

HOME OFFICE

**Report of the
GAMING BOARD FOR
GREAT BRITAIN
1979**

London
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REPORT OF THE
GAMING BOARD FOR
GREAT BRITAIN
1979

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To: Her Majesty's Secretary of State for the Home Department,
and Her Majesty's Secretary of State for Scotland.

Her Majesty's Secretary of State for the Home Department,
and
Her Majesty's Secretary of State for Scotland.

In pursuance of section 50 of the Gaming Act 1968 I have the honour to present the eleventh Report of the Gaming Board for Great Britain covering the year 1st January to 31st December 1979.

ALLEN OF ABBEYDALE.

14th March 1980.

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INTRODUCTION

1. This is the Board's eleventh Annual Report. It covers a year during which the Board's work increased, and there was considerable press and public interest in the subject of gaming.

2. There was no change in the membership of the Board during the year. Lord Allen continued as a member of the Tribunal of Inquiry into the affairs of the Crown Agents and Sir Roger Falk's appointment as Deputy Chairman was therefore extended.

Royal Commission on Gambling

3. The Board's comments on the Royal Commission's report were submitted to the Home Office in two parts, in February on lotteries and in April on the rest of the report which related to the Board's activities.

4. A debate on the Royal Commission's report took place in the House of Commons on 29 October. The Board were glad to note the Government's endorsement of some of the report's major recommendations on gaming.

Contacts with other enforcement agencies

5. The Chairman and Secretary visited the USA and the Bahamas in April. In the USA they had discussions with the gaming authorities in New Jersey and Nevada. In the Bahamas they were consulted by the Bahamian Gaming Board on the restructuring of Bahamian gaming. As a result, members of the Board's staff visited the Bahamas in October and December, costs being underwritten by the Bahamian authorities.

6. Sir James Starritt and the Chief Inspector visited a number of casinos in Spain in June at the invitation of the Spanish Casino Proprietors' Association. In October Sir Roger Falk visited casinos in Holland and had discussions with the Dutch Gaming Board (the Raad).

7. During the year, the Board were in correspondence with a number of gaming authorities in different parts of the world; and visitors were received from the Isle of Man Gaming Control Board, the Swedish Lottery Board, the Dutch Gaming Board, the New Jersey Control Commission, the Nevada Gaming Board, the Spanish Gaming Board and the Spanish Casino Proprietors' Association. We also arranged training facilities for inspectors from the Isle of Man.

GENERAL

Casino activities

8. The Board were concerned about the number of irregularities and infractions of the law which occurred or were alleged to have occurred at casinos in Great Britain. Events in London received wide publicity, to the detriment of the casino industry. We must record the following cases.

9. The Victoria Sporting Club. Following action by the police and Gaming Board inspectors on 7-8 December 1978, charges under the Theft Act or the Gaming Act were brought against a number of persons connected with the club. The police and the Gaming Board subsequently applied for the cancellation of the gaming licence for the premises.

10. Ladup Ltd. and Hyde Park Casinos Ltd. As a result of disclosures about the methods adopted to induce wealthy gamblers to become members of these companies' London casinos, the Metropolitan Police objected to the renewal of the licences for three of the casinos. The objections were successful. The companies appealed against the decision of the licensing justices. The appeal was heard at the Knightsbridge Crown Court between 5 and 30 November and was rejected. Subsequently application was made for a judicial review of this decision.

11. The Coral Leisure Group. A large number of police officers accompanied by Gaming Board inspectors entered four London casinos belonging to the Group on the night of 2-3 November 1979. Documents and records were taken away. Twenty-two people were subsequently charged with various criminal offences.

12. The Board are well aware that in none of these cases had the outcome been finally determined at the end of the year. Nevertheless, enough emerged to give ground for disquiet about the industry. The Board for their part will feel obliged to continue to use their powers to the best of their ability to counter any irregularities or illegal activities.

13. We saw it suggested in some quarters that the Board had embarked on a deliberate policy of attacking casinos in London with a view to reducing their number. This is simply not true.

14. The Board and the police had certain casinos under observation for a considerable time because there was rumour, and some indication, of malpractice. But the timing of action in such cases is not always easy; where it is believed that principals may be involved, it may take a long time to accumulate sufficient information to justify action.

15. It is also to be noted that criminal proceedings may take anything up to 2 or 3 years. It is sometimes hard for the public to distinguish between criminal and licensing proceedings, or between one case and another, when proceedings overlap and there are almost continual reports in the press relating to alleged misdeeds of one kind or another in casinos.

16. We noted the interest of the financial press in several of the recent proceedings. This was understandable, because some of the licence-holders concerned were publicly listed companies, a substantial part of whose capital was held by institutions. Some investors expressed anxiety about their shareholdings, and looked to the Board for assistance. But we felt bound to point out that the protection of investors was not one of the matters which the Board were entitled to take into account. The Gaming Act 1968 is silent on the matter.

17. Similar representations were made by casino staff who were naturally concerned about employment prospects. But this too is not a factor which the Board are entitled to take into account in carrying out their statutory functions.

18. Recent events have pointed to a shortage of top quality management in the casino industry in Great Britain. It is by no means easy to identify staff of suitable quality, experience and integrity to manage something so special as a group of casinos. The solution must rest with the industry itself, but we draw attention to the problem since it has been brought vividly to our notice when examining applications and schemes for expansion and re-organisation.

Sale of casinos

19. The Board are concerned that, as things stand, casinos can be sold at premium valuations even when their owners are under threat of legal proceedings. The Board have limited powers in respect of transactions in which the corporate identity of the licence holder is maintained, and they have made it clear that they would like to see a strengthening of their statutory powers where the identity of the licence holding company is maintained but where effective control has moved into new hands.

Changes in shareholding

20. We are also concerned at the way in which control can be affected by changes in the shareholding. Although there is a statutory requirement that changes in the directorate of a body corporate must be notified to the Board, there is no such requirement to notify the Board of significant dealings in the company's shares. At present, the Board *request* notification of transactions involving 5 per cent or more of a company's shares. We believe that there should be a statutory requirement for us to be notified of such changes, so that we can be reasonably sure that effective control of a company is not being changed without our being aware of it.

Closure of London casinos

21. An aspect of the closure of casinos in London was the effect on the Board's attitude to new applications for licences, having regard to the provisions in Schedule 2 to the Gaming Act relating to demand for gaming. The

immediate reaction of some applicants was that if licences were lost in London, new licences would be readily issued to replace those of the casinos closed. But the issue is not as simple as that.

22. It seems to the Board that, notwithstanding the increase in "drop", facilities in London may well have been over-provided at a time when there has been a decline in the number of people participating in gaming. Indeed, it looks as though some of the alleged breaches of the law may have arisen from casinos competing with one another to attract the small number of high stake players frequenting London casinos at a time when a strong pound, and other considerations, may have made London less attractive to Americans and Arabs, and when the events in Iran have created difficulties for Iranian gamblers.

23. Our statistical returns were not complete at the end of the year, but the indications were that a potential applicant could well be wrong in assuming that a new application for a licence would not be opposed on grounds of demand, given the facilities available in the existing casinos, with perhaps a few extra tables added there to cater for peak demand.

Casino taxation and accounts

24. The Report of the Royal Commission on Gambling recommended that the Board should become responsible for the collection of a new gaming tax—"an Additional Casino Levy"—in those casinos where the annual "drop" exceeded £10m. This levy would be 3 per cent of the drop.

25. Quite apart from any arguments as to the merits of such an additional levy, the Board consider that there are substantial policy objections to their becoming tax collectors. There would be a risk of the Board becoming concerned with the level of profitability of gaming, a development which could conflict with their functions for law enforcement. Further, it appears to the Board that an increase in staff would be necessary, to do work which could duplicate work at present undertaken by the Board of Customs and Excise. The Board believe that it should be for the revenue departments to be responsible for collecting all the tax arising from the operation of casinos.

