

LICENSING COMMITTEE (LICENSING ACT 2003)

Agenda Item 18

Brighton & Hove City Council

Subject:	Underage Gambling Test Purchase Operation		
Date of Meeting:	20th November 2014		
Report of:	Senior Licensing Officer		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1. This report details a recent underage gambling test purchase exercise by the Council's Licensing Team and assisted by the Gambling Commission on the 9th October 2014.
- 1.2. Following test purchases reported to Licensing Committee on 20th June 2014, officers were instructed to continue to monitor premises and take appropriate enforcement action including test purchases. Previous failing businesses were retested.

2. RECOMMENDATIONS:

- 2.1. That the committee notes the contents of this report.
- 2.2. That officers should continue to monitor premises and take appropriate enforcement action including test purchases.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS

3.1. Gambling Act 2005 - Licensing Authority Functions

- 3.1.1. The functions of licensing authorities may be divided roughly into five: publication of Gambling Policy, regulation of premises, registration of small society lotteries, maintenance of registers and compliance.
- 3.1.2. Table 2 shows types and numbers of gambling licences issued by Licensing Authority currently compared to 2007 when the Gambling Act 2005 came into force.

Premises Licences	Current (31 01 2014)	2007
Casinos	4	4
Bingo Licences	4	8
Adult Gaming Centres (AGCs)	8	28
Family Entertainment Centres (FECs)	4(incl. 2 FEC permits)	8
Betting tracks	2	2
Betting Shops	47	51
Gaming Machines	144	222

3.2. Rationale

- 3.2.1. Brighton and Hove City Council have been working in partnership with the Gambling Commission (Commission) to undertake test purchases across a number of different operators, to test the effectiveness of underage gambling policies and procedures at gambling premises. The tests were designed to provide us and the Commission with assurance that licensed operators have sufficient safeguards in place to prevent underage gambling.
- 3.2.2. The Commission approached the Licensing team in February 2014 about running a test purchase operation in late April 2014 targeting the small/medium operators of betting shops, adult gaming centres (AGCs) and bingo halls. This has come about as a result of a national test purchase operation done by the Gambling Commission in 2009 which saw a 98% failure rate amongst the larger operators. Since then the larger operators have introduced a number of measures and regular self testing schemes.
- 3.2.3. The Commission has concerns about underage gambling vulnerabilities in particular sub-sectors of the gambling industry. Operators must monitor the effectiveness of their policies and procedures for preventing underage access to gambling premises/products (a requirement under LCCP (Licence Conditions Code of Practice)). Certain sub-sectors of the industry have not provided the Commission with any assurances that this is happening.
- 3.2.4. Those sub-sectors are, broadly, the small and medium-sized betting, AGC/FEC and bingo sectors where the operators constituting those sub-sectors (except where test purchase schemes may already be provided by a trade association or third party, for example) are not able to evidence that age verification procedures are being monitored. The Commission has particular concerns with regards to access to gaming machines, which may be accessible without any interaction between the player and a member of staff.
- 3.2.5. A number of this type of small/medium premises were identified in Brighton & Hove. Test purchasing was carried out in accordance with the advice given by the Better Regulation Delivery Office (BRDO) and Gambling Commission's advice on test purchasing.
- 3.2.6 The Gambling Commission recently published a press release titled "Weaknesses persist in underage gambling controls" Please see Appendix A.

3.3. Offences

3.3.1. Gambling Act 2005, Part 4, Protection of Children and Young Persons

- Section 46: A person commits an offence if he invites, causes or permits a child or young person to gamble.
- Section 47: A person commits an offence if he invites or permits a child or young person to enter premises.

3.4. Methodology

- 3.4.1. The juvenile test purchase operation consists of a young person (under 18) attempting to enter a gambling premises and, if so able, attempting then to play a gaming machine for a short period of time before leaving the premises.
- 3.4.2. Each test purchase seeks to identify at what stage, if any, a challenge is made by the staff member at the gambling premises. The stages of challenge are as follows:
 - a. Upon entry to the premises (betting, AGC and casino only)
 - b. Any time after crossing the premises threshold but before inserting monies into the gaming machine
 - c. After having inserted stakes into the machine and whilst playing the machine
 - d. Challenge between finishing gaming machine play and exiting the premises.
 - e. No challenge (having departed premises).
- 3.4.3. The first test purchase operation was carried out on the 25th April 2014 by the Council's Licensing Team and assisted by the Gambling Commission. A total of 7 premises were visited (2 Betting Shops and 5 AGCs). The operation involved two officers from the Local Authority and an officer from the Gambling Commission. A supervisor from the Licensing Team first entered the premises, to assess that the premises was safe to enter and machines were available for use, followed by the test purchaser entering. The test purchaser was a 16 year old boy and he was instructed to first walk around the premises then start playing a gaming machine (for 18 years persons only) for approx 7-10 mins.

