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**Report of the  
GAMING BOARD FOR  
GREAT BRITAIN  
1987/88**

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# Report of the Gaming Board for Great Britain 1987/88

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MEMBERS OF THE GAMING BOARD FOR GREAT BRITAIN IN 1987/88

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ANNUAL REPORT OF THE GAMING BOARD FOR GREAT BRITAIN

To:

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 nineteenth report of the Gaming Board for Great Britain covering the period 1 January 1987 to 31 March 1988.

NORMAN A. WARD-JONES  
Chairman

1 June 1988

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# 1 Introduction

1. On 1 April 1987 the arrangements for financing the Board were changed to provide for the payment of grant-in-aid by the Home Office to meet the expenses incurred by the Board in carrying out their statutory functions. The objective of the change, which followed a review forming part of a general examination of the arrangements for Non-Departmental Public Bodies, was to make more apparent the true costs of the Board by bringing within the scope of the grant certain costs, principally that for accommodation, which had previously been provided as a common service. The new arrangements were also intended to aid the requirement for the Board to secure best value for money and were to be accompanied by other steps to promote greater economy, efficiency and effectiveness.

2. Such steps have been taken in the form of new internal procedures which include the setting of targets wherever possible for the completion of actions and the measurement of performance against targets. The Board believe these procedures have been valuable. They will be continued and refined. One measure of their result is the small but worthwhile reduction in the Board's staff which is shown in the table at Appendix I of this report.

3. Under the new grant-in-aid arrangements the Board are required to prepare, for audit by the Comptroller and Auditor General, a statement of account in respect of the financial year commencing 1 April. The account for the year beginning 1 April 1987 has been submitted to the National Audit Office for audit, and the unaudited statement is contained in Appendix III to this report.

4. Previous reports by the Board have been in respect of the calendar year. In view of the new requirement to append a statement of account it was considered sensible to change the basis of the Annual Report to the financial year, matching the statement of account. This report, the Board's nineteenth, covers the changeover period, from 1 January 1987 to 31 March 1988. Where appropriate, we have included statistics for the calendar year 1987, to permit comparison with previous years, and for the financial year 1987/88 to give a basis for comparison with the statistics to be included in future reports.

## Composition of the Board

5. This has been unchanged in the period covered by this report. On 12 August 1987 Mr W N Hunter Smart and Lady Ibbs were re-appointed to serve until August 31, 1990 and November 30, 1990 respectively.

## Contacts with other gaming regulatory bodies

6. The Board's functions are helped by close links with gaming regulatory bodies overseas. In the period covered by this report the Chairman and Secretary visited Nevada and New Jersey to establish personal contact with new appointees and others in the relevant authorities, and the Secretary and Chief Inspector had discussions with senior officials of the French National Police in Paris who are responsible for the regulation of casinos in France.

7. The growing frequency of movement between countries of individuals and companies involved in gaming increases the value of easy contact with regulatory bodies overseas. The Board are glad to be able to report that in addition to the exchanges referred to above they were visited in their London offices by Board members and officials from Australia, the Bahamas, the Netherlands, Nevada and New Zealand.

8. It gave the Board and the gaming industry special pleasure when the Chief Inspector, Mr Jack Lynch, was awarded the OBE in the Birthday Honours List. Mr Lynch has been a member of the Inspectorate since 1970 and is widely known and respected by all connected with gaming here and overseas.

9. On a sadder note, the Board also have to report the deaths of two former members of the Board, Sir Stanley Raymond and Sir Ranulph Bacon. Both served with distinction and the Board and the gaming industry are indebted to them. Sir Stanley will be remembered as an outstanding first Chairman: a forceful personality who, more than anyone, was responsible for bringing gaming under control in the years following the Gaming Act and the inception of the Board.

## 2 General

### Legislation

10. We referred in last year's report to the Gaming (Amendment) Act 1986 which will allow for the redemption and consolidation of cheques presented for gaming. The bringing into operation of the Act has awaited the conclusion of the preparation of regulations after consultation with the British Casino Association (BCA). Particular difficulties have been identified concerning the detailed records which will be required to be held in casinos. It is hoped that outstanding difficulties will soon be resolved and the Act and Regulations brought into force in the near future.

11. The amendment Act allowing casinos to remain open on Sunday mornings until 4 am completed its passage through Parliament and came into force on 1 August 1987.

12. In previous reports we have referred to a weakness in the Gaming Act whereby the Board's consent is not required by a company or other legal entity who purchase the shares in a company holding a casino licence and thereby acquire the licence. The only formal course by which the Board can seek to disturb such a transaction is to lodge a formal objection to the renewal or seek cancellation of the licence. The Board hope that a Bill may soon be introduced which will extend their powers to revoke a certificate of consent so as to give them direct authority in these circumstances. It is hoped that the Bill will also provide that casino records of cheques be kept on the premises to which they relate. In addition it would provide for a fee to be paid for a certificate of consent and for this and other fees for the Board's certificates to become payable in whole or in part upon application. Such new fees would not be used to increase the Board's total income from fees but to spread the fee requirement more equitably.

### Unaudited Financial Statements

13. This forms Appendix III to this report.

14. Regulations amending certain charges and prizes in bingo clubs came into effect on 4 May 1987. These were the Gaming Clubs (Hours and Charges) (Amendment) Regulations 1987 (S.I. 1987 No. 609 for England and Wales and S.I. 1987 No. 631 for Scotland) and the Gaming Act (Variation of Monetary Limits) Order 1987 (S.I. 1987 No. 608, and for Scotland S.I. 1987 No. 630). More is said about these in paragraph 54.

### Increases in fees

15. The increases in fees introduced on 1 April 1987 were those calculated as necessary to ensure that fees income matched the cost of the gaming control system and assumed a level of pay for officials specified by the Treasury. Actual pay awards in 1987 were at a rather higher level and necessitated further increases. These were embodied in statutory instruments which were laid before

Parliament on 8 March 1988 to come into effect on 5 April 1988. The new gaming fees are set out in Appendix VII. Details of the increases in lotteries fees are given in paragraph 115.

16. The Home Office reviewed the fees payable to a local authority on the grant or renewal of a permit for the commercial provision of amusements with prizes under section 34 of the Gaming Act 1968 and section 16 of the Lotteries and Amusements Act 1976. These fees had stood at £8.50 since 1982. They were raised to £25 with effect from 1 March 1988 in order to meet the cost of issuing a permit under these provisions.

## 3 Casino Gaming

### Casino activities

17. During the year guidelines were agreed with the British Casino Association with the aim of standardising the arrangements for card room competitions. The guidelines as issued by the BCA are at Appendix IV.

18. The period under review has seen a significant number of changes in the ownership of casinos in Great Britain mainly by the purchase of companies holding casino licences. At present, such transactions do not require prior reference to the Board, although the Board investigate the background and financial standing of the new operators and those benefitting from the casino operation. The Bill mentioned in paragraph 12 above would change the position. In July 1987 eight casinos previously owned by Lonrho (the Metropole Casinos) were acquired by Brent Walker PLC. Four were in London and thus Brent Walker, which previously owned four provincial casinos, became the third largest London operator. In November, LandLeisure PLC (a company with no previous gaming interests) bought control of the Aspinall Curzon casino in London.

19. Other changes in casino ownership included further expansion by the Hamblin Group of Companies which had no casinos at the beginning of 1986, acquired four in that year and in the period of this report purchased the 100 Club in Coventry and the Carlton Casino, Bolton. In addition a licence has been granted to the Group for a new casino in Stockport.

20. Annabelles Casino Ltd, which previously owned casinos in Leicester and Coventry expanded by the purchase of the Kingsway Casino, Swansea, and the Beau Nash in Bristol. Lebak Ltd, previously owners of two casinos in London, purchased the Reading Sporting Club. Leading Leisure PLC which already had casinos in Bournemouth, Portsmouth and Margate, purchased the Casino Club, Southampton. Pleasurama purchased the Carlton Casino in Liverpool thus giving them 24 casinos altogether of which 5 are in London.

21. The Board noted with interest the acquisition by British operators of two casinos in France. The Board see no reason to take a view on such ventures when they have no direct effect on the operation of casinos in Great Britain.

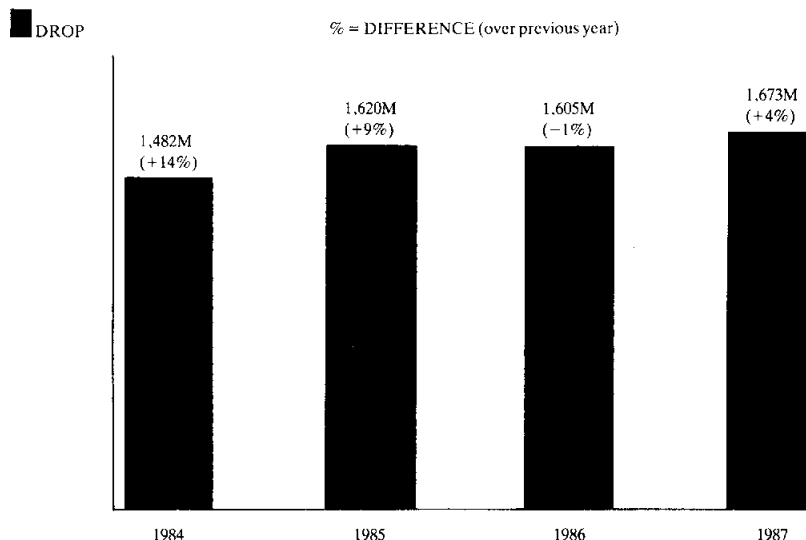
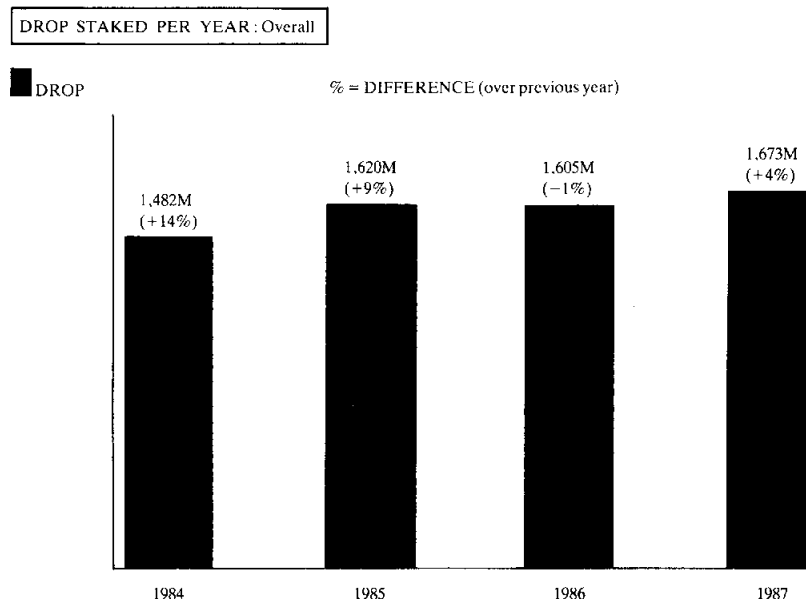
22. The Board's previous report referred to our outstanding objection to the renewal of the licence for a casino in Cardiff. Litigation by the licence holders in this case was finally concluded in November 1987 and a date set in April 1988 for the renewal hearing.

### Number and distribution of licensed casinos

23. On 1 January 1987 the number of casinos operating was 115. This was unchanged at 31 March 1988. A breakdown of these figures into locations is given at Appendix V.

