



# ISLINGTON

Environment & Regeneration

Municipal Offices, 222 Upper Street, London N1 1YA

**Report of: Assistant Director of Environment and Regeneration (Public Protection)**

Meeting of:	Date:	Agenda item	Ward(s)
Licensing Committee	23 November 2006	B1	All

**Non Exempt**

## **Subject: IMPLEMENTING THE GAMBLING ACT 2005**

### **1. Synopsis**

- 1.1 This report sets out how Public Protection will be actioning the first stages of implementing the Gambling Act 2005. By January 2006, the Council will have needed to adopt a gambling policy for Islington and this describes the process to be used. The policy will support the 'One Islington' vision by ensuring that residents and businesses are involved in shaping our approach to this new legislation.

### **2. Recommendations**

- 2.1 To note the arrangements for preparing and publishing a 'statement of principles' for regulating gambling in Islington and for consulting on a 'no casinos' resolution for Islington;
- 2.2 To comment on the draft 'statement of principles'.

### **3. Background**

#### **3.1 Statement of Principles**

- 3.2 The responsibility for regulating gambling is passing from the Gaming Board and the Magistrates Court to the Gambling Commission and Local Authorities under the provisions of the Gambling Act 2005.

- 3.3 From 2007 the Gambling Commission will be responsible for granting operating and personal licences for commercial gambling operators and people working in the industry. It will also regulate certain lottery managers and promoters.

- 3.4 Local authorities will be responsible for licensing gambling premises as well as undertaking functions in relation to lower stake gambling machines and clubs. The process will be similar to that introduced by the Licensing Act 2003 for the sale of alcohol and the provision of entertainment and late night refreshment. The

Licensing Team within Public Protection will be responsible for the function, as there are links between the two activities. They will be modelling the service on that adopted for licensing, which has been successful in both encouraging resident participation in the application process and managing the impacts that licensing can have on the community.

- 3.5 The licensing objectives, which will underpin all activities under the Act, are:
- Preventing gambling from being a source of crime and disorder, being associated with crime or disorder or being used to support crime
  - Ensuring gambling is conducted in a fair and open way
  - Protecting children and other vulnerable persons from being harmed or exploited by gambling.

3.6 All local authorities are required to prepare and publish a 'statement of principles' which in effect sets out its policy on how it intends to exercise its functions under the Act. The statement will last for three years but can be reviewed and revised at any time by the local authority. In order to meet the timescales imposed by the Act the statement of principles must be published by 3<sup>rd</sup> January 2007. In preparing the statement of principles, local authorities are required to have regard to any relevant codes of practice issued under the Act and any guidance issued by the Commission. Some of these documents are at the draft stage and other relevant requirements, such as supplementary regulations on the application processes, have not yet been drafted. This means that the statement of principles has to be prepared with little information on the detail of the requirements.

3.7 In order to meet the statutory deadline, our timescale for preparing and publishing the draft statement of principles for Islington is as follows:

August/September 2006	Drafting statement of principles
30 <sup>th</sup> September	Consultation period starts
20 <sup>th</sup> November	Consultation period ends
27 <sup>th</sup> November 2006	Drafting final statement of principles completed
5 <sup>th</sup> December 2006	Final statement of principles approval by Council
12 <sup>th</sup> December 2006	Policy Published

3.9 The draft 'statement of principles' is attached at Appendix A for discussion. The draft has been to Executive for comment and it has been agreed that the Director of Environment and Regeneration be delegated to approve changes following the consultation, prior to it being presented to Council in December. The Act envisages that the statutory licensing committee of each authority will exercise the functions, and Council agreed a report to amend the constitution to allow this on the 3<sup>rd</sup> October.-

3.10 A consultation strategy has been initiated which follows the Gambling Commission's guidance to Local Authorities and consultees include the following:

- Metropolitan Police
- Business who are or who will be licence holders
- Organisations who represent the interests of gambling businesses in the area
- Residents and organisations representing the interests of people likely to be affected by gambling activities
- Responsible Authorities such as the Fire Brigade, Customs and Excise and any body which the local authority deems as competent to advise about protecting children from harm

children from harm

- Faith groups, voluntary and community organisation working with children and young people
- Organisations working with people who are problem gamblers, medical practices and Primary Care Trusts.

3.11 621 consultation questionnaires were sent out to the above consultees and representative organisations. In addition the draft statement of principles and online questionnaire was published on Islington's web site. As of 15 November 2006, 21 responses have been submitted to the draft statement of principles. A detailed breakdown and analysis of the responses will be made available at the hearing on 23 November 2006.

