



GAMBLING ACT 2005

CASINOS

MEDIA FACT PACK

August 2007

There were over 15 million visits to casinos in Great Britain in 2006-2007, an increase of 8 per cent over 2005-2006. Visitors exchanged £4.31 billion worth of gaming chips in 2006-07, an increase of £99m over 2005-2006. As of July 2007, there were 140 casinos trading in Great Britain.

Licensed under the Gaming Act 1968, these casinos can operate in 54 "permitted" areas. The areas include: London, Birmingham, Blackpool, Plymouth, Cardiff and Edinburgh – see the Gambling Commission website for the full list:

<http://www.gamblingcommission.gov.uk/client/detail.asp?ContentId=25>

New casinos

The Gambling Act 2005 received Royal Assent in April 2005 and comes into force on 1 September 2007. It permits three new types of casino: regional, large and small.

The three new categories of casino will be defined by size and will have restrictions on the types of gambling offered and limits on the numbers and types of gaming machines.

The total gambling area will include a minimum area for table gaming such as card games, dice games and roulette. The new casinos will also be required to have a non-gambling area, where customers will be able to have a break from gambling. Gambling facilities will not be permitted in the non-gambling area, and this area must be accessible to casino customers and must include recreational facilities which may include restaurant and bar facilities.

Table 1: New casinos minimum permitted area sizes

	Total gambling area	Non- gambling area
Regional	$\geq 3,500\text{m}^2$	$\geq 1,500\text{m}^2$
Large	1,500 to 3,499 m^2	$\geq 500\text{m}^2$
Small	500 to 1,499 m^2	$\geq 250\text{m}^2$

Table 2: Categories of machines and stakes and prizes available in new and existing casinos

	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							
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 of</i> 20 B		

The table ratios referred to in Table 2 mean that:

- a regional casino must make a minimum of 40 gaming tables available for play. This will entitle the regional casino to 1250 gaming machines, i.e. at a ratio of 25 machines per gaming table. If the regional casino makes more than 40 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.

The new casinos permitted under the Gambling Act 2005 will also be able to offer betting. The regional and large casinos will also be able to offer bingo.

Number and location of casinos

The Government decided to limit the number of new casinos and monitor their impact on problem gambling before deciding to allow any more. The 17 new casinos – one regional, eight large and eight small – will be closely monitored and evaluated through a social impact study.

The Government appointed an independent Casino Advisory Panel to advise them on the local authority areas where the 17 new casinos should be located. The Panel received proposals from 68 local authorities to host one of the new style casinos, 38 of which were short listed for final consideration.

The Casino Advisory Panel made its Final Report to the Secretary of State for Culture, Media and Sport on 30 January 2007. (The report can be accessed on the Panel's website at www.culture.gov.uk/cap)

The Panel recommended Manchester for the regional casino and 16 other local authority areas in England, Scotland and Wales for the eight large and eight small casinos.

Ministers accepted the Panel's recommendations and put these local authority areas to Parliament. The House of Commons approved the areas but they were rejected, by just three votes, by the House of Lords.

The Prime Minister announced on 11 July that he wants to consider further whether deprived areas could be equally well or better served by alternative forms of regeneration to a regional casino. He has asked Hazel Blears, Secretary of State for Communities and Local Government to take this work forward, working with other government departments, including DCMS. The PM has asked her to report to him in the autumn.

On 16 July James Purnell, Secretary of State for Culture, Media and Sport, wrote to the 16 local authorities, recommended for the eight large and eight small casinos, to

see if they are still willing to licence a new casino. He has asked them to reply by the end of August. Any proposal regarding the location of casinos will need to be approved by Parliament.

It will be the responsibility of the successful local authorities to award the casino premises licence for their area following a fair and open competition. The Secretary of State will publish a code of practice to govern this.

Existing casinos

No more applications for certificates of consent for new casinos under the 1968 Act can be made. The Gambling Commission has not been able to accept applications for certificates of consent for casinos since April 2006. However, casinos already established under this Act will remain in operation under the Gambling Act 2005. They will be required to abide by new requirements on social responsibility, but, the nature and scale of their operations will stay as they are now.

Since 1 October 2005 existing casinos have no longer been required to operate the 24 hour membership rule – this was a “cooling off” period between which someone could join a casino and start to play - and have been able to offer 20 jackpot gaming machines - twice the number previously permitted. At the same time the maximum stake on jackpot machines in casinos was increased from 50p to £2, and the maximum prize doubled to £4,000.

Regulation

The Act has three key objectives in relation to casinos; to ensure that gambling is:

- fair and open;
- crime free; and
- that children and vulnerable people are protected from being harmed or exploited by gambling.

To enforce this we have created a powerful new regulator – the Gambling Commission – which replaced the old Gaming Board in October 2005. The Commission has powers to:

- investigate;

- prosecute;
- fine; and
- remove the licences of operators or staff who fail to comply with the law.

All gambling operators, including casinos, will be required to apply for a new operating licence from the Gambling Commission. Operators must meet the social responsibility codes of practice provisions and will have to put into effect policies and procedures including:

- preventing underage gambling;
- prominently displaying clear information in both the main gaming area and in more discreet places, about responsible gambling and how to get help for problem gamblers; and
- contributing to problem gambling treatment and research, education and public awareness.

In addition all casino operators will have to:

- introduce measures to control continuous and repetitive play and encourage breaks in play;
- train staff to identify, and if necessary approach, customers who may be affected by problem gambling and provide information about help available;
- implement policies and procedures for customer interaction where they have concerns that a customer's behaviour may indicate problem gambling; and
- put in place procedures for self-exclusion and should take all reasonable steps to ensure the self-exclusion period is for a minimum of six months.

Alcohol also must not be used by operators as an inducement to encourage people to gamble.

Only adults aged over 18 will be allowed to enter and gamble in a casino. The protection of children will be strictly enforced and measures will include:

- age checks at each casino entrance refusing entry to those who appear underage and cannot prove otherwise; and
- adults knowingly taking children into casinos, or the gaming area of the new regional casino, face service refusal or prosecution.

The Advertising Standards Authority, Gambling Commission and OFCOM, will oversee strict advertising codes that will act in the interests of children and bar advertisers from:

- encouraging irresponsible or excessive gambling;
- seeking to harm or exploit children, the young, or other vulnerable persons;
- directing advertisements at those under 18; or
- featuring people who seem to be under 25.

There will also be a ban on gambling advertising from poorly regulated countries outside the European Economic Area.

Measures will also be in place to ensure casino gaming is fair and open, including:

- clearly displaying the rules of games, odds or house edge, average return to the player;
- fair and effective complaints procedures which are well-publicised; and
- keeping records of complaints and disputes and providing to the Gambling Commission as and when necessary

Other procedures to ensure the casinos are crime free and financially robust will include:

- the personal licensing of key staff, including managing directors and directors of finance by the Gambling Commission to ensure they are suitable and competent;
- procedures against money laundering including identifying customers, recording all transactions above specified levels, reporting all suspicious activity and training staff in their responsibilities; and
- full and unrestricted access to premises and information for the Gambling Commission Compliance Staff.

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

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