

EXECUTIVE**16 MARCH 2006****CONSULTATION ON CASINOS****SUMMARY**

This report invites the Executive to:

- (i) consider the outcome of the recent public consultation on the question of whether casinos should be permitted in the Borough; and
- (ii) decide whether to submit a proposal to the Casino Advisory Panel.

1. INTRODUCTION

- 1.1. On 29 June 2005, the Licensing Committee received a report on the implications for the Council of the Gambling Act 2005.
- 1.2. As part of that report, Members of the Licensing Committee were advised that the Government intends to limit the number of initial new casinos under the Act to a total of 17 (1 regional, 8 large and 8 small). The location of these new casinos is to be determined by the Secretary of State, who will receive the recommendations of the Casino Advisory Panel (formerly referred to as the Independent Advisory Panel). Any licensing authority wishing to be considered by the Panel as a suitable area to license one of the initial 17 casinos will need to submit their proposals by 31 March 2006.
- 1.3. A summary of the changes to the existing laws on the licensing of casinos is set out in Section 2 of this report.
- 1.4. The Licensing Committee was minded to seek the views of the public on the question of whether casinos should be permitted in the Borough. In view of the limited information available with regard to the implementation of the Gambling Act 2005, the Committee resolved that, subject to the publication of any guidance from the Independent Advisory Panel, public consultation should be undertaken on this matter.
- 1.5. The results of the consultation exercise are set out in Section 4 of this report. Details were also reported to the Housing, Health and Safety Scrutiny Committee at its meeting held on 7 March 2006. That Committee's comments are set out in Section 5.

2. CASINOS – THE GAMBLING ACT 2005

- 2.1. The Gambling Act 2005 makes significant changes to the licensing regime for casinos.
- 2.2. Under the previous gambling legislation, casinos could only be located in the 53 'permitted areas' set out in legislation. Guildford was not a permitted area.
- 2.3. Any person who wanted to obtain permission for a casino within a permitted area needed permission from the Gaming Board and the magistrates, and needed to demonstrate that there was unmet demand in the area for which they sought

approval. In April 2005, a total of 137 casinos were operating in the 53 permitted areas.

- 2.4. The Gambling Act 2005 removes the unmet demand criterion and requires that each application should be determined on its merits. The Act divides casinos into 3 categories, determined by size. The sizes are set out in the table below.

	Minimum area exclusively for casino table games	Minimum additional gambling area	Minimum non-gambling area
REGIONAL	1,000 sq metres	2,500 sq metres	1,500 sq metres
LARGE	1,000 sq metres	-	500 sq metres
SMALL	500 sq metres	-	250 sq metres

- 2.5. The regional casino will be permitted up to 1,250 Category A jackpot machines, which will be able to offer unlimited stakes and prizes. Large casinos will be permitted up to 150 Category B machines, with a maximum jackpot of £4,000. Small casinos will be permitted up to 80 Category B machines, with a maximum jackpot of £4,000.
- 2.6. Initially, the Government has decided to limit the number of small, large and regional casinos (1 regional, and up to 8 small and 8 large) in order to assess their impact on problem gambling. The Casino Advisory Panel has been appointed to recommend the areas for these initial casinos. Following the Panel's advice, the Government will decide the areas where each of the new casinos may be licensed. It is expected that the Casino Advisory Panel will make its final report to the Government in December 2006.
- 2.7. The Government expects that the regional casino will be a major development, offering clear potential for bringing in major investment and economic regeneration to the area where it is located. It will provide not just a range of gambling facilities, but may also include hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure activities, gambling activities and non-gambling leisure facilities.

3. THE CASINO ADVISORY PANEL

- 3.1. The Casino Advisory Panel has been asked to identify areas for the new casinos which will provide:
- a good range of types of areas, and
 - a good geographical spread of areas across Britain (i.e. Scotland, Wales and England)
- 3.2. The Panel will also want to ensure that those areas selected are willing to license a new casino. Subject to these criteria, the Panel has been asked to choose areas in need of economic development and regeneration (as measured by employment and other social deprivation factors) and likely to benefit in regeneration terms from a casino.
- 3.3. Clearly, a licensing authority will only be able to award a casino premises licence if one has been identified for its area. Where there are more applications for a premises licence within an area than the licensing authority is permitted to grant, then the successful applicant will be determined by way of a competition. The Government has indicated that it will consult with the Local Government Association

on how this competition should be conducted, although it has indicated that the issues may include, for example, employment and regeneration potential, the design of the proposed development, financial commitment by the developer to local projects, location and range of facilities.

