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Report of the GAMING BOARD FOR GREAT BRITAIN 1981

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REPORT OF THE
GAMING BOARD FOR
GREAT BRITAIN
1981

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To: Her Majesty's Secretary of State for the Home Department,
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 thirteenth Report of the Gaming Board for Great Britain covering the year 1st January to 31st December 1981.

ALLEN OF ABBEYDALE.

15th March 1982.

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INTRODUCTION

1. This is the Board's thirteenth Annual Report.

2. Sir Roger Falk's appointment as Deputy Chairman came to an end on 31 March. He joined the Board on 1 October 1978 in order to assist with the Board's duties whilst the Chairman served as a member of the Tribunal of Inquiry into the affairs of the Crown Agents. The Board express their great appreciation to Sir Roger for his valuable contribution as Deputy Chairman over a period when their work was especially onerous.

3. Mr R W Doak, Chief Inspector since 2 June 1969, retired on 31 July. An appreciation of his work for the Board is in Chapter 10.

Contacts with other enforcement agencies

4. Visits were received from a number of persons connected with, or interested in, gaming overseas. These included visitors from the Australian Federal Government, the states of New South Wales, Queensland and the Northern Territory; representatives from the Swedish Gaming Board, the Norwegian Ministry of Justice, the Finnish Home Office, and state gaming machine interests in Finland and the Aaland Islands. We also received visits from the Chairman of the Bahamas Gaming Board; a member and staff of the Nevada Gaming Board; the Attorney General of New Jersey and representatives of the New Jersey Division of Gaming Enforcement; the Secretary of the Dutch Gaming Board; and representatives from the High Commission for Lesotho.

5. Members of the Board's staff visited the Bahamas and New Jersey. Mr Lynch, whilst Deputy Chief Inspector, visited Botswana at the request of the Botswana Government to provide consultancy services for the Casino Control Board there. He was accompanied by Mr Godfrey, a partner in the firm of accountants employed by the Board. We continued our consultancy arrangements with the Bahamian authorities which we referred to in paragraph 5 of our 1979 report. We also continued with our training of inspectors from the Isle of Man.

6. During the year, the Board were in correspondence with a number of gaming authorities and interests throughout the world, including those in Australia, Austria, the Bahamas, Botswana, Finland, the Aaland Islands, Holland, Lesotho, New Jersey, Nevada, Norway, Quebec, Spain, Sweden, Zimbabwe and the Turks and Caicos Islands.

GENERAL

Casino activities

7. We referred in our 1980 report to the events following the raids on casinos operated by the Ladbroke and Coral Groups.

8. The Ladbroke Group. No casino clubs are now controlled by the Ladbroke Group. Of the three licences still held by companies in the group at the end of 1980, two were transferred and one was relinquished during the course of the year.

9. The Coral Leisure Group. In September 1980, the South Westminster licensing justices cancelled the licences for the Curzon House Club, the Palm Beach Club and the International Sporting Club. The Coral Leisure Group was then taken over by Bass Limited, which disposed of the three casinos to separate purchasers. Appeals against the licensing justices' decision were dismissed in March 1981 by the Knightsbridge Crown Court. The new owners of the Palm Beach Club and the International Sporting Club applied to the Divisional Court for a judicial review. As a result of the Divisional Court's ruling, there was a rehearing of the appeal in the case of the International Sporting Club. The appeal was upheld and the licence for the club was subsequently renewed by the South Westminster licensing justices.

10. In the meantime, the new owners of the Palm Beach Club had been issued with a certificate of consent and had obtained a new licence for the club.

11. The new owners of the Curzon House Club did not apply to the Divisional Court for a judicial review. The licence in respect of this club was accordingly cancelled by the Crown Court's decision in March.

12. The Board withdrew their application for the cancellation of the licence held by Crockfords Club and their objections to the renewal of the licences to the Coral provincial casinos (which had all been sold by Bass, with one exception, to one company).

13. The Playboy Group. As a result of the evidence obtained during the raids on two London clubs in the Playboy Group, the Board lodged objections to the renewal of their three London and two provincial licences. The Metropolitan police lodged objections in respect of the London clubs.

14. A hearing before the South Westminster licensing justices on 14 September resulted in a refusal by the justices to renew the licences for the Playboy and Clermont Clubs. Appeals were lodged with the Crown Court. These appeals had not been heard by the end of the year. The licence hearings for the Playboy Victoria Club (which is in a different jurisdiction) and the two provincial clubs were adjourned pending the result of these appeals.