3.5. Results

- 3.5.1. The following premises failed the first test purchase by failing to challenge the young person:
 - **Connaught Leisure** (AGC), 46 George St, Hove, BN3 3YB
 - **Metrobet Bookmakers** (Betting Shop), 56 Boundary Road, Hove BN3 5TD
 - **Bridge Bookmakers** (PKA Hare Bookmakers) (Betting Shop), 75 St. James's St, Brighton, BN2 1PA
 - **Nobles Amusements** (Bingo), 126-127 St. James's Street, Brighton BN2 1TH
 - **Regency Arcade** (AGC), 63-64 West Street, Brighton BN1 2RA
 - **Silverstreak Ltd** (AGC), 97 St. James's St, Brighton

The Gaming Centre (AGC), 81 Boundary Road, Hove BN3 5TD passed the test purchase as the young person was challenged upon entry and asked for ID.

3.6. Follow up Action

- 3.6.1. Each premises was sent a warning letter with details of the test purchase and the offence committed. The licence holder was asked for a written response on how they will address the weaknesses in their underage gambling procedures shown by the test. They were also informed that Brighton and Hove Council intend to conduct a re-test of their gambling premises in the future, and should that test again show weaknesses, consideration may be given to initiating a review of their premises licence.

- 3.6.2. Written responses were received from all those premises that failed the test purchase acknowledging the failure and offence and committing to improve their policies and procedures. This includes introducing measures such as further refresher training, disciplinary action taken if appropriate, “blocking” machines when idle so that staff must be approached before playing, maintaining check & compliance logs and introducing independent self test regimes.
- 3.6.3. Compliance inspections to all six of the premises that failed were carried out by Licensing Officers shortly after the written responses were received. The inspections involved discussions about the failed test purchase and going through the policies and procedures for preventing underage access to gambling premises and playing of machines. Mandatory licence conditions and the Social Responsibility Code Provisions were also discussed. It was made clear that the premises would be re-tested in the future.
- 3.6.4 The second test purchase operation was carried out on the 9th October 2014 by the Council’s Licensing Team and assisted by the Gambling Commission. A total of 5 premises were visited (1 Betting Shop, 1 Bingo and 3 AGCs). Bridge Bookmakers who previously failed had notified us of their closure so no re-test could take place. The operation involved three officers from the Local Authority and an officer from the Gambling Commission. A supervisor from the Licensing Team first entered the premises, to assess that the premises was safe to enter and machines were available for use, followed by the test purchaser entering. The test purchaser was a 16 year old boy and he was instructed to first walk around the premises then start playing a gaming machine (for 18 years persons only) for approx 7-10 mins.

3.7. Results of the second test purchase operation

3.7.1. The following two premises failed the second test purchase by failing to challenge the young person:

- **Metrobet Bookmakers** (Betting Shop), 56 Boundary Road, Hove BN3 5TD
- **Regency Arcade** (AGC), 63-64 West Street, Brighton BN1 2RA

Connaught Leisure (AGC), 46 George St, Hove, BN3 3YB, **Nobles Amusements** (Bingo), 126-127 St. James’s Street, Brighton BN2 1TH and **Silverstreak Ltd** (AGC), 97 St. James’s St, Brighton passed the test purchase as the young person was challenged upon entry and asked for ID.

3.8 Follow up Action

- 3.8.1 The three premises that passed have been written to informing them that they passed the test purchase and to continue to monitor their policies and procedures for the prevention of underage gambling.
- 3.8.2 The two premises that failed have been sent a letter informing them that they failed the test purchase and that a review of their premises licence will be submitted by the Licensing Authority.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1. Licensing Strategy Group, finance and legal services.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1. The costs associated to the licensing and gambling functions of the council are funded from existing revenue budgets with the Environmental Health and Licensing service

The costs associated to activities under the Gambling Act 2005 are funded by licence fee income. Licence fees are approved annually at Licensing Committee and are set at a level that it is reasonably believed will cover the costs of providing the service in accordance with the requirement of the legislation under which they are charged.

Finance Officer Consulted: Steven Bedford *Date:* 21/10/14

Legal Implications:

- 5.2. Legal implications are contained within the body of this report.

Lawyer Consulted: *Date:*

Equalities Implications:

As licensing authority, the Council works in partnership with the betting industry to ensure effective protection measures, policies and procedures are used to promote and implement socially responsible gambling and tackle problematic gambling.

Sustainability Implications:

- 5.3. There are no direct sustainability implications.

Crime & Disorder Implications:

- 5.4. Government policy aims to ensure that the gambling sector is run responsibly, as a safe and enjoyable leisure activity.

Risk and Opportunity Management Implications:

- 5.5. No implications

Public Health Implications:

The Gambling Act 2005 is predicated on the three licensing objectives:

- Keep gambling crime-free
- Ensure that gambling is fair and open
- Protect children and vulnerable adults

As licensing authority, members and officers monitor and review their function with informed by research to support control of problem gambling - How common

is the problem in the city and which groups suffer most from problematic gambling? What are the affects of problematic gambling on individuals, families, and health? What can the authority do to minimise risk factors associated with problematic gambling? What interventions are possible at licensing level? How can Local Government and Health and Wellbeing Boards develop an approach to problem gambling?

Corporate / Citywide Implications:

- 5.6. The local licensing delivers support improvement that help businesses comply with the law speedily, easily and economically.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1. None – for information only.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1. For information only.

SUPPORTING DOCUMENTATION

Appendix A – Weaknesses persist in underage gambling controls
Documents in Members' Rooms

1. None.

Background Documents

1. None.