

# The Gambling Act 2005

## Important changes to the law relating to Gambling



The new Gambling Act came into force on 1<sup>st</sup> September 2007. The change affects anyone involved in gaming, betting, lotteries or bingo.

This leaflet contains a number of questions and answers, providing a brief guide to the main elements. This advice is not intended to be a definitive guide to, nor a substitute for, the relevant law. Independent legal advice should be sought.

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## **PART A - INTRODUCTION**

### **What is the background to the Gambling Act?**

The Government Department responsible for the Gambling Act is the Department for Culture, Media & Sport (DCMS). The policy proposals were initially set-out in a White Paper "A Safe Bet for Success" published in March 2002 which was the Government's response to a report of the Independent Gambling Review Body, published in July 2001. A draft Gambling Bill was published in November 2003 and the Gambling Act 2005 was passed on 7<sup>th</sup> April 2005. The Act came fully into force on 1<sup>st</sup> September 2007 and licensing authorities began to deal with applications from this date. The Act is available via: <http://www.opsi.gov.uk/acts/acts2005/20050019.htm>

The reform affects England, Wales and Scotland.

### **What is the purpose of the Act?**

The Act replaced three previous Acts relating to gambling: the Betting, Gaming and Lotteries Act 1963; the Gaming Act 1968; and the Lotteries and Amusements Act 1976.

There is a single regulator, The Gambling Commission, formed from the previous Gaming Board for Great Britain, responsible for licensing gambling operators and those working in the gambling industry. The Gambling Commission has new responsibilities relating to betting, remote gambling, illegal gambling and the protection of children and the vulnerable. It also has powers of entry, search and seizure. The Act enables a wider geographic spread of casinos.

The Government has given responsibility to the Gambling Commission to monitor the social impact of gambling reform and the Secretary of State has a reserve power to levy monies from industry to fund projects relating to gambling addiction or other harms/exploitation associated with gambling or any of the licensing objectives.

### **How was the Act implemented?**

Local Authorities, as Licensing Authorities were first required to publish 'Statements of Policy' setting out their duties under the Act. Statements must be reviewed at least every three years. There was a period of transition between January-September 2007, when Licensing Authorities processed conversion applications and the Act came into force on 1<sup>st</sup> September 2007.

The Statement can be viewed at:

[www.cambridge.gov.uk/ccm/content/business/licensing-and-permissions/gambling-licences-and-permits.en](http://www.cambridge.gov.uk/ccm/content/business/licensing-and-permissions/gambling-licences-and-permits.en)

### **What role do local authorities have?**

Licensing Authorities are defined in the Act as District Councils or the County / Borough Council. Cambridge City Council is the Licensing Authority for any premises falling within the boundary of the City of Cambridge.

Licensing authorities are responsible for the following licences and permissions:

- Adult Gaming Centre Premises Licences.
- Family Entertainment Centre Premises Licences.
- 'Unlicensed' Family Entertainment Centre Gaming Machine Permits.
- Betting Premises Licences
- Betting Tracks Premises Licences
- Bingo Premises Licences
- Casino Premises Licences
- Alcohol Licensed Premises Gaming Machine Permits (and notifications of 2 or less gaming machines)
- Club Gaming and Gaming Machine Permits
- Temporary Use Notices
- Occasional Use Notices.
- Registration of Small Society Lotteries.

Licensing Authorities are also required to provide quarterly information to the Gambling Commission regarding details of licences issued and to maintain public registers of licences/permissions.

#### **What powers do local authorities have under the Act?**

Local Authorities, acting as Licensing Authorities, have a number of powers under the Act, including:

- Granting or refusing Premises Licences and Permit applications
- Granting Premises Licence applications but removing or adding conditions
- Reviewing Premises Licences leading to revocation or removal/addition of licence conditions
- Prosecuting licence holders for certain offences under the Act or breaches of licence conditions.
- Prosecuting non-licence holders for offences under the Act e.g. illegal gambling.

The Licensing Authority does not need to wait to receive representations or objections from other persons in order to hold a hearing to consider an application, remove or add conditions, or commence a review.

The Act requires that the Licensing Authority shall aim to permit gambling in so far as the authority think it is in accordance with the Gambling Commission codes of practice and guidance, is reasonably consistent with the licensing objectives and in accordance with the Licensing Authority's own Statement of Principles.

#### **What is the Gambling Commission's role?**

Whilst the licensing authorities are responsible for Premises Licences, the Gambling Commission is responsible for Operating Licences and Personal Licences. The Commission also has a duty to provide guidance to local authorities on their functions.

The Commission also has a responsibility to monitor the social impact of gambling reform. It must carry out its duties, where appropriate, with regard to the licensing objectives of the Act.

The Commission is defined as a 'Responsible Authority' and receives notifications of Premises Licence applications made, revoked, etc. It can make representations regarding applications to the Licensing Authority.

Further information about the Gambling Commission is available at:  
<http://www.gamblingcommission.org.uk>

### **What is gambling?**

Gambling is defined in the Act as gaming, betting or participating in a lottery. In turn, each of these are further defined as follows:

**Gaming** (defined in Section 6) means playing a game of chance for a prize. *Game of chance* is a game, which includes both an element of chance and an element of skill; or where an element of chance can be eliminated by superlative skill; or where the game is presented as involving an element of chance. The game cannot however include a sport. A person *plays* a game of chance if s/he participates in the game; it is irrelevant whether or not there are other participants or whether there are computer-generated images of other participants. *Playing for a prize* means where the participant acquires a chance of winning a prize by playing the game, even if s/he does not risk losing anything. *Prize* means money or money's worth and includes both prizes provided by an organiser and winnings of money staked.

**Betting** (defined in Section 9) means making or accepting a bet on the outcome of a race, competition or other event or process; on the outcome of anything occurring or not occurring; or on whether anything is or is not true. It is irrelevant whether that event has already taken place (or has failed to take place), or where one party knows the outcome. It should be noted that spread betting is regulated by the Financial Services Authority and does not come within this definition of betting.

A **lottery** (defined in Section 14) is either a simple lottery or a complex lottery. A *simple lottery* is one where persons are required to pay to participate and one or more prizes are allocated to one or more members of a class, and the prizes are allocated by a process, which relies wholly on chance. A *complex lottery* is where persons are required to pay to participate and one or more prizes are allocated to one or more members of a class, and the prizes are allocated by a series of processes where the first of those processes relies wholly on chance. *Prize* means money, articles or services provided by the members of the class among whom the prize is allocated. The National Lottery is not included in this definition of lottery and is regulated by the National Lottery Commission.

A definition of **remote gambling** is also provided.