## Financial performance

24. The total drop (money exchanged for chips) in casinos in Great Britain in the calendar year 1987 was £1,673 million, an increase of £68 million (4%) over the previous year. The totals for the last four years have been:-

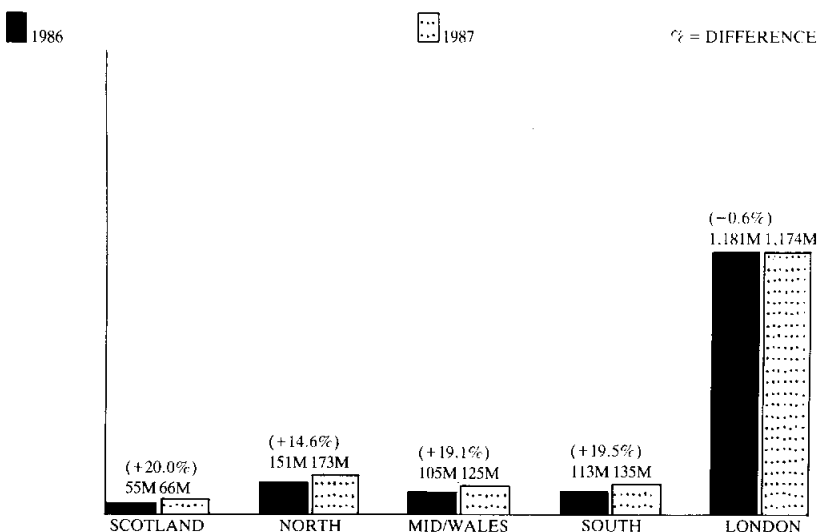
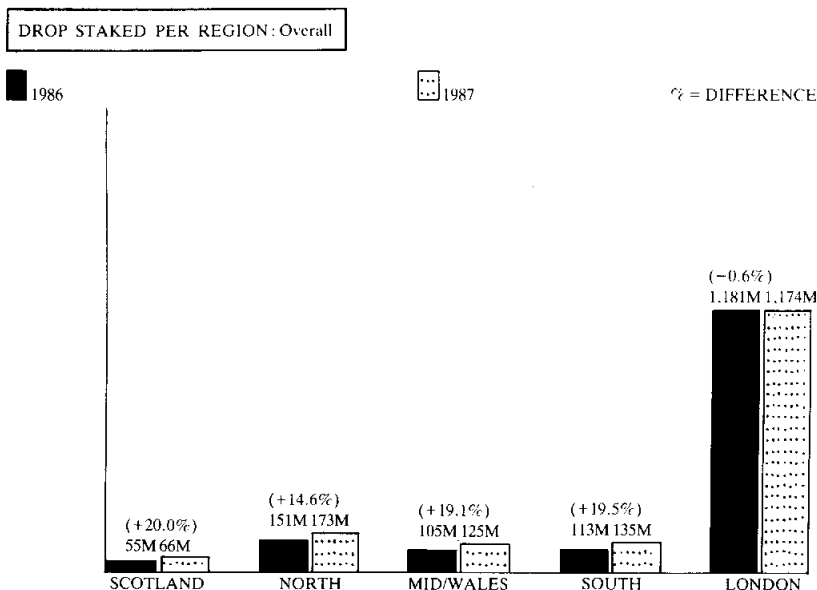


25. The total drop for the financial year 1987/88 was £1,722 million.

26. The increase in overall drop was accounted for by buoyant figures from provincial casinos where for the second year running there was a substantial increase in the total figure. This went from £424 million in 1986 to £499 million in 1987, an increase of £75 million (18%).

27. The fall in drop in the 20 London casinos was less marked than in the previous year. Total drop in 1987 was £1,174 million compared with £1,181 million in 1986, a decrease of £7 million (0.6%). We were told that the main reason for this fall was the absence of high staking punters from the Middle East. The London casinos still account for 70% of the total drop produced by the 115 casinos in Great Britain.

The drop figures by region were:-



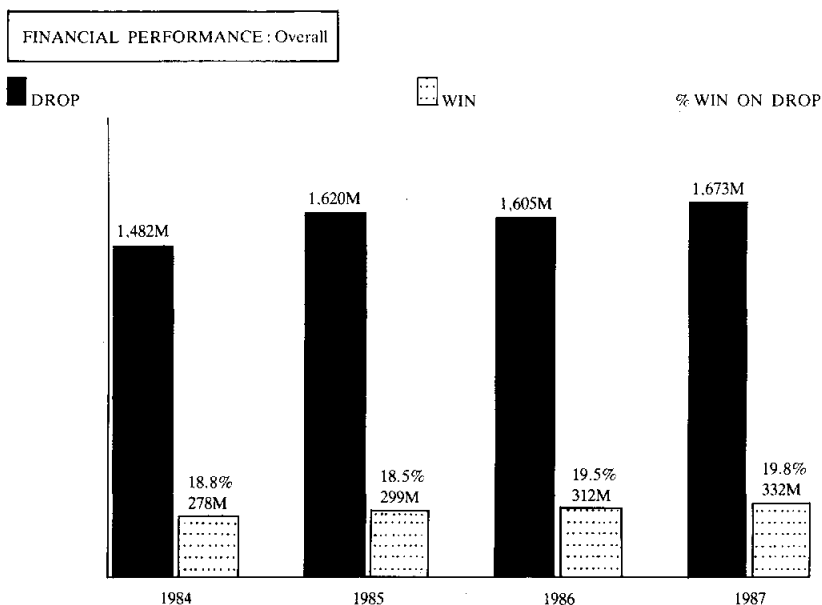
The drop figures by region for the financial year 1987/88 were as follows:-

	£m
Scotland	70
North	182
Midlands and Wales	133
South	145
London	1,192

28. American roulette remained by far the most popular game in terms of money staked. There was a drop in the money staked on punto banco and an almost balancing increase in blackjack stakes. There are far fewer punto banco tables than blackjack in British casinos. A comparison of money staked on particular games, expressed as a percentage of the total drop is as follows:-

	Stakes expressed as a percentage of the drop				
	1983	1984	1985	1986	1987
American roulette	63.9	62.0	63.0	63.1	63.1
Punto banco (including baccarat)	17.5	19.7	17.9	18.9	16.5
Blackjack	16.5	16.6	17.3	16.3	17.9
Craps	1.2	1.2	1.5	1.6	1.8
French roulette	0.9	0.5	0.3	0.1	0.7

29. In Great Britain as a whole there was a £20 million (6%) increase in the total amount retained by casinos as the house win. The total sums for house win over the past four years have been as follows:-



30. The total sum retained by casinos as the house win for the financial year 1987/88 was £334 million (18.9% of the drop).

## Consent applications and the resultant licence applications – 1987 (and 1986)

31. The following tables show (a) the number of consent applications received between 1 January and 31 December 1987 and their determination, and

(b) the number and determination of the resultant licence applications during the year. Figures for the preceding twelve months are shown alongside in brackets.

	England and Wales	Scotland	Totals
<b>(a) Certificates of consent</b>			
Applications made	16 (21)	— (2)	16 (23)
Applications withdrawn	6 (6)	— (—)	6 (6)
Applications not determined by 31 December	5 (—)	— (—)	5 (—)
Certificates issued	5 (15)	— (2)	5 (17)
<b>(b) Licences</b>			
Applications made	5 (15)	— (2)	5 (17)
Applications withdrawn	— (1)	— (—)	— (1)
Applications not heard by 31 December	3 (—)	— (—)	3 (—)
Applications refused	1 (3)	— (—)	1 (3)
Licences granted	1 (11)	— (2)	1 (13)

## Applications for renewal

32. At the beginning of 1987, there were 121 licences in existence (more than one licence may be held for a casino), including 3 for casinos which were not operative at that time. The position reached by the end of the year was as follows:—

Licences renewed	118
Applications withdrawn	2
Hearing adjourned	1

## Transfer of licences

33. The Board received three applications during 1987 for consent to transfer of existing licences. By 31 December, one certificate of consent had been issued, one application had been withdrawn and one awaited determination.

## Consent applications and the resultant licence applications 1 April 1987 to 31 March 1988

34. The following tables show (a) the number of consent applications received between 1 April 1987 and 31 March 1988 and their determination and (b) the number and determination of the resultant licence applications during the period.

	England	Scotland	Totals
<b>(a) Certificates of consent</b>			
Applications made	17	1	18
Applications withdrawn	5	1	6
Applications not determined by 31 March 1988	7	—	7
Certificates issued	5	—	5
<b>(b) Licences</b>			
Applications made	5	—	5
Applications not heard by 31 March 1988	1	—	1
Applications withdrawn	1	—	1
Applications refused	1	—	1
Applications granted	2	—	2



## Applications for renewal 1 April 1987 to 31 March 1988

35. At 1 April 1987, there were 122 licences in existence including 3 for casinos which were not operative at that time. The position reached by 31 March 1988 was as follows:-

Licences renewed	120
Applications withdrawn	1
Licences surrendered	1

## Transfer of licences 1 April 1987 to 31 March 1988

36. The Board received four applications during the period 1 April 1987 to 31 March 1988 for consent to the transfer of existing licences. By 31 March 1988, one certificate of consent had been issued, two applications had been withdrawn and one awaited determination.

## Demand for casino gaming

37. Throughout their existence the Board have acted on the belief that one of the fundamental principles of the Gaming Act is that the supply of gaming facilities should be sufficient only to meet unstimulated demand. Statistical evidence from census returns completed by each casino every month and information provided by their inspectors are used by the Board to form a view of the adequacy of existing facilities and to advise licensing authorities on demand. The Board remain of the view that existing facilities are generally more than sufficient to meet the demand, with some tendency towards over provision in certain areas. During the period under review therefore the Board made or pursued objections to the grant of additional licences in several areas. An important case occurred in London in which the Board and two existing operators objected to the grant of a licence for a new casino in Leicester Place, off Leicester Square. The application was refused by the licensing justices but granted on appeal to the Crown Court. This was the first new casino licence granted in London since 1984. We understand the proprietors hope to open the casino in September 1988. Evidence was given in support of the licence application that very low staking punters were not catered for in London because existing London casinos had increased their minimum stakes. The difficulty for the Board and for licensing authorities in assessing arguments on this basis is that staking limits can be and are varied at the operators' discretion, sometimes during the course of the gaming day, and experience has shown any undertakings offered as to staking limits are likely to be temporary in nature. In future, the Board intend to make representations where changes in undertakings as to staking limits are proposed on renewal of licences. It remains the view of the Board that London is adequately catered for in terms of numbers of casinos and gaming tables, especially at the medium and high staking levels of play.

38. The appeal referred to in last year's report against the refusal of the licensing authority to grant a new licence for enlarged premises for the Barracuda Club in London was rejected in January 1987. Appeals against decisions to grant additional casino licences in Leicester and Northampton were also refused during the period of this report. The Board objected successfully to the grant of a second casino licence in the Torbay area and made objections in a number of cases where on renewal of the licence or on removal of a casino to new premises it was proposed to install extra gaming tables for which in the Board's view there was no demand.

39. An additional casino was licensed in Dundee (to replace premises which had closed in September 1985) and a new licence was granted in Stockport where a casino had not been operated since October 1986 when the Stockport Casino was closed after a fire. The Board did not object to the grant of this licence.