15. The Knightsbridge Sporting Club. The police, assisted by the Board's inspectors, raided the Knightsbridge Sporting Club on 3 March. The Metropolitan police and the Board applied for the cancellation of the licence and

lodged objections to its renewal. On 9 December the South Westminster licensing justices decided to cancel the licence and disqualify the premises for three years. An appeal against these decisions was lodged. It had not been heard by the end of the year.

16. *The Olympic Casino.* Following a raid by the police and the Board's inspectors on 6 July at the premises of the Olympic Casino in Bayswater, charges were laid against two of the directors of H F Demetriou Holdings Limited and three other persons. The Metropolitan police and the Board applied to the North Westminster licensing justices for the cancellation of the licence and objected to its renewal. In addition, the Board applied to the Leicester licensing justices for the cancellation of the licence for the Company's Leicester casino, the Leicester Sporting Club. The applications had not been heard by the end of the year.

17. *Maxims Casino Club.* On 27 October 1980 a businessman from the Middle East had taken control of the company holding the licence for Maxims Casino Club. In March, the Board objected to the renewal of this licence on the grounds of the new owner's previous connection with gaming, his lack of experience in casino management, and the fact that he was normally resident abroad. The West London licensing justices renewed the licence on 1 June. The Board appealed against the renewal and on 18 December the Middlesex Crown Court indicated that they would uphold the appeal. Formal judgment was deferred so as to enable the club to be disposed of to an operator acceptable to the Board.

Legislation

18. *The Gaming (Amendment) Bill.* Applications to the licensing justices for the grant or renewal of licences for casino and bingo clubs can be made only in January or February for hearing at the annual licensing sessions beginning in May of each year. Applications for certificates of consent relating to proposed applications for new licences can be made to the Board at any time up to the end of the preceding October. We have referred many times to the difficulties created by the fact that, year after year, the vast majority of applications for certificates of consent are not submitted until the last moment.

19. We are pleased to note that the Gaming (Amendment) Bill was introduced in the House of Commons by Mr Michael Brown M.P. One effect of the Bill is to remove the timetable constraints which give rise to the difficulties mentioned above.

20. *The Betting and Gaming Duties Act 1981.* This Act consolidated a number of enactments concerning betting and gaming excise duties. It provides a convenient reference to the gaming duties in force at the end of the year.

Increases in fees

21. The Gaming Act (Variation of Fees) Order 1981 came into force on 22 April. It gave effect to the following increases in fees:—

	<i>From</i>	<i>To</i>
	£	£
Grant of a casino gaming licence	10,600	12,500
Renewal of a casino gaming licence	2,100	2,470
Transfer of a casino gaming licence	1,600	1,900
Registration of a club or institute under Part II	66	78
Renewal of registration under Part II	33	39
Registration of a club or institute under Part III	33	39
Renewal of registration under Part III	16	19
Employee's certificate of approval	12	14
Issue of a machine certificate (section 27)	900	1,050
Renewal of a machine certificate (section 27)	370	435
Grant or renewal of a permit under section 34	6	7.50
Grant of a bingo only licence	900	1,050
Renewal of a bingo only licence	370	435
Transfer of a bingo only licence	180	215

22. The Amusement with Prizes (Variation of Fees) Order 1981 came into force on 22 April. It gave effect to the following increase:—

	<i>From</i>	<i>To</i>
	£	£
Grant or renewal of a permit under section 16 of the Lotteries and Amusements Act 1976	6	7.50

Increases in charges and prizes

23. The Gaming Act (Variation of Monetary Limits) Order 1981 came into effect on 16 February. It permitted increases in the maxima allowed under sections 20(8), 34 and 41 of the Gaming Act. The maximum added prize money for bingo under section 20(8) went up from £500 to £1,000 in any one week. The maximum charge for playing an amusements-with-prizes machine increased from 5p to 10p and the maxima for the prizes delivered by the machines were doubled. The maxima under section 41 (gaming at entertainments not held for private gain) were increased by 50%, so that the maximum entrance fee or stake became £1.50 and the maximum value of the prizes became £150 (£300 at the final entertainment of a series).

24. The Gaming (Small Charges) (Amendment) Order 1981 also came into force on 16 February. It permitted an increase from 10p to 15p in the maximum daily charge which may be made by clubs and miners' welfare institutes in respect of each person taking part in games of equal chance (except bridge and whist).

Section 16 offences

25. During the year we were approached by the British Casino Association for our views on the interpretation of the provisions of section 16 of the Gaming Act 1968 relating to the grant of credit.