### **What is 'private' or 'non-commercial' gaming?**

- *Gaming is private*: if no charge is made for participation (including an admission charge); it does not occur in a place to which the public have access; and (unless it is domestic or residential gaming) the gaming is equal-chance gaming. Domestic gaming is gaming that takes place in a private dwelling and on a domestic occasion; residential gaming is gaming that takes place in a hostel, hall or residence or similar establishment (not conducted in the course of a business) and more than half of the participants are residents of the establishment.
- *Betting is private* where it is domestic betting or workers' betting. Domestic betting is that where the betting is made on premises in which each party lives. Workers' betting is betting made between persons who have a contract of employment with the same employer.
- *Gaming is non-commercial* where it takes place at a non-commercial event. Such an event is where no part of the proceeds is used for private gain. There are specific additional requirements for non-commercial prize gaming and non-commercial equal chance gaming.
- *Betting is non-commercial* where no party enters into the betting in the course of a business or holds himself out as being in business in relation to the acceptance of the bets.

## **PART B – PERSONAL, OPERATING AND PREMISES LICENCES**

### **What types of licences are there?**

The licences are:

- Personal Licences
- Operating Licences
- Premises Licences

### **PERSONAL LICENCES**

#### **What are Personal Licences?**

These licences are required for certain persons involved with gambling operations in either management or operational functions. It is the responsibility of the Gambling Commission to decide which posts or persons require a licence, (based upon the definitions of 'management office' and 'operational function'), which it will specify as part of the conditions of each relevant Operating Licence.

Every Operating Licence application must be accompanied by at least one personal management licence application except for small-scale operators that may be exempt from this requirement. Members' Clubs, Commercial Clubs and Miners' Welfare Institutes who require Bingo Operating Licences are also exempt.

#### **How long do Personal Licences last?**

Personal Licences have an unlimited duration, unless for example the licence lapses, is surrendered, forfeited or revoked.

**How does the Gambling Commission decide upon Personal Licence applications?**

The Gambling Commission decides upon Personal Licence applications on the basis of the licensing objectives and the suitability of the applicant, which includes consideration of his/her integrity, competence and financial circumstances.

**Can a person hold more than one Personal Licence?**

A person may not hold more than one Personal Licence although the Personal Licence may cover a number of management / operational functions.

**Can the public view who holds a Personal Licence?**

There is a public register of Personal Licence holders on the Gambling Commission's website.

**OPERATING LICENCES**

**What are Operating Licences?**

These licences are required by operators of most types of gambling facilities and are issued by the Gambling Commission. They authorise the holder to provide particular facilities for gambling. They do not authorise gambling on any particular premises (that is the function of the Premises Licence). The different types of Operating Licences are:

- *Casino Operating Licence* - this enables the licence holder to operate a casino and provide casino games (banker's games and games of unequal chance like roulette and blackjack).
- *Bingo Operating Licence* - this enables the licence holder to provide facilities for playing bingo of any kind. This covers both cash and prize bingo. Prize gaming can also be provided.
- *General Betting Operating Licence* - this enables the licence holder to provide facilities for betting other than pool betting. As per Section 68 of the Gambling Act this General Betting Operating Licence also allows the licence holder to provide facilities for betting on the outcome of a virtual race, competition or other event or process other than a game of chance (subject to any condition attached by the Gambling Commission).
- *Pool Betting Operating Licence* - this enables the licence holder to provide facilities for pool betting.
- *Betting Intermediary Operating Licence* - this enables the licence holder to act as a betting intermediary ('betting intermediary' is defined in Section 13 as a person who provides a service designed to facilitate the making or

acceptance of bets between others, commonly referred to as a 'betting exchange').

- *Gaming Machine General Operating Licence* - this enables the licence holder to make gaming machines available for use in an *Adult Gaming Centre* or in a *Family Entertainment Centre* (the licence needs to state which).
- *Gaming Machines Technical Operating Licence* - this enables the licence holder to manufacture, supply, install, adapt, maintain or repair gaming machines.
- *Gambling Software Operating Licence* - this enables the licence holder to manufacture, supply, install or adapt gambling software for use in relation to remote gambling. Gambling software intended for gaming machines comes within the gaming machine technical operating licence.
- *Lottery Operating Licence* - this licence is required by promoters of lotteries with a value above the prescribed threshold, and by all external lottery managers.

*Each of the above licences is available either for remote or non-remote operations. If you wish to offer on-line gambling, or gambling over the telephone or television, you will require a remote licence. Where you intend to offer gambling on premises, you will require a non-remote licence. The two cannot be combined.*

### **Can an operator hold more than one type of Operating Licence?**

Yes, an Operating Licence may combine more than one type of Operating Licence. However, remote and non-remote licences cannot be combined.

### **What conditions apply to Operating Licences?**

The Gambling Commission is able to attach, amend or revoke conditions for all Operating Licences, or, for a particular class of Operating Licences. The Gambling Commission has published a document entitled 'Licence Conditions and Codes of Practice' which sets out which conditions apply to each type of operating licence. Conditions cover matters such as protection of customer funds, cash handling, provision of credit, tipping of staff and requirements for Personal Management Licences. Compliance with social responsibility Codes of Practice is also an Operating Licence condition. Examples of the matters covered in the Codes are age checking procedures, provision of information regarding help available for problem gamblers and the availability of self-exclusion.

### **How does the Gambling Commission decide upon applications for Operating Licences?**

The Gambling Commission considers applications for Operating Licences with regard to the Licensing Objectives contained within the Gambling Act 2005 and with regards to the applicant's suitability, and the suitability of any

equipment of gaming machine to be used in connection with the licensed activities. The applicant's suitability is assessed according to matters such as his/her integrity and competence to meet the Licensing Objectives and his/her financial or other circumstances. The types of evidence which the Commission will consider, as regards suitability, are set-out in its Statement of Principles. Where the casino is not a remote casino then the Commission can consider the applicant's commitment to protecting vulnerable persons from being harmed or exploited by gambling and to making assistance available for persons affected by problems related to gambling.

### **How long do Operating Licences last?**

The licences last indefinitely although the Gambling Commission may determine a specified period for a particular class of licence. There is an initial application fee as well as an annual continuation fee. The Secretary of State sets the fees, based upon Gambling Commission advice.

### **Can the public view who holds an Operating Licence?**

A public register of all Operating Licences is available on the Gambling Commission's website.

## **PREMISES LICENCES**

### **What are 'Premises Licences'?**

Cambridge City Council as the Licensing Authority can issue the following Premises Licences:

- Casino Premises Licence
- Bingo Premises Licence
- Adult Gaming Centre Premises Licence
- Family Entertainment Centre Premises Licence
- Betting Premises Licence (enabling the provision of facilities for betting, by making or accepting bets or by acting as a betting intermediary)

These are the licences which Cambridge City Council is required to issue to enable Operating Licence holders to provide gambling facilities from particular premises. A Premises Licence can only have effect if the holder of the Premises Licence also holds a valid Operating Licence. The manner in which the authority exercises its functions in relation to Premises Licences is broadly similar to the requirements of the Licensing Act 2003; for example, the same Licensing Committee deals with licences under the Gambling Act 2005. It should be noted, however, that the grounds for granting applications are different under the two Acts and that functions/powers of Licensing Authorities are different in a number of aspects.

