

**Committee:** LICENSING COMMITTEE

**Agenda Item**

**Date:** March 15, 2006

**4**

**Title:** **GAMBLING ACT 2005 - PROPOSED  
TRANSITIONAL ARRANGEMENTS**

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Item for decision

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## Summary

1. The Department of Culture Media and Sport have published a consultation document on the proposed transitional arrangements whereby responsibility for licensing gambling operators and those engaged in the management of gambling premises transfers to the Gambling Commission and responsibility for licensing gambling premises transfers to local authorities.

## Recommendations

2. That Members determine what response (if any) they wish to make to the consultation document.

## Background Papers

Gambling Act 2005 – Transitional Arrangements published February 2006  
[www.culture.gov.uk](http://www.culture.gov.uk)

## Impact

Communication/Consultation	None.
Community Safety	None.
Equalities	None.
Finance	None.
Human Rights	None.
Legal Implications	The proposed Transitional Arrangements will need to be incorporated into a statutory instrument before they can take effect. A draft statutory instrument has not yet been prepared.

Ward-specific impacts	None.
Workforce/Workplace	None.

## Situation

1. As with the Licensing Act 2003, the Government propose that persons already engaged in the gambling industry should be permitted to continue to trade on broadly the same terms as at present. The Government has published a consultation document setting out the proposed transitional arrangements. This matter is brought to Members now as the consultation period expires on 2 May 2006.
2. It is the Government's aim that the new system will be effective on 1 September 2007. Most operators in the betting sector will need to apply to renew existing permissions under the current legislation in the spring of this year. They will need to apply for permissions under the 2005 Act in spring 2007. Existing operators will have 'continuation rights' which will allow them to continue to trade in the event that their applications to the Gambling Commission have not been processed by the 31 August 2007. As the licensing of operators is not the function of district councils this will not be discussed in detail in this report.
3. Grandfather rights will apply in respect of premises.
4. Special grandfather rights will apply to pubs and other alcohol licensed premises with existing permits under the current legislation. Licensed premises will be entitled to the same number of gaming machines as authorised by their current permits.
5. Grandfather rights apply where there is an existing permission or an outstanding application for permission under the existing legislation prior to 1 September 2007.
6. Permissions which expire before 1 September 2006 will need to be renewed but will be effective until 31 August 2007. Permissions expiring between 1 September 2006 and 30 August 2007 will be automatically renewed without need for an application or fee. Operators who require premises licences will need to apply to local licensing authorities for a premises licence between 31 January 2007 and 27 August 2007 if they wish to secure continuation rights. New operators who wish to commence operating prior to 1 September 2007 will need to apply for permissions no later than 27 April 2007. The permissions will expire on 31 August 2007. Those wishing to commence operation after 1 September 2007 may apply from January 2007.
7. With regard to alcohol licensed premises including clubs, from 1 September 2007 existing permissions will be automatically converted into the appropriate

permits under the 2005 Act, which will expire on the same day as the existing permissions. Permissions expiring before that date will need to be renewed in the usual way.

8. In some circumstances, amusement with prizes machines are found in premises to which children have access e.g. chip shops, private hire car offices etc. Permits to have such machines, which expire before 1 July 2006 can be renewed in the usual way. There are no provisions for renewal of permits after that date and no new permits can be issued. As and when those renewed prior to that date expire they will not be renewed. AWP machines must be removed from such premises when the permit expires.
9. For casinos in existence prior to 1 January 2007 they will not be subject to the minimum size requirements, which apply under the 2005 Act, nor will they count towards the total number of premises licences permitted by that Act. Casinos benefiting from these transitional provisions may make available either 20 category B gaming machines or an unlimited number of category C and D gaming machines.
10. With regard to alcohol licensed premises, existing permits continue until their expiry date. Two months before the expiry date, the permit holders will need to apply to the local authority for the appropriate permission. Where the permit authorises only one or two machines, all that will be required is for the permit holder to notify the licensing authority of his intention to make one or two gaming machines available and pay the prescribed fee. If the current permit permits more than two gaming machines and the licensee does not wish to reduce the number of machines to two or less then at least two months prior to the expiration of the existing permit an application must be made to the licensing authority for a licensed premises gaming machine permit. Pubs will be entitled to licensed premises gaming machine permits for the same number of gaming machines as authorised by permits issued under the current legislation.
11. Gaming machines at clubs are subject to registration under the Gaming Act 1968. These will be replaced by two new permits, a club gaming permit and a club gaming machine permit. Registrations effective on and after 31 August 2007 are automatically converted to permits expiring on the same day as the registration was due to come to an end. No application is necessary. Application for a new permit will need to be made at least two months before the permit expires. Registrations last between 5 and 10 years and therefore the transitional period may be quite lengthy in some cases.

## Risk Analysis

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Risk	Likelihood	Impact	Mitigating Actions
Inadequate time is allowed by the Government for transitional arrangements.	<p style="text-align: center;">HIGH</p> Experience of the Licensing Act 2003 suggests that the necessary secondary legislation will be ill-timed and potentially inaccurate.	<p style="text-align: center;">LOW</p> The number of licensed premises within the district is such that the licensing team, which dealt so admirably with the transitional provisions of the Licensing Act 2003, will be able to deliver without any undue difficulty.	None