

SUBJECT: LICENSING OF CASINOS WITHIN MERTON

LEAD OFFICER: Head of Planning & Public Protection – Steve Clark

LEAD MEMBER: Councillor Martin Whelton

KEY DECISION REFERENCE NUMBER: N/A

RECOMMENDATIONS:

- 1) **The Licensing Committee resolves not to have casinos within the Borough**
- 2) **The Licensing Committee resolve not is issue casino licences within the London Borough of Merton or allow operators to make application for one or more premises licences for casinos.**

1. EXECUTIVE SUMMARY AND PURPOSE OF REPORT

- 1.1 A Gambling Bill was put before Parliament in October 2004, received Royal Assent on 07 April 2005 and became the Gambling Act 2005.
- 1.2 The Gambling Act 2005 in some respects mirrors the format and logistics of the Licensing Act 2003, giving local authorities similar responsibilities for the licensing of gaming premises.
- 1.3 Local authorities will be responsible for issuing Premises Licences (for Bingo Halls, Betting Shops etc). The committee set up under the Licensing Act 2003 will be responsible for dealing with applications under the Gambling Act 2005.
- 1.4 In the summer of 2006, Merton Council will be asked to approve a Draft Licensing Policy Statement for Gambling. The Draft Statement will then be consulted upon and adopted in late 2006

2. DETAILS

Existing Position

- 2.1 At the present time, Casinos are regulated by the Gambling Commission (formerly the Gaming Board) under the Gaming Act 1968.
- 2.2 Under that legislation there are specific **permitted areas** in England and Wales where Casino Licences may be granted.
- 2.3 Merton is not a permitted area and therefore has never had a licensed Casino.

- 2.4 The Gambling Act recently passed by Parliament will allow three new types of casinos to operate in Britain. One “regional casino” will be permitted, along with eight large and eight small casinos.
The regional casino will have a minimum total customer area of 5,000 m², and be permitted up to 1,250 Category A unlimited jackpot gaming machines. Large casinos will have a minimum total customer area of 1,500 m², and be permitted up to 150 Category B gaming machines, with a maximum jackpot of £4,000. Small casinos will have a minimum total customer area of 750m², and be permitted up to 80 Category B gaming machines, with a maximum jackpot of £4,000. The one regional and eight large casinos will be permitted to offer bingo, and all three categories will be permitted to offer betting.
- 2.5 The Government expects that a regional casino will be a major development, offering clear potential for regeneration. It 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.
- 2.6 The Government has appointed a Casino Advisory Panel. The Panel’s task will be to recommend to the Secretary of State for Culture, Media and Sport the areas where the one regional casino and eight large and eight small casinos would best be located. The primary criterion, as laid down by the Secretary of State is:
- to ensure that locations satisfy the need for the best possible test of social impact (which may require a range of locations of different kinds such as seaside resorts, edge of town developments or inner city centres);
- Subject to that, the Secretary of State has also asked the Panel;
- to include areas in need of regeneration (as measured by unemployment and other social deprivation data) and which are likely to benefit in these terms from a new casino;
 - to ensure that those areas selected are willing to license a new casino.
- 2.7 To date, 75 local authorities have expressed an informal interest in proposing their area for one or more of the new casino licences. It appears likely that more than 100 of authorities will make formal proposals to the Casino Advisory Panel.
- 2.8 It would appear that Merton is unlikely to be able to fully satisfy the selection criteria in 2.6 above. For example, although some regeneration may be desirable in certain parts of the borough, levels of unemployment and social deprivation are likely to be more evident in other parts of the country.
- 2.9 The Panel has been asked to provide its recommendations to the Secretary of State by the end of 2006.

Application Process For New Casinos

- 2.10 On 31 January 2006, the Casino Advisory Panel published the 'Call for Proposals' for Regional, Large and Small Casinos, together with a 'Project Outline' from the Panel. These documents are intended to form additional guidance for Local Authorities who are interested in submitting a proposal for a new casino under the Gambling Act 2005, and are attached as Appendix 1.
- 2.11 Formal proposals from Local Authorities should be submitted by **31 March 2006**.

3. ADVANTAGES AND DISADVANTAGES

- 3.1 The advantages of having a licensed casino in the borough may be:
- inward investment
 - possible, additional employment
 - a different sort of leisure facility for consumers
- 3.2 The possible disadvantages are:
- an adverse effect on children, families or vulnerable persons (leading to or exacerbating problem gambling)
 - opposition from local residents, who think that such an establishment will not have amenity value and be detrimental for their area

4. ALTERNATIVE OPTIONS

- 4.1 Merton may decide that it favours casino operations within this borough and decide to submit formal proposals to the Panel in the hope that this Borough is awarded one or more of the 17 new casino licences.
- 4.2 Alternatively, Members may decide that for the time being they do not wish there to be licensed casinos in this Borough and seek to pass a resolution accordingly.
- 4.3 **Section 166** of the Gambling Act 2005 enables the licensing authority to pass a resolution **not to issue casino premises licences**. The section provides as follows:
- A licensing authority may resolve not to issue casino premises licences.
 - In passing a resolution under subsection (1) a licensing authority may have regard to any principle or matter.
 - A resolution under subsection (1) -
 - a) Must apply to the issue of casino premises licences generally,
 - b) Must specify the date on which it takes effect,

- c) May be revoked by a further resolution, and
 - d) Shall lapse at the end of the period of three years beginning with the date on which it takes effect (without prejudice to the ability to pass a new resolution).
- A resolution under subsection (1)
 1. May be passed whether or not the licensing authority has already issued casino premises licences,
 2. Shall have no effect in relation to a casino premises licence issued before the resolution takes effect,
 3. Shall have no effect in relation to premises in respect of which a provisional statement relating to the operation of a casino is in force when the resolution takes effect,
 4. Shall have no effect in relation to anything converted into a casino premises licence by virtue of Schedule 18,
 5. Shall not affect the issuing of a casino premises licence in accordance with a requirement by virtue of Schedule 18, and
 6. May not be taken into account in conducting a review of a casino premises licence under section 201.
 - A resolution under subsection (1) shall be published by being included in a statement or revision under section 349.
 - Section 157 is subject to this section.

5. FINANCIAL IMPLICATIONS

- 5.1. The cost of producing proposals for review by the Casino Advisory Panel can be met from existing resources.
- 5.2. It is envisaged that any costs directly incurred by LBM as a result of one or more casinos being established in the Borough will be fully offset by Licence fees received.

6. LEGAL IMPLICATIONS AND STATUTORY PROVISION

The legal issues are covered in the body of the report.

7. CONSULTATION UNDERTAKEN

- 7.1 The DCMS and Casino Advisory Panel have imposed an extremely tight time scale with regard to this matter. There has therefore not been sufficient time to consult upon these proposals.

APPENDICES – Appendix 1 Casino Advisory Panel ‘Call For Proposals’ and ‘Project Outline’

BACKGROUND PAPERS – None

OFFICER CONTACTS:

Report Author – Richard Nash (Licensing Manager) - Telephone 0208 545 3929
Email address richard.nash@merton.gov.uk

Further information about Merton Council can be obtained from its web site
www.merton.gov.uk)