### **Can different types of gambling take place within the same premises?**

Generally, different types of gambling facility cannot be provided within the same premises. The exception to this is for casinos, where the new small, large and regional casinos can provide betting as well as gaming. The large and regional casinos can provide bingo also. In all cases the appropriate Operating Licences need to be held.

### **Who can apply for a Premises Licence?**

A holder of a relevant Operating Licence, or a person who has applied for a relevant Operating Licence, can apply to the Licensing Authority for a Premises Licence, although the Premises Licence cannot be granted until the applicant actually holds a relevant Operating Licence. There is an exemption, however, that for Betting Premises Licences for a track, the applicant does not need to hold an Operating Licence. An applicant for a Premises Licence must have a right to occupy the premises to which the application relates. If not, then s/he can apply for a Provisional Statement.

### **Are Premises Licences transferable?**

Yes, Premises Licences are transferable amongst Operating Licence holders where an application for transfer is granted by the Licensing Authority.

### **Can a number of different Premises Licences apply to a single premises?**

No, each premises can only have a single Premises Licence at any time except for tracks, which can hold more than one Premises Licence as long as each licence relates to a different, specified area of the track.

### **What fees are payable?**

A fee is payable on application for the licence and there is also an annual fee due. Premises Licence fee levels in England and Wales are set by the Secretary of State with a prescribed maxima per licence type. Fees are set by within these bands to recover the full costs of the Licensing Authority.

### **How long does a Premises Licence run for?**

The duration of a Premises Licence is not time limited, although the Secretary of State can prescribe a period of time after which all Premises Licences will expire. Premises Licences do lapse in certain circumstances and on review may be suspended or revoked.

### **How will a Licensing Authority make its decision on a Premises Licence Application?**

The Licensing Authority must aim to grant the licence in so far as it is:

- In accordance with any Code of Practice issued by the Gambling Commission.
- In accordance with the Gambling Commission's Guidance for Local Authorities
- Reasonably consistent with the Licensing Objectives
- In accordance with the Licensing Authority's Licensing Policy/Statement of Principles
- In accordance with any resolution issued under Section 166 (i.e. a resolution that the Licensing Authority wants no further casinos)

***It should be noted that expected demand for the facilities cannot be a consideration, nor can the likelihood that the proposal will be given planning permission.***

The Licensing Authority will make its decisions based upon the above and any representations made to it. If there are representations made, or conditions are proposed to be imposed, or conditions placed on licences by the Secretary of State excluded from the licence, then these issues must be decided upon by a Licensing Committee (unless all parties consent to a determination of the licence without a committee hearing).

#### **Who can make representations?**

An Interested Party or a Responsible Authority may make representations to the Licensing Authority regarding an application for a Premises Licence. The Act contains a list of those bodies which are considered to be Responsible Authorities and Interested Parties. The list of Responsible Authorities includes the Licensing Authority in which the premises are located; the Gambling Commission; Fire; Police; Environmental Health; Planning; the body recognised by the Licensing Authority as responsible for the protection of children from harm for that area; HM Revenue and Customs; and other persons which the Secretary of State may add via Regulations. Interested Parties are those who live sufficiently close to the premises to be likely to be affected by the authorised activities, and those who have business interests that might be affected by the authorised activities. Bodies representing these persons are also classed as Interested Parties.

#### **Can a review of a Premises Licence be applied for?**

Yes, a Responsible Authority or an Interested Party may apply to the Licensing Authority for a review of the Premises Licence. The Licensing Authority can also initiate a review of a Premises Licence of its own accord where it has reason(s) to suspect that the licence conditions are not being complied with, or for other reasons where it believes a review is appropriate.

#### **Does the Licensing Authority have to initiate a review once an application for review is received?**

Not necessarily. Firstly the Licensing Authority must consider whether the application for a review is relevant to any Gambling Commission Code of Practice; the Gambling Commission's Guidance for Local Authorities; the Licensing Objectives; or the local Licensing Policy/Statement of Principles. The Licensing Authority must also consider whether the application for the review is frivolous and/or vexatious, or whether the grounds of the application are substantially the same as grounds specified in an earlier application for a review or representations made during the granting of the Premises Licence Process.

#### **What are the possible outcomes of a review?**

The licence can be revoked, suspended for up to 3 months, have the conditions changed, or left alone. The Licensing Authority will notify the applicant for the review, the licensee, any persons making representations, the Gambling Commission, the Police and HM Revenue and Customs of any changes made as a result of a review.

### **What is the appeals procedure?**

In England and Wales appeals can be made to the Magistrates' Courts and must be made within 21 days of the relevant decision.

### **Who has a right to appeal?**

Where the Licensing Authority has rejected an application then the applicant has a right of appeal. Where the Licensing Authority has granted the application then the applicant has a right of appeal as well as any person who made representations in relation to the application. Where the Licensing Authority has taken action as a result of a review of the Gambling Premises Licence then the licensee has a right of appeal as well as any person who made representations in relation to the review, the person who applied for the review, or the Gambling Commission. Where the appeal is made by a person who made representations, then the applicant will be joined with the Licensing Authority as co-respondent.

### **Is a Register of Premises Licences held?**

The Act requires the Licensing Authority to maintain registers of Premises Licences issued and to ensure that the Register is open to the public at all reasonable times. The Secretary of State has not made any regulations outlining the form or manner of the register.

### **What are the Gambling Commission's Codes of Practice?**

The Gambling Commission has published Codes of Practice regarding the manner in which facilities for gambling are provided and describing such arrangements for the purposes of ensuring that gambling is conducted in a fair and open way, and for protecting children and other vulnerable persons from being harmed or exploited by gambling, as well as making assistance available to persons who are or may be affected by problems related to gambling. A failure to comply with a Code does not in itself make a person liable to criminal or civil proceedings but the Code is admissible as evidence in criminal or civil proceedings and should be taken into account by any court or tribunal in any case where it appears relevant. The Gambling Commission is required to consult a number of persons before issuing or revising Codes of Practice including local authorities, where it thinks this is appropriate.

### **What is the 'Guidance' from the Gambling Commission?**

The Gambling Commission is required to provide Local Authorities with guidance as to the manner in which they are to exercise their functions under the Act, and the principles which they should apply. Local Authorities are required to be consulted prior to this Guidance being issued and should have regard to it in exercising their functions

### **What are the Licensing Objectives?**

1. Preventing gambling being a source of crime or disorder, being associated with crime or disorder or being used to support crime,
2. Ensuring that gambling is conducted in a fair and open way, and
3. Protecting children and other vulnerable persons from being harmed or exploited by gambling.