26. It was explained that some operators felt in doubt about these provisions

in the light of submissions made to the courts by the police and the Board when applying for the cancellation of a licence or objecting to its renewal. The Association also approached the Home Office. We had been unable to respond to the Association's approach by the end of the year as some of the relevant issues had arisen in cases which were still before the courts, which alone can authoritatively interpret the statute.

Lotteries

27. The year saw the first major changes in lottery legislation and lottery limits since the Lotteries and Amusements Act 1976 came into force on 1 May 1977. The changes were effected by the Lotteries (Amendment) Regulations 1981, the Lotteries (Variation of Monetary Limits) Order 1981, and the Lotteries (Gaming Board Fees) Order 1981, all of which came into force on 1 July.

28. The Lotteries (Amendment) Regulations were introduced to curb some of the abuses to which we have referred in previous reports. They provide for a number of improvements and we welcomed them as a means of giving better control of lotteries.

29. The Lotteries (Variation of Monetary Limits) Order doubled the monetary limits for society and local authority lotteries. There had been pressure for increases from those promoting such lotteries; nevertheless, by the year's end only a few societies and local authorities had taken advantage of the new limits.

30. The Lotteries (Gaming Board Fees) Order increased the maximum fees payable to the Board. This was the first increase since the Act came into force.

Pool Competitions Act 1971

31. On 16 July the Home Secretary by order continued the Pool Competitions Act 1971 for a further year until 26 July 1982. A list of licensed pool promoters is in Appendix IV.

Remuneration and expenses of the Board and staff

32. Details are in Appendix I.

CASINO GAMING

Number and distribution of licensed clubs

33. The number of clubs operating on 1 January was 127 and on 31 December 126. A breakdown of these numbers is given in Appendix II, which lists the locations in which clubs may be licensed for gaming other than bingo, bridge or whist.

Financial returns for the 12 months September 1980 to August 1981

34. The estimated drop (money changed for chips) for the period was £930m. This was the same as for the previous twelve months. The totals for the last four years have been:—

<i>Year</i>	<i>£ million</i>	<i>% increase (over previous year)</i>
1977-78	727	7%
1978-79	919	26%
1979-80	930	1%
1980-81	930	---

In the Board's experience, this was the first time that the drop had not increased over the previous year. In real terms, the drop was down by about 12%.

35. London's share of the drop continued to fall. Last year it amounted to £661m (71%) and this year to £637m (68%). Outside London, the drop went up from £269m to £293m. All ten regions recorded increases over the previous year.

36. For all that London is losing some of its popularity, it still remains the centre of casino gaming in Great Britain. The average amount of drop per head of adult population in London and in each of the ten regions is shown in the following table:—

	<i>£</i>
Greater London	127.35
North West	14.92
Yorkshire and Humberside	11.33
Scotland	10.77
West Midlands	9.42
South East	7.76
Wales	6.88
East Midlands	6.84
Northern	4.96
South West	4.71
East Anglia	1.66

37. The popularity of casino games was as follows:—

Game	Popularity expressed as a percentage of the drop			
	1977-78	1978-79	1979-80	1980-81
American roulette	56	59	61	62.50
Blackjack	17	16	17.5	18.25
Punto banco	19	18.5	17	17.25
Craps	2	2	1.5	1.20
French roulette	5.5	4	2.5	0.70
Baccarat	0.5	0.5	0.5	0.10

American roulette, blackjack and punto banco increased in popularity but French roulette, craps and baccarat continued to decline. Baccarat has now all but disappeared from British casinos.

Demand for gaming facilities

38. *London.* The statistical returns, from which we obtained information about the level of demand for gaming in the winter of 1980-81, indicated once again that the existing facilities were more than sufficient. We therefore decided to object to any licences which would have resulted in the opening of additional clubs in the London area. In the event only three such applications were made. One was granted, on the understanding that the applicants would relinquish the licence for one of their existing London casinos when the new club was opened. Another application was adjourned *sine die* because of problems over planning permission and had not been heard by the end of the year. The third was for the Palm Beach Club referred to in paragraphs 9 and 10.

39. *Outside London.* There were six applications for additional licences. We lodged objections to four on the basis of figures of demand. One application was withdrawn, three were refused, and two were still to be determined at the end of the year.