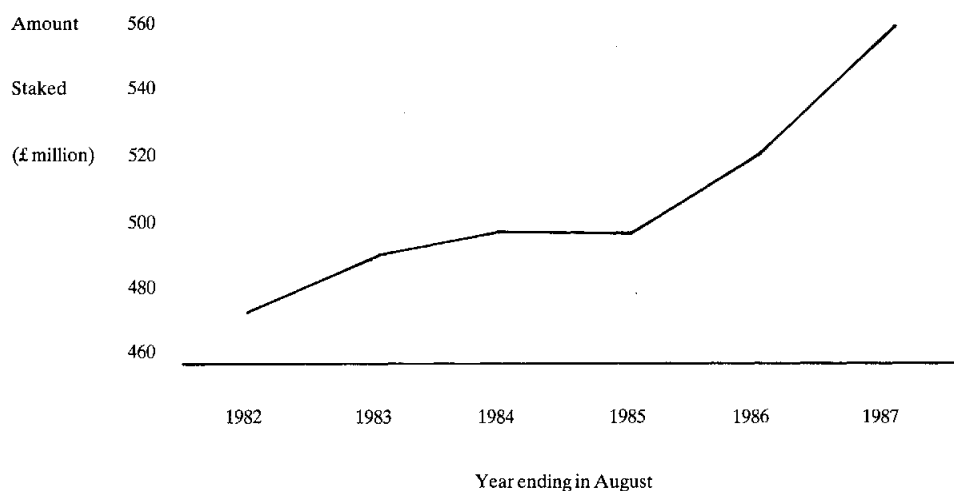
## 4 Licensed Bingo

### Size of the industry

40. The number of licensed bingo clubs continued to decline in the period covered by this report. On 31 March 1988 there were 1115 clubs licensed under Part II of the Gaming Act compared with 1186 on 31 December 1986, a decrease of 6%. Not all clubs holding a licence are open for business. At 31 March 1988 there were 1048 clubs operating, compared with 1111 at 31 December 1986. The closures have been mainly of smaller, provincial clubs where membership has declined. At the same time the larger operators have prospered and have thought it worthwhile to invest large sums on refurbishing their clubs. The Board sense a more positive attitude towards the future by many in the industry than has been evident for some time.

### The financial trend

41. According to statistics provided by HM Customs & Excise, the amount staked on bingo in licensed clubs from September 1986 to August 1987 was £556 million, an increase of 7.5% on the previous year, well ahead of inflation. The increase represented an acceleration of the upward trend of recent years shown by the graph below.



42. Some members of the bingo industry were affected by the 25% increase in duty on amusement-with-prizes machines in the 1987 budget, many clubs having elected to replace their 2 jackpot machines with AWP's, in some of the larger clubs by as many as 40 or more of the latter. There were no changes of special effect on the industry in the 1988 budget. Bingo duty remained at 10%.

### Linked bingo

43. Link games have survived the introduction of the National Game despite the limit on weekly prize money of £3,500. Smaller clubs which do not part-

icipate in the National Game evidently find value in this boost to the prizes they can offer.

44. Most links still consisted of not more than 4 clubs but there were larger ones. In 1987 the total number of clubs participating in links decreased from 911 to 865. The number of links operating decreased from 265 to 250.

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	1987	
	Number of such links	Number of clubs participating
Two	61	122
Three	90	270
Four	55	220
Five	30	150
Six	6	36
Seven	3	21
Eight	4	32
Fourteen	1	14

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## The National Game

45. The National Game was first played in June 1986 and has since become a well-established feature of licensed bingo with 791 clubs participating as at 31 March 1988 and an average daily top prize in the period covered by this report of £42,727. The impact of the game remains difficult to assess. The general view seems to be that it has helped to stem the decline in admissions.

46. The Board's main concern is the integrity of the game. With gaming on this scale those involved in its supervision — the Company and the Board — must be ever vigilant to ensure that there is no fraud or unfairness. The Board's Inspectors developed an effective inspection programme and there was close liaison with the security staff of the National Bingo Game Association (NBGA).

47. The rules under which the game is played — the management and the players rules — have been revised in discussion between the Board and the NBGA in the light of experience and the new rules will soon be ready for issue to the participating clubs.

## Advertising

48. The Board have referred in previous reports (paras 65-67 1984 AR) to the problems posed by section 42 of the Act in connection with the advertising practice of the bingo industry. During the period of this report there have been discussions with the Bingo Association of Great Britain (BAGB) with a view to proposing amendments to the Act which would remove the anomaly whereby newspaper bingo and other forms of unlicensed bingo may be lawfully advertised but the advertising of bingo in licensed clubs may not. The Board were prepared to recommend some relaxation but not to an extent which would satisfy the aspirations of the industry. The Board were not prepared to envisage the removal of all restrictions, in particular, those relating to the advertising of winnings.

49. While section 42 remains in force the Board have a duty to see that it is observed. They have noted that some companies have been prepared to push back the limit of advertising practices regarded by the Board as consistent with section 42. The Board hope that licence-holders will be responsible over mat-

ters which, pending any change in the law, are best regulated by a common understanding of where restraint should apply.

## Promotions on television

50. Our attention was drawn to a bingo type promotion by a cable tv company who first distributed cards to viewers at home and then displayed winning numbers during programme breaks. The company believed that, as there was no payment to take part, the promotion constituted a free lottery and hence was not unlawful. In the early months of 1988 there were two "free bingo" promotions in the advertising slots on ITV organised by national newspapers. The Board were concerned at the possible development of such promotions and will keep the position under review.

## Alteration to premises

51. The Board have previously expressed the view that there is no authority in the Gaming Act by which licensing authorities can allow alterations to licensed premises to be made on licence renewal without the necessity for a new certificate of consent and a new licence. The matter was raised with the Home Office in the context of deregulation in the hope that amending legislation might be possible to avoid the formalities associated with a new licence where minor alterations were proposed which did not affect the character of the premises or the gaming facilities. The view taken by the Home Office was that the existing legislation was sufficiently flexible to allow minor alterations on renewal of the existing licence. The question of law involved is one which neither the Board nor the Home Office have any authority to determine and licensing authorities are known to take differing views. Each application will be for decision by the licensing authority to which it is addressed.

## Roulette-type games in bingo clubs

52. Last year the Board were asked for their view on plans to introduce a new version of amusement-with-prizes under the provisions of section 21 where the chances in the game were shown on a roulette layout and the winning number was determined by the use of a roulette wheel or random number generator. The Board expressed concern at this development. While agreeing that if played subject to the terms of section 21 of the Act it would not appear to be unlawful, they were concerned that the way in which the games were constructed would lead to a high level of staking over a period and, generally, that it would introduce bingo patrons to the concept of hard gaming. So far these games are being played in only one or two clubs and it is hoped they will not become widespread. The Board's Inspectors will watch developments.

## Bingo gaming hours, charges and prizes

### HOURS

53. Following representations from the industry the Board have recommended to the Home Office that bingo be allowed to commence at 10 am instead of noon on weekdays and Saturdays. This could be accomplished by a simple extension to the hours permitted by regulation.

## CHARGES AND PRIZES

54. Paragraph 14 refers to changes in the Regulations governing charges and monetary limits. These changes, made following representations from the industry, authorised the following increases from 4 May 1987:—

### *Admission/participation fee*

The maximum charge for admission and participation in any one charging period was raised from £4 to £4.60 (exclusive of VAT).

### *Linked bingo*

The ceiling for winnings from linked bingo in any one week went up from £3,000 to £3,500.

### *Added prize money*

The amount which may be added to prizes in any one week went up from £1,250 to £1,500.

## Mechanised Cash Bingo (MCB)

55. Following discussions between the Board and the BAGB, the Code for the operation of mechanised cash bingo was amended to permit the insertion of a £1 coin. This concession was agreed on the basis that machines must nevertheless provide for the insertion of a coin or coins to the value of a single game.

## Consent, Renewal and Transfer Applications

### CONSENT APPLICATIONS

56. The following table shows the results of consent applications made to the Board during the period 1 April 1987—31 March 1988, and the number and outcome of the resultant licence applications.

	England and Wales	Scotland	Totals
<i>Certificates of consent</i>			
Applications made	49	8	57
Applications withdrawn	4	1	5
Applications refused	—	—	—
Applications not determined by 31 March	13	—	13
Certificates issued	32	7	39
<i>Licences</i>			
Applications made	33	5	38*
Applications withdrawn	—	—	—
Applications refused	2	—	2
Applications not determined by 31 March	16	1	17
Licences granted	15	4	19

\*1 certificate holder did not proceed to apply for a licence.

During the period 1 January 1987 to 31 March 1987 15 applications for certificates of consent were made; 2 applications were withdrawn, 13 certificates issued and 13 licences granted.

#### RENEWALS

57. The Board did not object to the renewal of any licences during the period of the report. One licensing authority refused to renew a bingo licence because the licence holder had failed to comply with the recommendations of the fire service.

#### TRANSFERS

58. During the period 1 April 1987 to 31 March 1988 the Board received 67 applications for certificates of consent to the transfer of bingo licences from one person to another. Of these 52 were granted. Six were withdrawn and 9 remained undetermined at the end of the period. During the period 1 January 1987 to 31 March 1987 there were 42 applications; 2 were withdrawn and 40 certificates were issued.

## 5 Certification of Employees

### Applications 1987

59. In the calendar year 1987 the Board received 5,192 applications for certificates under section 19 of the Gaming Act 1968, and issued 4,554 certificates. These figures compare with 4,804 and 4,325 in 1986 and 5,033 and 4,493 in 1985.

### Interviews

60. During 1987, 236 interviews were held. They were concerned with:—
- (a) 45 applications for gaming managers' certificates, one of which was a re-application for certification after an earlier revocation. 39 were granted, 6 deferred.
  - (b) 2 applications for gaming inspectors' certificates including one which was a re-application for certification following an earlier revocation. One was granted, one refused.
  - (c) 18 applications for gaming operatives' certificates, 2 of which were re-applications for certification following earlier revocation. 10 were granted, 5 refused and 3 withdrawn.
  - (d) 147 applications for bingo managers' certificates of approval, 3 of which were re-applications for certification following a revocation. 129 were granted, 12 deferred and 6 withdrawn.
  - (e) 21 persons holding certificates of approval in respect of casinos who were the subjects of adverse reports. In respect of 3 the Board took no further action. 18 had their certificates revoked.
  - (f) 3 persons holding bingo managers' certificates who were the subject of adverse reports. In all three cases the certificates were revoked.

### Revocation without interview

61. In all cases where the Board are considering the revocation of certificates the holders are offered the opportunity to appear for interview by the Board or to make written representations. If they fail to do either, the Board must consider their continued suitability to hold the Board's certificates on the basis of available information. During the year, 38 persons had certificates revoked without interview.

### Applications (Financial Year 1 April 1987 – 31 March 1988)

62. In the financial year 1987/88 the Board received 5,211 applications for certificates under section 19 of the Gaming Act 1968, and issued 4,647 certificates. Figures for previous financial years are not available for comparison.



## Interviews

63. During the financial year 1987/88, 272 interviews were held. They were concerned with:—

- (a) 57 applications for gaming managers' certificates, one of which was a re-application for certification after an earlier revocation. 51 were granted, 1 refused and 5 deferred.
- (b) 2 applications for gaming inspectors' certificates both of which were re-applications for certification following an earlier revocation. One was granted and 1 refused.
- (c) 15 applications for gaming operatives' certificates, 3 of which were re-applications for certification following earlier revocation. 9 were granted, 5 refused and 1 has yet to be determined.
- (d) 170 applications for bingo managers' certificates of approval, 3 of which were re-applications for certification following an earlier revocation. 137 were granted, 6 deferred and 2 were cancelled. 25 have still to be determined.
- (e) 25 persons holding certificates of approval in respect of casinos were the subject of adverse reports. In respect of 1 the Board took no further action. 24 had their certificates revoked.
- (f) 3 persons holding bingo managers' certificates who were the subject of adverse reports had their certificates revoked.

## Revocation without interview

64. During the financial year 44 persons had certificates revoked without interview.

## Issue of certificates

65. Applicants for the casino manager's certificate were called to interview within a few weeks of the date of receipt by the Board of their application. There was inevitably more delay in processing applications for first certificates because of the need to make checks or obtain reports from the police or other authorities. On average about 85–90% of all first time applicants for the operative's certificate received their certificate within 6 weeks of the receipt of the application by the Board.

