



City of Westminster

Licensing Committee

Date: 20 March 2013

Classification: For General Release

Title: Department for Culture, Media and Sport public consultation on the proposals for changes to maximum stake and prize limits for category B, C and D gaming machines.

Report of: Operational Director for Premises Management

Wards Involved: Not Applicable

Financial Summary: No financial implications

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1. Summary

- 1.1 The Department for Culture, Media and Sport (DCMS) has published a consultation paper on the proposed changes to maximum stake and prize limits for gaming machines (see Appendix A).
- 1.2 This consultation period runs until 9 April 2013.
- 1.3 The Licensing Service has put together proposed responses to the consultation paper (see Appendix B) and is seeking the views of the Licensing Committee prior to its final response.

2. Recommendation

- 2.1 That the Licensing Committee review the proposed responses and offer any opinions or views on the proposed responses.

3. Background

- 3.1 Stake and prize limits for gaming machines are set by regulations. Although amendments to these limits have been made since the implementation of the

Gambling Act 2005 (GA05), this is the first industry wide review of all stake and prize limits.

- 3.2 The gambling industry states that sustaining existing business and achieving growth can be done through increases to the maximum stakes and prize limits for gaming machines. According to the Office of National Statistics, in 2009 the industry was directly worth £4.9 billion in Gross Value Added terms and employs over 111,000 people.
- 3.3 Westminster currently has a variety of licences gambling premises under the Gambling Act 2005:
- 21 Casinos
 - 119 Betting Shops
 - 12 Adult Gaming Centres
 - 1 Bingo Premises
 - 1 Track
 - 2 Family Entertainment Centres
 - 239 Gaming Machine Notifications for alcohol led premises (allowing up to 2 Category C or D gaming machines)
 - 63 Gaming Machine Permits for alcohol led premises (allowing more than 2 Category C or D gaming machines).
- 3.4 This consultation deals solely with the limits to stakes and prizes for gaming machines. It should be noted that in their separate paper, “The Gambling Act 2005: A bet worth taking?” published on 2 July 2012, the DCMS proposes to lift the restriction on 4 machines of category B2 to D gaming machines in an attempt to prevent Betting Shops clustering on the high street.

4. Consultation responses

- 4.1 The proposed responses are provided at Appendix B.
- 4.2 Given the breakdown of licensed premises in Westminster, the greatest concern remains the B2 gaming machines, most frequently found in Betting Shops. These premises are currently limited to four machines per shop, although this is subject to change, as stated in paragraph 3.4 above.
- 4.3 Following these, Category C and D machines are the most prevalent. Each alcohol-led licensed premises under the Licensing Act 2003 has an automatic right to two Category C or D machines, although they have to make the Licensing Authority aware of these by way of a notification. Westminster currently has 239 such notifications on record.
- 4.4 In addition to notifications, alcohol-led licensed premises can apply for a gaming machine permit to allow any number of Category C or D machines. Westminster has 63 current permits issued. The vast majority of these permits are to allow 3 or 4 machines in the premises.
- 4.5 Westminster has 21 converted casinos. Converted casinos are permitted a maximum number of 20 of any combination of B1 – B4 machines or an unlimited number of category C or D machines.

- 4.6 Casinos present a lesser risk with regards to gaming machines as they are highly regulated environments employing significant numbers of trained floor staff and security staff.
- 4.7 In contrast to this, betting shops are looking for more innovative ways to reduce shop staff to a minimum, including automated betting terminals, and have minimal or no security staff on the premises. It follows, therefore, that by employing fewer staff there is fewer trained staff to look for signs of problem gamblers using the gaming machines, and therefore less protection for customers. In Westminster we have several examples of premises having the maximum of four B2 gaming machines but only one staff member on the premises.
- 4.8 Although there is no proposal to increase the stakes and prizes for B2 gaming machines, it is the opinion of the Licensing Service that the point should be made now to the DCMS and the industry that these machines are creating issues with problem gambling and criminal damage within the betting shops, as well as having wider implications within the community.
- 4.9 As stated in the consultation paper, the difficulty in assessing the impact of these machines is that there is yet to be any definitive research to prove or disprove a link between use of the machines and problem gamblers. Whilst the Licensing Service is aware of issues relating to gaming machines, particularly the B2 machines found in betting shops, reports of these issues are anecdotal and unsupported by practical evidence. More comprehensive research studies are being proposed, but the results from such studies will not be available for some time, potentially years.
- 4.10 Consultation questions 11, 14(c), 16, 19, 22 and 29 remain unanswered at present. These questions ask for other options that the DCMS has not considered. The Licensing Service would welcome any suggestions made by the Licensing Committee regarding any alternative options.

5. Financial Implications

- 5.1 There are no financial implications arising from this report.

6. Legal Implications

- 6.1 There are no legal implications.

If you have any queries about this report please contact Nick Nelson on 020 7641 3431, or email nnelson@westminster.gov.uk.