1980-81 applications

40. The following table shows (i) the number of consent applications received and their determination between 1 November 1980 and 28 February 1981 and (ii) the number and determination of the resultant licence applications:—

	England and Wales	Scotland	Total
<i>(i) Certificates of consent</i>			
Applications made	71	6	77
Applications withdrawn	38	3	41
Applications refused	14	1	15
Applications deferred	—	—	—
Applications outside the permitted areas ...	—	—	—
Certificates issued	19	2	21

	England and Wales	Scotland	Total
<i>(ii) Licences</i>			
Applications made	17	2	19
Applications withdrawn	6	—	6
Applications refused	3	—	3
Applications adjourned	2	2	4
Licences granted	6	—	6

1981-82 consent applications

41. In the following table we show the position at 31 December:—

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made	65	6	71
Certificates issued	1	—	1
Applications withdrawn	21	1	22
Applications refused	—	—	—
Applications outside the permitted areas ...	1	2	3
Applications not determined by 31 December	42	3	45

Applications for renewal

42. There were 141 licences in existence at the beginning of 1981. 121 of these were renewed, 2 were refused, 3 were cancelled, 6 were adjourned and 8 were withdrawn. In the remaining case, no application for renewal was made.

Transfer of licences

43. During the year 10 applications were made for consent to transfer existing licences. By the end of the year 1 certificate had been issued, 1 application had been withdrawn and 8 remained to be determined.

LICENSED BINGO

Trends

44. In recent years the Board have published tables showing the annual amounts staked on bingo. These have been produced from statistics provided by HM Customs & Excise. We regret that this year we have been unable to provide firm figures due to the civil service strike earlier in the year. Provisional returns were, however, available. These tended to show that there had been an increase of about 3½% in the money staked compared with the previous 12 months:—

Year ending 31 August 1977	=	£327.56	million
1978	=	£367.50	„
1979	=	£405.72	„
1980	=	£456.02	„
1981	=	£472.50	„ (provisional estimate)

Bingo duty

45. Bingo duty was increased from 7½% to 10% with effect from 27 July 1981. The yield from bingo duty in the year to 31 March 1982 was estimated at £39 million. Representatives of the industry expressed fears that this increase would reduce attendances and cut profits at a time when the industry was already experiencing great problems.

46. On 6 July the Chief Secretary to the Treasury announced in the House of Commons that the Commissioners of Customs & Excise had been asked to carry out a review of bingo duty. The scope of exemption from the duty was to be examined, particularly in relation to registered clubs which provided prizes of £1,000 or more in any one week. In due course the Board were asked for their views. We had provided these by the end of the year.

Size of the industry

47. There was a further decrease in the number of clubs open for business and a reduced number of applications for licences and for renewals of licences.

The number of clubs licensed for bingo at 31 December in each of the past 5 years was:—

	<i>England and Wales</i>	<i>Scotland</i>	<i>Total</i>
1977	1,545	195	1,740
1978	1,530	190	1,720
1979	1,510	187	1,697
1980	1,476	185	1,661
1981	1,424	181	1,605

Not all clubs holding licences are open for business. At the end of the year a total of 1,510 clubs (1,343 in England and Wales and 167 in Scotland) were operating, compared with 1,564 at 31 December 1980.

48. Out of a total of 66 certificates issued by the Board, 50 applications were made to licensing authorities, 36 licences were granted and 2 hearings remained adjourned at 31 December. Details are shown in the tables at paragraph 62. As reported in previous years, the Board were again involved in a considerable amount of investigatory work which proved to be wasted when applications were later withdrawn for various reasons.