## Application form GB11

66. The introduction of a redesigned application form in early 1987 has helped streamline procedures. First-time applicants are now required to specify the casino or bingo club at which they are to be employed (this is particularly useful when applications are in respect of multi-outlet companies). The question asking for details of any offences of which the person has been found guilty is now put in more precise terms.

## Quality of managerial applicants

67. The quality of first-time applicants for the manager's certificate was generally impressive and in only a few cases did the Board feel unable to grant a certificate. The Board regard it as important that high standards are maintained and were pleased by the continued efforts of operators to ensure that senior staff received adequate training before they applied for the manager's certificate. We would only comment that some managers' interviews

revealed that applicants were almost word perfect on the letter of the law and regulations but had an imperfect understanding of the purpose and concerns behind the legislation. It is clearly important that they should appreciate the reason for the rules they must follow.

## Adverse reports

68. From time to time the Board receive adverse reports upon persons they have certificated. The nature of the matters giving rise to these reports varies but generally they are about criminal acts and breaches of contract or conditions of service which raise a question about the fitness of the certificate holder to continue to hold a certificate of approval. In these instances certificate holders are offered the opportunity to appear before the Board to explain matters.

69. During the period under review the Board have revoked the certificates of a number of certificated staff who had been found to have contravened conditions of employment prohibiting them from visiting or gaming in other casinos or associating with club members away from the club. The Board consider that it is important that contracts of employment should contain such prohibitions and they fully support casino operators who take a firm line in dealing with contraventions.

## Contravention of section 23(6) of the Gaming Act 1968

70. A number of applicants failed to make a full disclosure of their convictions although the application form makes it quite clear that the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975 allows the Board to require the disclosure of convictions otherwise treated as spent. There were 5 prosecutions by the police during the period under review for failure to disclose previous convictions. In at least 10 other cases, the matter was taken up with the applicant by the Board.

## Statistics

71. The statistics relating to section 19 certificates for the calendar and financial years 1987 and 1987/88 are given in the following tables:—

### SECTION 19 STATISTICS PERIOD: JANUARY–DECEMBER 1987

CERTIFICATE GRADE	Gaming other than bingo				Bingo only	
	Manager	Supervisor	Inspector	Dealer	Bingo Manager	Total
New certificates issued	90	114	1234	2499	193	4130
Old certificates re-issued	41	10	162	151	60	424
Total certificates issued	131	124	1396	2650	253	4554
Applications refused	–	–	–	3	–	3
Applications withdrawn	----- BREAKDOWN NOT AVAILABLE -----					635
Revocations	3	–	19	27	10	59

APPLICATION TYPE	Gaming other than bingo				Bingo only	
	Manager	Supervisor	Inspector	Dealer	Bingo Manager	Total
New applications	1	-	18	1794	106	1919
Transfers	52	23	659	705	87	1526
Promotions	37	91	557	-	-	685
Re-issue	41	10	162	151	60	424

**SECTION 19 STATISTICS  
PERIOD: APRIL 1987-MARCH 1988**

CERTIFICATE GRADE	Gaming other than bingo				Bingo only	
	Manager	Supervisor	Inspector	Dealer	Bingo Manager	Total
New certificates issued	106	124	1270	2494	200	4194
Old certificates re-issued	49	16	169	156	63	453
Total certificates issued	155	140	1439	2650	263	4647
Applications refused	1	-	-	4	-	5
Applications withdrawn	----- BREAKDOWN NOT AVAILABLE -----					559
Revocations	5	1	23	31	11	71

APPLICATION TYPE	Gaming other than bingo				Bingo only	
	Manager	Supervisor	Inspector	Dealer	Bingo Manager	Total
New applications	1	-	14	1790	123	1928
Transfers	55	21	704	704	77	1561
Promotions	53	103	552	-	-	708
Re-issue	49	16	169	156	63	453

# 6 Gaming Machines

## Number of machines in use

72. Those undertaking the sale, supply and maintenance of gaming machines require certificates from the Board under section 27 of the Gaming Act, but there is no requirement for certificate holders to state how many machines they sell, supply or maintain. With certain exceptions, however, machines used for gaming must be covered by a gaming licence issued by H M Customs and Excise under section 21 of the Betting and Gaming Duties Act 1981. The Board are indebted to H M Customs and Excise for the following figures, derived from the latter's Annual Report for the 12 months ended 31 March 1987, which provide an indication of the number of machines then in use.

	Number of machines covered by gaming machine licences for the licensing years	
	<u>1986-87</u>	<u>1985-86</u>
Jackpot machines (installed in premises licensed or registered under the Gaming Act 1968)	41,486	39,600
Amusement-with-prizes (AWP) machines (commonly found in public houses, cafes, arcades and pleasure fairs)	184,876	160,800

73. In the year to 31 March 1987 the number of jackpot machines increased by 1,886 (4.8 %), and the number of AWP's increased by 24,076 (15 %).

## AWP stake

74. Following the increases in the statutory limits for AWP prizes in January 1987 the Board received further representations for an increase in the maximum AWP stake, from 10p to 20p. In July, the Chairman met a delegation from the British Amusement Catering Trades Association (BACTA). He made it clear then that the Board would want to await the outcome of the Home Office enquiry into the playing of AWP's by young people (to which the Board's Inspectorate have contributed—see chapter 10), before considering any representations for an increased AWP stake. He also stressed that in the meantime no assumptions should be made as to the way the outcome of the Home Office enquiry might affect the Board's attitude to such representations. The Chairman made a similar reference in his speech to the Annual Convention of BACTA on 3 December.

## Guidelines for enforcement policy

75. During the spring and summer of 1987 the Board became aware of a number of developments in the design of gaming machines which gave cause for concern. In November 1987 the Board accordingly issued amendments to the Guidelines for Enforcement Policy to define more clearly the acceptable limits on prize displays and live jackpot features. This action was insufficient to counter the development of machines which, while complying with the strict

letter of the Guidelines, incorporated other undesirable features, most notably what were termed 'pseudo features' aimed at encouraging players to continue playing under the illusion that the chances of winning improved as further games were played. These features did not promise more prizes than were actually delivered but sought to exaggerate the progressive element in the prize structure.

76. While recognising the intense commercial pressures on manufacturers to produce successful games, the Board were concerned at the continuing trend by manufacturers in producing machines which were designed to circumvent the spirit, if not the letter, of the Guidelines. The Chairman referred to these difficulties at the BACTA Convention on 3 December and made it plain that the Board would not make repeated revisions to the Guidelines to counter each new attempt to exploit their terms. Board officials met a delegation from BACTA Division 4 on 16 December 1987 to decide how best to maintain adequate control over machine developments while allowing manufacturers scope to innovate. At this meeting and in subsequent discussions with representatives of BACTA the principle of a new procedure was evolved which would enable the Board to notify manufacturers of any new feature or development considered to be undesirable while avoiding the need for constant revision of the Guidelines. This procedure has not yet been formally agreed with BACTA but it is hoped that it will be established and in use by mid-1988.

## Skill-with-prizes machines

77. Although the Board have no specific statutory responsibilities for skill-with-prizes machines (SWP), manufacturers generally have continued to seek our advice on both quiz and non-quiz SWP machine proposals. The Board welcome the opportunity to offer such advice. Where the Board consider that there is no real element of chance in the action of a machine, we have accordingly advised the manufacturers that it does not appear to fall within the controls of Part III of the 1968 Act. H M Customs and Excise consider separately whether such machines are liable to gaming machine licence duty for the purposes of the Betting and Gaming Duties Act 1981. Difficulties with one manufacturer's proposals for a non-quiz SWP machine were satisfactorily resolved during the year.

78. As part of their general responsibilities under the Gaming Act, the Board have continued to monitor the development and use of SWP machines, which now appear to have established a relatively small, but distinct niche in the machine market. If such machines seemed likely substantially to replace the gaming machines which do fall within the terms of the Gaming Act, the question of a change in the law would need to be considered. The present use of SWP machines does not appear to the Board to be on a scale to raise that possibility.

## Applications for certificates under section 27 of the Gaming Act to sell, supply and/or maintain gaming machines

79. The number of applications received, and their outcome, is shown in the following tables:

Table 1. Applications received for the period 1 January 1987 to 31 March 1987

	ENGLAND AND WALES	SCOTLAND	TOTALS
Applications outstanding on 31 December 1986	32	7	39
New applications received	27	2	29
<b>Totals</b>	<b>59</b>	<b>9</b>	<b>68</b>
Certificates issued	15	4	19
Applications refused	—	—	—
Applications withdrawn	10	2	12
To be determined, or awaiting payment of fee on 31 March 1987	34	3	37
<b>Totals</b>	<b>59</b>	<b>9</b>	<b>68</b>

Table 2. Applications received for the period 1 April 1987 to 31 March 1988

	ENGLAND AND WALES	SCOTLAND	TOTALS
Applications outstanding on 31 March 1987	34	3	37
New applications received	77	9	86
<b>Totals</b>	<b>111</b>	<b>12</b>	<b>123</b>
Certificates issued	54	8	62
Applications refused	6	—	6
Applications withdrawn	15	1	16
To be determined, or awaiting payment of fee on 31 March 1988	36	3	39
<b>Totals</b>	<b>111</b>	<b>12</b>	<b>123</b>

## Renewal of certificates

80. During the period 1 January 1987 to 31 March 1987, 66 certificates reached the end of their five year life. The Board were notified that renewal was not being sought for 23 of these. 43 renewals were therefore left to be considered. The outcome of these applications, along with renewal applications carried over from 1986, is shown in the following table:

	ENGLAND AND WALES	SCOTLAND	TOTALS
Renewal applications outstanding on 31 December 1986	8	1	9
Applications received	38	5	43
<b>Totals</b>	<b>46</b>	<b>6</b>	<b>52</b>
New certificates necessary	5	1	6
Certificates renewed	30	4	34
Applications withdrawn	2	—	2
Applications refused	—	—	—
To be determined, or awaiting payment of fee on 31 March 1987	9	1	10
<b>Totals</b>	<b>46</b>	<b>6</b>	<b>52</b>

81. During the period 1 April 1987 to 31 March 1988, 197 certificates reached the end of their five year life. The Board were notified that renewal was not being sought for 72 of these. 125 renewals were therefore left to be considered. The outcome of these applications, along with renewal applications carried over from 31 March 1987, is shown in the following table:

	ENGLAND AND WALES	SCOTLAND	TOTALS
Renewal applications outstanding on 31 March 1987	9	1	10
Applications received	113	12	125
<b>Totals</b>	<b>122</b>	<b>13</b>	<b>135</b>
New certificates necessary	8	3	11
Certificates renewed	102	8	110
Applications withdrawn	6	1	7
Applications refused	-	-	-
To be determined, or awaiting payment of fee on 31 March 1988	6	1	7
<b>Totals</b>	<b>122</b>	<b>13</b>	<b>135</b>

82. Certificate holders are reminded that, if their certificate expires before it is renewed, they may continue to honour existing contracts, but are not entitled to negotiate new contracts, or new rental or maintenance terms for machines already on sites; nor, in the absence of a current certificate, can such machines be replaced, or be taken away and subsequently returned.

## Revocations

83. During the period 1 January 1987 to 31 March 1988, 2 certificates were revoked.

## Certificates in force

84. On 31 March 1988, there were 1,492 certificates in force, an increase of 102 compared with those in force on 31 December 1986.

## Permits

85. Permits are issued free of charge for isolated transactions such as the sale of an unwanted machine by a person not normally in the trade. 20 such permits were issued in the period 1 January 1987 to 31 March 1988.

## 7 Registered Clubs

86. The Board have a duty under section 10(3) of the Gaming Act 1968 to keep under review the extent, character and location of gaming facilities provided in clubs which are registered under Parts II and III of the Act. The Board do not play any part in the process of registration which is the responsibility of the local licensing authority. Information about the administration of this part of the Act is therefore obtained from the licensing authorities themselves. Since 1970 an annual survey has been conducted with the co-operation of the Justices' Clerks.

