

GAMBLING COMMISSION

Guidance to licensing authorities 5th edition

September 2015

Parts 17, 18 & 19 updated September 2016

Contents

The numbers on the right refer to the part and the paragraph number, not page numbers. Future updates will be provided by section without affecting other parts of the Guidance.

Guidance to licensing authorities

About this Guidance

Part 1: General guidance on the role and responsibilities of licensing authorities in gambling regulation 1-1

Introduction	1-1
Partnership working between the Commission and licensing authorities – shared regulation	1-4
Primary legislation	1-14
Licensing authority discretion (s.153 of the Act)	1-23

Part 2: The licensing framework 2-1

Operating licences	2-4
Personal licences	2-12
Premises licences	2-15

Part 3: The Gambling Commission 3-1

The Gambling Commission	3-1
Relationship between the Commission and licensing authorities	3-6
Further information about the Commission	3-11

Part 4: Licensing authorities 4-1

Statutory framework	4-4
Licensing authority decisions	4-9

Part 5: Principles to be applied by licensing authorities 5-1

Licensing objectives	5-1
S.153 principles	5-19
Codes of Practice	5-25
Good practice in regulation	5-27
Human Rights Act 1998	5-30
Other considerations	5-31

Part 6: Statement of licensing policy 6-1

Introduction	6-1
Fundamental principles	6-7
Form and content	6-11
Other matters to be considered	6-33
Local risk assessments	6-41
Local area profile	6-47
Declaration by licensing authority	6-54
Consultation	6-56
Reviewing and updating the statement of policy	6-62
Advertising and publication	6-67
Additional information to be made available	6-69

Part 7: Premises licences 7-1

Premises	7-3
Access to premises	7-19
Access to gambling by children and young people	7-24
Multiple activity premises – layout and access	7-31
Single and combined licences	7-36
Applications	7-40
Consideration of planning permission and building regulations	7-58

Part 8: Responsible authorities and interested parties – definitions	8-1
Responsible authorities	8-2
Interested parties	8-9
Part 9: Premises licence conditions	9-1
Conditions and authorisations by virtue of the Act	9-4
Conditions attached through regulations made by the Secretary of State or Scottish Ministers – all premises	9-19
Default conditions	9-27
Conditions that may not be attached to premises licences by licensing authorities	9-32
Part 10: Review of premises licence by licensing authority	10-1
Initiation of review by licensing authority	10-5
Application for a review	10-11
Carrying out a review	10-18
Part 11: Provisional statements	11-1
Part 12: Rights of appeal and judicial review	12-1
Giving reasons for decisions	12-2
Premises licences	12-4
Permits	12-14
Temporary use notices	12-31
Judicial review	12-34
Part 13: Information exchange	13-1
Underlying principles	13-1
Information licensing authorities provide to the Commission	13-3
Other licensing authority information requirements	13-13
Information the Commission makes available to licensing authorities	13-17
Part 14: Temporary use notices	14-1
Procedure	14-6
Appeals	14-22
Endorsement of the notice	14-23
Large events	14-28
Part 15: Occasional use notices	15-1
What constitutes a track	15-2
Use (and misuse) of OUNs	15-4
Procedure	15-8
Part 16: Gaming machines	16-1
Categories of gaming machines	16-10
Age restrictions	16-11
Maximum number of machines by premises type	16-12
Multiple Activity Sites	16-13
The meaning of ‘available for use’	16-16
Machines other than gaming machines in gambling premises	16-23

Part 17: Casinos	17-1
Casino premises	17-1
Casino games	17-6
Protection of children and young persons	17-10
The process for issuing casino premises licences	17-11
Resolutions not to issue casino licences	17-26
Converted casinos (with preserved rights under schedule 18 of the Act)	17-30
Casino premises licence conditions	17-33
Default conditions attaching to all casino premises licences	17-54
Licence condition 16 (primary gambling activity)	17-55
Part 18: Bingo	18-1
Protection of children and young persons	18-6
Gaming machines	18-8
Bingo in clubs and alcohol-licensed premises	18-12
Bingo in casinos	18-16
Bingo premises licence conditions	18-17
Licence condition 16 (primary gambling activity)	18-24
Part 19: Betting premises	19-1
Protection of children and young persons	19-4
Gaming machines	19-5
Self-Service Betting Terminals	19-6
Betting premises licence conditions	19-11
Licence condition 16 (primary gambling activity)	19-21
Industry codes	19-26
Part 20: Tracks	20-1
Definition of a track	20-1
Track premises licences – differences from other premises licences	20-7
Betting on tracks	20-16
Licences and other permissions for the provision of betting facilities	20-22
Betting on event and non-event days	20-26
Social responsibility considerations for tracks	20-32
Gaming machines	20-36
Self Service Betting Terminals	20-42
Applications	20-46
Licence Conditions and requirements	20-71
Part 21: Adult gaming centres	21-1
Protection of children and young persons	21-2
Gaming machines	21-4
AGC premises licence conditions	21-7
Part 22: Licensed family entertainment centres	22-1
Protection of children and young persons	22-2
Meaning of premises	22-5
Licensed FEC premises licence conditions	22-8
Part 23: Introduction to permits	23-1