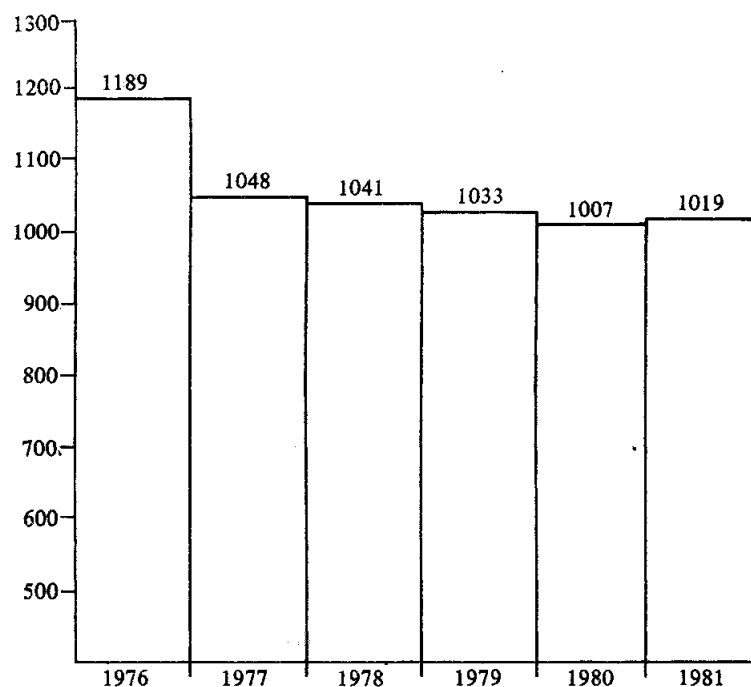
Linked bingo

49. The increase in the maximum prize money referred to in paragraph 54 of our 1980 Report does not seem to have had much effect; although the number of participating clubs went up from 1007 to 1019, the number of links decreased from 350 to 344.

50. The largest link up in 1981 was one of 20 clubs. This was exceptional, and most links were small ones consisting of two or three clubs:—

	<i>Number of such links</i>	<i>Number of clubs participating</i>
2 clubs linked	139	278
3 " "	127	381
4 " "	52	208
5 " "	21	105
6 " "	2	12
7 " "	1	7
8 " "	1	8
20 clubs linked	1	20
	<hr/> 344	<hr/> 1,019

51. For the first time since 1976 there was an increase in the number of clubs participating in linked bingo, as shown by the following:—



Mechanised cash bingo

52. Twelve months' experience of the revised code for the operation of mechanised cash bingo which was described in Appendix III of our 1980 report suggested to the Board that a number of licensees might be interpreting the code incorrectly. We draw attention to paragraph 2 of the code which reads:—

“Mechanised cash bingo shall be neither a substitute for nor allowed to predominate over normal cash bingo and may be played only as an ‘interval’ game, i.e. before, during the interval in, or after the end of, the main game(s) in a charging period. It shall not be the only cash bingo game in a charging period.”

53. The Board emphasize that mechanised cash bingo should not be a substitute for normal bingo nor allowed to predominate over normal bingo. They were particularly concerned to hear from their inspectors that there were some instances in which almost the whole of a charging period had been devoted to mechanised cash bingo with the exception of a few short games of normal bingo which had clearly been introduced as a means of complying with the last sentence of paragraph 2 of the code. The Board do not believe that this is in accord with the spirit of the code and will keep the matter under review.

Increase in maximum added prize money

54. The increase from £500 to £1,000 referred to in paragraph 64 of our 1980 report took effect from 16 February 1981.

Newspaper bingo

55. During the latter part of the year, several daily and Sunday newspapers started a new trend, in an effort to increase circulation, by introducing a game called “free bingo” and offering prize money totalling nearly £1,000,000.

56. The bingo cards or books, containing games which were to be played consecutively over a period of weeks, were either delivered by post or could be obtained at newsagents' shops. The only other requirement was access to a copy of the newspaper. Each newspaper printed daily, or weekly in the case of Sunday newspapers, a list of numbers which had been drawn. As in licensed cash bingo, these numbers were crossed off and anyone getting a “full house” had to telephone the newspaper at certain times to claim the prize. The winner was the person getting a full house on the earliest number drawn. In the event of there being more than one winner, the prize was shared. The next game in the book was then played.

57. The Board received complaints from the licensed bingo industry that the newspapers could offer much larger sums of prize money than was possible in licensed bingo clubs, and that these games and prizes could be advertised in the press, on posters and on television, and by the distribution of bingo cards to householders, whereas licensed clubs were expressly forbidden to advertise by section 42 of the Gaming Act. The industry also pointed out that their games were subject to bingo duty (currently at 10%) whereas the newspaper games were not.

The general view was that these disadvantages more than offset the possible advantage of there being so much publicity for bingo. The Board felt some sympathy for the views expressed by the industry.

58. It was claimed that “free bingo” affected attendances at licensed bingo clubs, but it was not possible to make any accurate assessment of reasons for falling attendances. The economic recession could well have had an impact. It is possible that some of the people who play newspaper bingo may be tempted to continue playing by joining licensed clubs with their social attractions. At the end of the year, some licensed operators were planning to start their own newspaper type bingo, conducted from their own premises.

