's residents, it is recommended that Cabinet approve that the updated draft Statement of Gambling Principles to be put forward for consultation.

#### **16 BACKGROUND PAPERS**

Not applicable

#### **17 APPENDICES:**

Appendix 1: Revised Statement of Principles

**David Stevens**  
**Executive Director of Adult Social Care, Health and Wellbeing**