

## Gambling Bill - House of Commons Standing Committee Stage Briefing

### Introduction

*This paper outlines the key messages of the Local Government Association (LGA) on the Gambling Bill. The LGA speaks for just under 500 authorities that represent over 50 million people and spend around £78 billion pounds per annum.*

*The LGA exists to promote better local government. We work with and for our member authorities to realise a shared vision of local government that enables local people to shape a distinctive and better future for their locality. The LGA aims to put local councils at the heart of the drive to improve public services and to work with government to ensure that the policy, legislative and financial context in which they operate supports that objective.*

### Background

*The Draft Gambling Bill was published on 15 July 2003 and went through pre-legislative scrutiny before being introduced on 19 October. The LGA has worked closely with the Government on this legislation and given written and oral evidence to the Joint Committee.*

### LGA key messages

- *The LGA welcomes the Bill's transfer of licensing powers over gambling premises to local councils because this will give residents a stronger voice on the granting of licences, as decisions will be made by elected local representatives who are accountable to their communities*
- *We oppose any moves to introduce a national cap on the number of casinos rather than this decision being made at the local level.*
- *We believe powers for local authorities to resolve not to allow new casinos in their area should be extended to all new gambling premises*
- *We believe the Bill should include an additional licensing objective - "the prevention of public nuisance"*
- *We also believe that the Bill should be amended to enshrine the right of local elected representatives to sit on the Gambling Commission*
- *We have further concerns around fee levels, licensing committees, and the expected timetable*

### Key issues for local councils

- **The transfer of licensing powers over gambling premises to local councils**

*The LGA supports the transfer of responsibility for the licensing of gambling premises to councils so that decisions will be made by elected local representatives who are accountable to their communities. The new responsibilities will also complement the work of councils in developing Community Plans and Crime and Disorder Strategies, as well as their responsibilities for licensing of alcohol and entertainment and the protection of children and vulnerable people.*

*In some areas relaxation of gambling restrictions may also bring tourism and regeneration benefits that local authorities may wish to consider. Some councils have, however, expressed concern that in deprived areas (particularly if these are areas unlikely to attract tourists)*

regeneration through the relaxation of gambling laws is unlikely to have the desired effect on addressing local poverty in the short term. This is because many of the jobs available in gambling premises for members of disadvantaged communities are likely to be low skilled. We would be keen to see opportunities for “upskilling” provided by gambling operators, to allow staff access to wider employment.

➤ **A national cap on the number of casinos**

The LGA believes that local communities should be given as much freedom as possible to determine whether they wish to take advantage of casino opportunities in their area or not. We understand that the Government is considering introducing a national cap on the number of casinos into the Bill and we oppose this measure as it will reduce the ability of local councils to take these decisions in the best interests of their locality. This proposal also seems to go against the grain of rest of the legislation that empowers local councils, such as licensing powers, powers to resolve not to have new casinos in an area and ensuring that local planning decisions encompass all potential new casino development.

## **Part 1 - Interpretation of key concepts**

### **Licensing objectives**

➤ **public nuisance**

The LGA is seeking an amendment to insert an additional licensing objective on ‘the prevention of public nuisance’ to the Bill as we believe that the current licensing objectives set out in Clause 1 of the bill do not address potential problems of nuisance arising in the street outside gambling premises.

By public nuisance we mean: shouting, loud car stereos and horns, car doors banging; anti social behaviour such as graffiti and vandalism (that is largely unreported); litter and vomit; urination and even defecation in the street. These problems are particularly likely late at night and when alcohol has been consumed.

While gambling premises currently are not a great source of nuisance, it is important that the new legislation is flexible enough to deal with any new problems that may arise. For example, it is existing practise in certain US casinos to offer free alcoholic drinks to customers who are gambling in their premises. Apart from the obvious impact on the customer’s ability to make judgements about their gambling, the potential for anti social behaviour in and around gambling premises is increased. Nightclub operators are already negotiating with gambling operators to provide joint venues. There is a possibility that the types of nuisance and anti social behaviour associated with some night clubs will arise out of these new hybrid businesses, to the detriment of local communities.

Town and city centres are already under pressure from the burgeoning night-time economy and we want to have power to prevent and deal with problems caused by gambling premises as we do under the Licensing Act 2003. This is not adequately covered by other legislation and its omission this licensing objective will seriously hamper the ability of councils to effectively manage the environment around gambling premises and provides residents with little scope to make representations to the licensing authority should street nuisance occur.

## **Part 2 and Schedule 3 – The Gambling Commission**

➤ **Local representation**

Part 2 and Schedule 3 of the Bill create the new Gambling Commission that will regulate gambling operators and issue guidance to councils on their new licensing and regulatory function. This shared regulatory role means that it is essential that, from the start, the relationship between councils and the Gambling Commission is transparent and equal.

