



GAMBLING ACT 2005

GAMING MACHINES

MEDIA FACT PACK

August 2007

Gaming machines provide games of chance where the prizes awarded are in money or money's worth. Gaming machines, commonly known as fruit machines, are often reel-based, though they increasingly use advanced software and digital displays. They are one of the most popular gaming activities. The prevalence study conducted in 2000 found that 14 per cent of people had played fruit machines in the past year.

Under the current law a certificate licensing system operates for anyone who wants to manufacture, sell, supply, or maintain gaming machines. These licences are issued by the Gambling Commission. Rules about the size of stakes, prizes and jackpots and who can play where, including age restrictions, are set by statute.

The Gambling Act, which was passed in April 2005 and will come fully into force on 1 September 2007, contains a new system to regulate the provision of all gambling in the UK. The key objectives of the Act are:

- keeping gambling crime free;
- making sure that gambling is fair and open; and
- protecting children and vulnerable people from being harmed or exploited by gambling.

There will be new technical standards, licence conditions and codes of practice with which many of those who manufacture, supply, maintain, repair or operate gaming machines will have to comply.

The majority of operators offering gaming machines will need an operating licence from the Gambling Commission and a premises licence from their local licensing authority. The exceptions are clubs and unlicensed family entertainment centres, which will need to obtain a permit from their local licensing authority.

Alcohol-licensed premises, such as pubs and hotels with a separate bar, will also be able to provide gaming machines on the basis of their alcohol licence. They will also have an automatic entitlement to a maximum of two gaming machines; if they want more than two machines they must apply to their local authority for a licensed premises gaming machine permit.

The Government has introduced four new categories of gaming machine – categories A to D. The categories and numbers of machines permitted will depend on the type of premises on which they are provided, as shown in Table 1 below. Gaming machines will most commonly be found on the following licensed premises:

- regional casino – categories A to D
- large, small and existing casinos – categories B to D
- betting shops and tracks – categories B2 to D
- bingo halls – categories B3 to D
- adult gaming centres (AGCs) – categories B3 to D
- clubs or miners' institutes – categories B3A (non-commercial clubs only), B4 to D
- family entertainment centres (FEC) – categories C to D
- alcohol licensed premises – categories C to D
- unlicensed FEC – category D
- travelling fair – category D

Gaming machines were available in premises such as take away food shops, minicab and taxi offices, and other unlicensed premises where children could play them unsupervised. Under the Gambling Act 2005 gaming machines will no longer be available in these premises and over 6000 gaming machines phased out from such premises over the next 2 years as existing permits expire.

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Table 1: sets out proposals for the types of premises on which gaming machines can be offered; the category and maximum numbers of machines that can be provided according to type of premises.

	MACHINE CATEGORY						
	(x = category of machine not permitted on this type of premises)						
	A	B1	B2	B3	B4	C	D
Maximum stake	Unlimited	£2	£100 (in multiples of £10)	£1	£1	50p	10p/30p
Maximum prize	Unlimited	£4,000	£500	£500	£250	£35	£5/£8
PREMISES/ MAX. No. of MACHINES							
Regional Casino	Maximum 1250 (subject to table ratio)	Any combination of other categories of machines, B1 to D, within the total limit of 1250 (subject to table ratio)					
Large Casino	X	Max. 150	Any combination of other categories of machines, B2 to D, within the total limit of 150 (subject to table ratio)				
Small Casino	X	Max. 80	Any combination of other categories of machines, B2 to D, within the total limit of 80 (subject to table ratio)				
Existing "1968" casinos	X	Max. 20 in total, any combination of category B				Any number of C or D <i>instead</i> of 20 B	
Licensed betting and licensed tracks	x	x	4 in total, any combination of B2 to D				
Licensed Bingo Premises	X	x	x	4 in total, any combination of B3 and B4		Any number of C and D	
Licensed Adult Gaming Centres	X	x	x	4 in total, any combination of B3 and B4		Any number of C and D	
Clubs or Miners' institutes with permits	X	x	x	1 B3A	3 in total, any combination of B3A, B4, C or D		
Premises with licensed bar e.g. Pubs	X	x	x	x	x	C or D - 2 in total, automatically, with notification.	
						In addition, as many as allowed by permit.	
Licensed Family Entertainment Centre (FEC)*	X	x	x	x	x	Any number of C and D	
Unlicensed FEC *	X	x	x	x	x	X	D only Any number
Travelling Fair	X	x	x	x	x	X	D only Any number

* Licensed FECs require an operating licence from the Gambling Commission and a premises licence for its local (licensing) authority. Unlicensed FECs only require a FEC gaming machine permit from its licensing authority.

The table ratios referred to in Table 1 mean that:

- a regional casino must make a minimum of 40 gaming tables available for play. At a ratio of 25 machines per gaming table, the regional casino will have to make 50 gaming tables available for play to be entitled to its maximum limit of 1250 gaming machines. If the regional casino makes more than 50 tables available for play, it will not be able to exceed its maximum limit of 1250 gaming machines;
- a large casino must make at least one gaming table available for play. At a ratio of five gaming machines per table, a large casino will have to make 30 gaming tables available for play to be entitled to its maximum limit of 150 gaming machines. If a large casino makes more than 30 gaming tables available for play, it will not be able to exceed its maximum limit of 150 gaming machines; and
- a small casino must make at least one gaming table available for play. At a ratio of two gaming machines per table, a small casino will have to make 40 gaming tables available for play to be entitled to its maximum limit of 80 gaming machines. If a small casino makes more than 40 gaming tables available for play, it will not be able to exceed its maximum limit of 80 gaming machines.

Children under 18 can only play category D machines. They will be able to enter unlicensed FECs and the designated area of a licensed FEC where only category D machines are available for play. Any area offering category C machines must be supervised; separate from the area where category D gaming machines are available and clearly signed that it can be accessed by adults only.

The powerful new regulator – the Gambling Commission – which replaces the Gaming Board, will license and regulate all those who manufacture, supply, maintain or repair gaming machines as well as operators such as casinos, bingo clubs and arcades. They have new powers to:

- investigate;
- prosecute;
- fine; and
- remove the licences of operators who fail to comply with the law, including taking action against illegal machines.

Licensing authorities – usually the local authority - will issue gaming permits to pubs, clubs and unlicensed family entertainment centres where, generally, lower stakes and prize machines are provided. Permits regulate gambling and the uses of gaming machines in a specific premises where gambling is not the main function.

All gaming machine manufacturers, suppliers and operators will have social responsibility as an explicit condition of their operating licence. They will have to follow strict procedures including:

- prominently displaying information about help available for problem gamblers on their machines including the GamCare helpline number;
- displaying clear signage forbidding play by under 18s (except for category D machines);
- supervising all over 18 machines to ensure there's no underage play; and
- the speed of play on any game will be restricted.

In addition to ensuring that gaming machines are operated in accordance with the licensing objectives, the Gambling Commission will ensure that:

- gaming machines display information about the nature of the machine, stake and prize levels and the percentage return to player;
- gaming machines undergo tests to ensure that they are fair; and
- it works closely with other enforcement agencies to help keep gambling crime free.

The Gambling Commission will publish a prevalence study later this autumn which will be carried out every three years. This will provide a useful indicator of the level of gambling and problem gambling in the UK.

DCMS Press Office

For further information contact the DCMS press office on 020 7211 6263/6931/6971.