### **What is the Licensing Policy/Statement of Principles?**

All Licensing Authorities, including Cambridge City Council are required to prepare a Licensing Policy which will be a Statement of the Principles which it proposes to apply in carrying-out its functions under the Act. The policy must be kept under review and will last no longer than three years. The Licensing Authority must consult with the police and other persons likely to be affected, or currently carrying on a gambling business, within the area. The views of these persons are considered when drawing up the policy. The Statement can be viewed on our website:

[www.cambridge.gov.uk/ccm/content/business/licensing-and-permissions/gambling-licences-and-permits.en](http://www.cambridge.gov.uk/ccm/content/business/licensing-and-permissions/gambling-licences-and-permits.en)

### **What flexibility does the Licensing Authority have in setting its Statement of Principles?**

Licensing Authorities need to have regard to the Guidance from the Gambling Commission when preparing their Statement of Licensing Policy. Licensing Authorities can pass a resolution to refuse all new casino licences for premises in their area, or parts of it. Such a resolution needs to be detailed in the Statement of Licensing Policy.

### **What flexibility do Licensing Authorities have to set conditions on Premises Licences?**

The Secretary of State has provided for a number of mandatory and default conditions to be attached to Premises Licences. Licensing Authorities may attach conditions to licences and may exclude default conditions. The default conditions set out operating hours, which can be changed with the Licensing Authority's agreement.

### **What enforcement duties do local authorities have?**

Inspection duties and powers are set out in the Act. The Gambling Commission has its own compliance and enforcement Officers, however, licensing authority 'authorised persons' have a number of enforcement powers for premises within their area. Therefore Local Authorities and the Gambling Commission are jointly responsible for compliance and enforcement. Generally, the Gambling Commission will focus upon the Operating and Personal Licences or matters of strategic/national importance, whereas the Local Authority will focus on Premises Licences and Permits. Enforcement/compliance work related to illegal gambling is undertaken by the Local Authority or the Gambling Commission.

## **PART C – PROVISIONAL STATEMENTS, PERMITS, TEMPORARY & OCCASIONAL USE NOTICES, AND SMALL SOCIETY LOTTERY REGISTRATION**

There are a number of other Permits and Registrations, which the Licensing Authority is responsible for under the Gambling Act 2005. These are detailed below.

**(i) What are ‘Provisional Statements’?**

A Provisional Statement may be applied for in respect of premises which the applicant expects to be constructed; that s/he expects to be altered; and/or expects to acquire the right to occupy. The Provisional Statement is a way for applicants to gain permission for an intended development, or prior to concluding legal arrangements, to purchase or lease the premises. This is because a Premises Licence cannot be applied for until the applicant has a right to occupy the premises.

The process for making and determining the application are the same as for a Premises Licence except that the applicant does not need to hold, or have applied, for an Operating Licence. All considerations which apply to a Premises Licence application apply to a Provisional Statement application. There are regulations defining plans and other information to accompany an application.

The Act also sets out some specific provisions relating to a subsequent application for a Premises Licence where the applicant holds a Provisional Statement and limits the grounds for which the authority can refuse the application. This provides the holder of a Provisional Statement with some comfort that if her/his circumstances do not change and the provisions of the Provisional Statement have been abided by, then the Premises Licence should be granted.

**(ii) Club Gaming Permits & Club Machine Permits**

Members’ Clubs, Commercial Clubs and Miners’ Welfare Institutes are defined in Part 12, Sections 266-268 of the Gambling Act 2005.

A Members’ Club or a Miners’ Welfare Institute wishing to provide facilities for gaming is able to make limited equal chance gaming facilities (e.g. limited stakes and prize poker and limited participation fees for games such as bridge and whist) available, without any express permission.

If a Members’ Club or a Miners’ Welfare Institute (but not a Commercial Club) wishes to offer further facilities for gaming it will need to apply to its local Licensing Authority for a Club Gaming Permit. This Permit will authorise additional, higher value gaming and also authorise making up to three gaming machines available for use of categories B3A, B4, C, or D).

A Members’ Club or Miners’ Welfare Institute (which do not hold Club Gaming Permits), as well as a Commercial Club, wishing to make gaming machines available for use (without any additional gaming entitlement), will need to apply to the local Licensing Authority for a Club Gaming Machine Permit. This permit will authorise making up to three gaming machines available.

A copy of these applications should be sent to the Gambling Commission and the Chief Officer of Police, either of which may object to an application. Holders of Club Premises Certificates under the Licensing Act 2003 may apply for a fast-track procedure, which does not require the application to be copied to the police or Gambling Commission.

There are a number of requirements in the Act which holders of these permits must comply with and the Gambling Commission have also issued a code of practice relating to gaming machines in alcohol licensed premises and clubs.

### **(iii) Gaming Machine Permits for Unlicensed Family Entertainment Centres**

The Act creates two classes of family entertainment centre (FEC), Licensed FEC's and Unlicensed FEC's. Licensed FEC's provide category C and D gaming machines and require a Premises Licence. Unlicensed FEC's provide category D gaming machines only and are regulated through FEC gaming machine permits. FEC's are defined as being premises wholly or mainly used for making gaming machines available for use (other than an Adult Entertainment Centre).

Machine arcade operators that propose to provide only Category D gaming machines (which can be played by children) must hold an FEC Gaming Permit. Applications for FEC Gaming Permits can be made to the Licensing Authority by occupiers (or proposed occupiers) of premises, which are proposed to be used as Unlicensed FEC's. The Permit will have effect for ten years and may then be renewed, although the Permit will lapse if the licence holder ceases occupying the premises (there are a number of other situations where the Permit will lapse).

### **(iv) Notifications and Licensed Premises Gaming Machine Permits (for Premises licensed to sell/supply alcohol for consumption on the premises under the Licensing Act 2003)**

The following type of alcohol licensed premises qualify for certain gaming and gaming machine entitlements:

- Premises with a Premises Licence under Part 3 of the Licensing Act 2003, authorising the sale or supply of alcohol for consumption on the premises; and
- Which contain a bar at which alcohol is served for consumption on the premises (without a requirement that alcohol is served only with food)

Such premises are given rights to offer certain low-value equal chance gaming (like dominoes, cribbage and low-stakes and prize poker). They are also allowed to use 1 or 2 gaming machines (of category C or D) provided the *Licensing* Authority is notified and the prescribed fee paid.

However, the Licensing Authority can make an order to remove either of these entitlements for reasons specified in Section 284 of the Act. (for example if the application of the automatic entitlement would not be reasonably consistent with the Licensing Objectives or if an offence under the Gambling Act 2005 has been committed).

If an alcohol licensed premises holder wishes to make available more than two gaming machines, an application must be made to the Licensing Authority

for a Licensed Premises Gaming Machine Permit. When granting such permits, the local authority will specify the number of gaming machines permitted the permit. The machines may be category C or D. There is an application fee payable as well as an annual fee.