*The Gambling Commission will be appointed by the Secretary of State and the Association believes that, without strategic input from local government on the Gambling Commission itself, Commissioners may not fully understand the complex factors involved in promoting the gambling licensing objectives and encouraging social, economic and environmental well-being at the local level. The LGA is therefore seeking an amendment to the Bill to address this omission.*

*This suggestion is not unprecedented. The Secretary of State for Work and Pensions appoints a person, currently an elected Councillor, to represent local government on the Health and Safety Commission (HSC) and work jointly with other Commissioners. Like the proposed Gambling Commission the HSC issues guidance to local authorities and is more effective as a result.*

## **Part 8 – Premises licenses**

### **Licensing committees**

#### **➤ Local freedom to set up committees**

*The LGA is also seeking to amend the legislation in order to give local authorities the freedom to set up Licensing Committees in line with local needs.*

*The Bill states that the same Committee and procedures will apply as under the Licensing Act 2003 which, we believe, takes such an unreasonably prescriptive approach to local authority committees jeopardising their efficient operation. This is because the Licensing Act 2003 limits the number of members of councillors on the main committee as well as the number and size of the sub-committees. The LGA alerted the Committee to these shortcomings and we are disappointed that DCMS has determined not to amend the bill to address the practical difficulties arising out of the Licensing Act 2003.*

*The number of premises to be licensed by each council under the Licensing Act 2003 is to increase up to ten times. The restriction on the size of committees and sub-committees is already causing significant logistical difficulties as the date for applications to begin (7 February 2005) draws nearer. Large authorities report that an unreasonable burden of work could be required by a relatively small number of members – daily meetings have been mentioned in the largest, while in small authorities a significant proportion of the total members of the council, up to 50% in some areas, may be needed to sit on Licensing sub-committees with a possible negative impact on other council work.*

### **Clause 157 – powers for councils to resolve not to have new casinos in their area**

#### **➤ Powers to cover all gambling premises**

*The LGA is pleased the Government has introduced additional powers for local authorities to resolve not to allow new casinos in their area into the Bill but is seeking amendments to extend this power to all kinds of gambling premises, as recommended in the report of the Gambling Review Body.*

*Beyond the focus on casinos, it is hard to predict how the industry will develop and change as a result of the Bill and we believe that this amendment would be a sensible preventive measure (assist councils in securing the social well being of an area and protect children, young people and vulnerable adults). If there is no proliferation in gambling premises other than casinos then there will be no need for councils to use the power.*

*While gambling can be a legitimate form of entertainment for people who can afford to lose money, for disadvantaged communities the promise of a way out of poverty presented by gambling is a powerful draw. The impact of problem gambling on personal and family debt is well known and an increase in family debt would be contradictory to the work local authorities are doing to alleviate child poverty and financial exclusion.*

➤ **Consultation on the resolution**

*The LGA is concerned that the government may be considering some sort of statutory mechanism for consultation on a casino veto resolution beyond that laid down for licensing policies in clause 327 and we are seeking an amendment to ensure that this is not the case. We believe that such a decision should be balanced and made not just by local residents only but also involving local businesses and partner agencies such as the police. By following the method of consultation used for the local licensing policy this would ensure that there will be no unnecessary financial burdens on authorities and prevent duplication of effort.*

**Clause 170 - Fees for issuing gambling premises licences**

➤ **Local discretion**

*The LGA is seeking an amendment to ensure that there will be local discretion for councils to set the fee for gambling premises licences to ensure recovery of the full cost of the service. DCMS has indicated that local authorities will have some discretion in setting fees but within nationally prescribed limits. Local authorities look likely to face potential deficits under the national scheme for Licensing Act fees and we do not want further financial burdens to fall on councils. We are therefore seeking concrete assurances that this system will ensure cost recovery for all authorities so that the burden does not fall to council tax payers.*

*The only way to guarantee this is to allow complete local discretion. This would be outside a national model but could be subject to guidance as to what may be charged for and mechanisms for consultation with businesses*

**Other matters**

➤ **Timetable for change**

*The timetable for implementation of this legislation must be realistic and achievable taking into account that councils will also have to implement the major changes resulting from the Licensing Act 2003 in the next year. We want to see a reasonable period from the end of the Licensing Act transition period before any applications for gambling premises licences are received to enable development of and consultation on policy, training, staffing etc.*

➤ **Planning matters**

*The LGA previously outlined the concerns of some authorities that, because casinos are currently in the same planning Use Class as cinemas and sports facilities, companies might choose to capitalise on the more profitable gambling use of these leisure sites without the need for planning permission. We are therefore pleased that the Government has announced they will be bringing measures forward to make casinos a separate planning Use Class.*