Part 24: Unlicensed family entertainment centres	24-1
Applying for a permit	24-6
Granting or refusing a permit	24-9
Lapse, surrender and forfeiture	24-14
Renewal	24-19
Maintenance	24-21
Part 25: Clubs	25-1
Defining clubs	25-1
Bingo in clubs	25-7
Betting in clubs	25-8
Exempt gaming	25-10
Protection of children and young persons	25-22
Permits	25-23
Appeals	25-72
Part 26: Premises licensed to sell alcohol	26-1
Automatic entitlement to two machines	26-4
Licensed premises gaming machine permits	26-8
Exempt gaming	26-23
Bingo	26-28
Betting	26-30
Commission codes of practice	26-34
Scotland	26-39
Protection of children and young persons	26-41
Prohibited gaming	26-45
Part 27: Prize gaming and prize gaming permits	27-1
Prize gaming	27-1
Application for a prize gaming permit	27-9
Part 28: Non-commercial and private gaming, betting and lotteries	28-1
Non-commercial gaming	28-2
Non-commercial prize gaming	28-7
Non-commercial equal chance gaming	28-9
Private gaming	28-10
Non-commercial and private betting	28-16
Non-commercial 'casino nights'	28-17
Non-commercial 'race nights'	28-26
Part 29: Poker	29-1
Introduction	29-1
Poker in casinos	29-5
Poker as exempt gaming in clubs and alcohol-licensed premises	29-10
Poker as non-commercial gaming	29-33
Poker as private gaming	29-46
Advertising	29-52
Part 30: Travelling fairs	30-1
Part 31: Crown immunity and excluded premises	31-1
Part 32: Territorial application of the Gambling Act 2005	32-1
Part 33: Door supervision	33-1

Part 34: Small society lotteries	34-1
The status of lotteries under the Act	34-2
Licensing authority guidance	34-10
Social responsibility	34-11
External lottery managers' licence status	34-15
Lottery tickets	34-19
Prizes	34-23
Specific offences in relation to lotteries	34-25
Application and registration process for small society lotteries	34-28
Administration and returns	34-48
Part 35: Chain gift schemes	35-1
Street collectors selling gamecards	35-5
Part 36: Compliance and enforcement	36-1
Fees	36-1
Enforcement officers and authorised persons	36-6
Powers of entry – England and Wales	36-13
Powers of entry – Scotland	36-18
Illegal gambling	36-23
Test purchasing and age verification	36-28
Primary authority	36-36
Prosecutions	36-40
Other powers	36-44
Appendix A: Summary of machine provisions by premises	
Appendix B: Summary of gaming machine categories and entitlements	
Appendix C: Summary of gaming entitlements for clubs and alcohol-licensed premises	
Appendix D: Summary of offences under the Gambling Act 2005	
Appendix E: Summary of statutory application forms and notices	
Appendix F: Inspection powers	
Appendix G: Licensing authority delegations	
Appendix H: Poker games and prizes	
Appendix I: Glossary of terms	

Guidance to licensing authorities

About this Guidance

This Guidance is the Gambling Commission's (the Commission) statutory Guidance to Licensing Authorities (Guidance) issued under s.25 of the Gambling Act 2005 (the Act), which requires the Commission to issue guidance on the manner in which local authorities are to exercise their functions under the Act.

This Guidance has a particular role and significance in the context of the principles that must be applied by licensing authorities when exercising their functions in relation to Part 8 of the Act, including premises licensing. That is because s.153 of the Act provides that licensing authorities shall aim to permit the use of premises for gambling in so far as they think it:

- a. in accordance with any relevant code of practice under s. 24
- b. in accordance with any relevant guidance issued by the Commission under s. 25
- c. reasonably consistent with the licensing objectives (subject to a and b above), and
- d. in accordance with the statement published by the authority under s. 349 (statement of licensing policy) (subject to paragraphs a to c above).

So, in carrying out its functions under the Act, a licensing authority must have regard to this Guidance (s.153(b)).

To avoid duplication, the Guidance should be read in conjunction with the Act and explanatory notes, relevant secondary legislation and the Gambling Commission's *Licence Conditions and Codes of Practice* (LCCP). The Commission's website provides [links to relevant legislation and regulations](#).

The aim of this Guidance is to ensure that every licensing authority has the information it needs to make effective decisions. It does not seek to impose a 'one size fits all' model across all licensing authorities. We recognise that every licensing authority is different and will have different views about how it wishes to manage gambling locally. Indeed, the Act establishes a high degree of local accountability for gambling regulation.

This Guidance does not, therefore, attempt to fetter the discretion that licensing authorities have under the Act and it is not intended to replace their judgement in individual cases. Moreover, this Guidance cannot anticipate every set of circumstances that may arise and, as long as it has been understood and taken into account, licensing authorities may depart from it where they consider it would be right to do so. There should, however, be strong reasons for departing from this Guidance and these need to be clearly expressed and explained if a licensing authority is to avoid judicial review or challenge on appeal for failing to take this Guidance into account.

In the interests of conciseness, this Guidance attempts to focus on issues relating specifically to gambling regulation and to avoid replicating advice on issues that apply more widely to local authorities, for example managing conflicts of interest.

Licensing authorities should note that interpretation of the Act is ultimately a matter for the Courts. This Guidance is not a substitute for licensing authorities' own legal advice on the application and interpretation of the Act.

Part 1: General guidance on the role and responsibilities of licensing authorities in gambling regulation

Introduction

- 1.1 When the Gambling Act 2005¹ (the Act) came into force in late 2007, it brought in a new, comprehensive system for gambling regulation in Great Britain. For the first time, the vast majority of commercial gambling was brought together into a single regulatory framework. The Act established a dedicated regulator, at a national level, in the form of the Gambling Commission (the Commission). But it also recognised the potential local impact and importance of gambling. So it created many local regulators, whose job it is to manage gambling locally, in line with local circumstances. Those regulators are the 380 licensing authorities of England, Wales and Scotland. In doing so, the Act established a strong element of local decision-making and accountability in gambling regulation.
- 1.2 The Act gives local regulators very broad discretion to manage local gambling provision, including discretion as to the level of fees set to cover the cost of administering the local system of regulation. It sets out some boundaries to that discretion, consistent with the recognition of gambling as a mainstream leisure activity.
- 1.3 The Act also provides scope for the Commission to act to set an overall direction at national level, while leaving licensing authorities in the lead locally, with appropriate support from the Commission. This Guidance to Licensing Authorities (Guidance), to which licensing authorities must have regard, is an important part of those arrangements.

