

Casinos: Statement of National Policy

1. This statement is issued on behalf of Her Majesty's Government.
2. The Government's policy on casinos is based on the three broad objectives of the Gambling Bill:
 - To protect children and other vulnerable people from harm
 - To prevent gambling being a source of crime or disorder and
 - To ensure that gambling is conducted in a fair and open way.

Britain has a low level of problem gambling compared to other countries (less than 1% of the population) and the Government is committed to maintaining this record. Casinos are already tightly regulated and have strict controls in place. The Gambling Bill will strengthen the existing safeguards. There are currently a number of regulations, however, which the Government believe are outdated. The 24-hour rule, the ban on advertising and the permitted areas rule unnecessarily restrict customer choice and discourage investment and economic regeneration.

3. The tourism and leisure industries are increasingly significant elements of the economy. Tourism alone accounts for 4.4% of our GDP. The Government believes that the casino proposals in the Bill, with its emphasis on increased regulation, have the potential to make a positive contribution to the success of these sectors. In addition Regional casinos, as major developments, offer clear potential for regeneration of areas across Britain. They will provide not just a range of gambling activities, but may include hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure attractions. The benefits of such a development could go much wider than the location of the casino itself. There are many parts of the country which could benefit from the regeneration that these kinds of leisure developments can offer.
4. The Government recognises, however, that the casino proposals in the Bill represent a significant change and we need to take a cautious approach in order to assess whether their introduction leads to an increase in problem gambling. The Government has taken the view that the risk of an increase in problem gambling will be reduced if a limit is imposed on the number of casinos. We have therefore decided to set an initial limit on the number of Regional, Large and Small casinos of 8 each. The identification of operators and locations for the new casinos will be subject to broadly the same arrangements in each case.
5. The Government believes that, in order properly to assess the impact of these new casinos, there needs to be a sufficient number of casinos in each category to allow the impacts to be assessed in a range of areas and types of location that might be suitable (including, for example, urban centres and seaside resorts across different parts of the Britain). A limit on Regional, Large and Small casinos of 8 each is consistent with this aim while at the same time ensuring that any risk of problem gambling is minimised. The Government has decided to appoint an independent Advisory Panel to recommend the areas for the Regional, Large and Small casinos. Following the Panel's advice the

Government will decide the areas where each of the new casinos may be licensed.

6. Once an assessment has been made of the impact on problem gambling of the limited number of new casinos, it will be easier to judge the continuing need for a limit. No earlier than three years after the award of the first premises licence, the Government will ask the Gambling Commission to advise on whether the introduction of the new types of casinos has led to an increase in problem gambling or is increasing that risk. We believe such a period is necessary to ensure a full assessment can be made of the impact of the new casinos. If the Government, on the basis of the Gambling Commission's advice decides to propose that more casinos may be licensed then the Order providing for this will need to be approved by Parliament. We will also want to assess, with the help of regional bodies, what the regeneration and other economic outcomes have been.
7. This policy statement sets out our policy on casinos in more detail below, including the role of the Advisory Panel in recommending areas for the new casinos and arrangements for casinos which already have a licence under the Gaming Act 1968. The proposals for casinos outlined here are for England, Scotland and Wales. Responsibility for the planning system in Scotland and Wales is for their respective devolved administrations. None of the proposals here will affect the ability of local authorities to refuse to have a new casino of any size category in their area.

The Advisory Panel on new casino locations

8. The Secretary of State for Culture, Media and Sport will appoint an independent Advisory Panel to advise her on the areas in which the new casinos should be located. The Panel will collectively have knowledge and expertise in a range of matters including planning, securing regeneration, tourism and addressing the social impacts of gambling. Clearly, all Panel members must be able to demonstrate independence from any potential interested parties and must have an appreciation of the need for impartiality.
9. In order to ensure that the impact of the new casinos can be assessed on the basis of a broad range of information and experience, the Advisory Panel will be 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.

The Panel will also want to ensure that those areas selected are willing to license a new casino. Subject to these criteria, the Panel will be 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.

10. The Advisory Panel will invite views from interested parties. In taking forward its work it will in particular invite the Regional Planning Bodies in England to identify a list of broad locations for Regional casinos emerging from their work on the Regional Spatial Strategies. Before the Advisory Panel finalises its recommendations on areas for Regional casinos it will need to ensure that

these areas are compatible with the broad locations identified in England in Regional Spatial Strategies or in any draft revisions of Regional Spatial Strategies before the First Secretary of State.

11. The Advisory Panel will be asked to offer Ministers a list of up to 8 recommended areas for each of the three categories of casino. The Secretary of State will consider the Panel's recommendations. After consulting the Scottish Executive and the Welsh Assembly Government, the Secretary of State will then decide which areas to designate.
12. The Panel will be able to begin its work in the course of 2006, taking account of views put forward to Regional Planning Bodies as they progress the preparation of revisions of Regional Spatial Strategies, and of local authorities as appropriate. We do not expect it to complete its work before the end of 2006.