26. This view is not inconsistent with the opinion of the Board that licence-holders should be required to provide them with accounts relating to gaming operations. These accounts may well be consolidated in accounts covering all the activities of a company, so that it may not be possible to discover the actual expense or profitability of the gaming activities. The Board invited the British Casino Association to consider whether their members would feel able to provide the Board with such information voluntarily, but by the end of the year no agreement had been reached. This is one of the matters noted for consideration for legislation at the appropriate time.

Increases in fees

27. The Gaming Act (Variation of Fees) Order 1978 came into force on 1 May 1979. It gave effect to the following increases in fees:—

	<i>From</i>	<i>To</i>
	£	£
Grant of a casino gaming licence	3,000	8,700
Renewal of a casino gaming licence	600	1,740
Transfer of a casino gaming licence	450	1,300
Registration of a club or institute under Part II	48	54
Renewal of registration	24	27
Registration of a club or institute under Part III	24	27
Renewal of registration	12	13.50

Financing the Board

28. The costs incurred by the Board (and the licensing Justices) are covered by fees charged to the gaming industry. A comparison between the original fees and those in force at the end of 1979 is as follows:—

	<i>Original</i>	<i>31.12.79</i>
	£	£
Grant of a casino gaming licence	1,000	8,700
Renewal of a casino gaming licence	200	1,740
Transfer of a casino gaming licence	150	1,300
Registration under Part II	20	54
Renewal of registration under Part II	10	27
Registration under Part III	10	27
Renewal of registration under Part III	5	13.50
Employee's certificate of approval	5	10
Issue of a machine certificate (section 27)	250	750
Renewal of a machine certificate (section 27)	100	300
Grant or renewal of a permit under section 34	1.25	3.75
Grant of a bingo licence	250	750
Renewal of a bingo licence	100	300
Transfer of a bingo licence	50	150
Grant or renewal of a permit under section 16 (Lotteries and Amusements Act)	1.25	3.75

29. The increases in the fees charged for the grant, renewal and transfer of casino licences, reflected the increasing amount of time which the Board had to devote to casino affairs. During the year we were again concerned

about the length of time which we spent on applications for certificates of consent for casinos which were subsequently withdrawn or were unsuccessful. We believe that unsuccessful, as well as successful, applicants should pay towards the cost of dealing with their applications. It is often the unsuccessful applications which take longest and cause most work.

30. We believe too that other unsuccessful applicants should bear the cost of dealing with their applications for certificates whether in respect of bingo, for the sale and supply of gaming machines or for employment.

31. The Royal Commission were of like mind so far as certificates of consent were concerned, and recommended that the cost of a consent application, whether or not successful, should be charged for at a maximum rate of £200 at 1977 prices. We think that this sum is much too low.

Report on Non-Departmental Public Bodies (Command 7797)

32. We took note of this report and in particular of the recommendations (in paragraphs 75 and 76) emphasising the need for fringe bodies to supply informative annual reports. We have this year included in Appendix I details of the remuneration and expenses of the Board and their staff.

Future legislation

33. We referred in paragraph 4 to the debate in the House of Commons on 29 October on the Royal Commission on Gambling. The Home Secretary referred in his speech to present legislation and went on to say:

“Our aim should be to build on the existing legislation and bring it up to date in the light of changed circumstances”.

and again,

“The main object should be to provide effective statutory provisions and regulations”.

34. The 1968 Act, which was a pioneering statute in an area where there was no very great experience, has on the whole stood up pretty well. But the Royal Commission's report (even though we do not agree with all its recommendations) confirmed the view that the Act now needs amendment and tightening up in a number of respects, and we welcome the indication given by the Home Secretary that the Government are minded to introduce legislation as opportunity permits. We well understand the pressure on parliamentary time but we nevertheless hope that the opportunity will not be long delayed.

Co-operation with the police

35. During the year we continued to co-operate with police forces throughout Great Britain. The well publicised raids on London casinos were an example of co-ordinated action planned and executed jointly by the police and the Board. We also joined with the police in objecting to the issue or renewal of certain gaming licences which we felt would not be in the public interest.

36. The Board's inspectorate will be ten years old in March 1980. We take this opportunity to record our appreciation of the help which we have received from the police during this period.

Le Cercle Club

37. At paragraph 18 of our 1978 Report we reported the revocation of the certificates of approval issued to three individuals under section 19 of the Gaming Act and explained that these revocations were to be subject to judicial review. On 1 February the Divisional Court granted each applicant the relief which he sought. It was held by the Court that, although the three applicants had not been given adequate notice of certain matters which were discussed at interviews which each of them had had with the Board, justice had still been done but had not necessarily been seen to have been done. Certificates of approval were restored to the applicants.

Penthouse Clubs (International) Ltd.

38. Relief was also sought by Penthouse Clubs (International) Ltd. in the form of an order of certiorari to quash the Board's refusal to give their certificate of consent to an application by Penthouse Clubs (International) Ltd. for a gaming licence. The applicants contended that the Board had not given them adequate notice of matters raised at an interview which they had had with the Board. On 10 July the Divisional Court found for the Board, and refused the applicants the relief which they sought.

Lotteries

39. The Board noted a declining interest in lotteries, as described in chapter 9. But substantial sums of money were still involved and there remained considerable risk of mismanagement and misappropriation of funds. The Royal Commission was concerned to tighten up the operation of the Lotteries and Amusements Act 1976 and made a large number of recommendations about the control of lotteries. The Board do not agree with all the recommendations, but they share the concern of the Royal Commission that improvement is badly needed in the provisions of the 1976 Act.

Pool Competitions Act 1971

40. On 30 June the Home Secretary by order continued the Pool Competitions Act 1971 for a further year until 26 July 1980.

CASINO GAMING

Number and distribution of licensed clubs

41. Appendix II gives a list of the localities in which clubs may be licensed for gaming other than bingo, bridge or whist, and shows the number of clubs operating in each locality on 1 January 1979 and 31 December 1979. Three London clubs closed on 3 December because the Knightsbridge Crown Court had refused to renew their licences, but the total number of clubs operating varied little between the beginning and the end of the year. The numbers were respectively 127 and 128.

Financial returns for the 12 months September 1978 to August 1979

42. The estimated drop (money changed for chips) was approximately £919 million. The totals for the last four years (for the same period) have been:—

<i>Year</i>	<i>£ million</i>	<i>% increase (over previous year)</i>
1975-76	477	36%
1976-77	680	43%
1977-78	727	7%
1978-79	919	26%

43. The drop was again the highest recorded. The percentage increase (over the previous year) of 26 per cent compared with an increase of 7 per cent in 1977-78. In our last report, we speculated about the smaller than usual increase which had occurred in 1977-78 and thought that this might have been the result of a falling off in visitors compared with the year of the Silver Jubilee. But, this time, the increase in the drop was well in excess of the rate of inflation, notwithstanding the reduction in the number of visitors to which we referred in paragraph 22.

44. London's percentage share of the total drop fell from 77 per cent to 75 per cent, but the amount in money terms increased from £563 million to £696 million. For the rest of Great Britain, the increase was from £164 million to £223 million. London remained the focal point of casino gaming. The average amount of drop in London per head of adult population was over £75 a year, compared with the next highest per head figures of £13 in the South East and £12 in the North West.