## 4 **Casinos**

### 4.1 **Casino Resolution**

4.2 The Act states that the Licensing Authority may resolve not to issue casino premises licences. This decision has to be taken by the authority as a whole and not delegated to the Licensing Committee. In passing such a resolution the Authority may take into account any matter and not just the licensing objectives. The resolution lapses after three years and all Local Authorities are recommended to pass a resolution every three years at the same time as agreeing its statement of principles

4.3 There are three categories of casinos:

- Regional casinos which will have a customer area exceeding 5000m<sup>2</sup> and be able to offer casino games, bingo and or betting and up to 1250 category A (unlimited jackpots) and category B1 gaming machines. One regional casino in England and Wales is permitted under the Act.
- Large casinos which will have a customer area exceeding 1500m<sup>2</sup> and be able to offer casino games, bingo and or betting and up to 150 and category B1 gaming machines. 8 large casinos in England and Wales are permitted under the Act.
- Small casinos which must have a floor area in excess of 750m<sup>2</sup> and be able to offer casino games, bingo and or betting and up to 80 category B1 gaming machines. 8 small casinos in England and Wales are permitted under the Act.

4.4 The authorities where these casinos will be permitted are currently under consideration and Islington has opted not to be included. The Government has indicated that it intends to review the numbers allowed in future years, as interest has far exceeded the 17 allowed. This is unlikely to be immediate, and we have had no expressions of interest from potential operators.

4.5 Islington has not yet adopted a formal position on whether we will issue casino premises licences. As part of the consultation on the 'statement of principles' we will be seeking views on whether residents and interested parties believe casinos will bring benefits to Islington and wish to see them here. It is not possible to predict the outcome of the consultation, however, there is a general perception that casinos could possibly bring with them negative social influences, which may result negative responses. The results of this element of the consultation will be brought to Council in December, with a suggested recommendation that we adopt a resolution of

having no casinos if this is the view that is expressed.

## **5. Discussion**

- 5.1 The ability of the council to regulate gambling activities in the borough supports the One Islington vision as it provides an opportunity for the council and its partners to have more direct influence on the determination of licence applications. Residents who are, or who could be, affected by the premises providing gambling will have more of an opportunity to influence decisions and the council will be able to work with others to protect children and vulnerable people from being harmed or exploited by gambling activities.
- 5.2 The preparation of a policy on gambling for Islington is a key tool in this process. The timescales for developing and consulting on the policy are challenging and it has only been possible to start work recently on it. Many aspects of the policy are prescribed in the statutory guidance issued by the Gambling Commission but the consultation process will focus on areas where the council has the ability to influence the provision of gambling activities in the borough. For example factors, which could be taken into account when deciding whether the location of a gambling premises is appropriate as are factors to be taken into account when hearing licence applications
- 5.3 Councils have the ability to make a resolution whether or not to permit casinos in the borough. Those councils who wished to have a new licensed casino in their area were required to submit bids to the Secretary of State earlier in the year. Islington was not one of the local authorities that submitted a bid. In publishing its gambling policy for the borough the council will also make clear its position on casinos.

## **6. Implications**

### **6.1 Financial implications:**

There is no additional funding available for this activity and therefore the work described in this report will be undertaken within existing resources. The likely workload and income for future years cannot yet be estimated as the detail of implementation and likely fee levels are not known. Any additional funding / resources once identified should form part of the service financial planning process.

### **6.2 Legal Implications:**

A licensing authority may resolve not to issue casino premises licences. The exercise of this power by the licensing authority is one that may not be delegated to the licensing committee. No criteria for the exercise of the power are set out in the Gambling Act 2005; rather the Act states that in passing such a resolution a licensing authority 'may have regard to any principle or matter'. This provision confers a virtually unlimited and unfettered discretion on the authority.

However, the local authority would be subject to the usual principles of public law in exercising their discretion. To make such a resolution the discretion would have to be exercised reasonably and in good faith, for proper purposes only, and in accordance with the spirit of the Gambling Act 2005. The Act does not provide for the exercise of the discretion to be conditional upon any form of consultation, but public law principles would again be engaged and it would be advisable for the licensing authority to consult relevant parties. This consultation could be conducted

alongside the consultation on the 'statement of principles'.

A resolution must apply to the issue of casino licences generally. It would not be possible for a licensing authority to resolve, for example, against granting casino premises licences for regional and large casinos but to leave their discretion intact in the case of small casinos. The resolution must specify the date on which it takes effect. The resolution lapses at the end of three years, though it may be revoked before then by further resolution. A resolution may be passed whether or not the licensing authority have already issued casino premises licences.

The Executive has authority to delegate to the Director of Environment and Regeneration to make changes the draft gambling policy following the consultation, prior to it being presented to Council in December.

**6.3 Equality Implications:**

The licensing objectives underpinning the Act set out to prevent the young and vulnerable from exploitation. These principles will guide our statement of policy and implementation.

**7. Conclusion and recommendations**

7.1 The Gambling Act will bring changes to the way in which this activity is controlled and it is important that we develop a robust policy for Islington to support its implantation.

**Background papers:**

Gambling Act 2005

Gambling Commission – Guidance to Local Authorities

Final report clearance:

Signed by:

Received by: Assistant Director (Public Protection) Date

Head of Democratic Services Date

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