Partnership working between the Commission and licensing authorities – shared regulation

- 1.4 The Commission works in partnership with licensing authorities to regulate gambling. In doing so, the Commission will tend to focus on operators and issues of national or regional significance, and licensing authorities will take the lead on regulating gambling locally. The Commission and licensing authorities may work directly together on particular issues, for example where it may establish a precedent or help build capacity and learning to be rolled out more widely.
- 1.5 The Commission draws on, and shares, the intelligence and insights of its regulatory partners, in particular licensing authorities, who may well be better positioned to identify emerging risks to the licensing objectives or instances of illegality which can start at a local level. By working closely together we are able to prevent such risks growing into a more widespread problem and to ensure that both Commission and licensing authority resources are used efficiently.
- 1.6 In the Commission's view, the statutory duty to aim to permit gambling, subject to reasonable consistency with the licensing objectives, is best delivered through partnership working between industry and regulator, including licensing authorities. Licensing authorities should aim to work with local businesses to reduce the risk to the licensing objectives to acceptable levels. The Act does not envisage regulation by either the Commission or licensing authorities being aimed at preventing legitimate gambling.

¹ 2005 c.19 Gambling Act 2005

- 1.7 Further, the Commission was not established, and is not resourced, to lead on local gambling regulation. Licensing authorities have the power to collect fees, subject to statutory maxima, to cover the costs of local gambling regulation. In addition, local regulation is more cost effective and licensing authorities are better placed to understand and manage local issues. So, while the Commission aims to adopt a position of support and assistance for licensing authorities in carrying out their functions, that is in the context of licensing authorities taking the lead on local regulation of gambling.
- 1.8 This is reflected in the Commission's approach to representations on premises licence applications. Neither licensing authorities nor operators should take the absence of a specific representation on particular application as indicating the Commission's approval of that application. However, exceptionally, where an application for a premises licence, or the operation of a current premises licence, raises matters of wider or national significance, the Commission will consider making representations or requesting a licence review. The Commission may also comment on an application if it has particular observations about an operator. The Commission will aim to work with the relevant licensing authority in formulating any representation it wishes to make.
- 1.9 In many instances, effective outcomes will depend on close co-operation and communication between the Commission and licensing authorities. Ultimately, however, the responsibility for every licensing decision rests with the licensing authority itself, in line with the principle of local accountability.

Co-ordination and contact

- 1.10 To facilitate co-operation, the Commission has established a Local Authority Liaison Unit. The Unit is available to advise licensing authorities on matters relating to gambling regulation. It coordinates a series of activities designed to promote more effective gambling regulation, for example workshops and training sessions for licensing authorities, regular up-to-date advice and support such as a series of 'quick guides' on specific subjects. The Commission also publishes a monthly 'LA Bulletin', which aims to provide licensing authorities with up-to-date information on gambling and its regulation, and to share good practice. The Unit can be contacted using the general contact email info@gamblingcommission.gov.uk.
- 1.11 The Commission also has in place a small network of field-based staff. An important part of their role is to facilitate effective working relationships between the Commission and licensing authorities.
- 1.12 As well as working directly with individual licensing authorities, the Commission seeks to engage frequently with representative bodies such as the Local Government Association (LGA), the Convention of Scottish Local Authorities (COSLA), the Welsh Local Government Association (WLGA), the Society of Local Authority Lawyers and Administrators (SOLAR), and the Institute of Licensing (IoL). These meetings provide opportunities to review regulatory policy and to discuss emerging trends and issues of concern.
- 1.13 Since the Act was introduced a great deal of collective experience and insight has been developed, enabling licensing authorities and the Commission to fulfil their roles within the shared regulatory system more effectively and efficiently. Case studies available on the Commission's website provide examples of successful multi-agency initiatives undertaken by the Commission and its regulatory partners.

Primary legislation

- 1.14 The primary legislation governing gambling in Great Britain is the Act. It covers England, Wales and Scotland, but not Northern Ireland, which has its own arrangements.
- 1.15 The overall approach of the Act is to state that gambling is unlawful in Great Britain, unless permitted by:
- the measures contained in the Act, in relation to most commercial gambling
 - the measures contained in the National Lottery etc Act 1993, in the case of the National Lottery
 - the measures contained in the Financial Services and Markets Act 2000, in the case of spread betting.

This approach should be considered in the context of the statutory aim to permit gambling, as set out at paragraph 1.19 below.

- 1.16 The Act establishes two comprehensive offences: providing facilities for gambling or using premises for gambling without the appropriate permission. Such permission may come from a licence, permit, or registration granted in accordance with the Act or from an exemption given by the Act. Where authority to provide facilities for gambling is granted, it is subject to varying degrees of regulation, depending on the type of gambling, the means by which it is conducted, and the people by whom and to whom it is offered.
- 1.17 The Act is designed, as far as possible, to be flexible and future-proof. In practice, this means that in many areas the Act sets a framework, with more detailed rules set out in regulations made under the Act. A comprehensive [list of regulations](#) can be found on the Commission's website.
- 1.18 In addition, the Gambling (Licensing and Advertising) Act 2014² came into force on 1 November 2014 and amends the Act. It requires gambling operators that transact with or advertise to British consumers to obtain a licence from the Commission. The Act (as amended) has implications for remote operators and does not impact the powers or authority of licensing authorities. For further information, please refer to the Commission [guidance on implementing the Gambling \(Licensing and Advertising\) Act](#).