87. The Board have reviewed the need for this survey in the light of a wider Government review of statistical surveys and will be submitting a report to the Home Office. It did not seem appropriate for the Board to cease collection of this information altogether in the light of the specific statutory duty referred to in the preceding paragraph. After consultation with the Justices' Clerks' Society and the Magistrates' Association, it has been decided to hold the survey at three yearly intervals.

### Registration under Part II of the Act

88. The number of clubs registered under this part of the Act has dropped over the years. The club organisations tell us that none of their members (working men's clubs, miners' welfare institutes and conservative clubs) would be likely to apply for registration under Part II because sections 40 and 41 of the Act make adequate alternative provision to permit the gaming they wish to conduct. Without any association to represent them little is known about the type or extent of the gaming which may go on in Part II registered clubs but it seems likely that such registration is mainly for the purpose of card room gaming rather than other gaming such as bingo.

89. The maximum daily charge of £2 under Part II has remained unaltered since 1976 whereas charges under sections 40 and 41 of the Act have been raised several times since then. But in the absence of any representations for an increase in this charge the Board have not felt it necessary to recommend any change to the Home Office.

90. The following table sets out particulars of registrations in the period 1 April 1986 to 31 March 1987. Figures for 1987/88 are being obtained but are not yet to hand.

	ENGLAND AND WALES	SCOTLAND	TOTALS
Initial applications			
Granted	9	12	21
Refused	-	-	-
Not proceeded with	-	-	-
Not determined by 31 March 1987	2	-	2
Totals	11	12	23



	ENGLAND AND WALES	SCOTLAND	TOTALS
Renewal applications			
Granted	137	33	170
Refused	-	-	-
Not proceeded with	4	-	4
Not determined by 31 March 1987	-	-	-
Totals	141	33	174

91. During this period 12 registrations were cancelled or relinquished in England and Wales, and 3 in Scotland.

92. The total number of clubs registered under Part II of the 1968 Act at 31 March 1987 in England and Wales was 430. In Scotland it was 26.

## Gaming under sections 40 and 41 of the Act

93. The Board do not keep statistics on gaming under sections 40 and 41 of the Act. Such enquiries as the Board have made in the past suggest that when bingo is played under this part of the Act it is mainly a weekend entertainment which represents only a small part of the evening's activities. Generally speaking it would appear that it is, as the Act intended, low stake gaming.

94. The monetary limits under this part of the Act have remained unchanged since 1984. Representations have been made to increase them and the Board have recommended to the Home Office that the participation charge under section 40 be increased from 25p to 30p and, under section 41, the entrance fee or stake be increased from £2 to £2.50, the total value of prizes be increased from £200 to £250 and the maximum at a final entertainment from £400 to £500.

## Registration under Part III of the Gaming Act 1968

95. Registration by a club or a miners' welfare institute under Part III of the Act entitles them to two jackpot gaming machines. Registration lasts for a period of five years.

96. The Board are aware that some licensing authorities have granted Part III registration to proprietary clubs and some have declined to do so. Under the provisions of paragraph 8 of Schedule 7 to the Act the licensing authorities appear to have some discretion in the matter. The Board do not keep statistics distinguishing between members' and proprietary clubs but three years ago proprietary clubs represented 11.6% of the total of clubs registered under Part III.

97. The Act provides that the licensing authority shall refuse to register or to renew a registration where it appears that the premises are frequented wholly or mainly by persons under eighteen. They may also cancel registration on this basis. In view of current concerns it would have been of interest to know how often under age gaming comes to the attention of licensing authorities but we cannot tell this from the information compiled at present because refusals can be on various grounds. But from the figures available it is clear that the total number of refusals in any one year is quite small.

98. The following table shows the disposal of applications made between 1 April 1986 and 31 March 1987.

	ENGLAND AND WALES	SCOTLAND	TOTALS
Initial applications			
Granted	1093	57	1150
Refused	33	-	33
Not proceeded with	29	3	32
Not determined by 31 March 1987	11	-	11
<b>Totals</b>	<b>1166</b>	<b>60</b>	<b>1226</b>
Renewal applications			
Granted	1558	124	1682
Refused	7	-	7
Not proceeded with	123	17	140
Not determined by 31 March 1987	16	1	17
<b>Totals</b>	<b>1704</b>	<b>142</b>	<b>1846</b>

99. During this period 497 registrations were cancelled or relinquished in England and Wales, and 56 in Scotland.

100. The total number of clubs registered under Part III of the 1968 Act at 31 March 1987 in England and Wales was 19,159. In Scotland it was 2,066.

## Other forms of gaming

101. Section 50 of the Gaming Act requires the Board to account in their annual report for "the performance of their functions." Under Section 10(3) of the Act these functions include keeping under review the extent and character of gaming, of all kinds, throughout the country. In recent years the Board's reports have not included any comprehensive account of gaming outside licensed clubs. As the Board have no direct role in the registration of clubs or any involvement in forms of non-commercial gaming, the Board have not thought it right to invest resources in enquiring into forms of small-scale gaming which were not giving rise to concern. The Board made enquiries of the club associations several years ago about the extent and nature of gaming in their clubs and, having been given to understand that gaming there was low key were content to let matters rest.

102. That is not to say that the Board do not seek to intervene where it seems proper to do so. On 30 October 1987 the Board sent liquor licensing authorities a memorandum of guidance on gaming on liquor licensed premises which may be permitted under section 6 of the Gaming Act. While the Board have no direct responsibility for gaming under that section, they were concerned at reports received from the Inspectorate that applications for the playing of bingo in public houses and hotels were becoming more widespread. The guidance sets out the reasons why the Board are opposed to the playing of bingo on these premises. The memorandum is reproduced at Appendix VI.

103. The Board interpret their duty of keeping under review the character and extent of gaming in Great Britain as extending to unlawful gaming. They receive, routinely, reports from their Inspectors of mostly minor, inadvertent transgressions of the law, often in public houses, which have come to the notice of the Inspectors and about which they have often been able to advise, with positive results.

104. During the period of this report a more serious and widespread form of illegal gaming engaged the attention of the Inspectorate. What purported to be

amusement only machines for playing video poker appeared in considerable numbers in public houses, mainly but not only in the London area, and the Inspectorate were convinced that these were used for cash gaming in direct contravention of certain sections of Part III of the Gaming Act. In one instance the police mounted a successful prosecution but they were unable to find the resources for the sustained course of action which the Board think would be required to end a growing and highly lucrative illegal activity which shows signs of being organised centrally.

105. The Board will continue to monitor the position to the best of their ability but they are not themselves a prosecuting authority and cannot initiate proceedings to check the growth of an activity with serious implications.

## 8 Pool Competitions Act 1971

106. This Act, which had been extended by Order annually since 1976, was not renewed on expiry of the last Order on 26 July 1987. It was allowed to lapse, in accordance with the Government's announcement, in 1983, that the Act would not be extended beyond the term of the then current Parliament.

107. The two remaining licensed pool promoters, having had notice, were therefore required to cease operating pool competitions after 26 July 1987.

## 9 Lotteries

108. On 1 January 1987 there were 562 lottery schemes registered with the Board, comprising 91 local authority and 471 society schemes. In the three months to 31 March 1987 10 local authority and 44 society schemes were registered by the Board; 16 local authority and 52 society schemes expired. During the 12 months to 31 March 1988, 26 local authority and 221 society schemes were registered by the Board and 36 local authority and 210 society schemes expired. The total number of schemes registered with the Board as at 31 March 1988 was 548, comprising 75 local authority and 473 society schemes (these figures take account of the one revoked registration—see paragraph 112 below).

109. There was thus a decrease of 16 (18 %) in the number of local authority schemes registered with the Board and an increase of 2 (½%) in the number of society schemes so registered.

110. Between 1 January 1987 and 31 March 1987, the Board received 103 accounts for lotteries promoted by local authorities and 308 accounts for lotteries promoted by societies.

111. During the 12 months to 31 March 1988, the Board received 375 accounts for lotteries promoted by local authorities compared with 466 in the preceding 12 months, a decrease of 91 (20 %). Accounts were received for 1,026 lotteries promoted by societies under schemes registered with the Board, compared with 1,181 in the previous period, a decrease of 155 (13 %). The Board have no means of knowing how many lotteries were promoted under local authority registration.

### Action by the Board

112. During the period from 1 January 1987 to 31 March 1988, the Board revoked one society registration. One society application was registered at the direction of the Secretary of State.

113. The Board's staff continued to assist the police with investigations into alleged lottery offences and to provide statements where necessary. The police brought proceedings in a case where lottery proceeds had been misappropriated by the promoter of a non-League football club's lottery scheme, which at the time of the offences was registered with the Board. He was convicted of various offences under the Lotteries and Amusements Act 1976 and the Theft Act 1968 and was sentenced to six months imprisonment suspended for two years, and fined £700.

114. During the year informal meetings were held with representatives of the Lotteries Council and the Lotteries Action Group. The Head of the Board's Lotteries Section gave addresses on the Board's role in the supervision of lotteries at the Annual Conferences of both organisations. These events afforded a valuable opportunity for an exchange of views on a wide range of topics in the lotteries field.

## Lotteries fees

115. The Lotteries (Gaming Board Fees) Order 1987, which came into effect on 1 April 1987, provided for the first increase in maximum lotteries fees since 1983. Further increases under the Lotteries (Gaming Board Fees) Order 1988 came into effect on 1 April 1988. The fees were changed as follows:

	Old Fee £	New Fee (1.4.87) £	New Fee (1.4.88) £
(a) Where the value of tickets to be sold does not exceed £10,000:			
(i) Fee on application for the registration of a scheme	60	70	75
(ii) Fee for each lottery promoted (see note)	18	20	22
(b) Where the value of tickets to be sold exceeds £10,000:			
(i) Fee on application for the registration of a scheme	240	265	290
(ii) Fee for each lottery promoted with gross proceeds between £10,000 and £20,000 (see note)	36	40	45
(iii) Fee for any other lottery (see note)	48	55	60

Note: These fees are for each lottery where more than one lottery is conducted under a scheme.

## Private Lotteries

116. The Board's report for 1986 referred to our concern about a particular type of lottery being operated by a number of sporting organisations purportedly under section 4 of the Lotteries and Amusements Act 1976. In March 1987 the Secretary to the Board informed the Lotteries Council formally that the Director of Public Prosecutions had concluded that these lotteries did not fall within that section. The Crown Prosecution Service promulgated the view of the Director to Chief Constables for such action as they considered appropriate. The Board, who have no direct locus in section 4 lotteries, understand that many organisations subsequently took steps to regularise their lotteries so as to bring them within the relevant provisions of the 1976 Act.

## Lotteries Inspections

117. By the end of 1987, the Board's Inspectorate had completed a programme of sample inspections of societies with lottery schemes registered with the Board. A total of 28 inspections were carried out, representing 6% of all society schemes registered with the Board. A report summarising the findings of the Inspectorate was prepared and considered by the Board. The general picture was far from satisfactory. Many of the inspections revealed poor administration and accounting procedures, which made it difficult, and sometimes impossible to reconcile the figures in the societies' records with entries in the lottery accounts submitted to the Board.

118. It was of some reassurance to the Board that the Inspectors generally believed that the irregularities they came across were not associated with deliberate fraud or misappropriation of lottery funds. However, the Board were most concerned to have confirmed their view that the present arrangements for controlling lotteries allowed scope for deliberate dishonesty, and that this might actually be occurring in some lotteries, without coming to notice.

119. The Board decided to draw again to the attention of Home Office Ministers the need they saw for additional legislative controls.