45. The popularity of the games remained in the same order as last year.

<i>Game</i>	<i>Popularity expressed as a percentage of the drop</i>			
	<i>1975-76</i>	<i>1976-77</i>	<i>1977-78</i>	<i>1978-79</i>
American roulette	55	54	56	59
Punto banco	14	16	19	18.5
Blackjack	19	17	17	16
French roulette	5	8	5.5	4
Craps	4	3	2	2
Baccarat	3	2	.5	.5

Demand for gaming facilities

46. The annual licensing cycle invariably produces a number of refusals by licensing authorities to grant licences for new casino clubs. A proportion of these cases goes to appeal. One interesting judgment was that of the Brighton Crown Court on 2 February granting an appeal against a decision of the Brighton licensing authority. The original licence application had been opposed by the Board and certain trade competitors, and had been refused on the ground that a demand for an additional club in the area had not been established. The Crown Court judgment gave full consideration to the evidence about the extent to which the existing facilities had been used, but also took account of the respective "up-market" and "down-market" characteristics of the existing casinos in the area. While accepting that the more staid "up-market" facilities were sufficient to meet the current demand from the group of people for which they catered, the judgment concluded that there was an unsatisfied demand, which was not apparent from the overall figures of attendances supplied to the Court, for the livelier "down-market" facilities of the type intended to be offered in the proposed casino. As an example, it was stated that these facilities included early opening and low minimum stakes.

47. One of the original objectors (not the Board) applied to the Divisional Court for a judicial review of the Crown Court's decision. This application was refused on 19 June. The matter was then taken to the Court of Appeal. No date had been set for the hearing by the end of the year.

1978-79 applications

48. The following table shows the number of consent applications received and their determination by the Board between 1 November 1978 and 28 February 1979, and the number and determination of the resultant licence applications:—

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made	48	8	56
Applications withdrawn	11	3	14
Applications refused	9	—	9
Applications deferred	3	—	3
Certificates issued	25	5	30

	England and Wales	Scotland	Total
<i>Licences</i>			
Applications made	25	5	30
Applications withdrawn	4	2	6
Applications refused*	9	1	10
Applications adjourned	2	—	2
Licences granted†	10	2	12

*One case was under appeal at the end of the year.

†Two were for new clubs. Both opened during the year.

1979-80 consent applications

49. We again refer to the problems caused by the last minute submission of applications for certificates of consent, although with no feelings of optimism. This year, the first application was received on 5 October. By 19 October we had received 6 more and by 26 October a further 4. No less than 60 applications were received on the deadline of 31 October.

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made	81	8	89
Applications withdrawn	11	—	11
Applications refused	1	—	1
Applications outside the permitted areas	2	—	2
Applications not determined by 31 December	67	8	75

Applications for renewal

50. There are always rather more licences extant than there are operating clubs—because licences granted for substitute premises or extensions of existing premises sometimes cannot be taken up immediately, for a variety of reasons. These “second” licences fall due for renewal in the same way as operative licences. At the beginning of the year, 144 licences were in existence, but for 2 of them (where “second” licences had become operative), renewal was not sought. 126 applications were renewed; 5 were refused; 6 were withdrawn; and 5 stood adjourned at the end of the year.

Transfer of licences

51. We received 27 applications for consent to transfer existing licences. Most were lodged during October and November. 5 certificates were issued; 1 application was withdrawn; and 21 had not been determined by 31 December.

LICENSED BINGO

52. There was some anxiety within the industry because of a slight decline in the popularity of this form of gaming. Representatives of the trade associations claimed that they had evidence that they were failing to attract and hold a sufficiently high number of new members to ensure their commercial future. They made representations to the Board on the effect on their problems of the restraints imposed by the Gaming Act. The Board are not unsympathetic to the commercial needs of the industry. At the same time, although the number of people playing the game and the number of licensed clubs in operation both fell, the money staked continued to increase. The annual totals for the past five years, deducted from statistics provided by HM Customs and Excise, are as follows:—

Year ending 31 August 1975	=	£257.96 million
1976	=	£309.60 ..
1977	=	£327.56 ..
1978	=	£367.50 ..
1979	=	£405.72 ..

53. We sympathised with proposals that legislation should be introduced which would enable the Home Secretary, by regulation, to increase the maximum prize limit for linked bingo. A private member's Bill to this end was introduced into the House of Lords.

54. As we made clear to the Royal Commission, we agree that there are grounds for altering the law so as to permit somewhat greater latitude in advertising.

55. We gave consideration to the possibility of amending the hours of play to enable sessions to start at 10 am in holiday resorts during the season. It proved to be far from easy to find a suitable definition for a "holiday resort", and we had under review possible methods of amending the hours of play to allow morning bingo without necessarily increasing the overall hours of play.

56. Although the Board felt that it would be in the players' interests to display the amount of money staked and the estimated value of the prize for each game of prize bingo, we accepted that there were so many practical difficulties in assessing the value of the prize that only the amount staked on each game should be displayed.

Size of the industry

57. The number of clubs licensed for bingo only at 31 December in each of the past five years was:—

	<i>England and Wales</i>	<i>Scotland</i>	<i>Total</i>
1975	1,588	192	1,780
1976	1,579	196	1,775
1977	1,545	195	1,740
1978	1,530	190	1,720
1979	1,510	187	1,697

Not all clubs holding licences open for business. At the end of the year, a total of 1,583 clubs (1,412 in England and Wales and 171 in Scotland) were operating as compared with 1,599 at 31 December 1978.

58. Out of a total of 83 certificates issued by the Board, 67 applications were made to licensing authorities. 45 licences were granted and 3 hearings remained adjourned at 31 December. Details are shown in the table at paragraph 65. As reported in previous years, the Board were again involved in abortive investigatory work owing to the number of applications which were later withdrawn for various reasons.

Linked bingo

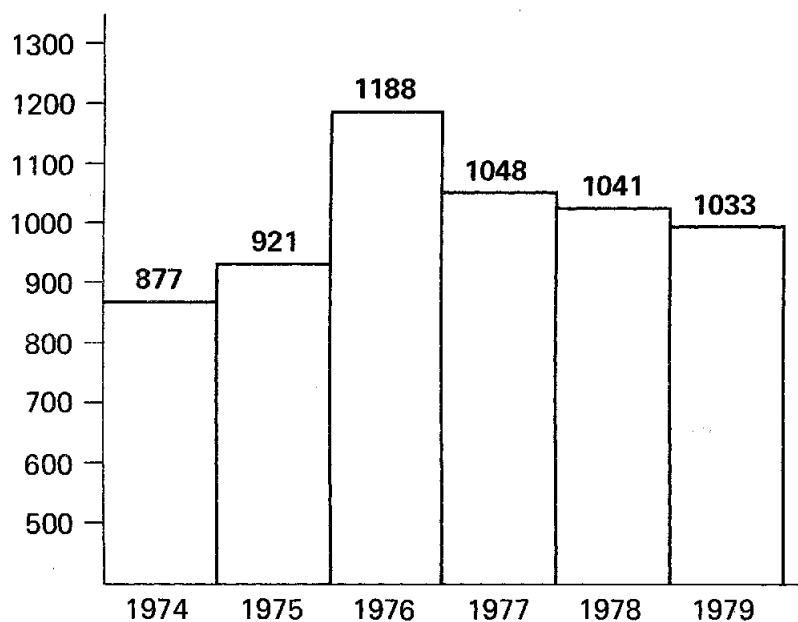
59. The playing of games of bingo by two or more clubs linked together provides the opportunity of playing for larger prizes in a single game, subject to the present statutory maximum of £1,000 total prize money in any one week.

60. From a steady increase rising to a peak in 1976, the last three years have shown little change in the number of clubs participating.

61. A total of 1,033 clubs took part in linked bingo during 1979, compared with 1,041 clubs in 1978. Links may consist of two or more clubs, the maximum at present being 19. There were 358 links, compared with 368 in 1978.

62. One of the larger links gave cause for concern because of poor communication between the clubs in the link. On a number of occasions, contact between participating clubs was lost when a claim to have won was made. This had not been realised and the game continued instead of being stopped as required by law, resulting in another person making a claim and being paid the major prize. This led to complaints. The licence holders were reminded of the law and of their responsibilities to ensure that the gaming is properly and fairly conducted.

