

## Another year passes...

So how was it for you? Another year complete, 2 years since the introduction of the new regime, we look back at the past year with interest. You should now have completed your annual returns to the Gambling Commission and a few will have experienced a regulatory visit by your local Gambling Commission Compliance Manager. For many businesses the new system appears to have seen the creation of higher fees and more paper work. The most telling difference however appears to be the demise of the 'demand' ground for new

applications. The suppression of competition appears to be receding and new opportunities for the small and medium



size entrepreneurial operator may present themselves.

The industry struggles, like the majority of industries, through the recession.

In this issue of Gaunt's Gaming we look again at the current issues of the day and attempt to predict the emerging issues for the industry.

To discuss any matters raised in this newsletter please contact either Tim Shield or Chris Grunert on 0114 266 8664

## Coming to a betting premises near you

As with premises retailing alcohol, betting premises are also subject to "test purchase" operations by the Authorities. The protection of children from harm is a unifying sentiment between the alcohol and gambling legislation.

We all appreciate that under 18s cannot be permitted to gamble, but what measures do you have in place? What measures do the Gambling Commission expect you to have in place?

system has broadly been accepted by the Gambling Industry and is a measure to which many operators train their staff.

But is training alone enough? By training are you in compliance with the Gambling Commission's Licence Conditions and Codes of Practice (LCCP)?

For example, according to the LCCP general betting premises and adult gaming centres must all "put into effect policies and procedures designed to prevent underage gambling" this is unlikely to be a surprise. But if you read on "...and monitor the effectiveness of these". This ties back to the annual returns and questions regarding your social responsibility. Do you have the required systems in place? Are you following these and maintaining paper records?

If the Gambling Commission were to visit could you evidence the training provided, the content of the training and those who have received it?

John Gaunt and Partners can assist in drafting policies and in-house training, to achieve the required standard.

## Supplying illegal machines

In September 2008 the Gambling Commission began a series of joint operations with local Councils and Police authorities to crack-down on illegal gaming machine suppliers.

One year later the Commission has reported that over 20 joint operations have taken place and 294 visits made between September 2008 and March 2009 to raise awareness or obtain information from operators.

Recent success stories of the joint operations include a 27 year old man in Bacup, Lancashire receiving a criminal caution for illegally supplying gaming machines to alcohol licensed premises and the successful prosecution of an Oldham based gaming machine supplier, which supplied gaming machines without the necessary operating licence.

A number of hotels / guest houses in Blackpool have also been found to be operating gaming machines without the correct permits in place, leading to further enquiries about the supply of these machines.

We are sure the Commission considers its operations as a success so far, so expect to see more investigations and prosecutions come to light over the next few months.



'Challenge 21' has become an industry standard in alcohol premises and is a fixture of the licensing landscape that in some areas Police authorities are pushing for 'Challenge 25' policies. This 'Challenge'

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Omega Court 372-374 Cemetery Road Sheffield S11 8FT

Tel: 0114 266 8664 Helpline: 0114 266 3400 Fax: 0114 267 9613 Email: [gaming@john-gaunt.co.uk](mailto:gaming@john-gaunt.co.uk)

## NCLP Gambling

We run regular NCLP Gambling courses. Our next course is on 1st December, please contact Tim Shield on 0114 266 8664 for availability.

## Proceeds of Crime—Update

On 17th September, the Gambling Commission published advice for gambling operators and a short leaflet aimed specifically at small businesses to assist them in relation to ensuring compliance with the Proceeds of Crime Act. The Proceeds of Crime Act requires all gambling businesses to identify errors and minimise the risk of customers using money obtained illegally to gamble in their business.

During licensing reform in 2007, we advised a number of clients in the preparation of the necessary policies (particularly in relation to money laundering) to avoid, as far as possible, the proceeds of crime being used in gambling in their business. Such policies if carefully implemented would avoid (as far as possible) falling foul of regulations in relation to money laundering etc and assist the operator and staff in knowing what to do should there be any suspicion of proceeds of crime being used in gambling.

Clearly this is an area the Gambling Commission will continue to look very closely at, and take action where a breach occurs, particularly if no safeguards are in place, or have been ignored.

## Hull's 'large casino' edges closer

The city of Hull was one of eight UK locations chosen by the government for a new large casino licence all the way back in March 2006.



In a recent development it is expected that from December onwards (at the earliest) the Council will invite prospective casino operators to put forward their case as to why they should be the ones to operate the new 'large casino'.

However, the Council's Cabinet has recently issued appraisal criteria as guidance to prospective applicants and what the Council will expect of them.

The most notable principles of appraisal criteria outlined include the creation of at least 125 retail, hotel and catering jobs and that the casino will include bars, restaurants and complimentary facilities such as conference rooms.

At the moment Hull appears as far advanced as any of its 8 'large casino' rival towns.

All this may change but at present there appear no signs of the Government encouraging these casinos.

## SWP or AWP? That is the question

The Gambling Commission is looking to create a new set of parameters designed to ensure certain gaming machines are not masquerading (unwittingly or not) as skills with prizes (SWP) machines and therefore avoiding regulation under the Gambling Act 2005.

The Commission's position is that 'skill' machines with elements of gambling or machines designed to look like recognised games of chance (e.g. roulette or bingo) should be treated as games of chance. This

could entail low level SWPs being subject to tax duty and VAT with retrospective liability, as well as being caught by the regulatory demands of the Gambling Act 2005.

Key figures in the SWP sector have recently met with the Commission to voice their concerns over such possibilities. We anticipate developments in this area so watch this space.