Statutory aim to permit gambling

- 1.19 The Act places a legal duty on both the Commission and licensing authorities to aim to permit gambling, in so far as it is considered to be reasonably consistent with the licensing objectives. The effect of this duty is that both the Commission and licensing authorities must approach their functions in a way that seeks to regulate gambling by using their powers, for example, powers to attach conditions to licences, to moderate its impact on the licensing objectives rather than by starting out to prevent it altogether.

The licensing objectives

- 1.20 The three licensing objectives (s.1 of the Act) which guide the way that the Commission and licensing authorities perform their functions and the way that gambling businesses carry on their activities, are:
- preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
 - ensuring that gambling is conducted in a fair and open way
 - protecting children and other vulnerable persons from being harmed or exploited by gambling.

² 2014 c.17 Gambling (Licensing and Advertising) Act 2014

Codes of practice

- 1.21 The Commission has the power to issue two types of code of practice. The first is a social responsibility (SR) code. A SR code must be followed and has the force of a licence condition. The Commission may also issue ordinary codes (OC) which are intended to set out industry best practice. They are not mandatory but operators are expected to follow them unless they have alternative arrangements in place that they can demonstrate are equally effective. Both codes are set out in the Commission's *Licence Conditions and Codes of Practice* (LCCP) or as Gambling codes of practice - consolidated for all forms of gambling.
- 1.22 S.153 of the Act requires licensing authorities, in exercising their functions, to have regard to the Code of Practice.

Licensing authority discretion (s.153 of the Act)

- 1.23 Licensing authorities have a broad discretion to regulate local provision of gambling and the Act gives wide-ranging powers to do so. Those include the power:
- to issue a statement of licensing policy, setting expectations about how gambling will be regulated in a particular area
 - to grant, refuse and attach conditions to premises licences
 - to review premises licences and attach conditions or revoke them as a result.
- 1.24 In exercising its functions under the Act, s.153 states that the licensing authority shall aim to permit the use of premises for gambling in so far as it thinks it:
- a. in accordance with any relevant code of practice under s.24
 - b. in accordance with any relevant guidance issued by the Commission under s.25
 - c. reasonably consistent with the licensing objectives (subject to a. and b. above), and
 - d. in accordance with the licensing authority's statement of licensing policy (statement of policy) (subject to a. to c. above).
- 1.25 The 'aim to permit' framework provides wide scope for licensing authorities to impose conditions on a premises licence, reject, review or revoke premises licences where there is a potential conflict with the relevant codes of practice, relevant Guidance issued by the Commission, the licensing objectives or the licensing authorities own statement of policy.
- 1.26 Licence conditions are one method by which it is possible to mitigate risks associated with particular premises. The imposition of licence conditions might be prompted by local risk to the licensing objectives, for example the proximity of gambling premises to a school.
- 1.27 However, licensing authorities may first wish to have proactive engagement with local operators to encourage them to effectively mitigate risks to the licensing objectives. Such engagement can facilitate an open and constructive partnership which, in turn, can improve compliance and reduce regulatory costs.
- 1.28 To reflect the breadth of licensing authority discretion, licensing authorities are entitled to request such information from operators as they may require in order to make effective licensing decisions. The Act requires that an application must be accompanied by a minimum level of information (detailed in Part 7 of this Guidance). In the Commission's view, however, this does not preclude reasonable requests from licensing authorities for additional information to satisfy themselves that their licensing decision is reasonably consistent with the licensing objectives and the Commission's codes. That information may include, for example, a suitable business plan or the operator's own assessment of risk to the licensing objectives locally.

Local risk assessments

- 1.29 To improve the exchange of information between licensing authorities and operators, the Commission has introduced SR code provisions to the LCCP that require operators of premises-based businesses to conduct local risk assessments (SR 10.1.1), and an ordinary code provision that says licensees should share their risk assessments with licensing authorities in certain circumstances (OC 10.1.2).

Statement of licensing policy

- 1.30 The statement of licensing policy (statement of policy) is a very important part of the architecture of local gambling regulation and it is expected that licensing authorities will use it to set out the local issues, priorities and risks that inform and underpin its approach to local regulation.
- 1.31 It provides the opportunity for licensing authorities to agree and set out how gambling is to be managed in different parts of the local authority area to deal with local risks and issues. It provides clarity of expectation for licensees and prospective licensees about how their businesses are likely to be treated in different localities. The existence of a clear and agreed statement of policy will provide greater scope for licensing authorities to work in partnership with local businesses, communities, and responsible authorities to identify and mitigate local risks to the licensing objectives.
- 1.32 The statement of policy is the primary vehicle for setting out the licensing authority's approach to regulation having taken into account local circumstances. It ensures that operators have sufficient awareness and understanding of the relevant licensing authority's requirements and approach, including its' view on local risks, to help them comply with local gambling regulation.
- 1.33 More detail on licensing authorities' statement of policy is set out at Part 6 of this Guidance.