63. The graph below indicates the incidence of linked bingo in each of the last six years:—



64. In 1979 65 per cent of bingo clubs belonged to one link or another. Of these, 96 per cent were in links of 5 or less. This showed no change from the previous year.

1978-79 applications

65. The following table shows the number of consent applications received and their determination by the Board between 1 November 1978 and 28 February 1979, and the number and determination of the resultant licence applications:—

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made	114	7	121
Applications withdrawn	27	2	29
Applications refused	6	—	6
Applications deferred	3	—	3
Certificates issued	78	5	83

Note—Although the Board issued 83 certificates, no licence applications were made in respect of 16 (15 in England and one in Scotland) leaving 67 for the licensing stage.

	England and Wales	Scotland	Total
<i>Licences</i>			
Applications made	63	4	67
Applications withdrawn	7	1	8
Applications refused	11	—	11
Applications not determined by 31 December	3	—	3
Licences granted	42	3	45

Applications for renewal

66. During January and February, 1,732 applications for renewal of licences were lodged with licensing authorities. Of these 1,652 were renewed, 72 were withdrawn, 1 was refused, and 7 were still to be determined at the end of the year.

67. The Board made representations against two renewals but subsequently withdrew these representations after the licence holders had fulfilled the Board's requirements.

68. In considering two applications for the renewal of "bingo only" gaming licences in the Midlands, the local licensing committee required the licence holders to prove that demand for bingo existed in the respective areas. After considering the evidence the licensing committee renewed the licence in one case but not in the other.

1979-80 consent applications

69. Details are given below.

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made (including three deferred from 1978-79)	87	9	96
Applications withdrawn	10	1	11
Applications refused	—	—	—
Applications not determined by 31 December ...	52	6	58
Certificates issued	25	2	27

As in previous years, most applications were submitted during the last weeks before the closing date. By mid-October we had received only 25 out of the eventual total of 96.

Transfer of licence

70. During the year, the Board received 118 applications for certificates of consent to the transfer of "bingo only" licences from one person to another. Of these applications, 20 were withdrawn, 84 were granted, none was refused and 14 remained to be determined by the end of the year.

CERTIFICATION OF EMPLOYEES

Size of industry

71. The number of applications for certificates, and the number of certificates issued, under section 19 of the Gaming Act was again up on the previous year. During the year, we received 6,808 applications, and 5,094 certificates were issued. This compared with 5,355 and 4,523 respectively in 1978.

72. There were some 8,000 certificated staff working in the industry on 1 December 1979. This compared with an estimated 7,500 in 1978 and 7,000 in 1977.

73. The turnover of certificated staff continued to be high. As in 1978 it was the order of 60 per cent. It comprised people moving from club to club, as well as in and out of the industry. Each move within the industry requires a new certificate.

Census of staff employed

74. We are grateful to licensees and proprietors of casino gaming and bingo clubs for co-operating to provide a census of certificated staff employed in the industry on 1 December 1979. The results of this census, compared with the results of last year's census, are given in the following tables:—

(a) Casino gaming clubs

(i) England and Wales—117 clubs

	Male		Female		Totals	
	1979	1978	1979	1978	1979	1978
Managers	489	466	59	51	548	517
Supervisors... ..	1,284	1,316	789	700	2,073	2,016
Operatives	1,273	1,414	1,689	1,386	2,962	2,800
Totals	3,046	3,196	2,537	2,137	5,583	5,333

(ii) Scotland—11 clubs

	Male		Female		Totals	
	1979	1978	1979	1978	1979	1978
Managers	41	36	10	4	51	40
Supervisors... ..	53	51	34	42	87	93
Operatives	136	127	132	96	268	223
Totals	230	214	176	142	406	356

(iii) Total Great Britain—128 clubs

	Male		Female		Totals		Change
	1979	1978	1979	1978	1979	1978	
Managers	530	502	69	55	599	557	+ 42
Supervisors	1,337	1,367	823	742	2,160	2,109	+ 51
Operatives	1,409	1,541	1,821	1,482	3,230	3,023	+207
Totals	3,276	3,410	2,713	2,279	5,989	5,689	+300

The proportion of employees in the various grades was similar to that recorded last year at 10 per cent managers; 36 per cent supervisors and 54 per cent operatives. The percentage of women employed went up to 45 per cent and women continued to increase their share of managerial and supervisory posts. The increase in the number of women being put forward as managers in provincial casinos was particularly noticeable.

(b) Bingo clubs—managers only

The result of the census as it applied to managers of bingo clubs is shown below.

	Clubs operating		Male		Female		Totals	
	1979	1978	1979	1978	1979	1978	1979	1978
England and Wales	1,412	1,424	1,313	1,230	546	392	1,859	1,622
Scotland	171	175	105	110	55	38	160	148
Totals	1,583	1,599	1,418	1,340	601	430	2,019	1,770

For bingo clubs, the managers only are required to be certificated. When the club is managed by the licence holder in person, the Board do not require the holder to obtain a manager's certificate since he or she will have been investigated during the certificate of consent and licence application procedure. Forty-nine out of the total of 1,583 bingo clubs were managed by the licence holder without the assistance of any other certificated staff.

Re-employment following revocation of certificates

75. During the year, the Board issued 6 certificates to persons whose previous certificates had been revoked or whose initial applications had been refused.

Interviews

76. 270 interviews were held during 1979. They comprised:—

- (a) 167 first-time applicants for gaming managers' certificates. 156 were given certificates, 4 were refused and 7 cases were still being investigated at the end of the year.

- (b) 23 applicants for gaming inspectors' certificates where there was some doubt about the applicant's suitability. 12 certificates were issued, 10 applications were refused and one case was still being investigated at the end of the year.
- (c) 59 new applicants or persons already holding gaming certificates who had been the subject of adverse reports. In 30 cases the Board took no further action, 9 applicants were refused certificates and 20 persons already holding certificates had one or more of their certificates revoked.
- (d) 21 persons, either applying for, or already holding, bingo managers' certificates, about whose suitability there were doubts. In 14 cases the Board took no further action. 3 applicants were refused certificates and 4 persons already holding certificates had one or more of their certificates revoked.

Quality of applicants

77. The Board continued to be concerned about the quality of some of the applicants for managers' certificates. Recent events in the industry have highlighted the need for managers of good calibre and the Board will not rubber-stamp applications for promotion to manager. A number of those put forward were ill-prepared, and lacking in basic knowledge of a manager's duties.

Types of certificate

78. With the assistance of the British Casino Association the Board undertook a review of duties of gaming supervisors and managers and the types of certificate issued to them.

Speeding the issue of certificates

79. During the year the Board received complaints from casino owners and from the British Casino Association about the time taken to issue certificates to first-time applicants. The average time taken from the receipt of an application to the issue of a certificate was about six weeks, but because of protracted enquiries some cases took much longer than average. The Board will not compromise on the thoroughness of their enquiries, and point to the value of a proper investigation to a prospective employer, but they reviewed the procedures in the hope of effecting some reduction in the average waiting time.

Contravention of section 23(6)

80. The Board were concerned about the evasive replies which some applicants gave on their application forms and at interview. The police took action in 28 cases where applicants had made false statements in attempts to obtain certificates, resulting in 12 oral or written warnings and 16 prosecutions.

Statistics—1979

81. Statistics for the year are given in the following table.

Particulars of Certificates of Approval dealt with during 1979

Applications	Gaming				Bingo		Totals
	Managers		Operatives and Inspectors		Managers		
	England and Wales	Scotland	England and Wales	Scotland	England and Wales	Scotland	
Carried forward from 1978	11	1	286	57	7	1	363
Received during 1979	270	24	5,902	251	334	27	6,808
Totals	281	25	6,188	308	341	28	7,171
Certificates issued	238	23	4,268	242	298	25	5,094
Old certificates re-issued	4	—	202	4	6	—	216
Applications refused	—	—	7	—	3	—	10
Applications withdrawn	6	—	736	20	29	3	794
Awaiting fee or under enquiry on 31 December 1979	33	2	975	42	5	—	1,057
Revocations*	8	—	40	1	18	—	67

* (i) Revocations refer to decisions taken in 1979. Certificates may have been issued and revocation procedures initiated in 1978 or earlier.
(ii) Figures given refer to individuals. Because some of those concerned held more than one certificate 134 actual certificates were revoked.

