

# Gambling Act 2005 – Consultation on Gaming in Clubs and alcohol licensed premises

Licensing Committee, Item 6

**Committee:** Licensing Committee

**Agenda Item**

**Date:** 7 March 2007

**6**

**Title:** Gambling Act 2005 – Consultation on Gaming in Clubs and alcohol licensed premises

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Item for Decision

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## Summary

The Gambling Act 2005 contains a variety of provisions about gaming in clubs and alcohol licensed premises. Gaming has been a long standing and popular activity in most clubs and pubs at low levels and the provisions of the Act are designed to replicate the current position. The Act provides for regulations to be made specifying detailed limits and qualifying criteria for gaming to be carried on in these premises, and the Government have produced a consultation paper on their proposals on which Members views are sought.

## Recommendations

Members determine what (if any) response they wish to make

## Background Papers

DCMS consultation Paper on Gaming in Clubs and Alcohol Licensed Premises (also available at [www.dcms.gov.uk/Reference\\_Library](http://www.dcms.gov.uk/Reference_Library))

## Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Finance	None
Human Rights	None
Legal implications	None
Sustainability	None
Ward-specific impacts	None

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Workforce/Workplace	None
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### Situation

1. The Gambling Act 2005 sets out various rights to allow gaming on club and alcohol licensed premises in prescribed circumstances. For clubs to take advantage of the various rights they have to fall into one of three categories: Members Clubs, Commercial Clubs (like snooker clubs) and Miners' Welfare Institutions, and the Act sets out certain criteria they have to meet.

#### Gaming Clubs

2. Gaming Clubs, being clubs set out for the purpose of gaming are not considered eligible as a qualifying clubs, but the Act does provide that the Secretary of State can specify particular types of gaming that would be allowed, enabling the club to take advantage of the benefits of the qualifying clubs. In this respect, the Government proposes that clubs formed for playing whist and/or bridge be allowed to take advantage of the benefits and be able to apply for a club gaming permit.
3. The Government has made a conscious decision not to include poker clubs as qualifying clubs, essentially because there will be plenty of opportunities available for poker clubs to continue playing poker for limited stakes and prizes, and plenty of other premises in which poker can be played with unlimited stakes (clubs which have a club gaming permit), and to allow them the benefits of applying for permits that would allow additional gaming opportunities, with no limits on stakes and prizes would open up the prospect of large numbers of clubs devoted to gambling, operating outside the licensed gambling regime.

#### Exempt Gaming

4. The Act permits clubs to provide certain facilities for gaming without the need for a licence or a permit, subject to a number of conditions:
  - it must be equal chance gaming, as defined in Part 1 of the Act (examples would be bingo or bridge);
  - stakes and prizes must be in accordance with any rules or limits set in regulations
  - the club must not deduct any amounts from sums staked or won;
  - any charge for participation must not exceed amounts prescribed in regulations
  - the games played may only take place on one set of premises, so there may not be any linking of games between premises; and
  - in the case of members' clubs and miners' welfare institutes only, people may only participate in the gaming if they have been a member (or applied or were nominated for membership) at least 48 hours before playing, or are genuine guests of such a person.

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5. The Secretary of State has decided that it would be appropriate to set limits on stakes and prizes, to ensure that gambling conducted under the exempt gaming provisions remain a low scale activity, but in respect of gaming other than poker, clubs will be allowed to self-regulate to ensure that it generally remains low stake, low scale activity. However, the Government feels it is necessary at this stage to implement regulations in respect of poker, given the nature of the game with escalating stakes, and a pot or kitty reaching a significant size, and therefore individuals losing large amounts of money. The proposals are set out in Appendix One and seek to limit maximum stakes per game, and the amount of stakes and/or prize money available in a day and a week.
6. Any participation fee payable to play exempt gaming is to be set by regulations and the Secretary of State proposes to set the fees as laid out in Appendix One.

### **Club Gaming Permits**

7. The Act also provides that qualifying clubs are able to apply for club gaming permits, which entitles them to a certain number of gaming machines and for the playing of *specified* games of chance or equal chance gaming with unlimited stakes and prizes (like poker). The Secretary of State has the power to make regulations as to the maximum fee that can be charged to participate in equal chance gaming under a permit, and the proposals are set out in Appendix One.
8. In addition, the Secretary of State proposes to prescribe pontoon and chemin de fer as the *specified* games of chance that can be played under a club gaming permit, and to set a maximum participation fee as set out in Appendix One. However, the Secretary of State is not considering making regulations that allow deductions from stakes or prizes in favour of the club.

### **Alcohol Licensing Premises – Exempt Gaming**

9. The Act authorises the provision of gaming facilities in certain alcohol licensed premises subject to a number of conditions, and no further authorisation is required under the Act provided the conditions are complied with. The intention is to allow minor, low level gaming. The conditions are:
  - the facilities are limited to equal chance gaming (e.g. dominoes, cribbage or bingo);
  - stakes and prizes for the gaming must not exceed the limits prescribed by the Secretary of State;
  - no amount may be deducted or levied from amounts staked or won;
  - no participation fee may be charged (and this includes membership subscriptions – see section 344(3) of the Act);
  - the games played may only take place on one set of premises, i.e. there may not be any linking of games between premises; and

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- Children and young people (i.e. all those under 18 years of age) must be excluded from participation.