- 3.4. The successful applicant would also need to obtain planning permission, together with the appropriate operating licence. The grant of planning permission would not entitle an applicant to an automatic grant of a premises licence, as the two regimes will, of course, work separately.
- 3.5. No earlier than 3 years after the award of the first premises licence, the Gambling Commission would be requested to advise on whether the introduction of the new casinos has led to an increase in gambling or is increasing that risk. The Government may then decide to increase the number of licensed casinos through an Order of Parliament.
- 3.6. It is anticipated that there will be strong competition for the initial batch of new premises licences. As at 11 January 2006, 75 local authorities had written to the Casino Advisory Panel to express an initial interest in licensing one of the new casinos. Of these 75 expressions of interest, 47 authorities were interested in licensing a regional casino, 6 authorities were interested in licensing a large casino and 8 in licensing a small casino. The remaining 14 authorities expressed an interest in a combination of the proposed casino sizes.
- 3.7. On 31 January 2006, the Casino Advisory Panel issued a 'Call for Proposals' to local authorities in Britain, inviting proposals from those authorities that wish to have a new casino in their area (attached at **Appendix 1**). Within this document, the Panel has published detailed guidance setting out the criteria it will use to examine the proposals, and a list of specific information it requires from each interested authority in order to ensure that comparable information is received for each bid.
- 3.8. The Gambling Act 2005 also provides that a licensing authority may resolve not to issue casino premises licences in its area (Section 166). In passing a resolution to this effect, the licensing authority may have regard to any principle or matter, and may resolve to do so whether or not they have already issued casino premises licences. Clearly, however, such a resolution could not be used to cancel existing licences, or initially to prevent transitional rights in the permitted areas under the 1968 Act.
- 3.9. Any resolution passed by a licensing authority in accordance with Section 166 above would last for 3 years from the date the resolution took effect. It must be published as part of the authority's Statement of Licensing Policy.
- 3.10. The power to resolve not to issue casino premises licences contained within the Act is not yet in force.

4. CONSULTATION

- 4.1 The consultation (which ran from 16 January to 24 February 2006) took the following form:
 - (a) The Citizens' Panel was asked for its views by way of a questionnaire.
 - (b) Copies of the questionnaire and an accompanying letter were also sent to individuals and groups under the following headings:-

1. Religious Groups
2. Churches and meeting places
3. Residents' Associations
4. Community Groups
5. Chairmen and Clerks of Parish Councils
6. Town Centre Management Group
7. Retail Group
8. Tourism Group
9. Attractions Group
10. Conference Group
11. Police
12. Leisure Industry (including Harpers Leisure International and other UK casino groups)

A complete list of those consulted can be obtained by contacting Bob Mattock, Licensing Services Manager on 01483 444387 or E: Mail: mattockr@guildford.gov.uk

Members are asked to note that a slightly modified version of the questionnaire was sent to organisations (as opposed to that sent to individuals).

- (c) A public advertisement was placed in the *Surrey Advertiser* on 13 January 2006.
- (d) The question 'Would you support the issuing of casino licences in Guildford' was posted for discussion on the Guildford Borough Council online forum.
- (e) Copies of the questionnaires and supporting information were placed on the Council's website.

- 4.2 The top-line results of the Citizens' Panel consultation are attached as **Appendix II**.
- 4.3 A summary of the responses received from individuals is attached as **Appendix III**.
- 4.4 A summary of the responses received from organisations is attached as **Appendix IV**.
- 4.5 A summary of the consultation results has also been placed on the Council's website for public viewing and copies of all the background papers and consultation responses have been placed in the Members' Room.

5. HOUSING, HEALTH AND SAFETY SCRUTINY COMMITTEE – 7 MARCH 2006

- 5.1 At its meeting on 7 March 2006, the Housing, Health and Safety Scrutiny Committee considered a report on this matter and strongly recommended to the Executive that, in view of the results of the public consultation exercise, the Council should not submit a proposal to the Casino Advisory Panel.

6. DECISION

- 6.1 The Executive is invited to consider formally the results of the public consultation exercise and in particular, to express its view as to whether the Council should respond to the Casino Advisory Panel's 'Call for Proposals'.

Background Papers:

The Gambling Act and explanatory notes

Casinos: Statement of National Policy dated 16 December 2004

Casino Advisory Panel – Project Outline/ Call for Proposals dated 31 January 2006

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