GAMING MACHINES

Size of industry

82. Although the Board grant certificates for the sale, supply and maintenance of gaming machines, there is no requirement for certificate holders to provide us with information about the number of machines which they sell, supply or maintain. With certain limited exceptions, however, all machines used for gaming must be covered by a gaming machine licence issued under section 21 of the Betting and Gaming Duties Act 1972, and we are indebted to HM Customs and Excise for the following figures, derived from their 70th Annual Report for the year ended 31 March 1979. They provide a good indication of the number of machines in use at that time.

	<i>Number of machines covered by gaming machine licences for the licensing years:—</i>	
	<i>1978-79</i>	<i>1977-78</i>
Jackpot machines (as permitted on premises licensed or registered under the Gaming Act 1968)	37,100	36,200
Amusement-with-prizes machines (as commonly found in public houses, cafes, arcades and pleasure fairs)	93,200	84,900
Penny machines (on premises with holiday season licences)	45,535	50,203
	175,835	171,303

83. The total number of machines in use increased by 4,532. This increase of 2.6 per cent was almost exactly the same as for the previous year. The number of jackpot machines went up by 900 and the number of amusement-with-prizes machines by 8,300. The number of penny machines decreased by 4,668.

Monitoring jackpot machines

84. The Royal Commission recommended that all jackpot machines should contain within them, hidden from the player, a meter to monitor and record specified information. They also recommended that such meters should be able to be read only by the Gaming Board. The Board consider that the adoption of recommendations on these lines would provide a valuable safeguard against fraud. The Board took specialist advice during the year on the form which the proposed meter might take. A report from their consultants showed that it was feasible to introduce a small recording microprocessor at the manufacturing stage which would be compatible with existing electronic control mechanisms. Complicated issues are, however, involved which will call for a good deal of thought on the part of the Board, the industry, and others involved.

Under payment of prizes by jackpot machines

85. In our 1978 Report we commented on reports we had received of the failure of some jackpot machines to deliver major prizes in full. This was due sometimes to mechanical faults or to a close succession of jackpots, but sometimes to the failure of operators, either inadvertently or deliberately, to ensure that payout tubes were kept properly topped up. Following a series of discussions between the Board and the British Amusement Catering Trades Association, the Association agreed to recommend to manufacturers that, with effect from 1 April 1980, all new jackpot machines should carry a prominent notice, as near as practicable to the coin entry, bearing the words "Warning—insufficient coins to pay major prizes". This would light up when the payout tubes needed topping up to give warning both to players and management. It is hoped that this recommendation will go some way towards alleviating the problem, but the situation will be kept under review.

86. We received a continuing flow of enquiries about the action to be taken when a jackpot machine failed to deliver the whole or part of any prize, and it is perhaps appropriate to repeat the advice given in paragraphs 146 and 147 of our 1974 Report.

87. The effect of section 31(4) of the Gaming Act is that if a machine, through some mechanical defect or failure to maintain an adequate supply of coins, fails to pay all or part of any prize which would otherwise have been awarded, then a winner may not lawfully be paid from any other source, and that part of the prize not paid by the machine is lost. Notwithstanding this, if a player is paid a prize otherwise than by means of coins delivered by the machine when that machine first becomes defective, the Board will not expect their inspectors to take action about any contravention which may have occurred, provided the machine is forthwith taken out of use if the defect cannot be remedied or if, in the case of a transient defect, the machine is taken out of use on any subsequent occasion upon which the defect occurs until such time as the defect has been remedied.

Video games

88. The first generation of video games consisted almost entirely of visual representations of traditional ball games, in which players either vied against each other or exercised their skill against the machine. They were amusement only machines and it was accepted that they should be regarded as the electronic counterparts of the well established football table, for example, and hence not subject to Part III of the Gaming Act. The increasing complexity of the machines now being developed means however that it can no longer be automatically assumed that all video games are exempt from control, and each must be considered on its merits. A recent example has been the video pin-table. This is a direct electronic equivalent of the mechanical game, and includes the same elements of chance which make the conventional pin-table subject to Part III of the Act. Such machines can accordingly be supplied only by certificated suppliers, and on terms which comply with section 28 of the Gaming Act.

Jackpot machines—adjustment of payout

89. It has in the past been agreed between the Board and the trade associations that jackpot machines should have a basic payout of not less than 75 per cent of the money inserted by players. With the introduction of VAT on machine takings, however, it was further agreed that this duty could be passed on to the players by making an appropriate reduction in the payout. With VAT at the old rate of 8 per cent this meant a 2 per cent reduction. When the rate of duty was raised to 15 per cent in the middle of the year, we informed the trade that we would have no objection to the minimum payout being reduced to 71 per cent.

Applications for certificates under section 27 during 1979

90. The number of applications received, and their disposal, are shown in the following table:—

	England and Wales	Scotland	Totals
Applications outstanding on 31 December 1978 ...	29	1	30
New applications received	100	5	105
Totals	129	6	135
Issued	84	5	89
Refused... ..	4	—	4
Applications withdrawn	5	—	5
To be determined or awaiting payment of fee at 31 December 1979	36	1	37
Totals	129	6	135

Renewal of certificates

91. 82 certificates reached the end of their 5 year life during the year. We were notified that renewal was not sought for 22 of them. Applications for the renewal of 25 were received during the latter part of 1978, and for the remaining 35 during 1979. The disposal of these 60 applications is shown in the following table:—

	England and Wales	Scotland	Totals
New certificates necessary*	12	—	12
Certificates renewed	43	3	46
To be determined or awaiting payment of fee at 31 December 1979	2	—	2
Totals	57	3	60

*These were cases where the nature of the certificate holders had changed (e.g. from a partnership to a limited company) to the extent that a new certificate was necessary. On the issue of the new certificates the original certificates lapsed at the end of their term.

92. We received 28 applications during the year in respect of certificates expiring during 1980. By 31 December we had disposed of 6 of these. Since 1980 will be the 10th anniversary of the original certification programme, it

will be a heavy year for renewals, and we foresee that a total of well over 800 certificates will fall due for renewal during the course of the year. Every effort will be made to deal with applications as quickly as possible, but this exceptional work-load may result in some delays.

Revocations

93. During the year 2 certificates were revoked.

Certificates in force

94. On 31 December 1979 there were 1,343 certificates in force—an increase of 51 compared with 1978.

Permits

95. Permits are issued free of charge for isolated transactions such as the disposal of unwanted machines by persons not normally in the trade, or for the maintenance of 1 or 2 machines. 8 such permits were issued during the course of the year.

REGISTERED CLUBS

Registration under Part II

96. Applications for the registration of members' clubs and miners' welfare institutes under Part II of the Gaming Act 1968 may be made to the local registration authority during January or February in England and Wales. Applications for renewal must be made in January or February in the year in which registration is due to expire.

97. Application may be made at any time in Scotland. The registration is renewable by the end of December in the following year.

98. Renewal may be for any number of years not exceeding 10.

99. The following table sets out particulars of registration in the period 1 July 1978–30 June 1979. These figures are derived from returns submitted to the Board by clerks to licensing authorities in England and Wales and sheriff clerks in Scotland, as is required by Schedule 10 to the 1968 Act.