Limits on licensing authority discretion

- 1.34 Licensing authorities are subject to some specific constraints in exercising their functions. As set out at paragraph 1.25, s.153 of the Act provides that licensing authorities shall aim to permit the use of premises for gambling in so far as they think it in accordance with the principles set out in s.153(a) to (d).
- 1.35 Therefore a licensing authority has no discretion to grant a premises licence where that would mean taking a course which it did not think accorded with the Guidance contained in this document, any relevant Commission code of practice, the licensing objectives or the licensing authority's own statement of policy.
- 1.36 In addition, the Act makes specific reference to factors that must **not** be considered by a licensing authority in exercising its functions under s.153:
- the expected demand for facilities (s.153(2))
 - whether the application is to be permitted in accordance with law relating to planning or building (s.210 (1)).

Other powers

- 1.37 As stated, licensing authorities have a broad discretion to regulate local provision of gambling and they have similar regulatory powers to the Commission with respect to their licensees, including the power to impose conditions and to review licences. They are not able to impose financial penalties but can impose fees relating to the costs of local regulation. They also have wider powers under legislation such as the Licensing Act 2003.

1.38 The Act gives licensing authorities a number of other important regulatory functions in relation to gambling. Their main functions are to:

- issue a statement of licensing policy setting expectations of how gambling will be regulated in the area
- licence premises for gambling activities
- consider notices given for the temporary use of premises for gambling
- grant permits for gaming and gaming machines in clubs and miners' welfare institutes
- regulate gaming and gaming machines in alcohol-licensed premises
- grant permits to family entertainment centres (FECs) for the use of certain lower stake gaming machines
- grant permits for prize gaming
- consider occasional use notices for betting at tracks
- register small societies' lotteries that fall below certain thresholds
- set and collect fees.

Part 2: The licensing framework

- 2.1 The Act creates three types of licence:
- operating licences, which are required by businesses in order to provide gambling facilities lawfully
 - personal licences, which are required by some people working in the gambling industry
 - premises licences, which are required to authorise premises to provide gambling facilities.
- 2.2 The Commission has responsibility for granting operating and personal licences for commercial gambling operators and personnel working in the industry.
- 2.3 Licensing authorities have responsibility for licensing gambling premises within their area, as well as undertaking functions in relation to lower stake gaming machines in clubs and miners' welfare institutes. In England and Wales, local authorities have these responsibilities; in Scotland they have been given to licensing boards. The Act also provides a system of temporary and occasional use notices. These enable licensing authorities to authorise premises where there is no gambling premises licence in place, to be used for certain types of gambling for limited periods. Parts 14 and 15 provide more information on temporary and occasional use notices.

Operating licences

Types of operating licence

- 2.4 There are various types of operating licence, linked to different types of gambling activity. S.65 of the Act sets out the types of operating licence that may be issued. Some types of gambling activity may be provided remotely, for example over the internet ('online' gambling) or telephone, or non-remotely such as in land based premises. Some types of licence provide additional permissions, for example to make particular numbers and types of gaming machine available.
- 2.5 Different activities may be authorised by a single operating licence (a 'combined' operating licence) but a single licence cannot authorise both remote and non-remote activity. The different types of licence and their associated permissions are summarised in the table below:

Type of licence	Non-remote gambling authorised	Remote gambling authorised
Casino operating licence	X	X
Bingo operating licence	X	X
General betting operating licence	X	X
Pool betting operating licence	X	X
Betting intermediary operating licence	X	X
Gaming machine general operating licence for an adult gaming centre	X	
Gaming machine general operating licence for a family entertainment centre	X	
Gaming machine technical operating licence	X	X*
Gambling software operating licence	X	X*
Lottery operating licence	X	X

* by means of remote communication

- 2.6 Operating licences are not transferable. However, there are provisions in the Act which deal with circumstances in which control of a company changes hands.

How operating licences are granted

- 2.7 The Commission, like licensing authorities, has a statutory duty to permit gambling insofar as it thinks it is reasonably consistent with the licensing objectives. In considering whether to grant an operating licence, and any conditions that may be attached, the Commission has regard to the licensing objectives, and to the suitability of the applicant, in terms of integrity, competence and finances (including source of finance). The Commission also takes into account the business model proposed and its likely compatibility with the law and the licensing objectives. Putting forward a business model that is incompatible with the licensing objectives is likely to lead to questions of the operator's suitability.
- 2.8 More detail is available in the Commission's Policy Statement for Licensing, Compliance and Enforcement.

Operating licence conditions and codes

- 2.9 Conditions covering a range of matters may be attached to operating licences. Some conditions are set out on the face of the Act, such as the mandatory conditions relating to society lotteries at s.99. The Secretary of State has powers under s.78 of the Act to apply conditions to a class of operating licence – for example, the condition that regulates the number of playing positions at wholly automated roulette tables in casinos. The Commission also has powers to attach conditions either to a class of operating licences, or an individual licence.
- 2.10 Breaching a licence condition is a criminal offence, although the Commission will default to its regulatory rather than criminal powers when considering such a breach. Those powers include warnings, unlimited fines and suspension or revocation of the licence.
- 2.11 The Commission also has the power to issue two types of code. The first is a social responsibility (SR) code. An SR code must be followed and has the force of a licence condition. The Commission may also issue ordinary codes (OC), which are intended to set out best industry practice. They are not mandatory but operators are expected to follow them unless they have alternative arrangements in place that they can demonstrate are at least equally effective. Both codes are available in the Commission's Licence Conditions and Codes of Practice (LCCP).

Personal licences

- 2.12 The purpose of the personal licence is to ensure that individuals who control facilities for gambling or are able to influence the outcome of gambling, are directly accountable to the Commission. The Commission can impose licence conditions that are specific to personal licences. Such conditions include requirements that the holder takes reasonable steps to avoid causing a breach of an operating licence, keeps up to date with developments in gambling legislation or guidance, and informs the Commission of certain specified key events.
- 2.13 Outside the casino industry, personal licences are usually held by people in key management positions like strategy, marketing, finance and compliance. In the casino industry, people providing the day to day gambling such as croupiers, also currently need a personal licence.