120. Meanwhile, with existing resources, the most the Board could do was to continue with inspections on a limited basis. At the end of the year, the Board's guidance notes for local authorities and societies on the registration of lottery schemes were also in the process of being updated and revised, to take account of the points of concern highlighted by the inspections.

121. The Board wish to record their appreciation of the co-operation shown by those societies already inspected, many of whom have taken positive steps to improve their administration in light of the Inspectors' comments. The Board would also urge all societies promoting lotteries to increase their efforts to ensure that lotteries are run strictly in accordance with the legislative provisions.

## Value of lottery prizes

122. The Board have been concerned to note that a growing number of societies are seeking to offer as major lottery prizes new cars with a value in excess of the statutory maximum of £6,000, laid down in subsection 11(7)(c) of the 1976 Act. Value is not defined in the Act, but the Board remain of the view that the value of a car must be assessed on the basis of its recommended retail price (including car tax and Value Added Tax) less any discount *generally available* to any member of the public, at the time tickets for the lottery are offered for sale. The Board will be reluctant to register schemes where it appears that prizes may be offered with a value in excess of the statutory maximum.

## Lottery statistics

123. Tables 1, 2 and 3 which follow give details of accounts received from 1 April 1986 until 31 March 1988 for lotteries promoted in Great Britain under schemes registered with the Board. The tables show the number of lotteries promoted, the total amount of money received from ticket sales, the amounts appropriated for expenses and prizes, and the balance that went to the cause concerned. The average proceeds for society and local authority lotteries promoted in the 12 months to 31 March 1988 were £18,016 and £8,252 respectively, compared with £15,537 and £7,790 for the comparable period in 1986/87.

124. Table 4 shows a comparison of the total ticket sales on accounts received from 1 April 1983 to 31 March 1988 for lotteries promoted in Great Britain under schemes registered with the Board.

125. The graph at the end of this chapter shows clearly how ticket sales for all lotteries promoted under Board registration have declined steadily since their peak in the late 1970s. Last year, however, showed a slight upturn in the market for society lottery tickets, although local authority ticket sales continued to decline.

**Table 1** Details of accounts received in the period 1.4.86 to 31.3.87 for lotteries promoted in England and Wales, and Scotland under schemes registered with the Board

Society	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£		£	%	£	%	£	%
England and Wales	907	15,575,440		2,868,918	18.42	4,848,178	31.13	7,858,344	50.45
Scotland	274	2,773,844		579,125	20.88	1,000,829	36.08	1,193,890	43.04
<b>Total</b>	<b>1,181</b>	<b>18,349,284</b>		<b>3,448,043</b>	<b>18.79</b>	<b>5,849,007</b>	<b>31.88</b>	<b>9,052,234</b>	<b>49.33</b>

**Local Authority**

	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£		£	%	£	%	£	%
England and Wales	466	3,629,944		899,488	24.78	1,558,564	42.94	1,171,892	32.28
Scotland	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>466</b>	<b>3,629,944</b>		<b>899,488</b>	<b>24.78</b>	<b>1,558,564</b>	<b>42.94</b>	<b>1,171,892</b>	<b>32.28</b>
<b>Total All Lotteries</b>	<b>1,647</b>	<b>21,979,228</b>		<b>4,347,531</b>	<b>19.78</b>	<b>7,407,571</b>	<b>33.70</b>	<b>10,224,126</b>	<b>46.52</b>

**Table 2** Details of accounts received in the period 1.4.87 to 31.3.88 for lotteries promoted in England and Wales, and Scotland under schemes registered with the Board

Society	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£		£	%	£	%	£	%
England and Wales	885	16,961,455		2,978,501	17.56	5,036,128	29.69	8,946,826	52.75
Scotland	141	1,522,552		295,203	19.39	501,517	32.94	725,832	47.67
<b>Total</b>	<b>1,026</b>	<b>18,484,007</b>		<b>3,273,704</b>	<b>17.71</b>	<b>5,537,645</b>	<b>29.96</b>	<b>9,672,658</b>	<b>52.33</b>

**Local Authority**

	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£		£	%	£	%	£	%
England and Wales	375	3,094,546		736,495	23.80	1,288,072	41.62	1,069,979	34.58
Scotland	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>375</b>	<b>3,094,546</b>		<b>736,495</b>	<b>23.80</b>	<b>1,288,072</b>	<b>41.62</b>	<b>1,069,979</b>	<b>34.58</b>
<b>Total All Lotteries</b>	<b>1,401</b>	<b>21,578,553</b>		<b>4,010,199</b>	<b>18.59</b>	<b>6,825,717</b>	<b>31.63</b>	<b>10,742,637</b>	<b>49.78</b>

**Table 3** Details of accounts received in 1987 for lotteries promoted in England and Wales, and Scotland under schemes registered with the Board

Society	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£		£	%	£	%	£	%
England and Wales	900	16,920,152		3,013,784	17.81	5,132,827	30.34	8,773,541	51.85
Scotland	174	1,767,370		371,844	21.04	601,427	34.03	794,099	44.93
<b>Total</b>	<b>1,074</b>	<b>18,687,522</b>		<b>3,385,628</b>	<b>18.12</b>	<b>5,734,254</b>	<b>30.68</b>	<b>9,567,640</b>	<b>51.20</b>

**Local Authority**

	Number of Lotteries	Total Ticket Sales		Expenses		Prizes		Balance	
		£		£	%	£	%	£	%
England and Wales	374	3,037,304		739,786	24.36	1,273,181	41.92	1,024,337	33.72
Scotland	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>374</b>	<b>3,037,304</b>		<b>739,786</b>	<b>24.36</b>	<b>1,273,181</b>	<b>41.92</b>	<b>1,024,337</b>	<b>33.72</b>
<b>Total All Lotteries</b>	<b>1,448</b>	<b>21,724,826</b>		<b>4,125,414</b>	<b>18.99</b>	<b>7,007,435</b>	<b>32.26</b>	<b>10,591,977</b>	<b>48.75</b>



Table 4 Total ticket sales and numbers of lotteries shown on accounts received between 1 April 1983 and 31 March 1988

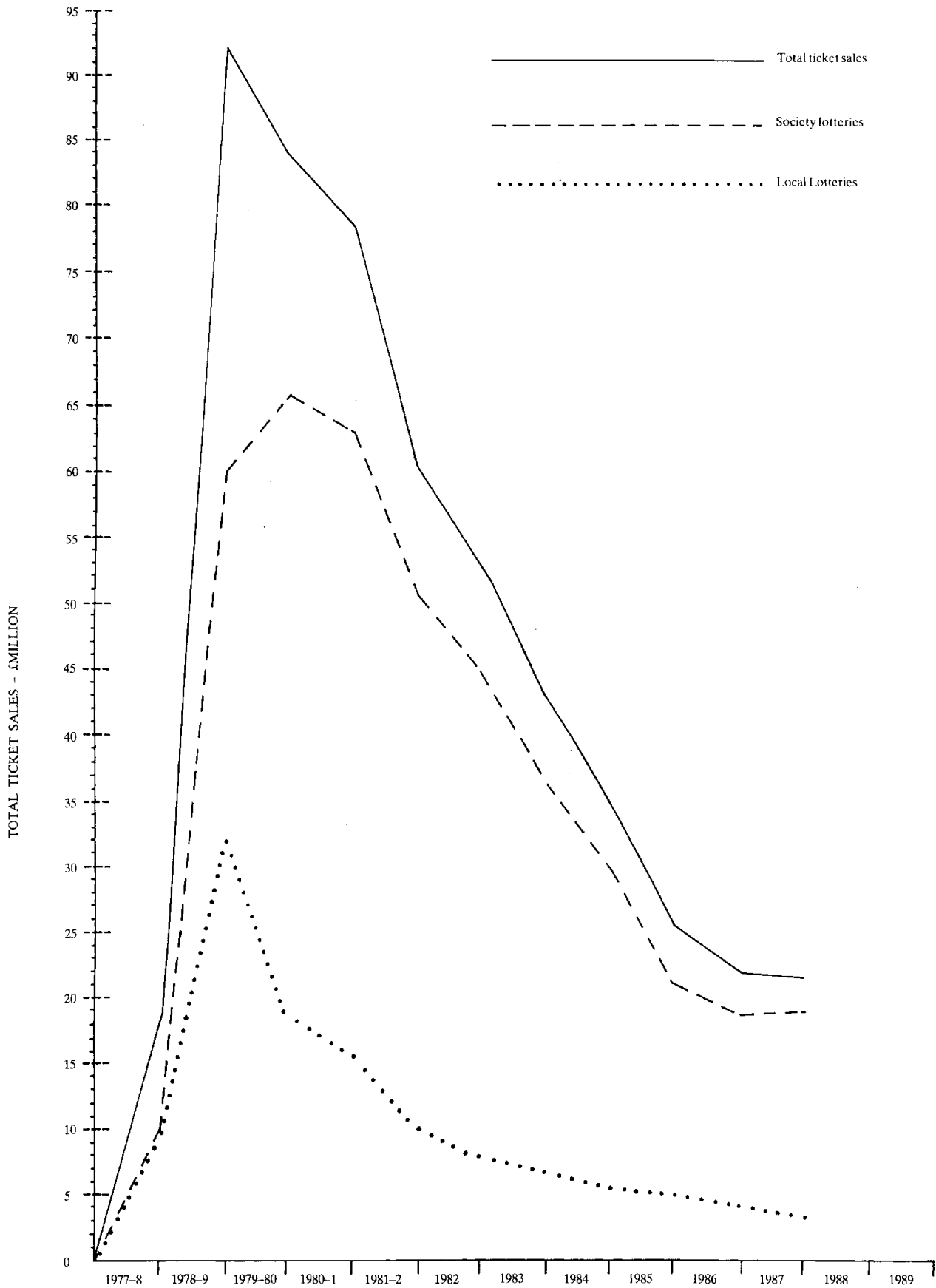
Society Lotteries

	1.4.83 to 31.3.84		1.4.84 to 31.3.85		1.4.85 to 31.3.86		1.4.86 to 31.3.87		1.4.87 to 31.3.88	
	Total Ticket Sales	No of Lotteries	Total Ticket Sales	No of Lotteries	Total Ticket Sales	No of Lotteries	Total Ticket Sales	No of Lotteries	Total Ticket Sales	No of Lotteries
	£m		£m		£m		£m		£m	
England and Wales	29.18	2,593	23.39	1,825	16.48	1,168	15.58	907	16.96	885
Scotland	5.49	633	3.90	437	3.41	299	2.77	274	1.52	141
<b>Total</b>	<b>34.67</b>	<b>3,226</b>	<b>27.29</b>	<b>2,262</b>	<b>19.89</b>	<b>1,467</b>	<b>18.35</b>	<b>1,181</b>	<b>18.48</b>	<b>1,026</b>

Local Authority Lotteries

	1.4.83 to 31.3.84		1.4.84 to 31.3.85		1.4.85 to 31.3.86		1.4.86 to 31.3.87		1.4.87 to 31.3.88	
	Total Ticket Sales	No of Lotteries	Total Ticket Sales	No of Lotteries	Total Ticket Sales	No of Lotteries	Total Ticket Sales	No of Lotteries	Total Ticket Sales	No of Lotteries
	£m		£m		£m		£m		£m	
England and Wales	5.69	814	4.66	631	4.20	568	3.63	466	3.09	375
Scotland	0.05	5	0.08	7	0.10	10	NIL	NIL	NIL	NIL
<b>Total</b>	<b>5.74</b>	<b>819</b>	<b>4.74</b>	<b>638</b>	<b>4.30</b>	<b>578</b>	<b>3.63</b>	<b>466</b>	<b>3.09</b>	<b>375</b>
<b>Total All Lotteries</b>	<b>40.41</b>	<b>4,045</b>	<b>32.03</b>	<b>2,900</b>	<b>24.19</b>	<b>2,045</b>	<b>21.98</b>	<b>1,647</b>	<b>21.57</b>	<b>1,401</b>

STATISTICS OF LOTTERIES PROMOTED UNDER REGISTRATION WITH THE BOARD



Note Up to and including 1981-82, figures relate to period 1 May - 30 April. Subsequent figures relate to calendar year.