	England and Wales	Scotland	Totals
<i>Initial applications</i>			
Granted	42	1	43
Refused	5	—	5
Not proceeded with	4	—	4
Not determined by 30 June 1979... ..	—	—	—
Totals	51	1	52
<i>Renewal applications</i>			
Granted	268	3	271
Refused	—	1	1
Not proceeded with	6	—	6
Not determined by 30 June 1979... ..	—	—	—
Totals	274	4	278

100. During this period, 8 registrations in England, and 1 in Scotland, were cancelled.

101. The total number of clubs registered under Part II of the 1968 Act at 30 June 1979 in England and Wales was 916. In Scotland, it was 24.

Registration under Part III

102. Clubs or institutes may be registered at any time of the year with local authorities under Part III of the Gaming Act 1968. The duration is for a period of 5 years from the date of registration.

103. The following table shows the disposal of applications between 1 July 1978 and 30 June 1979. These figures are derived from returns submitted by clerks to the local licensing authorities and sheriff clerks.

	England and Wales	Scotland	Totals
<i>Initial applications</i>			
Granted	1,112	80	1,192
Refused	18	—	18
Not proceeded with	26	1	27
Not determined by 30 June 1979... ..	19	—	19
Totals	1,175	81	1,256
<i>Renewal applications</i>			
Granted	564	48	612
Refused	2	—	2
Not proceeded with	15	3	18
Not determined by 30 June 1979... ..	2	—	2
Totals	583	51	634

104. During this period, 197 existing registrations were cancelled in England and Wales. In Scotland 19 were cancelled.

105. The total number of clubs registered under Part III of the 1968 Act on 30 June 1979 in England and Wales was 17,238. In Scotland there were 1,617.

POOL COMPETITIONS ACT 1971

106. When considering the further renewal of the Pool Competitions Act 1971, the Government drew attention to the difficulties which would arise from the implementation of the Royal Commission's recommendation that the Act should not be allowed to continue after June 1979, and decided that, in order to give all concerned an opportunity for further consideration of the matter, Parliament should be asked to extend the Act for a further year. The approval of a draft order by a resolution of each House of Parliament resulted in the duration of this Act being extended on 30 June 1979 for a fourth time—by the Pool Competitions Act 1971 (Continuance) Order 1979.

107. Each of the remaining seven licensees continued to run pool competitions having a turnover in excess of that permitted under the Lotteries and Amusements Act 1976, in addition to those lotteries which they had registered with us under that Act.

108. Some licensed promoters, faced with dwindling membership and steadily rising costs, are considering increasing their entry fees as a possible solution. At the same time they are well aware of the danger that members' resistance to higher entry fees may result in a further downward trend in income. The retention and recruitment of collectors and canvassers are also giving rise to difficulties.

109. We continued to exercise our powers under the Pool Competitions Act in order to safeguard the interests of the competitors and to ensure that the societies named in the certificates granted under the Act continued to receive financial benefits from the competitions and we continued to scrutinise the promoters' quarterly and annual reports to satisfy ourselves that the agreed proportions for the distribution of the income were adhered to.

LOTTERIES

Introduction

110. In the year there were again significant changes in the lottery scene. There was a marked decline in the number of local authorities and societies seeking to register lottery schemes with the Board. Since our last annual report, 9 local authorities and 168 societies registered lottery schemes with us, bringing the total number of schemes registered by the end of 1979 to 356 local authorities and 972 societies.

111. It was clear that there were other changes in the lottery industry. The day of the lottery promoted on a national scale by one firm of managing agents seemed for the most part to be over and those firms of agents who were continuing to operate on this basis reduced the scale of their operation considerably. Another development was a move to smaller lotteries, principally of the £5,000 or under variety. A third feature seemed to be that it was now taking longer to achieve a particular level of ticket sales and that more outlets were required to achieve that sale.

112. The reasons for these changes appeared to be not simply the declining appetite of the public for tickets but also pressure on expenses caused by inflation. Promoters believe that the provision in the Act which allows the actual expenses or 25 per cent, whichever is the less, to be appropriated in respect of the £5,000 or under lotteries allows them greater flexibility than the scale of expenses for the larger lotteries for which we are responsible and which is set out in our Notes for Guidance.

Lottery sales

113. The average proceeds for lotteries of all sizes under schemes registered with the Board, calculated from accounts received, was approximately £6,980 for those lotteries held in the 12 months from 1 May 1978 to 30 April 1979. The figure rose slightly to about £7,100 over the following 6 months to 31 October 1979. These figures showed a downward trend when compared with the figures for the previous year, which were £7,560 and £7,660 respectively.

114. The separation of these figures into local authority and society lotteries shows that the downward trend was more marked for the former. For the period 1 May 1977 to 30 April 1978 the average was £7,700. For the subsequent 12 months it was £6,640. For the 6 months 1 May 1979 to 31 October 1979 it was £6,390. For society lotteries the average in 1977-78 was £7,400. For the subsequent 12 months it was £7,180 and for the 6 months from 1 May 1979 to 31 October 1979 it was about £7,380. It is to be remembered that the basis of the average for the two types of lotteries is different. Society lotteries are required to be registered with the Board only where their expected turnover is more than £5,000, whereas all local authority lotteries, however small, must be registered with the Board.

Proposed new lottery regulations

115. The Report of the Royal Commission expressed concern at certain aspects of the way in which some local authority and society lotteries were promoted and suggested new provisions to improve the control of lotteries and lottery tickets. The Government published a consultative document in October explaining proposals to meet some of these recommendations by new regulations which would amend the Lotteries Regulations 1977. The Board informed the Home Secretary that they were in favour of the proposed changes but also that they believed that changes to the substantive law were required and that they hoped that an early opportunity for legislation would be found.

Codes of practice

116. The Board were aware of several helpful moves during the year to establish codes of practice in relation to the management and promotion of lotteries and the printing of lottery tickets. The Lotteries Action Group of the Association of District Councils prepared a code of practice for local authorities and the Board were glad to be consulted about its terms. We also understood that consideration was being given within the printing industry to drawing up a code of practice to aid ticket printers. The Board welcome these initiatives.

Lottery tickets

117. The poor printing of some tickets led to a number of complaints being received by the Board. Most of the complaints related to the latex covering on instant type tickets which when removed erased the symbols printed underneath. Another source of complaint was that it was possible to read the symbols without removing the covering. We hope that the drawing up of a code of practice by the printing industry will help to eliminate such complaints.

118. The Board were concerned about the use by some societies of jars containing 1,000 pontoon type tickets with a maximum prize of £5. A feature of such jars was that the same number and size of prizes were to be found in every jar. In several instances these tickets, which were clearly produced on a large scale by the manufacturers, did not conform to the provisions of the 1976 Act in that the name of the society, the name and address of the promoter and the date of the lottery did not appear on the tickets. Some societies may have purchased as many as 500 of such jars. It seems to the Board that this reflects a surprising ignorance of the provisions of the 1976 Act.

Statistics

119. Tables 1 and 2 show the total number of lotteries promoted in Great Britain between 1 May 1978 and 31 October 1979 under schemes registered with the Board. The tables also show the total amount of money received from the sale of tickets, and how much was appropriated for expenses, prizes, and the causes concerned.

TABLE 1

All Lotteries Promoted in England and Wales, and Scotland between 1 May 1978 and 30 April 1979 under Schemes Registered with the Board

SOCIETY LOTTERIES

	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£	%	£	%	£	%	£	%
England and Wales	7,831	56,133,059	(21.45)	12,043,794	(21.45)	21,900,179	(39.02)	22,189,086	(39.53)
Scotland	488	3,629,081	(22.29)	808,755	(22.29)	1,419,651	(39.12)	1,400,675	(38.59)
Total	8,319	59,762,140	(21.50)	12,852,549	(21.50)	23,319,830	(39.02)	23,589,761	(39.48)

LOCAL AUTHORITY LOTTERIES

	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£	%	£	%	£	%	£	%
England and Wales	4,642	30,925,320	(21.18)	6,550,516	(21.18)	12,717,145	(41.12)	11,657,659	(37.70)
Scotland	170	1,025,461	(23.12)	237,113	(23.12)	441,259	(43.03)	347,089	(33.85)
Total	4,812	31,950,781	(21.24)	6,787,629	(21.24)	13,158,404	(41.18)	12,004,748	(37.58)
Total ALL Lotteries	13,131	91,712,921	(21.41)	19,640,178	(21.41)	36,478,234	(39.77)	35,594,509	(38.82)

TABLE 2

All Lotteries Promoted in England and Wales, and Scotland Between 1 May 1979 and 31 October 1979 under Schemes Registered with the Board

Note: Figures are provisional and are based on accounts for the period received so far.