All alcohol licensed premises which have gaming machines must comply with the Gambling Commission's code of practice on gaming machines in alcohol licensed premises and clubs, available on their website:

[www.gamblingcommission.org.uk](http://www.gamblingcommission.org.uk)

#### **(v) Prize Gaming Permits**

Gaming is Prize Gaming for the purposes of the Act if neither the nature nor the size of the prize played for is determined by reference to either the number of persons playing, or the amount paid for/raised by the gaming. Prize gaming can be provided at a Licensed Family Entertainment Centre, an Adult Gaming Centre, an Unlicensed Family Entertainment Centre (i.e. with a Gaming Machine Permit), a travelling fair, or under a Bingo Premises Licence. It can also be provided under a permit granted under Section 289 of the Gambling Act 2005.

Different types of prize gaming (equal or unequal chance) are allowed at different premises. Premises with a permit may play unequal and equal chance prize gaming. All Prize Gaming whether authorised by virtue of a Prize Gaming Permit or not, must also fulfil a number of conditions set-out in Section 293 covering items such as the participation fees, value of prizes, time of the game and place of the game.

#### **(vi) Temporary Use Notices**

A holder of an Operating Licence can serve a Licensing Authority with a notice informing it of an intention to use unlicensed premises (temporarily) for gambling. The notice must be served 3 months in advance of the gambling taking place. The Secretary of State has specified the types of gambling that can take place under a Temporary Use Notice. The type of gambling allowed is equal chance gaming intended to produce a single overall winner e.g. poker tournament.

The notice must be copied by the notice provider to the Gambling Commission, the Police and HM Revenue and Customs within seven days of the original notice being served upon the Licensing Authority. All those persons receiving copies of the notice can raise objections having regard to the Licensing Objectives, within 14 days of the original notice being served upon the Licensing Authority and are required to serve a notice of objection upon the persons who gave the original notice. The Licensing Authority can also issue a notice of objection.

Premises may be 'covered' by a temporary use notice for up to 21 days in any 12-month period. Where this maximum permitted period is exceeded, the Licensing Authority is required to serve a Counter Notice to refuse permission for the temporary activities.

Where notices of objection are raised then the Licensing Committee will decide if a Counter Notice should be issued and the Temporary Event Notice should not take effect, or whether a Counter Notice should be issued providing for the Temporary Use Notice to have effect but subject to certain restrictions such as type, time or place of the activity(ies). The Licensing Committee may also decide that the objection(s) is/are dismissed and that the Temporary Use Notice should have effect. It may also be agreed by the objector(s) and the Temporary Use Notice provider that a hearing is not required and modifications to the Temporary use Notice are made with mutual consent. In such a situation the objections would in effect, be withdrawn. An effective Temporary Use Notice, when combined with the appropriate Operating Licence, will allow gambling of the specified kind to be provided for the limited period specified, on unlicensed premises. A fee is payable to the licensing authority for a Temporary Use Notice.

#### **(vii) Occasional Use Notices**

Where there is betting on a track on eight days or less in a calendar year, an Occasional Use Notice may permit betting without the need for a full Betting Premises Licence. Any persons offering bets must have an Operating Licence. Operators cannot provide gaming machines at tracks by virtue of an occasional use notice. Gaming machines are provided through betting premises licences

The person responsible for the administration of events on the track must serve the occasional use notice on the Licensing Authority and send a copy of the notice to the Chief Officer of Police for the area in which the track is located. The notice must specify the day on which it will have effect. Notices may be given in relation to consecutive days, so long as the overall limit of eight days is not exceeded in the calendar year. There is no timeframe in which this notice must be provided and no fee is payable.

A track is defined as a horse-race course, dog track or other premises on any part of which a race or other sporting event takes place, or is intended to take place. There are special provisions authorising pool betting by agents, on horse or dog racing, on tracks which have an Occasional Use Notice.

#### **(viii) Small Society Lotteries Registration**

A Lottery Operating Licence is not required for persons promoting 'exempt' lotteries. There are four types of exempt lotteries, one being the 'small society lottery'. (i.e. non-commercial society and value of tickets per lottery £20,000 or less or aggregate annual value no more than £250,000). Small society lotteries must be registered with the relevant Licensing Authority. A register is kept by the Licensing Authority of all applications. Further information is available on our website:

[www.cambridge.gov.uk/ccm/content/business/licensing-and-permissions/gambling-licences-and-permits.en](http://www.cambridge.gov.uk/ccm/content/business/licensing-and-permissions/gambling-licences-and-permits.en)

## **PART D - TYPES OF PREMISES**

### **CASINOS**

#### **What is a casino?**

A casino is an arrangement (whether on premises or via remote communication e.g. the internet) where people can participate in casino games. These 'casino games' are defined as being games of chance which are not equal chance games i.e. they involve playing or staking against a bank and the chances are not equally favourable to all the players (Section 8 'Equal Chance Gaming'). The Gambling Commission has published a list of approved casino games which casinos can offer.

#### **What were the restrictions upon casinos and how were these altered by the Act?**

Prior to the Act, casinos could only exist in permitted areas of the country if they satisfied a 'demand'. They had to be members' clubs and could only open between 2pm and 6am weekdays and until 4am on Sundays. Those wishing to play needed to wait 24 hours due to the membership rule. All these restrictions have been removed by the Act.

The Act regulates the number of jackpot machines, the maximum stake and the maximum prize. Casinos which were licensed under the Gaming Act 1968 have had their machine entitlement doubled to 20 and can offer stakes and prizes of £2 and £4,000 respectively. Small and large casinos can offer up to 80 and 150 machines respectively and can offer stakes and prizes of £2 and £4,000. The regional casino, only, will be able to provide category A gaming machines (permitting unlimited stakes and prizes) and will be limited to a maximum of 1,250 of these machines. There are minimum areas, table and machine ratios for small, large and regional casinos.

The Act permits machines to be linked at licensed casino premises provided that all of the machines are situated on the same premises. Linkage of gaming machines in this way does not authorise casino licences to offer maximum prizes in excess of those allowed for the category of machine being used.

Under the old law, casinos could not offer betting or bingo. Small, Large and Regional Casino Premises Licences will allow betting to be provided and large and regional casinos (but not small) will allow bingo, so long as the appropriate Operating Licences are held. Established casinos, previously licensed under the Gaming Act 1968 are not able to offer betting or bingo.

#### **What conditions apply to Casino Premises Licences?**

The mandatory and default conditions will apply. Local Licensing Authorities also have some power to remove or add conditions.

#### **What type of casinos will there be?**

There were four types of casinos provided for in the Act:

- Regional
- Large

- Small
- those below the minimum size for a licensed casino i.e. existing casinos under the Gaming Act 1968, benefiting from grandfather rights.

