

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO**

**Licensing and Public Protection Committee
24 October 2023**

Report Title: Gambling Act 2005 Consultation: Measures relating to the land-based gambling sector

Submitted by: Service Director - Regulatory Services

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To inform the Committee of a Department for Culture, Media and Sport (DCMS) consultation that relates to the land-based gambling sector.

Recommendation

That Members note the content of the report and consultation response submitted.

Reasons

Following the Gambling Act Review White Paper: *High stakes: gambling reform for the digital age* publication in April 2023. DCMS have consulted upon various measures that relate to the land-based gambling sector with a view to modernising the regulation of gambling in Great Britain.

1. **Background**

1.1 The Gambling Act 2005 ("the Act") came into force in October 2007, replacing the Gambling Act 1968. The Act has had a number of minor amendments since it came into force but those have focused on areas over which licensing authorities have no control such as remote gambling, personal and operator licences.

1.2 The Gambling Act Review White Paper: *High stakes: gambling reform for the digital age* ("the Review") was published on 27th April 2023. It was in response to the significant change in the gambling sector landscape since 2005. The Review launched a call for evidence that ran from December 2020 to March 2021 and received 16,000 responses.

1.3 The Review focused on six main themes:

- online protections - players and products
- marketing and advertising
- the Gambling Commission's powers and resources
- dispute resolution and consumer redress
- children and young adults
- land-based gambling

This report relates solely to the land-based gambling element.

2. Issues

2.1 DCMS opened a consultation on 26th July 2023 that related to the land-based gambling sector. The consultation ran for 10 weeks and closed on 4th October 2023.

2.2 Land-based gambling and the associated licensed premises fall under the remit of licensing authorities. Remote gambling, personal licences and operator licences are under the remit of the Gambling Commission.

2.3 This is the first review of the land-based gambling sector since the Act came into force. It is widely accepted that the Act has not kept pace with technological advances, customer demand and licensing authorities' ability to effectively administer the regime. The consultation focuses on five main themes with DCMS seeking views on:

- Relaxation of casino rules: *allowing large casinos to increase the number of their gaming machines to 80, allowing smaller casinos more than 20 machines, on a pro rata basis commensurate to their size and permitting betting in all casinos;*
- Machines in arcades and bingo halls: *changing the 80/20 ratio governing higher to lower stake gaming machines to enable venues to better meet customer demands and save on energy costs;*
- Cashless payments on gaming machines: *helping future-proof the industry by consulting on the player protections needed to remove the prohibition on the direct use of debit cards on gaming machines;*
- Introduction of a legal age limit of 18 for certain gaming machines: *protecting children and young people by banning anyone under the age of 18 from playing low stake Category D slot machines that payout cash; and*
- Licensing authority fees: *ensuring that licensing authorities have the funding they need to carry out their licensing and enforcement duties for premises licences.*

2.4 The consultation document is broken down into five chapters, one for each of the above, and contains a total of 59 questions. The document provides an executive summary, an introduction to each chapter, a summary of the current regime, rationale for change and the government's proposals, and the consultation questions. A full copy of the document can be found as a weblink in the Background Papers section, paragraph 14.3, below.

2.5 A copy of the Council response, agreed with Chair prior to submission on 3rd October 2023, is attached as **Appendix A** and summarised below.

2.6 Relaxation of casino rules: The Council do not have any casinos within the Borough and as such have no experience or evidence that can be used to provide a response.

2.7 Machines in arcades and bingo halls: That of the three options proposed by DCMS, option 2 is the Council's preferred option due to it providing a balance of allowing operators to meet customer demand through flexibility of gambling facilities whilst also retaining or improving the safeguards already in place in relation to the number and category of machines 'available to use'.

2.8 Cashless payments on gaming machines: That cashless payment should be permitted to allow for the technological advancements but with requirements that regulate the amount of time customers can play, cooling off periods between payments, a maximum limit of each transaction, alerts to staff and additional information being provided to the customer around Safer Gambling and self-exclusion.

2.9 Introduction of a legal age limit of 18 for certain gaming machines: That low stake machines that resemble the same game play as higher stake machines by accessed only be customer 18 years or above. This would assist with the promotion of the licensing objective around protecting children (and other vulnerable people) from being harmed or exploited by gambling.

2.10 Licensing authority fees: That our fees currently cover the Council's costs of administration, compliance and enforcement however that is due to the relatively low number of premises within the Borough. It is noted that larger licensing authorities will have more licensed premises and the volume, density and type of premises will likely lead to extensive costs in relation to the administration and enforcement of the regime.

3. **Proposal**

3.1 That Members note the content of the report and consultation response submitted.

4. **Reasons for Proposed Solution**

4.1 Following the Gambling Act Review White Paper: *High stakes: gambling reform for the digital age* publication in April 2023 DCMS have consulted upon various measures that relate to the land-based gambling sector with a view to modernising the regulation of gambling in Great Britain. The Council have submitted a response to the consultation.

5. **Options Considered**

5.1 Officers considered the implications of the proposals made by DCMS taking account of the Borough's geography, the type and volume of premises, the number of complaints and compliance matters. This is the first consultation with proposed changes to the land-based sector since the Act came into force and it is important that stakeholders submit their views to help shape the future of the regime.

6. **Legal and Statutory Implications**

6.1 The Gambling Act 2005 and relevant secondary legislation will be amended if the proposals suggested by DCMS are approved.

7. **Equality Impact Assessment**

7.1 Not applicable

8. **Financial and Resource Implications**

8.1 No implications identified. It is proposed that licence fees are increased which if agreed would lead to an increase in income if licence numbers remained stable.

9. **Major Risks**

9.1 Not applicable

10. **UN Sustainable Development Goals (UNSDG)**

10.1



11. **Key Decision Information**

11.1 Not applicable

12. **Earlier Cabinet/Committee Resolutions**

12.1 Not applicable

13. **List of Appendices**

13.1 Appendix A – Consultation response sent 3rd October 2023

14. **Background Papers**

14.1 [Gambling Act 2005](#)

14.2 [High Stakes: gambling reform for the digital age – DCMS White Paper published 27th April 2023](#)

14.3 [DCMS Consultation document – published 26th July 2023](#)