SOCIETY LOTTERIES

	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£	%	£	%	£	%	£	%
England and Wales	3,570	26,128,997	(21.14)	5,524,421	(21.14)	10,673,765	(40.85)	9,930,811	(38.01)
Scotland	249	2,063,750	(22.06)	455,326	(22.06)	805,906	(39.05)	802,518	(38.89)
Total	3,819	28,192,747	(21.21)	5,979,747	(21.21)	11,479,671	(40.72)	10,733,329	(38.07)

LOCAL AUTHORITY LOTTERIES

	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£	%	£	%	£	%	£	%
England and Wales	1,485	9,512,939	(21.52)	2,047,543	(21.52)	3,970,268	(41.74)	3,495,128	(36.74)
Scotland	52	307,564	(23.24)	71,472	(23.24)	130,675	(42.49)	105,417	(34.27)
Total	1,537	9,820,503	(21.58)	2,119,015	(21.58)	4,100,943	(41.76)	3,600,545	(36.66)
Total ALL Lotteries	5,356	38,013,250	(21.31)	8,098,762	(21.31)	15,580,614	(40.99)	14,333,874	(37.70)

INSPECTORATE AND ENFORCEMENT

Introduction

120. We referred in paragraph 36 to the forthcoming tenth anniversary of the formation of the inspectorate. We have now entered upon a period of several years during which annual retirements will impose a need for the recruitment of small numbers of inspectors irrespective of any increase in complement. Two new inspectors took up their posts in January 1979. A promotion board and a recruitment board were held during the year to fill two vacancies for senior inspector and three vacancies for inspector which will occur in 1980.

121. A particularly heavy burden fell on the staff in the London area. Eternal vigilance has always been necessary but this in itself is not sufficient to avoid all malpractices and illegalities by those determined to perpetrate them. A strong inspectorate is essential but so also are casino management and ownership of high calibre and integrity.

122. We have earlier referred to our close co-operation with the police. During the year, the inspectorate assisted at two training courses organised by the police and gave 140 lectures to police officers. One force which has hitherto provided well organised and informative courses on the Gaming Act on a police regional basis is considering providing places on future courses on a national basis, an intention we fully support.

123. The Board's inspectors made 2,450 supervisory visits to casinos; 5,041 visits to bingo clubs; and 490 inspections to certificated gaming machine suppliers. They issued warnings to 49 licensees for infringements of the law. The police issued 52 cautions and initiated 57 prosecutions. The Board's inspectors were named in 34 warrants granted to the police under section 43 of the Gaming Act, the majority of which were in respect of gaming on unlicensed premises or the unlawful use of machines. Since January 1971, there have been 816 prosecutions arising from the gaming law, or employment in connection with gaming, based on information passed to the police; and the Board's inspectors have been included in 451 warrants granted to the police.

Casino gaming

124. Evidence given in support of objections to the renewal of the licences of certain London clubs alleged that practices had developed designed to increase patronage and membership of those clubs. These practices became known to the Board only when police enquiries started and, although we refrained from public comment at the time, we hope that it is now clear from what we have said subsequently that the following are activities which we deplore:—

- (a) the introduction by persons acting on behalf of the holder of the licence of guests who participate in the gaming;
- (b) the paying to a club member who introduces a guest who participates in the gaming of a commission which is a percentage of the gaming losses of the guest; and
- (c) the allowing to a person who introduces a guest of a percentage discount from the gaming losses of the introducer.

The Board are of the opinion that these practices are in contravention of section 12 of the Act and that the last, in particular, may contravene section 16 of the Act. The last two practices may induce the person likely to receive the commission either to persuade people to game who might otherwise not wish to do so, or to persuade the people from whom he will benefit to game to a greater extent than they would otherwise have done. They could also provide an incentive to dishonest gaming.

125. It seems to the Board that recent malpractices in casinos have arisen mainly from the desire to attract and retain the wealthy punter who, through his losses, contributes substantially towards the club's profits. Efforts to attract such a punter may give rise to the abuses we have already described and, once his patronage is obtained, requests by him for facilities in relation to the gaming which are unlawful, particularly in relation to the granting of credit or the redemption of cheques, may induce a licensee to grant his requests lest he withdraw his membership or take his custom elsewhere. Where a licensee gives way to such advances, he imposes a pressure on other licensees to do likewise, whereas a united front by licensees of punctilious observance of the letter and the spirit of the law will not only enhance the reputation of the industry but also be likely to protect its interests and the security of employment of staff.

126. A licence holder may be vulnerable not only within his premises. In Glasgow three men were convicted of attempting to obtain £10,000 from a licence holder on the pretext that they could influence the licensing authority to grant another gaming licence for which the holder had applied. Two were sentenced to four years' imprisonment and one to three years' imprisonment.

127. We referred previously to the execution of warrants under the Theft and Gaming Acts at the premises of the Victoria Sporting Club, London. Subsequently five principals were charged with conspiring together to defraud Victoria Sporting Club Ltd.; conspiring to steal from the company; conspiring to contravene the provisions of sections 12 and 16 of the Gaming Act, 1968; and conspiring to falsify records required for accounting purposes. Of those principals, one was additionally charged with four counts of theft of money from the company, and one count of stealing a cheque; and two were each additionally charged with one count of theft of money from the company. One principal was committed for trial charged with possessing a controlled drug. Committal proceedings in respect of the charges of conspiracy and theft had not been completed at the end of the year, nor had applications by the Board and the police for cancellation of the gaming licence granted in respect of the premises been heard by the licensing authority.

128. In March, the proprietor of a casino was convicted of eight charges alleging contraventions of section 16 of the Gaming Act (that is, having received cheques in exchange for cash or tokens to take part in the gaming did fail not more than two banking days later to cause the cheques to be delivered to a bank for collection or payment). He was fined £75 on each charge, a total of £600. Thirty-nine like offences were taken into consideration. The police and the Board lodged objections to the renewal of the gaming licence but at the licence hearing the sale of the club to a reputable operator was completed and the licensing authority renewed the licence.

129. We referred in paragraph 11 to the occasion on which, in the early hours of 3 November, some 400 police, accompanied by 14 Gaming Board inspectors, entered four London casinos controlled by Coral Casinos Ltd., and other company offices, in execution of warrants granted under the Gaming and Theft Acts. By the end of the year 22 persons had been charged with a variety of offences, including conspiracy to steal and conspiracy to contravene section 16 of the Gaming Act.

Bingo

130. At paragraphs 38 to 41 of our 1977 report we referred to a version of bingo described as multi-stage bingo. During 1978 a proprietor introduced a variety of the game for which he provided a prize for preliminary heats, which consisted of no more than a package of tickets giving admission to a final game, the prize for which was a mini motor car. The value of each package awarded for the heats was determined by dividing the value of the car by the number of finalists. The Board took the view that, as no stakes were entered by the players in the final game, the maximum value of the prize which could be awarded was limited to £500 by section 20(8) of the Act. The licence holder was unable to accept the Board's advice and was prosecuted. In May 1979, he was fined £100 with £399.60 costs. An appeal against the magistrates' decision was subsequently withdrawn.