- 2.14 Some licences are subject to a requirement that at least one member of management holds a personal licence. This does not apply to small-scale operators, as defined in regulations made by the Secretary of State³, who are exempt from the obligation.

Premises licences

- 2.15 Where an individual or company uses premises, or causes or permits premises to be used, to offer gambling, they will also need to apply for a premises licence. Detailed information concerning premises licences can be found in Parts 7, 9 and 10 of this Guidance.
- 2.16 Premises licences, and the regulatory tools associated with them, are a key means by which licensing authorities can ensure that risks to the licensing objectives are mitigated effectively.
- 2.17 Premises licences can be granted without conditions or subject to conditions, and can be reviewed or revoked by the licensing authority. Part 9 of this Guidance provides some illustrations of how licence conditions have been used by licensing authorities in a range of circumstances.
- 2.18 Premises licences are issued by the licensing authority with responsibility for the area in which the premises are situated and may authorise the provision of facilities on:
- casino premises
 - bingo premises
 - betting premises, including tracks
 - adult gaming centres
 - family entertainment centres.
- 2.19 Except in the case of tracks (where the occupier of the track who holds the premises licence may not be the person who actually offers the gambling), premises licences may only be issued to those who hold a relevant operating licence, or who have applied for one. Premises licences may be transferred to someone else holding a valid operating licence.
- 2.20 In addition to licences, there are other forms of authorisation that a licensing authority may grant, for example, authorisations for the temporary use of premises, occasional use notices and different permits for unlicensed family entertainment centres, prize gaming, gaming machines on alcohol-licensed premises and club gaming and club machine permits.

³ SI 2006/3266: Reg 2 of the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006

Part 9: Premises licence conditions

- 9.1 The Act provides that licences may be subject to conditions in a number of ways:
- they may attach automatically, having been set out on the face of the Act
 - they may attach through regulations made by the Secretary of State or Scottish Ministers
 - they may be attached to operating and personal licences by the Commission
 - they may be attached to premises licences by licensing authorities.
- 9.2 Conditions may sometimes be general in nature attaching to all licences or all licences of a particular class, or they may be specific to a particular licence.
- 9.3 Conditions on premises licences should relate only to gambling, as considered appropriate in the light of the principles to be applied by licensing authorities under s.153. Accordingly, if the Commission's *Licence Conditions and Codes of Practice* (LCCP) or other legislation places particular responsibilities or restrictions on an employer or the operator of premises, it is not appropriate to impose the same through conditions on a premises licence.

Conditions and authorisations by virtue of the Act

- 9.4 The following paragraphs set out specific sections of the Act that provide for conditions to be attached automatically to premises licences, or for authorisations to be granted automatically. The Secretary of State / Scottish Ministers may make regulations requiring these conditions to be set out on the premises licence, and there is no discretion to decide not to include them or to modify them. The table after paragraph 9.18 summarises which sections of the Act apply to which types of premises licences.

S.172 – number of gaming machines

- 9.5 S.172 provides for premises licences to permit a specified number of gaming machines of particular categories in each type of gambling premises. These permissions are set out in detail in Part 16 of this Guidance.

S.173 – betting on virtual events

- 9.6 S.173 authorises the holder of a casino premises licence or a betting premises licence to make facilities available for betting on virtual events. This is separate from betting on virtual events by means of a gaming machine. It is intended to cover facilities such as virtual horse and greyhound racing which are person-to-person transactions, involving virtual images that are not displayed on a machine.

S.174 – gambling in addition to casino games

- 9.7 S.174 authorises the holder of a casino premises licence for a small or large casino to make available the following types of gambling in addition to casino games:
- equal chance games
 - betting – but not in pre-2005 Act casinos with grandfather rights and only with a betting operating licence
 - bingo – but only in large casinos and only with a bingo operating licence.
- 9.8 For the purposes of the Act, equal chance games are ones which do not involve playing or staking against a bank and in which the chances are equally favourable to all players. Licensing authorities must not restrict the equal chance gaming available nor prohibit casino games that have not been prohibited by the Commission. Part 17 of this Guidance provides details of the casino games authorised by the Commission.

S.176 – access by children and young persons to casinos

- 9.9 S.176 requires the Commission to issue at least one code of practice about access to casino premises for children and young persons. In particular, the code must:
- specify steps that the premises licence holder must take to ensure that under-18s do not enter casino premises, including ensuring that each entrance to the casino is supervised by at least one person who is responsible for compliance with the code of practice
 - require that, unless the supervisor is certain that a person seeking admittance is an adult, evidence of age must be provided by those seeking to enter the casino or gambling area.
- 9.10 S.176 makes it a condition of the premises licence that the licensee must comply with the code of practice issued by the Commission. Licensing authorities should note that the requirement under s.176 for supervision at each entrance is separate to any other condition that may be attached relating to 'door supervision' more generally.

S.177 – giving of credit

- 9.11 S.177 attaches a condition to casino premises licences and bingo premises licences that prohibits the licensee from:
- giving credit in connection with the gambling taking place on the premises
 - participating in, arranging, permitting or knowingly facilitating the giving of credit in connection with the gambling on the premises.
- 9.12 However, s.177 does not prevent the licensee from contracting a third party to install cash dispensers (ATMs) on their premises, which may accept both credit and debit cards. Such an arrangement is subject to requirements that the premises licence holder has no other commercial connection in relation to gambling with the provider of the ATMs (aside from the agreement to site the machines), does not profit from the arrangement, and does not make any payment in connection with the machines. All premises licences also include a mandatory condition which requires that 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 so²¹.
- 9.13 S.177 deals with the prohibition of credit in respect of casino and bingo premises licences. However equivalent prohibitions are placed on bingo and casino operating licences, as set out in s.81 of the Act, credit and inducements.