### **How many of each types of casino are permitted nationally?**

The following numbers of types of casino were intended by Government, but an order needs to be approved by both Houses of Parliament for this to happen.

- One regional casino
- Maximum of eight large casinos
- Maximum of eight small casinos
- All existing casinos

The Secretary of State may amend these numbers.

### **Where will these casinos be located?**

The Secretary of State will be regulating this.

### **What activities are permitted at casinos under the Gambling Act 2005?**

Casino games and any other game of chance; bingo except in a small casino and in other casinos only with a Bingo Operating Licence; gaming machines and betting, with a Betting Operating Licence.

### **Are children allowed to access casinos?**

Children (under 18 years old) are permitted to enter only the non-gambling areas of a regional casino. The Gambling Commission has issued Codes of Practice as regards access to casinos for young persons and children. Compliance with such a Code of Practice is a condition of a Premises Licence.

### **Is credit available at casinos?**

Credit cards cannot be used in casinos apart from using cash machines (ATM's) which are allowed in casino premises provided the licensee has no commercial connection with the ATM provider, nor receives any payment/reward as a result of having the machine on the premises. It is a condition of the Premises Licence that the licensee must not give credit in connection with the gambling or participate in, arrange, permit or knowingly facilitate the giving of credit in connection with the gambling.

### **What discretion do Licensing Authorities have as regards Casino Premises Licence applications?**

The Licensing Authority can pass a resolution, at any time, that no further casinos will be licensed in its area. The Licensing Authority may pass this resolution based upon "any principle or matter".

The resolution may be contained within the Local Authority Licensing Policy/Statement of Principles.

It is important to note that such a resolution will not affect those holding Casino Premises Licences in that area, or those holding Provisional Statements. Such a resolution will not affect existing casinos in the area.

The Secretary of State holds reserve powers under the Act to require particular groups of, or all Licensing Authorities, to consider whether or not to pass such a resolution. S/he may also require certain groups to be consulted and other procedural steps, such as timeframe for the consultation.

Even if no resolution has been passed, the authority will not be able to licence a new casino unless it has been provided for by the Secretary of State by way of an Order.

## **BETTING PREMISES**

### **What is betting?**

The Act introduces a statutory definition of betting. The definition means making or accepting a bet on the outcome of a race, competition or other event or process; on the outcome of anything occurring or not occurring, or whether anything is or is not true. It is irrelevant whether that event has already taken place or where one party knows the outcome. It should be noted that spread betting is regulated by the Financial Services Authority and does not come within this definition.

Pool betting is defined as betting which is made on terms that all or part of the winnings are determined by references to the aggregate of stakes paid or agreed to be paid by persons betting and shall be divided among the winners, or shall be something other than money.

### **How many betting offices are there?**

Prior to the implementation of the Gambling Act 2005 there were about 3,800 bookmakers' permits and about 8,000 licensed betting offices. The Gambling Commission will be publishing information about this in the future.

### **Are betting offices allowed gaming machines?**

Yes, they can have up to 4 gaming machines, categories B2, B3, B4, C and D. Tracks can have gaming machines if they have a Pool Betting Operating Licence as well as a Premises Licence.

### **What are tracks?**

A track is defined as a horse-race course, dog track or other premises on any part of which a race or other sporting event takes place, or is intended to take place (e.g. football ground). Track operators do not require a Premises Licence under the Gambling Act 2005 unless they provide gambling facilities on the track. An Occasional Use Notice is available for tracks where betting takes place for fewer than 8 days

### **What conditions will apply to Betting Premises Licences?**

The mandatory and default conditions will apply. Local Licensing Authorities also have some power to remove or add conditions.

### **What existing restrictions have been removed / maintained?**

Pool betting at tracks on horseracing or dog races continues to be allowed. The Tote continues to hold an exclusive Operating Licence to conduct

horserace pool betting. No other pool betting on tracks is permitted, although the Secretary of State has power to permit other types of pool betting on tracks, by order.

The prohibition on gambling on Good Friday has been lifted, but the prohibition on gambling on Christmas Day has been retained.

**Can children be present at racecourses?**

Children can be present at the track/course when there is a dog or horse racing taking place (or expected to take place) and can also be present where Category D gaming machines are. However they cannot be present in areas where gaming machines other than Category D are.

**Are betting exchanges regulated?**

Betting exchanges are generally Internet based and those running them require an Operating Licence, which classifies them as 'betting intermediaries'. This term is used for a person who is not party to a bet but provides a service enabling others to make bets or accept bets. The operators of betting exchanges require a Betting Intermediary Operating Licence, which includes tic-tacs operating at horse racecourses. Users of the exchange (i.e. those laying or backing) do not themselves require an Operating Licence, unless they are using the exchange in the course of a business.

While betting exchanges are predominantly a form of remote facilities for gambling, which require a remote Operating Licence, the Act does not prevent a betting intermediary obtaining a betting Premises Licence, to allow him to provide his services on premises.

**How are Fixed Odds Betting Machines (FOBT's) legislated for?**

These are gaming machines Category B2.

**What is 'private' or 'non-commercial' betting?**

See earlier section.

**BINGO PREMISES**

**How are bingo clubs affected?**

Since October 2005, bingo clubs no longer need to operate as private members' club and the requirement to join the club 24 hours before play ceased to exist.

**Is 'multiple / linked' bingo permitted?**

Under the old law, organisers of multiple bingo required special licences from the Gaming Board. However The Act removed these express rules on linked and multiple games. Instead, operators of multiple or linked bingo require remote Bingo Operating Licences since they are providing facilities for bingo using remote communications equipment. The Gambling Commission grants such remote licences.

**Are gaming machines permitted at bingo premises?**

Yes, they can have up to a total of 4 gaming machines category B2, B3, B4 and an unlimited number of category C and D.

**What gambling activities can take place at bingo premises?**

A Bingo Premises Licence enables the playing of all forms of bingo (as permitted by the Bingo Operating Licence), and prize gaming.

**Are children and young persons allowed into bingo premises?**

The Act contains rules about the access of children and young people to bingo premises and their employment there. Children and young persons are permitted onto the licensed premises but they must not be allowed to take part in the bingo, or use any gaming machine, other than a Category D machine.

**Is credit available at bingo premises?**

Credit cards cannot be used in licensed bingo premises apart from using cash machines (ATM's) which are allowed on bingo premises, provided the licensee has no commercial connection with the ATM provider, nor receives payment/reward as a result of having the machine on the premises. It is a condition of a Premises Licence that the licensee must not give credit in connection with the gambling or participate in, arrange, permit or knowingly facilitate the giving of credit in connection with the gambling.

**Is bingo allowed in casinos?**

Bingo will only be allowed in large and regional casinos; not in small casinos and the operator will require a Bingo Operating Licence. The Casino Premises Licence authorises bingo in such circumstances.