131. At paragraph 109 of our 1978 report we referred to the execution in 1977 by the police of a warrant under section 43 of the Act at the premises of an unlicensed bingo club where bingo was purported to be conducted in accordance with the provisions of section 40 of the Act. Nearly two years later, two principals were committed for trial at Winchester Crown Court for offences alleging conspiracy to defraud club members, to make unlawful charges in respect of the gaming, and to make unlawful levies on the stakes of players. Much of the delay in starting the committal proceedings was occasioned by the illness of one of the principals.

132. Another form of bingo is that played under the provisions of section 41 of the Gaming Act, which provides for gaming at entertainments not held for private gain, so-called "gaming in aid of charitable activities". The organising of such gaming is closely hedged about with restrictions intended to prohibit private gain from, or the commercialisation of, such activities. In 1970 and 1971 there were those who sought unsuccessfully to turn to their personal advantage the organisation of this type of activity. Since that time, contraventions of the provisions of section 41 have tended to be limited to well-intentioned organisers making inadvertent mistakes. In March, however, the proprietor of a holiday centre was fined a total of £5,400 on 18 specimen contraventions of section 41 and two employees were each fined £1,800 in respect of the same contraventions. The penalties were reduced, on appeal, to £1,800 and £450 respectively. In all, 106 allegations of contraventions of section 41(3) of the Act, 104 contraventions of section 41(4) and 132 contraventions of section 41(6) could have been alleged against each defendant. One other case was under investigation at the end of the year.

133. The Board received complaints from some bingo proprietors about other proprietors who ran coach services from outlying districts for club

members. Particularly incensed were those proprietors who found a competitor's coach picking up players outside their club. Although it may be that there is no contravention of the Gaming Act in these circumstances, provided that there is no unlawful advertising, the question must arise whether there is a sufficient demand for those clubs which find such a course necessary.

134. Eight bingo club managers were prosecuted for theft in the course of their employment and at the year's end one manager was under investigation. One manager compounded his problems by using club money to game in a casino in the hope of winning enough to make good his deficiencies. He was not successful.

135. The Board have in the past recommended to bingo licence holders the advisability of keeping to hand a full permutation of bingo cards or books in use on their premises. Such permutations are valuable in checking doubtful calls or detecting cheating in which numbers on a card may be altered. Some proprietors professed to find a full permutation of books unwieldy to use. The problem may now have been overcome by the production of photographically miniaturised sets of permutations more convenient in use.

Gaming machines

136. At paragraph 113 of our last report we recorded the substantial fines imposed in a case of uncertificated supply of machines and noted that an appeal had been entered. On appeal the aggregate of fines was reduced to £1,235. The machines were confiscated.

137. There were eight prosecutions during the year for contravention of section 28 of the Gaming Act (supply of a machine on terms or conditions related to the extent to which a machine is used, that is, "profit sharing") with one case under investigation at the year's end.

138. The onus placed on a supplier of a machine to satisfy himself that the machine supplied conforms to the provisions of section 31 or section 34 of the Gaming Act, as the circumstances require, is not always appreciated. Jackpot gaming machines (section 31 of the Act), which may be placed only on premises licensed under Part II of the Act or registered under Parts II or III of the Act, have sometimes been discovered on premises to which amusements-with-prizes machines only (section 34 of the Act) should have been supplied. In these circumstances any person knowing or having reasonable cause to suspect that the provisions of section 34 would be contravened may be guilty of an offence. A person who holds the Board's certificate to sell or supply machines and supplies a machine for use on premises on which it may not be lawfully placed may not only be prosecuted but also lose the certificate which entitles him to sell or supply machines.

APPENDIX I

REMUNERATION AND EXPENSES OF THE BOARD AND SENIOR STAFF

The Board consists of a Chairman, a Deputy Chairman and four members. All are part-time. The remuneration of the Chairman at 31 December was £3,200 a year, that of the Deputy Chairman £5,400 a year, and that of each of the members £3,600 a year.

The Board had 87 full-time employees at the end of the year. Of these, two received salaries in the range £12,500-£15,000 a year and four in the range £10,000-£12,500 a year. Expenses incurred during the financial year ended 31 March 1979 amounted to £84,407. £2,758 was attributable to Board members and £81,649 to the staff.

APPENDIX II

LIST OF AREAS IN WHICH THE LICENSING OF CLUBS FOR GAMING
OTHER THAN BINGO IS PERMITTED, SHOWING THE NUMBER OF
LICENSED CLUBS OPERATING ON 1 JANUARY 1979
AND 31 DECEMBER 1979

ENGLAND

	<i>1 January 1979</i>	<i>31 December 1979</i>
LONDON	25	23

That area which is within the area specified in the Licensing (Metropolitan Special Hours Area) Order 1961—plus the remainder of the City of Westminster and the Royal Borough of Kensington and Chelsea.

THE AREAS OF THE FORMER COUNTY BOROUGH, NON-COUNTY BOROUGH AND
URBAN DISTRICTS OF:—

	<i>1 January 1979</i>	<i>31 December 1979</i>
BIRKENHEAD	—	1
BIRMINGHAM	5	5
*BLACKPOOL	2	2
BOLTON	2	2
BOURNEMOUTH	5	5
BRADFORD	1	2
BRIGHTON	2	2
BRISTOL	3	4
COVENTRY	3	3
DERBY	2	2
DUDLEY	—	1
GREAT YARMOUTH	1	1
HOVE	—	—
HUDDERSFIELD	1	1
KINGSTON-UPON-HULL	1	1
LEEDS	3	3
LEICESTER	3	3
LIVERPOOL	5	5
LUTON	1	1
LYTHAM ST ANNES	1	1
MANCHESTER	6	5
MARGATE	2	2
NEWCASTLE UPON TYNE	3	4
NORTHAMPTON	1	1
NOTTINGHAM	2	2
PLYMOUTH	3	2
PORTSMOUTH	2	2
RAMSGATE	1	1
READING	2	2
RYDE	—	—
SALFORD	1	1

*In addition, there is one club which is open for a maximum of nine months each year.

APPENDIX II—*continued*

	<i>1 January</i> 1979	<i>31 December</i> 1979
SANDOWN-SHANKLIN	2	2
SCARBOROUGH	1	1
SHEFFIELD	3	3
SOUTHAMPTON	2	2
SOUTHEND-ON-SEA	3	3
SOUTHPORT	2	2
STOCKPORT	1	1
STOKE-ON-TRENT	2	2
SUNDERLAND	—	1
TEESSIDE	2	2
TORBAY	1	1
WALSALL	2	2
WARLEY	—	—
WEST BROMWICH	—	—
WOLVERHAMPTON	2	1

WALES

THE AREAS OF THE FORMER COUNTY BOROUGHS OF:—

	<i>1 January</i> 1979	<i>31 December</i> 1979
CARDIFF	2	2
SWANSEA	2	2

SCOTLAND

THE AREAS OF THE FORMER COUNTIES OF THE CITIES OF:—

	<i>1 January</i> 1979	<i>31 December</i> 1979
ABERDEEN	3	3
DUNDEE	2	2
EDINBURGH	3	3
GLASGOW	3	3
	<u>127</u>	<u>128</u>

APPENDIX III

POOL COMPETITIONS ACT 1971 LICENSED POOL PROMOTERS

<i>Promoter</i>	<i>Beneficiaries</i>
Celtic Development Pools Ltd., Glasgow	Celtic F.C. Development Fund Ltd.
Manchester United Development Association	Manchester United Development Association
Pembroke (C. & P.) Ltd., Wirral, Cheshire	Cancer and Polio Research Fund Ltd.
Rangers Pools Ltd., Glasgow	Rangers F.C. Development Fund Ltd.
Singette Ltd., Cardiff	Tenovus Charities
Top Ten Promotions Ltd., Bristol	The Friends of the Spastics League The Sembal Trust The Van Neste Foundation
Warwickshire County Cricket Supporters' Association	Warwickshire County Cricket Supporters' Association and medical aims

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