S.178 – door supervision

- 9.14 If a licensing authority attaches a condition relating to door supervision, and the person carrying out those duties are required by the Private Security Industry Act 2001 (PSIA) to hold a licence, s. 178 of the Gambling Act 2005 prescribes that the requirement under PSIA will be treated as if it were a condition of the premises licence. There is, however, an exemption from the PSIA licensing requirement for in-house employees working as door supervisors at casino and bingo premises, details of which can be found in Part 33 of this Guidance.
- 9.15 S.178 defines door supervision as requiring someone to be responsible for 'guarding the premises against unauthorised access or occupation, against outbreaks of disorder or against damage'.

²¹ Part 1(5) of The Gambling Act 2005 (Mandatory and Default Conditions) Regulations

S.179 – pool betting

- 9.16 S.179 provides that a betting premises licence in respect of a track may not authorise pool betting to take place, other than in respect of dog or horse racing and only where the acceptance of bets is by the holder of the betting premises licence, or in accordance with arrangements made by them. In the case of dog racing, this preserves the existing arrangements at dog tracks where the totalisator is operated by or on behalf of the occupier of the track. In the case of horse racing, pool betting can only be made available at racetracks by Betfred following their purchase of the Tote. As part of the sale process Betfred received an exclusive seven year licence (until July 2018) to operate pool betting operations on UK racecourses.

S.182 – access by children and young persons to tracks

- 9.17 S.182 applies only to a betting premises licences in respect of tracks. It requires the licensee to ensure that children and young persons are excluded from any area in which facilities for betting are provided and from any area where a gaming machine (other than a category D gaming machine) is situated. The exception to this, for betting areas only, is on race days at dog and horse racing tracks, that is on those days when racing occurs or is expected to take place. In those cases, under-18s may have access to betting areas but licensing authorities should note that this exception does not affect the prohibition on betting by children and young persons.

S.183 – Christmas day

- 9.18 S.183 applies a condition to all premises licences that facilities for gambling must not be provided on Christmas Day, namely the period of 00.01 hours on 25 December until 00.00 hours on 26 December.

Type of premises licence	Section of the Act								
	s.172	s.173	s.174	s.176	s.177	s.178	s.179	s.182	s.183
All premises licences	X					X			X
Bingo premises licence					X				
Casino premises licence		X		X	X				
Small casinos			X						
Large casinos			X						
Betting premises licence		X							
Betting premises licence in respect of a track							X	X	

Conditions attached through regulations made by the Secretary of State or Scottish Ministers – all premises

- 9.19 The Secretary of State and Scottish Ministers have set out conditions to be attached to all premises licences in the Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007 and the Gambling Act 2005 (Mandatory and Default Conditions) (Scotland) Regulations 2007.²²
- 9.20 Conditions under these Regulations fall into two categories:
- mandatory conditions made under s.167 of the Act that must be attached to premises licences
 - default conditions made under s.168 of the Act, that attach to the premises licence unless the licensing authority decides to exclude them, using its powers under s.169.

²² SI 2007/1409: Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007
SSI 2007/266: Gambling Act 2005 (Mandatory and Default Conditions) (Scotland) Regulations 2007

- 9.21 Licensing authorities should note that mandatory conditions made under these regulations are set with the intention that no further regulation in relation to that matter is required. Therefore, it is extremely unlikely that licensing authorities will need to impose individual conditions in relation to matters that are already dealt with by mandatory conditions. Licensing authorities should only consider doing so where there are regulatory concerns of an exceptional nature, and any additional licence conditions must relate to the licensing objectives.
- 9.22 Mandatory conditions applying to all premises licences are set out at paragraph 9.25 onwards. In addition, there are mandatory conditions that relate to particular category of premises licences. Details of these can be found in Parts 17-22 of this Guidance.
- 9.23 Licensing authorities have more flexibility in relation to default conditions and may exclude a default condition and substitute it with one that is either more or less restrictive. Licensing authorities should note, however, that default conditions are intended to reflect normal industry operating practices. In circumstances where default conditions are excluded, the Commission would generally expect them to be replaced by other conditions, given the requirements of s.153. Where the condition is more restrictive, the licensing authority should ensure that they have clear regulatory reasons doing so.
- 9.24 Default conditions under the regulations set out above relate to particular categories of premises licence and details can be found in Parts 17-22 of this Guidance.

Mandatory conditions

- 9.25 The following mandatory conditions apply to all premises licences:
- the summary of the terms and conditions of the premises licence issued by the licensing authority must be displayed in a prominent place on the premises
 - the layout of the premises must be maintained in accordance with the plan that forms part of the premises licence
 - neither National Lottery products nor tickets in a private or customer lottery may be sold on the premises.
- 9.26 There are also mandatory conditions attaching to each type of premises licence controlling access between premises. There can be no direct access between one premises licensed under the Act and another premises licensed under the Act, with the following exceptions:
- between licensed betting premises
 - between bingo premises and alcohol-licensed premises/clubs with a club gaming or club machine permit/family entertainment centres (FECs) and tracks
 - between tracks and alcohol-licensed premises/clubs with a club gaming or club machine permit/FECs/betting premises and bingo premises
 - between FECs and alcohol-licensed premises/bingo halls/clubs with club gaming or club machine permit and tracks.