**Is bingo allowed in pubs & clubs, and miners' welfare institutes?**

Clubs, pubs and Miners' Welfare Institutes have been given certain rights to offer low level equal chance gaming. Clubs may also obtain a Club Gaming Permit to authorise additional gaming. All of these can be used for bingo

The Gambling Act 2005 introduced a new cap on the amount of bingo that can be played in any of these locations, without a Bingo Operating Licence. If the aggregate stakes or prizes in bingo games played on these premises, in any 7-day period, exceeds £2,000 (above threshold bingo), the Gambling Commission must be notified. An offence will be committed if the Gambling Commission is not notified. The offence of providing illegal gambling will be committed if another 7 day period of above threshold bingo takes place within 12 months of the first one occurring, without a Bingo Operating Licence.

Where a Members' Club, Commercial Club, or Miners' Welfare Institute holds a Bingo Operating Licence it does not need a Personal Licence. This exemption is in place as the Government's view is that the management structure at clubs and such institutes would make Personal Licences inappropriate.

## **PUBS**

### **What criteria constitute an 'Alcohol Licensed Premises'?**

Gambling in premises licensed under the Licensing Act 2003 for the sale and consumption of alcohol on the premises (on-licensed), where there is a bar at which alcohol is served, without a requirement that the alcohol is served only with food.

### **What gaming machines are allowed in pubs?**

Where the above criteria are met, the licence holder may apply to the Licensing Authority for a Licensed Premises Gaming Machine Permit. This permit will enable the premises to have category C or D machines and the licensing authority can add conditions limiting the number of machines.

The Act provides such alcohol-licensed premises with an automatic entitlement for up to two gaming machines (Category C or Category D) for use at the premises as long as written notification and a fee is provided to the relevant Licensing Authority, and that the provisions of any relevant Commission Code of Practice are complied with. The Licensing Authority can make an order to remove this automatic entitlement for reasons specified in the Act (e.g. if would not be reasonably consistent with the Licensing Objectives or if an offence under the Gambling Act 2005 has been committed).

The Gambling Commission Code of Practice on gaming machines in clubs and alcohol licensed premises is available to download from their website.

### **What types of gaming is allowed in pubs under the Act?**

The Act allows alcohol on-licensed premises to provide equal chance gaming, subject to Regulations setting limits on stakes and winnings, and where the following conditions apply:

- (a) No amount may be deducted or levied from stakes or winnings
- (b) No charge may be made for participation in the gaming
- (c) 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
- (d) Children and young persons must be excluded from the gaming

Licensing Authorities have the power to remove these gaming allowances on a number of grounds, for example if the premises are mainly used for gaming. Equal chance gaming includes games such as dominoes, cribbage and poker.

### **Is bingo allowed in pubs?**

Yes, except there is a cap on the amount of bingo that can be played. If the aggregate staked or prizes in bingo games played on these premises, in any 7-day period exceeds £2,000 (above threshold bingo); the Gambling Commission must be notified. An offence will be committed if the Commission is not notified. The offence of illegal gambling will be committed if another 7 day period of above threshold bingo takes place within 12 months of the first one occurring, without a Bingo Operating Licence.

## CLUBS

### Which clubs can provide gaming?

- Members' clubs, which are established for social, recreational purposes or other purposes, not concerned solely for the provision of facilities for gambling (but with the exception of bridge and whist clubs which are permitted)
- Miners' welfare institutes
- Commercial clubs e.g. snooker clubs (also known as proprietary clubs)

These types of clubs are defined in the Act.

### What gaming can they provide?

These clubs are able to provide facilities for equal chance gaming, subject to Regulations setting limits on stakes and winnings, and where the following rules apply:

- (a) No amount may be deducted or levied from stakes or winnings
- (b) Any participation fee does not exceed that set down in Regulations
- (c) The games played may only take place on one set premises i.e. there may not be any linking of games between premises, and
- (d) Any person who participates is a member of the club or institute who applied for membership at least 48 hours before s/he participates, or is a guest of a member of the club or institute where the member has applied for membership at least 48 hours before the guest participates

Should the club wish to provide equal chance gaming but without these limits on stakes and prizes, then it may apply to the Licensing Authority for a Club Gaming Permit unless it is a Commercial Club. This permit authorises equal chance gaming which is subject to the rules stated in (a) to (d) above, but is not subject to any rules on maximum stakes or prizes (though all stakes must still be returned as prizes). It also authorises the prescribed unequal chance games of pontoon and chemin de fer. A Club Gaming Permit will also authorise making up to three gaming machines available for use from categories B3A, B4, C or D.

The Act sets out the procedures for applying and processing the Permit and it should be noted that a copy of the application must be sent to the Gambling Commission and the Chief Officer of Police, either of which may object to the application. Holders of Club Premises Certificates under the Licensing Act 2003 are able to apply for a *fast-track procedure*. There is no need to copy the police or the Gambling Commission.

### Are gaming machines permitted in clubs?

A Members' Club or a Miners' Welfare Institute (which do not hold Club Gaming Permits), as well as a Commercial Club, wishing to make Gaming Machines available for use, will need to apply to their local Licensing Authority for a Club Gaming Machine Permit. This Permit will authorise making up to three gaming machines available for use from Categories B3A, B4, C, or D for

Members' Clubs and Miners Welfare Institutes or B4, C or D for Commercial Clubs.

The Act sets out the procedures for applying and processing the Permit and it should be noted that a copy of the application must be sent to the Gambling Commission and the Chief Officer of Police, either of which may object to the application. Holders of Club Premises Certificates under the Licensing Act 2003 are able to apply for a *fast-track procedure*. There is no need to copy the police or Gambling Commission.

A Licensing Authority, following a Licensing Committee hearing, can refuse to issue a permit on a number of grounds (including grounds on the basis of any objections raised). The need for a hearing can be dispensed with if all parties agree. No conditions can be attached to these permits.

### **Can a Licensing Authority refuse either a Club Machine Permit or a Club Gaming Permit?**

A Licensing Authority must grant the Club Gaming or Machine Permit unless one or more specified grounds are made out, having regard to the Licensing Objectives and Commission guidance e.g. it has reasons to believe the club is used wholly or mainly by children and/or young persons, or the Gambling Commission or the police have objections relevant to the licensing objectives.

If the application is made via the 'fast-track' procedures, then the Licensing Authority cannot refuse the permit unless one of the grounds are met e.g. the club is established wholly or mainly for providing gaming (other than permitted gaming e.g. bridge or whist).

### **Can a club provide bingo?**

Yes, except there is a cap on the amount of bingo that can be played without a Bingo Operating Licence. If the aggregate staked or prizes in bingo games played on these premises, in any 7-day period exceeds £2,000 (above threshold bingo), the Gambling Commission must be notified. An offence will be committed if the Commission is not notified. The offence of illegal gambling will be committed if another 7 day period of above threshold bingo takes place within 12 months of the first one occurring, without a Bingo Operating Licence being held.