10. The Secretary of State proposes to limit individual stakes in all types of gaming to £5 per person per game. In addition, for the reasons given in respect of clubs, the Government feels that additional restrictions need to be put in place in respect of poker, and therefore proposes that there should be limits on total stakes or prizes of a maximum of £500 per premises in a week and a maximum of £100 in a single day. The Government has chosen to have limits lower than those for clubs as these premises are open to the public.

11. Whilst comments on the proposals are invited in general, the DCMS poses the specific questions to which it seeks responses, set out in Appendix Two.

### **Risk Analysis**

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating actions</b>
<b>Regulations are over complicated and ambiguous</b>	<b>Medium</b>	<b>Medium – Officers will be unclear of the rules, will require additional assistance, and will need to provide more advice externally to applicants; Equally, enforcement will be harder</b>	<b>Make such comments as are necessary on the proposals to ensure that the regulations are as clear as possible.</b>

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### APPENDIX ONE

#### Clubs

- to prescribe bridge and whist for the purposes of sections 266(2), 267(2) and Schedule 12 of the Act as eligible clubs

- to implement the Secretary of State's power to place limits on stakes and prizes for exempt equal chance gaming but only, at this stage, in respect of poker

- that the appropriate limits for equal chance poker played in members' clubs, commercial clubs or institutes that do not hold a club gaming permit should be £1000 in any seven day period and £200 on any day (in total stakes or prizes); with a maximum stake of £10 per person, per game

- that there should be a code of practice for gaming in clubs and institutes

- that the maximum participation fee for exempt gaming in clubs or institutes that do not hold a club gaming permit should be: bridge/whist - £18; all other equal chance gaming - £1

- that the maximum participation fee for equal chance gaming where a club gaming permit is held should be: for bridge and/or whist, £20; all other equal chance gaming, £3

- that pontoon and chemin de fer should be prescribed under section 271 of the Act as the additional games of chance that may be provided by the holder of a club gaming permit

- to implement the provision that enables members' clubs and institutes to charge participation fees for pontoon and chemin de fer, with the maximum charge set at £3 per day

- not, at this stage, to implement section 271(4)(b) of the Act, which would allow deductions or levies to be imposed by holders of club gaming permits on

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sums staked or won by participants in pontoon or chemin de fer

### **Alcohol-licensed premises**

- that the appropriate limit for all exempt equal chance gaming on alcohol-licensed premises should be £5 per person, per game

- and that in addition, for poker, there should be limits for each premises of £500 in any period of seven days, and £100 on any day (in total stakes or prizes)

- that there should be a code of practice for gaming in alcohol-licensed premises

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### **APPENDIX TWO**

#### **Clubs and institutes**

*Q1. Should bridge and/or whist continue to be prescribed kinds of gaming for the purposes of sections 266 and 267 of the Act?*

*Q2. If you are a bridge and/or whist club are you currently registered under Part II of the Gaming Act 1968, and if so to what extent do you utilise the entitlements that registration confers?*

*Q3. If you are a bridge and/or whist club do you currently provide facilities for other types of gaming, and if so what types of gaming would you wish to be able to offer in the future?*

*Q4. If you are a bridge and/or whist club, what if any limits do you currently have on stakes or prizes for gaming on club premises?*

*Q5. If you are a bridge and/or whist club what is the maximum charge that you currently make for participation in gaming on club premises?*

*Q6. Do you agree that poker should not be a prescribed kind of gaming for the purposes of sections 266 and 267 of the Act?*

*Q7. Are there any additional kinds of gaming that ought to be included within these provisions, and if so why?*

*Q8. Do you agree that, as a general principle, gaming in clubs that do not hold a club gaming permit or casino operating licence should be for low stakes?*

*Q9. Do you agree that, other than in the case of poker, there is no need at the present time to prescribe limits for stakes and prizes for equal chance gaming in clubs that do not hold a club gaming permit or operating licence?*

*Q10. Do you agree that the nature of poker (i.e. the potential for escalating stakes and large prizes) calls for a different approach?*

*Q11. Do you agree with the specific proposals for limiting stakes and prizes for poker, and if not what do you think they should they be?*

*Q12. Do you agree that a code of practice would be helpful, and if so what kind of provisions might it contain?*

*Q13. Do you agree that maximum participation fees for exempt equal chance gaming should be increased as proposed?*

*Q14. Do you agree that the corresponding fees for equal chance gaming conducted under the provisions of a club gaming permit should be as proposed?*

*Q15. Do you agree that members' clubs and institutes should continue to be allowed to provide facilities for pontoon and chemin de fer under the provisions of a club gaming permit?*

*Q16. Are there any additional games of chance that ought to be included within these provisions, and if so why?*

*Q17. Do you agree that there is no need, at this time, to activate the powers that would enable holders of club gaming permits to impose deductions or levies on sums staked or won in games of chance?*

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### **Alcohol-licensed premises**

*Q18. Do you agree that there should be more stringent requirements for poker?*

*Q19. Are there any other types of gaming that should have similar requirements?*

*Q20. Do you agree that there should be a limit of £5 per person, game on individual stakes for any type of gaming?*

*Q21. Do you agree with the proposals for daily and weekly limits for poker?*

*Q22. Do you agree that a code of practice for gaming in alcohol-licensed premises would be helpful?*

*Q23. If so, what provisions might it contain?*