# 10 Inspectorate and Enforcement

## Introduction

126. During 1987 the Board's Inspectors made 1754 supervisory visits to casinos and 3265 visits to licensed bingo clubs. They issued 21 warnings for minor infringements of the law. They also made 621 supervisory visits to certificated gaming machine suppliers. Assistance was given to the police when they initiated 33 prosecutions for gaming offences and gave 8 cautions. Gaming Board Inspectors were named in 18 warrants issued under section 43 of the Gaming Act 1968.

127. In addition to the above action the Inspectorate sought to increase the understanding of the police and others of the content and implications of the Gaming Act. They gave 52 talks to police officers including specialised courses at police training establishments. For the first time a number of two day courses for the Metropolitan Police were held at Berkshire House. Participants found these courses of value and more will be held. Plans are in hand to invite police officers from forces close to London to attend courses in 1988.

## Casinos

128. The Inspectorate carried out a number of detailed inspections of casinos during the year. Each involved a team of three or more Inspectors examining every part of the casino operation over a period of three or more days. Minor discrepancies in membership records, accountancy and table procedures that came to notice were dealt with by way of advice to the licence holders. Any further matters of concern were reported to the Board. This pattern of in depth inspections will continue.

129. In the Midland area two men were convicted of theft of over £200,000 from a casino. One received a sentence of five years' imprisonment while the second man was sentenced to five years' imprisonment for theft and on further convictions for blackmail and kidnapping, 12 years' imprisonment to run concurrently.

## Bingo

130. The supervision and inspection of the National Game continued during the year. In the normal game of bingo held at licensed clubs, Inspectors are able to satisfy themselves at the time of their inspection visit that the prize money receipts and prizes paid are correct, as figures relating to each day's games are kept on the premises. In the National Game the bingo ticket sales for each individual club are collated by the National Game computer and details of total ticket sales and prize money are received at each club by printed message each night before the game takes place. The scale of the operation makes it impossible for the Inspectorate to check figures for each of the possible 800 participating clubs on the night; this is usually done by later visits to the National Game offices.

131. However, in an exhaustive check on ticket sales in a single region, 82 clubs in the North West Region were checked on one particular night and the details obtained by the Inspectors were compared with the figures supplied by the National Game company. The time devoted to this reconciliation was lengthy but Inspectors found no discrepancies in the ticket sales and prize money and were satisfied with the results.

132. There were again a number of cases during the year when employees of bingo clubs were convicted of theft from their employers. In one such case the employee was convicted of the theft of £2,844 and was sentenced to 12 months' imprisonment, suspended for two years. In another case an employee was convicted of theft, false accounting and forgery and received a sentence of 18 months' imprisonment, 12 months of which were suspended.

## Gaming Machines

133. During the year there were a number of prosecutions for unlawful supply of gaming machines. It is gratifying to report that such offences appear to be decreasing.

## Lotteries

134. Reference is made in paragraph 117 to the programme of inspections of lottery schemes registered with the Board which was carried out in 1987. This was the first time the Inspectorate had been involved in lottery inspections. Sample lotteries were selected throughout the country and most of the inspections were carried out by a team of two Inspectors.

135. The major problem encountered during these inspections was the apparent lack of control of unsold tickets. In some cases this involved the Inspectors having physically to count hundreds of unsold lottery tickets in order to satisfy themselves that the lottery receipts were as stated. Advice was given in a number of cases particularly on the inadequacy of some records and in many cases Inspectors will make a further visit to ensure that any advice given had been implemented. The Board have decided that the Inspectorate should carry out a number of lottery inspections each year. Subject to the availability of resources it is planned to increase the number of inspections in 1988.

## Amusement Arcades

136. In response to a request from Ministers the Board agreed to the Inspectorate carrying out a survey of both inland and seaside amusement arcades simply to provide fresh factual information about the usage of those arcades by young people.

137. The Inspectorate's powers of entry to licensed casinos and licensed bingo clubs do not extend to amusement arcades, but the fact that the Inspectors would be visiting arcades was made known to the trade association the British Amusement Catering Trades Association (BACTA), who asked their members to give every assistance to the Inspectorate. Each Inspector selected the arcades in his area to be visited to include a representative sample of both large and small arcades. Arcade owners and the Trade Association were not notified in advance of individual visits. In a very few cases there was some resistance to the Inspectors' survey but these were the exception. The results of the survey were collated in a report which was presented to Home Office Ministers in January 1988.

## General

138. The Inspectorate were involved in a number of enquiries during the year in relation to "casino nights". Section 15 of the Lotteries and Amusements Act 1976, allows casino type games to be played where these games are not the main purpose of the entertainment and are part of an evening which may include a dinner and dance. All the proceeds of the entertainment must be devoted to purposes other than private gain. Some of these functions have raised funds for worthy causes but over the past few years a number of commercial firms have taken to staging "casino nights" to promote the sales of their products. The Board have received many enquiries about the legality of this type of promotion and in a number of instances have brought apparent infringements of the law to the attention of the police.

139. A number of complaints about the conduct of commercial gaming are dealt with each year by the Inspectorate. Some involve bingo clubs where a player may complain of not receiving the correct prize money, or a player may say he has been barred, unfairly, from a casino. Other complaints from the public may relate to gaming machines or alleged unlawful gaming. Each of these complaints is investigated and in the majority of cases results in a satisfactory outcome.

During the year the number of complaints investigated was as follows:

Complaints against casinos	- 32
Complaints against bingo clubs	- 115
Miscellaneous complaints	- 52

# Appendix I

## The Board's Staff

### Administrative Staff

Grade	Complement		Staff in Post
	1.1.87	31.3.88	31.3.88
5	1	1	1
7	1	1	1
SEO	2	2	2
HEO	4	4	4
EO	8	8	8
PS	2	2	2
AO*	18	17	17
AA	4	4	4
Typists	2.5	2.5	1.5
Messenger	1	1	1
Paperkeeper	1	1	1
<b>Total</b>	<b>44.5</b>	<b>43.5</b>	<b>42.5</b>
<hr/>			
<b>Inspectorate</b>			
Chief Inspector	1	1	1
Deputy Chief Inspector	1	1	1
Senior Inspector	5	5	5
Inspector	27	27	27
Machines Inspector	1	1	1
<b>Total</b>	<b>35</b>	<b>35</b>	<b>35</b>
	<b>79.5</b>	<b>78.5</b>	<b>77.5</b>

\*including 5 at regional offices

# Appendix II

## The Objectives of the Board

The purposes for which the Board was given its statutory functions may be summarised as follows:

- i. to keep criminals out of gaming and lotteries;
- ii. to ensure gaming is run fairly and in accordance with the law;
- iii. to advise the Secretary of State of developments in gaming so that the law can respond to change.

In pursuit of these aims the Board:

- (a) keep the extent, character and location of gaming generally and in licensed premises under review;
- (b) initiate proposals for changes in the law on gaming and advise Ministers on proposals from interest groups;
- (c) determine applications for certificates of consent without which an application cannot be made for the grant or transfer of a casino or commercial bingo club licence;
- (d) determine applications for the grant of certificates to sell, supply and/or maintain gaming machines;
- (e) determine applications to the Board for the registration of lotteries;
- (f) determine applications for certificates of approval required by those who wish to be employed as gaming operatives or managers;
- (g) supervise the conduct of holders of certificates and licences and take action against those no longer considered fit and proper;
- (h) make recommendations to the Secretary of State regarding hours, charges and prizes in respect of gaming and monetary limits in respect of lotteries;
- (i) make representations to licensing authorities concerning the grant, revocation or renewal of gaming licences.

# Appendix III

## GAMING BOARD FOR GREAT BRITAIN UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1988

### FOREWORD

1. The Gaming Board for Great Britain was established under section 10 of the Gaming Act 1968 to keep under review the extent and character of gaming in Great Britain, in particular the extent, character and location of gaming facilities. The Board also has responsibilities in relation to lotteries under the Lotteries and Amusements Act 1976.
2. Paragraph 5 of Schedule 1 to the 1968 Act makes provision for the payment to the members of the Board of such remuneration and allowances as the Secretary of State, with the consent of the Treasury, may determine. Paragraph 6 makes similar provision for the staff of the Board (including Inspectors appointed under the Act).
3. Since 1 April 1987 the Board have been financed by a grant in aid from the central, administration, miscellaneous and community services and civil defence, England and Wales (Home Office) Vote (Class XI Vote 3). In the agreed Memorandum on payment of the grant-in-aid, the Board undertook to prepare for each financial year from 1987-88 onwards a statement of account, in a form agreed with the Secretary of State in consultation with the Treasury.
4. Fuller details of the Board's activities, and progress on its objectives during the year, are given in its annual report. A list of the Board's objectives appears at Appendix II.

The members of the Gaming Board  
for Great Britain during 1987-88 were as follows:-

Mr N A Ward-Jones (Chairman)  
Mr M H Hogan  
Mr W N Hunter Smart  
Lady Ibbs  
Mr P B Kavanagh



STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR  
ENDED 31 MARCH 1988

	Notes	£	£
H M G Grants received	2	2,018,998	
Operating receipts	3	<u>396,280</u>	2,415,278
Salaries and wages etc.	4	1,088,697	
Other operating payments	5	<u>547,025</u>	<u>1,635,722</u>
Surplus from operations			779,556
Other receipts	6	39,533	
Less other payments	6	<u>-</u>	<u>39,533</u>
Surplus for year			819,089
Appropriations	7		<u>396,280</u>
Excess of receipts over payments for the period			<u>422,809*</u>

\*See Note 4(e) to the Statements

STATEMENT OF BALANCES AS AT 31 MARCH 1988

	Note	Bank and Cash £
Balance at beginning of financial year		-
Add excess of receipts over payments for the financial year		<u>422,809</u>
Balance at end of financial year	8	<u>422,809</u>

The Notes below form part of these Statements

NOTES TO THE STATEMENTS

1. These statements are drawn up in a form directed by the Secretary of State for the Home Department and have been agreed by the Treasury following consultation.

2. HMG Grants received

	£
Grants received from Class XI, Vote 3 1987-88	2,018,998

3. Operating receipts

Receipts of fees by the Gaming Board	396,280
--------------------------------------	---------

4. Salaries and wages etc.

(a) Board Members' remuneration Salaries	58,855
(b) Other emoluments (including pension contributions)	-
(c) Pensions to former Members	1,896

## NOTES TO THE STATEMENTS (continued)

The emoluments of the Chairman were £22,605 and those of each of the Members £9,063.

(d) Senior employees

No senior employee received a remuneration in excess of £30,000.

(e) In addition to the sum of £1,088,697 shown in the statement, a further £367,460 in respect of 1987–88 salaries and wages remained to be settled in 1988–89.