## **ARCADES – LICENSED FAMILY ENTERTAINMENT CENTRES AND ADULT GAMING CENTRES**

### **What are Licensed Family Entertainment Centres?**

Licensed family entertainment centres (Licensed FEC's) are premises that have an FEC Premises Licence which permits an unlimited number of category C and D gaming machines to be made available.

### **What are Adult Gaming Centres?**

Adult gaming centres (or AGC's) are premises which have an AGC Premises Licence which permits an unlimited number of category C and D gaming

machines to be made available, as well as up to a total of 4 category B3 and B4 (but no B3A gaming machines).

**Can any other type of gambling take place in addition to the gaming machines?**

Prize Gaming is also permitted by the Act to take place at Licensed FEC's and AGC's, but subject to conditions as set out in the Gambling Act 2005 Sections 290 & 293.

**Are children allowed into the premises?**

Persons under 18 are allowed to enter a Licensed FEC but must be excluded from any area where the category C machines are. A mandatory condition of the premises licence is that there must be a notice stating that no person under the age of 18 is permitted to enter the area where the category C gaming machines are, at the entrance to that area. Another mandatory condition requires supervision of that area.

Persons under 18 are not allowed to enter into the AGC. A mandatory condition of the Premises Licence is that there must be a notice in a prominent place at every entrance to the premises stating that no person under the age of 18 will be admitted.

**Is credit available?**

Credit cannot be provided (operating licence condition) and credit cards (as well as debit cards) cannot be used in gaming machines. Any ATM made available for use on the premises must be located in a place that requires any customer who wishes to use it to cease gambling in order to do so.

**PART E – GAMING MACHINES AND LOTTERIES**

**GAMING MACHINES**

**What types of gaming machines are permitted?**

The Secretary of State has made Regulations defining 4 categories of gaming machines (A, B, C & D) with category B divided into a further 5 sub-categories (B1, B2, B3A, B3 & B4).

Machine Category	Maximum Stake (£)	Maximum Prize (£)
A	Unlimited	Unlimited
B1	£2	£4,000
B2	£100 (in multiples of £10)	£500
B3	£1	£500
B3A	£1	£500
B4	£1	£250
C	50p	£35
D	10p (30p when non-monetary prize)	£5 cash or £8 non-monetary prize

For more information please see the Gambling Commission website.

## LOTTERIES

### What is a lottery?

The Act introduces, for the first time, a statutory definition of a lottery. Lotteries can be either 'simple lotteries' or 'complex lotteries'. A lottery is an arrangement which satisfies all of the criteria contained within the statutory description of *either* a **simple lottery** or a **complex lottery**.

An arrangement is a **simple lottery** if:

- persons are required to pay to participate;
- one or more prizes are allocated to one or more members of a class; and
- the prizes are allocated by a process which relies wholly on chance.

An arrangement is a **complex lottery** if:

- persons are required to pay to participate;
- one or more prizes are allocated to one or more members of a class;
- the prizes are allocated by a series of processes; and
- the first of those processes relies wholly on chance.

A prize includes any money, articles or services:

- (a) whether or not described as a prize, and
- (b) whether or not consisting wholly or partly of money paid, or articles or services provided, by the members of the class among whom the prize is allocated.

Note that the National Lottery is not regulated by the Gambling Commission, but continues to be regulated by the National Lottery Commission under the National Lottery etc. Act 1993.

### Who can operate a lottery?

Two classes of lotteries are permitted under the Act: licensed lotteries and exempt lotteries. An Operating Licence is required for those wishing to operate a licensed lottery. They can be issued to a non-commercial society; a local authority; or a person proposing to act as an external lottery manager on behalf of a non-commercial society or local authority (this will be known as a 'Lottery Manager's Operating Licence'). A non-commercial society is defined as being one which is established and conducted for charitable purposes (as defined in section 2 of the Charities Act 2006); or for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity; or for any other non-commercial purpose other than that of private gain.

There are a number of mandatory conditions relating to Lottery Operating Licences, covering items such as maximum proceeds and application of those proceeds.

### Are any types of lottery exempt from the requirement to be licensed?

Yes, 'exempt lotteries, run in accordance with the provisions of Schedule 11 of the Act are exempt from the requirement to be licensed. The following types of lottery are permitted under Schedule 11:

- **Lotteries which are incidental to a non-commercial event** (there are a number of additional provisions such as there being no rollover)
- **Private lotteries** i.e. private society lottery, work lottery or a residents' lottery (there are a number of additional provisions such as there being no advertising outside the society/work/residential premises, and no rollover allowed)
- **Customer lotteries** (Again, a number of provisions apply such as the requirements for no rollover)
- **Small Society lotteries** i.e. those promoted wholly on behalf of a non-commercial society, where the financial limits set out in Part 4 of Schedule 11 are satisfied. Other provisions apply such as rollovers being allowed as long as the rollovers are with other small society lotteries and none others. The promotion of small society lotteries must be registered with the Local Authority. Further details can be obtained from our website: [www.cambridge.gov.uk/ccm/content/business/licensing-and-permissions/gambling-and-permits.en](http://www.cambridge.gov.uk/ccm/content/business/licensing-and-permissions/gambling-and-permits.en)

#### **Are commercial lotteries permitted?**

Aside from the Customer Lotteries, commercial, for-profit lotteries are prohibited and will remain so with a distinction drawn between lotteries and prize competitions. Where the competition requires a payment for entry or the result depends on chance, then this will be a lottery and cannot be run for commercial purposes.

#### **Are 'rollovers' allowed?**

Rollovers are not allowed for small incidental, private, or customer lotteries, but are allowed for society (both small and large) or local authority lotteries.

#### **Do any lotteries need to register with the Local Authority?**

Small society lotteries need to register with local authorities that will in turn need to inform the Gambling Commission of the registration.

#### **Can a Local Authority refuse an application for registration?**

A local authority may refuse an application for registration on a number of grounds including:

- If in the preceding 5 years an operating licence held by the applicant has been revoked by the Gambling Commission or an application for an Operating Licence has been refused
- If the applicant is not a non-commercial society
- If a person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence
- If the information provided is false or misleading

Revocation is also possible upon the same grounds. There must be an opportunity provided for the applicant to make representations should the local authority be minded to refuse the licence. The applicant may appeal to the Magistrates Court.

#### **Is a fee payable?**

A registration and on-going annual fee are payable.

Cambridge City Council  
Licensing Section  
Environmental Services  
PO Box 700  
Cambridge  
CB1 OJH

Tel 01223 457879/457899  
e-mail [alcent.licensing@cambridge.gov.uk](mailto:alcent.licensing@cambridge.gov.uk)

M/gambling/gen info doc. final 1008

This advice is not intended to be a definitive guide to, nor a substitute for, the relevant law. Independent legal advice should be sought.