Default conditions

- 9.27 S.169 of the Act gives licensing authorities:
- the ability to exclude from premises licences any default conditions that have been imposed under s.168
 - the power to impose conditions on premises licences that they issue.

- 9.28 Licensing authorities should make decisions on conditions on a case-by-case basis, and in the context of the principles of s.153. They must aim to permit the use of premises for gambling and so should not attach conditions that limit their use except where it is necessary in accordance with the licensing objectives, the Commission's codes of practice and this Guidance, or their own statement of policy. Conversely, licensing authorities should not turn down applications for premises licences where relevant objections can be dealt with through the use of conditions.
- 9.29 Licensing authority statements of policy will need to consider the local circumstances which might give rise to the need for conditions. Where there are specific risks associated with a particular locality, the licensing authority might decide to attach conditions to the premises licence to mitigate those risks. For example, local issues associated with a high crime rate may put a premises at risk of not being consistent with the licensing objectives, and specific conditions may be necessary to address the risk.
- 9.30 Where there are risks associated with a specific premises or class or premises, the licensing authority may consider it necessary to attach conditions to the licence to address those risks, taking account of the local circumstances.
- 9.31 Conditions imposed by the licensing authority must be proportionate to the circumstances which they are seeking to address. In particular, licensing authorities should ensure that the premises licence conditions are:
- relevant to the need to make the proposed building suitable as a gambling facility
 - directly related to the premises (including the locality and any identified local risks) and the type of licence applied for
 - fairly and reasonably related to the scale and type of premises
 - reasonable in all other respects.

Conditions that may not be attached to premises licences by licensing authorities

- 9.32 The Act sets out certain matters that may not be the subject of conditions:
- s.169(4) prohibits a licensing authority from imposing a condition on a premises licence which makes it impossible to comply with an operating licence condition
 - s.172(10) provides that conditions may not relate to gaming machine categories, numbers, or method of operation
 - s.170 provides that membership of a club or body cannot be required by attaching a condition to a premises licence (the Act specifically removed the membership requirement for casino and bingo clubs and this provision prevents it being reinstated)
 - s.171 prevents a licensing authority imposing conditions in relation to stakes, fees, winnings or prizes.

Part 21: Adult gaming centres

- 21.1 Persons operating an adult gaming centre (AGC) must hold a 'gaming machines general operating licence (adult gaming centre)' from the Commission and a premises licence from the relevant licensing authority. They are able to make category B, C and D gaming machines available.

Protection of children and young persons

- 21.2 No-one under the age of 18 is permitted to enter an AGC. The Act sets out offences at s.46 and s.47 of inviting, causing or permitting a child or young person to gamble, or to enter certain gambling premises. In addition, Social Responsibility (SR) code 3.2.3(3) in the *Licence Conditions and Codes of Practice* (LCCP) states that 'licensees must ensure that their policies and procedures take account of the structure and layout of their gambling premises in order to prevent underage gambling.
- 21.3 Licensing authorities will wish to have particular regard to the location of and entry to AGCs to minimise the opportunities for under-18s to gain access. This may be of particular importance in areas where young people may be unsupervised for example, where an AGC is in a complex, such as a shopping centre or airport. Licensing authorities should consider whether their statement of policy can be used to reflect such locally based considerations.

Gaming machines

- 21.4 Gaming machine provisions by premises are set out at Appendix A. S.172(1) of the Act, as amended, provides that the holder of an AGC premises licence may make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises and any number of category C or D machines. For example, a premises with a total of 25 gaming machines available for use can make five or fewer category B3 gaming machines available on those premises.
- 21.5 Premises subject to a licence granted before 13 July 2011 are entitled to make available four category B3/B4 gaming machines, or 20% of the total number of gaming machines, whichever is the greater. AGC premises licences granted on or after 13 July 2011 are entitled to 20% of the total number of gaming machines only. Regulations specify that the category B machines should be restricted to sub-category B3 and B4 machines, but not B3A machines⁶⁶.
- 21.6 Where the operator of an existing AGC premises licence applies to vary the licence and acquire additional AGC premises licences – so that the area that was the subject of a single licence will become divided between a number of separate licensed premises – each separate licensed premises must only contain the permitted machine entitlement. For example, where two separate AGC premises have been created adjacent to each other by splitting a pre-existing premises, it is not permissible to locate eight category B3 gaming machines in one of the resulting premises and none in the other, as the gaming machine entitlement for that premises would be exceeded. Part 7 explains in greater detail what constitutes premises.

AGC premises licence conditions

- 21.7 Part 9 of this Guidance discusses the mandatory and default conditions that attach to premises licences. Currently there are no default conditions specific to AGCs.

⁶⁶ S1 2158 The Categories of Gaming Machine Regulations 2007

Mandatory conditions

- 21.8 A notice must be displayed at all entrances to AGCs stating that no person under the age of 18 years will be admitted to the premises.
- 21.9 There can be no direct access between an AGC and any other premises licensed under the Act or premises with a family entertainment centre (FEC), club gaming, club machine or alcohol licensed premises gaming machine permit. There is no definition of 'direct access' in the Act or regulations, although licensing authorities may consider that there should be an area separating the premises concerned, such as a street or cafe, which the public go to for purposes other than gambling, for there to be no direct access.
- 21.10 Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so.
- 21.11 The consumption of alcohol in AGCs is prohibited at any time during which facilities for gambling are being provided on the premises. A notice stating this should be displayed in a prominent place at every entrance to the premises.

