

# Joint statement by Minister with responsibility for Gambling

Andrew McIntosh and Planning Minister Keith Hill

1. The Government is proceeding with plans to reform and update the laws regulating gambling in Great Britain. Some of the most far-reaching changes relate to casinos. In **A Safe Bet for Success**, which we published in March 2002 as Cm 5397, we confirmed our acceptance of the recommendations made by the independent Gambling Review Body about casinos.
2. On the plans which we have set out in *A Safe Bet for Success* casinos will no longer have to operate as private clubs, with a statutory interval between membership and play, and they would no longer be confined to limited "permitted areas", and subject to a demand test. They will also be able to:
  - offer live entertainment
  - advertise;
  - offer betting and bingo as well as table games;
  - offer larger numbers of gaming machines, linked to each other to offer potentially large joint jackpots
3. All these changes, which will assist the ability of casinos here to compete in what is increasingly a global market, will be taken forward within a new framework of regulation. This will depend on a Gambling Commission at the centre, taking on the role now played by the Gaming Board but with enlarged responsibilities and powers; and on local authorities responsible for the licensing of individual gambling premises in their areas.
4. The Government is confident that these changes will widen consumer choice and reflect the extent to which the gambling industry has become part of mainstream leisure. At the same time we are clear that there must be no weakening of that effective regulation, especially the harder forms of gambling as are found in casinos, which is necessary to keep it free of crime, to ensure fairness to participants, and to protect children and the vulnerable. We have to be mindful of the Review Body's advice to proceed with caution, and to take note of problems which have arisen in other countries from over-rapid easing of regulatory controls.
5. We have also taken careful account of the advice of the Culture, Media and Sport Committee, which recommended in its seventh report of the 2001-02 session that:
  - the Government should reconsider the Review Body's conclusion that casinos should have a minimum gaming floor area devoted to table games of 2000 sq feet;
  - there should be a reassessment of planning guidance to ensure that local opinion has a voice in proposed casino developments;
  - local authorities should develop the most beneficial strategy for licensing and approving planning for resort casinos, so that they contribute to the areas in which they are built; and
  - the Government should endeavour to strike a balance between gaming tables and machines in casinos.
6. There has inevitably been some uncertainty about the terms in which our legislative proposals for casinos will be cast. Against this background we think that it would be helpful, and assist the process of pre-legislative scrutiny, to set out now more fully the way in which we consider that reform of the regulation of the casino industry might be taken forward.

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7. First, bearing in mind the Review Body's concern about the proliferation of small casinos which are hard to regulate effectively and the potential increase in problem gambling which ready access from a wide range of high street premises could entail, we are minded to proceed on the basis that the minimum table gaming area (that is, the area in which gaming tables may be played) for new casinos should in the first instance be 5000 rather than 2000 sq feet. On that assumption, we envisage that gambling law would recognise two categories of casino:
  - small (with a total table gaming area, and excluding other gambling facilities such as betting, bingo and gaming machines) of between 5000 and 10,000 sq feet); and
  - large (above 10000 sq feet).
8. There are a number of casinos with gaming areas of less than 5000 sq feet already in use. We are clear that these will be able to continue to operate, as small casinos, under the new licensing framework which we envisage. But no new developments below the 5,000 sq ft threshold would, on our proposals, be licensed. If the proposed 5000 sq ft minimum were subsequently to be increased, then casinos which were below that size would continue to be able to operate, subject to satisfactory compliance with their licence conditions, in the same way as we envisage for existing casinos with a table gaming area of under 5,000 sq ft.
9. We propose that local authorities would be able to entertain applications for premises to be licensed as small casinos if they satisfied statutory regulatory criteria, including minimum size. The local authorities would need to take account of guidance from the Gambling Commission, which will be responsible under a separate process for licensing casino operators.
10. But we think that it will be important, again in order to ensure that deregulation takes place in a controlled and balanced way, that - at least in the first place - casinos, while free to install gaming machines with no fixed prize limits, are not able to link them to machines on other premises to create progressive jackpots. Such linking would undercut effective controls over the availability of machines which evidence from overseas suggests importantly influence the incidence of problem gambling.
11. We are also inclined to the view that small casinos (including casinos now in operation which are below the new minimum size requirement) should be able to install up to three machines for each gaming table which is available for use, to ensure that machines do not unduly dominate the gambling activities there. By contrast casinos in the large category would, if they had more than 40 gaming tables, be entitled to offer an unlimited number of gaming machines. We would again keep all these limits under review in the light of advice from the Gambling Commission about their operation and effect.
12. These arrangements would enable large casinos to make very substantial jackpots available through linking machines on-site. Such casinos would for the first time enable British consumers to enjoy here the kind of facilities and leisure experience which characterise major casinos in other countries.

### Planning for Casinos

13. Subject to the regulatory proposals set out above, we envisage that the market will determine the number, size and character of casinos, and where they will be located. However, we recognise that there are likely to be some large leisure developments, comprising, for example, casinos, hotels, restaurants, entertainment and other facilities, and that these developments, which attract visitors from further afield, are likely to present major opportunities for regeneration and tourism development which could have a significant effect on the economy of the area.

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14. The Government is keen to secure these benefits where they can make the greatest contribution to its objective of encouraging economic development and creating sustainable communities. It therefore expects Regional Planning Bodies to set out, where they deem it appropriate, planning policies for leisure developments of regional significance, including the largest casinos, which identify suitable locations within the region that would optimise their contribution to tourism and regeneration. Local planning authorities will need to develop policies and identify sites for such developments in their local plans which are consistent with regional policies.
15. Gambling law in relation to casinos of all sizes will apply equally in Scotland and Wales. But it will be for the Scottish Parliament and the Welsh Assembly to decide what adjustments to the planning and land use arrangements might be appropriate to take account of changes to gambling regulation.
16. Gambling regulation needs to be flexible, so that it can take account of technologically- and business-driven changes, as well as social expectations and the incidence of social problems which may be related to gambling. Changes to regulation must proceed in a controlled way to ensure that there is no risk to public protection.
17. It will therefore be important to ensure that, when we are able to bring legislative proposals before Parliament, they recognise the responsibility of the Gambling Commission and, with its advice, the Secretary of State, for keeping the balance of regulation under review. If deregulation goes well, then the case for further relaxation of controls will be strengthened. Conversely it will be important to have the ability to nip problems in the bud.
18. We will present a complete draft of the Gambling Bill to Parliament in the Autumn, for pre-legislative scrutiny by a joint Committee of both Houses. The proposals set out above are not set in stone, but they represent our best current judgment about where the balance of public benefit lies. To assist pre-legislative scrutiny, we would be glad to have views from stakeholders and others, both on the proposals which we have set out above and on other possible options.
19. We will in particular welcome views on how the British casino market might develop in the light of these or other regulatory arrangements. Comments should be sent, by the end of October, to Richard Beston (DCMS, 2-4 Cockspur Street, London SW1Y 5DH; email [richard.beston@culture.gsi.gov.uk](mailto:richard.beston@culture.gsi.gov.uk)) who will also be pleased to provide further information about how the proposed licensing and planning arrangements relate to each other.