Planning for casinos

13. In England, Regional Planning Bodies as part of their revision of Regional Spatial Strategies will need to consider possible broad locations for Regional casinos within their region. Their proposals will then feed into the recommendations of areas for the initial eight Regional casinos by the Advisory Panel. In revising their Regional Spatial Strategies, Regional Planning Bodies need to take into account national planning policy guidance. Planning Policy Guidance Note 6 "Planning for Town Centres and Retail Developments"/draft Planning Policy Statement 6 "Planning for Town Centres", Planning Policy Guidance Note 13: "Transport" and the two joint statements already provide a comprehensive policy framework for casino development.
14. The Government does not consider that a separate national planning policy statement on casinos is required. However, it will consider whether there needs to be further clarification or development of its planning policy in respect of casinos in particular, in finalising PPS6.
15. For all three categories of casinos, the identification of specific sites will be for local planning authorities in their local development framework, having regard to national policy and the Regional Spatial Strategy. Local planning authorities will also be responsible for deciding applications for casino developments.
16. Operators will be required to apply for planning permission in the usual way and all applications will be considered on their merits in line with national and local planning policies. Applications may come forward at any stage. Decisions on whether they should be called in for decision by the First Secretary of State will be made in light of the Government's call-in policy and the particular circumstances of the case.
17. It will be for the devolved administrations to decide to what extent these considerations should apply to them.

The operating licence

18. The Gambling Commission will award operating licences to companies on the basis of the usual licensing criteria, but incorporating an additionally stringent test of social responsibility to reflect the fact that Regional, Large and Small casinos will present hitherto untested risks of social harm. Therefore, operators

will need to demonstrate a commitment to:

- ensuring effective measures for reducing the risks posed to vulnerable people by casino gambling products and the environment in which they are supplied, and
- making available information, advice and assistance to people using the casino who may be affected by problems related to gambling.

The Commission will take account of the fact that greater commitment and resources is likely to be needed in the case of Regional casinos because of the greater risk they pose, particularly because of the availability of Category A machines. There will be no limit on the number of operating licences that may be granted.

The premises licence

19. A local licensing authority will only be able to award a casino premises licence if one has been identified for its area. The process for awarding a premises licence will be open to all operators. It will have two stages. The first stage will be a regulatory test to ensure that all proposals satisfy the regulatory premises licensing requirements already in the Bill. The second stage will be triggered where there are more applications for casino premises licences than the local licensing authority is permitted to grant.
20. The second stage of the process will be a competition held by the local authority on the wider casino proposal. We will consult with the Local Government Association and others on how the competition should be conducted. The competition could be judged on a wide range of issues, reflecting the issues that are important in the local area, local concerns and priorities. These may include, for example, employment and regeneration potential, the design of the proposed development, financial commitments by the developer to local projects, location, range of facilities and other matters. The local authority may wish to provide an opportunity for consultation with local people. The local authority would set out its priorities and concerns in a set of objective key considerations and it will then invite operators to submit entries to the competition. The eventual winner of the competition will be eligible for a full premises licence once he has obtained planning permission and the casino has been built.
21. The operator will therefore need to have an operating licence, a premises licence and planning permission. The planning permission is likely to be subject to a planning obligation.
22. The premises licensing process and the planning consent process will need to be conducted taking account of the need to clearly separate the licensing and planning functions. ODPM and DCMS will issue guidance to local authorities on the propriety issues surrounding these processes. The fact that an applicant's proposal may be the preferred option in the competition will not guarantee planning permission. Once planning permission has been granted and the casino has been built, the operator will be able to apply for a full premises licence, which he could expect to obtain provided there has been no material change in the proposals since the competition.

Casinos which already have a licence under the Gaming Act 1968

23. The arrangements described above for Regional, Large and Small casinos are aimed at minimising the risk of problem gambling from an increase in the number of casinos, particularly from a proliferation of high stake and high prize gaming machines. Existing casinos will be allowed to continue to operate, and to have the opportunity to compete for the new licences. But the Government does not believe it would be appropriate to allow them to have all the new casino entitlements in circumstances where a limit is imposed on the establishment of new casinos.
24. Accordingly, we propose that there will be no size requirements on existing casinos and they will not be subject to the ban on advertising and the 24-hour rule. They will, however, be restricted to their current gaming machine entitlement of 10 gaming machines of up to Category B and they will not be allowed to provide bingo or betting on real or virtual events.
25. Arrangements will be made to ensure that existing casino businesses can in the future be transferred to new owners and to new premises if the current premises for some reason become unavailable (such as end of lease or fire), so long as it is within the existing licensing area. A company operating a casino which already had a licence under the 1968 Act may apply for a Regional, Large or Small casino premises licence. If it is awarded one of them for an existing casino, then it will be able to operate it with all the new entitlements authorised by the new licence.

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