### 5. Other operating payments

	£
Rent and rates, maintenance, cleaning, heating and lighting	278,717
Professional fees (accountants, barristers and solicitors)	59,825
Travelling and subsistence	159,193
Postage and telephones	24,718
Stationery and office supplies	17,735
Publications	1,621
Hospitality	467
Observation expenses	–
Computer	3,788
Central services from Home Office	961
Audit fee	–
	<u>547,025</u>

### 6. Other receipts/payments

<i>Payments</i>	–
<i>Receipts</i>	
Bank Interest	<u>39,533</u>

### 7. Appropriations

The Board itself receives the following fees in respect of the issue of certificates under sections 19 and 27 of the Gaming Act 1968 and under other provisions and remits them to the Consolidated Fund. Other fees under the Gaming Act are paid to the Gaming Licensing Justices (Licensing Boards in Scotland) and are also remitted to the Consolidated Fund. Income from those latter fees does not figure in these accounts. The best estimate the Board can give for them in 1987–88 is £1.7m. The breakdown of the Board's own fee receipts is as follows:–

	£
Section 19 certificates	97,254
Section 27 certificates	201,120
Lotteries & Amusements Act	96,987
National Bingo Game	–
Miscellaneous minor items	<u>919</u>
	<u>396,280</u>

NOTES TO THE STATEMENTS (continued)

8. Balance At Year End

Cash at bank	£ 410,419
Cash held at offices	12,390
	<hr/>
	422,809
	<hr/>

# Appendix IV

## GUIDELINES FOR ACCEPTED PRACTICE (NO. 3) (As amended at 9 March 1988)

### COMPETITIONS IN CARD ROOMS

The following Guidelines have been agreed between the Gaming Board for Great Britain, H.M. Customs & Excise and the British Casino Association. Compliance is mandatory. The Board will encourage non-member casinos also to observe the same practice.

1. Entry for players to the competition shall be by Entry Stake (or Re-entry Stake) only. No entry *fee* or participation *charge* may be made.
  2. All Entry (Re-entry) Stakes shall be returned to winning players as prize money. No moneys may be retained by the casino.
  3. All players shall be given, and retain, a receipt for their Entry Stake from a sequentially numbered duplicate receipt book. This receipt shall show the player's name and the amount of the Entry Stake. A separate receipt book shall be maintained for all subsequent Re-entries by players and shall include the player's name and amount.
  4. A list of players in the competition showing their names and the stake entered shall be maintained and displayed for the information of all participants.
  5. The rules of the competition shall be displayed in the card-room in a prominent position. They must include a clear notice of the time the competition will start and the latest time the players can re-enter. Reference should be made to playing "with" stakes and not "for" stakes (i.e. Entry Stakes or Re-entry Stakes). Reference should also be made to the fact that no participation charge will be levied (or withheld) by the casino and club facilities are provided free.
  6. Where a competition extends over more than one day or session, a player re-entering on any subsequent day or session shall do so with a stake of the same amount as on initial entry.
  7. The final winners of the competition shall receive all the stake money entered in the competition and there shall be no restrictions placed on the use of winnings (e.g. requiring part of the winnings to be entered in a further competition in this country or elsewhere).
  8. Winners shall sign and date a receipt as having received their winnings. Thereafter, the result of the competition shall be displayed for seven days.
- Games of Equal Chance Excluding Backgammon*
9. Total prize moneys contributed by the casino for all games of equal chance shall not, collectively, exceed £2,000 in any one week, whether in respect of a single match or a series of matches. No carry forward is permitted.

*Poker Only*

10. In addition to the above, poker competitions shall be subject to the following:—
  - A. The stake entered in the competition, whether by cash or cheque, shall be exchanged for gaming chips having a points value, provided that

value is clearly established before the competition commences. The points value must be the same for each Entry and Re-entry Stake. The stake of chips to be used in the competition must be issued by the cash cage on signature and a chip control sheet must be maintained.

(An initial transition period will be allowed for implementing compliance with this requirement. However, any changeover necessary *must be completed by 1 October 1988*).

- B. All entrants shall be in the casino at the start of the competition. No new players may be permitted to join a poker competition after it has commenced. The latest time for re-entry shall be strictly adhered to and cannot be altered.
- C. Table seating shall be determined by a “draw”, and not at the discretion of management or players.
- D. In the *final* game of a poker competition, the casino shall provide:–
  - (i) a dealer from its certificated staff; and
  - (ii) supervision by a member of its staff holding the Gaming Board’s “yellow” certificate or senior.

*Important Note*

- 11. The Association has been informed by H.M. Customs & Excise that competitions conducted in strict compliance with these Guidelines are exempt from Value Added Tax.

*1st April 1988*

# Appendix V

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 1987, 31 DECEMBER 1987 AND 31 MARCH 1988

ENGLAND

	1 January 1987	31 December 1987	31 March 1988
London	20	20	20
That area which is within the area specified in the Licensing (Metropolitan Special Hours Area) Order 1961 – plus the City of Westminster and the Royal Borough of Kensington and Chelsea.			

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

	1 January 1987	31 December 1987	31 March 1988
Birkenhead	1	1	1
Birmingham	5	5	5
Blackpool	2	2	2
Bolton	2	2	2
Bournemouth	4	4	4
Bradford	2	2	2
Brighton	2	2	2
Bristol	3	3	3
Coventry	3	3	3
Derby	2	2	2
Dudley	1	1	1
Great Yarmouth	2	2	2
Hove	1	1	1
Huddersfield	1	1	1
Kingston upon Hull	1	1	1
Leeds	4	4	4
Leicester	2	2	2
Liverpool	3	3	3
Luton	2	2	2
Lytham St Annes	–	–	–
Manchester	5	5	5
Margate	2	2	2
Newcastle upon Tyne	3	3	3
Northampton	1	1	1
Nottingham	2	2	2
Plymouth	2	2	2
Portsmouth	3	3	3

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

	1 January 1987	31 December 1987	31 March 1988
Ramsgate	1	1	1
Reading	2	2	2
Ryde	-	-	-
Salford	1	1	1
Sandown/Shanklin	1	1	1
Scarborough	1	1	1
Sheffield	3	3	3
Southampton	2	2	2
Southend-on-Sea	2	2	2
Southport	1	1	1
Stockport	-	-	-
Stoke-on-Trent	1	1	1
Sunderland	1	1	1
Teesside	1	1	1
Torbay	1	1	1
Walsall	-	-	-
Warley	-	-	-
West Bromwich	-	-	-
Wolverhampton	1	1	1

WALES

THE AREAS OF THE FORMER COUNTY BOROUGHS OF:-

	1 January 1987	31 December 1987	31 March 1988
Cardiff	2	2	2
Swansea	2	2	2

SCOTLAND

THE AREAS OF THE FORMER COUNTIES OF THE CITIES OF:-

	1 January 1987	31 December 1987	31 March 1988
Aberdeen	2	2	2
Dundee	1	1	1
Edinburgh	4	4	4
Glasgow	4	4	4
	115	115	115

# Appendix VI

## GAMING ACT 1968, SECTION 6 GAMING ON LIQUOR LICENSED PREMISES

### Memorandum of Advice by the Gaming Board for Great Britain

1. The Gaming Board have no statutory duty or authority to advise licensing authorities on the operation of section 6 of the Gaming Act, but in 1971, following a number of enquiries from justices' clerks, solicitors, and the public, prepared and circulated with the agreement of the Justices' Clerks' Society and the Magistrates' Association, a memorandum of advice on the subject. Recently there have been a number of applications to licensing authorities under section 6(3) and the Board have thought it might be helpful to up-date and re-issue the memorandum in the following form. A copy of this memorandum has been circulated to licensing authorities in England, Wales and Scotland and to Chief Officers of Police.

#### *Introduction*

2. Small-stake gaming has been traditional in public houses and the Act allows this to continue but within strict limits. This gaming has not generally been such as to change the character of the public house and the Board suggest that this should continue to be a basic principle in the administration of section 6. The provisions of the section, indeed, point in this direction since they provide powers to ensure that gaming in public houses shall not be for high stakes nor constitute an inducement to resort to the premises primarily for the purpose of gaming. The effect of section 6(7) is that no bankers' games may be played on licensed premises, no charges may be made in respect of the gaming, and no levy may be made on stakes or winnings. This means that vingt-et-un, pontoon, chemin-de-fer, roulette and all other bankers' games are unlawful on such premises, as would be the taking of a percentage from the "pot" if games such as poker or brag were to be permitted. Dominoes and cribbage are allowed by the statute and the licensing authorities may make an order specifying a game other than dominoes or cribbage which may be played. The licensing authorities may also make an order applying, not only to any game which they have permitted by order but also to the dominoes and cribbage, such requirements or restrictions as they consider necessary to secure that the gaming is not for high stakes and does not constitute the primary inducement to resort to the premises.
3. The Board recognise that there will frequently be local considerations which licensing authorities will need to take into account. There are, for example, certain games which are traditional in certain areas and it may be felt that, in so far as these are lawful, and have led to no trouble in the past, they should be permitted to continue. There is also a need in certain areas for public houses to provide facilities which are not otherwise available – the Board understand, for example, that in some country areas it is customary to meet to play bridge on licensed premises. In the case of games such as solo, whist and rummy, it is reasonable, and in accordance with general practice, if stakes are so limited that a successful player is able to win the price of a round of drinks, but scarcely more.
4. Section 6(3) requires that application for an order permitting a game other than dominoes or cribbage shall be made by the holder of the licence or



certificate. It has come to the Board's attention that in certain cases multiple applications have been made in respect of a number of premises seeking orders for a wide range of games. The Board feel that it would be reasonable for the licensing authorities to require the licensee to show, in respect of each premises and in respect of each game, that there is a substantial demand on the part of his patrons for that game to be permitted on those premises. In the absence of such proof it is reasonable to conclude that the order is being sought primarily as a means of inducing people to resort to the premises. It would also appear reasonable that the authorities should require a licensee seeking an order for a game to deposit with them and with the police the rules under which that game will be played on those premises.

*Review*

5. Orders made under section 6(3) and (4) remain in force until varied or revoked (or the premises cease to fall within the ambit of the section). Licensing authorities may wish to give thought to any existing orders when considering applications for renewal of the licences, and to take into account any representations made by the police as to the actual conduct of gaming on the premises.

*Poker and similar games*

6. The Board suggest that licensing authorities should consider very carefully before making an order to permit the playing of any card game which involves cumulative staking into a "pot" or "kitty", such as poker or brag. Experience indicates that public premises on which such games are played open the way to exploitation and disorder. No effective limitation of stakes is practicable in these games and there might be difficulty in certain circumstances in enforcing the law that no charge or levy on the "pot" be made.

*Bingo*

7. Bingo is a game of equal chance and as such licensing authorities may consider applications for it to be authorised under section 6(3). But in the Board's view bingo is most likely to constitute an inducement to persons to resort to the premises primarily for the purpose of taking part in gaming. For the success of the game depends on there being a large number of players and the more players, the larger the prizes. It is not a game that can be played in an incidental way and is quite different in character from the traditional pub games of dominoes and cribbage which are played by small groups of players. While it would be possible (and the Board would think essential) for the authorities to restrict stakes were bingo to be authorised, even a modest stake could produce significant prizes. A limit on the prize money may contravene section 4 of the Act, and any charge to players to take part in the gaming, eg for administrative expenses, would contravene section 3.
8. The aim of most applications under section 6 for the playing of bingo appears to be to boost bar takings, whereas the purpose of the Section was to allow minor gaming for harmless amusement with no commercial motive. The Act makes special provision for the playing of bingo in licensed and registered clubs and it seems to the Board inappropriate, for the reasons touched on above, that bingo should be played in public houses and hotels.

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*October 1987*

# Appendix VII

## INCREASES IN GAMING FEES

	From £	To 1 April 1987 £	To 5 April 1988 £
<i>Casino licences</i>			
Grant	20,300	22,350	25,000
Renewal	4,070	4,500	5,000
Transfer	3,240	3,800	4,500
<i>Bingo licences</i>			
Grant	1,635	1,800	2,000
Renewal	645	710	770
Transfer	360	420	500
<i>Registration of club or institute (Part II)</i>			
	108	125	135
Renewal of registration	54	60	65
<i>Registration (Part III)</i>			
	54	60	65
Renewal of registration	27	30	35
<i>Issue of machine certificate (Section 27)</i>			
	1,635	1,800	2,000
Renewal of certificate	645	710	770
<i>Issue of employee's certificate of approval (Section 19)</i>			
	20	22	25



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