Prize bingo

59. The Board received a number of representations about the limits for charges and prizes in prize bingo—which were doubled as recently as March 1980. The main complaint appeared to be that the present maximum monetary prize was restricted to 20p. Those making representations thought that this figure should be raised to at least £1 so that it was equal to the maximum cash prize offered by an amusement-with-prizes machine. The Board expressed the view, however, that prize bingo was a game played for prizes and that the cash prize should reflect only the return of the stake, a view which it seemed to them was implicit in the wording of the legislation.

Bingo gaming hours

60. We referred in paragraph 55 of our 1979 report to the possibility of allowing holiday bingo to start at 10 a.m. in holiday resorts during the season. During subsequent discussions with the bingo associations it became clear that this concession would be of limited value to the majority of their members and we moved instead to the consideration of an earlier start at 12 noon for all licensed operators. But the Board also sought an agreement that charging periods should be brought into line with gaming hours, that is to say that no charging period should extend outside the permitted hours for gaming, whether at the beginning or at the end of such permitted hours. It proved difficult to come to an agreement and the issues were still under discussion at the end of the year.

Gaming (Small Charges) (Amendment) Order 1981

61. We received complaints from the Associations representing licensed bingo clubs about the increase in the daily charge permitted by this order—which is referred to in paragraph 24. It was represented to us that the scale of bingo played in members’ clubs and institutes under section 40 of the Gaming Act was such as to pose a threat to licensed bingo clubs. To a lesser extent there were also complaints about the increases permitted under section 41 of the Act. We noted the concern of the bingo associations but felt that these increases were justified. The original maxima laid down for sections 40 and 41 of the Act were made variable by order and the original sums had been no less affected by inflation than other maxima about which we receive periodic pleas for increase. We are very conscious of the difficulties which licensed bingo operators are

facing but do not believe that the solution to their difficulties lies in attempting to curb or restrict any other form of bingo which is legitimately played under the Act.

1980-81 applications

62. The following table shows the number of consent applications received and their determination by the Board by 28 February 1981, and the number and determination of the resultant licence applications:—

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made	76	15	91
Applications withdrawn	17	6	23
Applications refused	2	—	2
Certificates issued	57	9	66

Note—Although the Board issued 66 certificates, no applications were made in respect of 16 (14 in England and Wales and 2 in Scotland) leaving 50 for the licensing stage.

	England and Wales	Scotland	Total
<i>Licences</i>			
Applications made	43	7	50
Applications withdrawn	5	—	5
Applications refused	5	2	7
Applications not determined by 31 December	2	—	2
Licences granted	31	5	36

7 applications for the grant of new licences were refused on the grounds that the applicants could not show that a substantial demand existed for additional bingo facilities. Four applicants appealed against the decisions, but one appeal was later withdrawn.

Applications for renewal

63. During January and February, 1,676 applications for renewal of licences were lodged with licensing authorities. 1,569 were renewed, 100 withdrawn, 2 were refused and 5 were still to be determined at the end of the year.

64. One local licensing authority refused an application on the grounds that the premises were unsuitable by reason of the dangerous condition of the roof. An appeal against the decision was lodged but was withdrawn later when the licence holder disposed of the premises for purposes other than bingo. Another application for renewal was refused because the premises had been closed for several years and the licence holder could not prove that a substantial demand existed. In addition the premises were considered unsuitable by reason of their poor condition.

Amusement-with-prizes machines in licensed bingo clubs

65. At the licence hearings in 1981, 13 clubs were granted directions under section 32 of the Gaming Act for amusement-with-prizes machines instead of the usual 2 jackpot gaming machines. The number of machines permitted varied between 6 and 60. There might have been others which we did not know about because some licensing authorities indicated only that a licence had been renewed and did not submit a copy of the licence. See also paragraph 145.

1981-82 consent applications

66. Details are given below:—

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made	80	7	87
Applications withdrawn	6	—	6
Applications refused	—	—	—
Applications not determined by 31 December	68	7	75
Certificates issued	6	—	6

As in previous years, most applications were submitted during the last weeks before the closing date. By mid-October we had received only 15 out of the eventual total of 87.

Transfer of licence

67. The Board received 92 applications for certificates of consent to the transfer of "bingo only" licences from one person to another. Of these applications, 6 were withdrawn, 1 was refused, 58 were granted and 27 remained to be determined by the end of the year.

CERTIFICATION OF EMPLOYEES

Size of the industry

68. During the year we received 5,382 applications for certificates under section 19 of the Gaming Act and issued 4,562 certificates. These figures compared with 4,754 and 4,202 in 1980, and 6,808 and 5,094 in 1979.

69. There were some 8,000 certificated staff in the industry on 1 December 1981, about the same as in 1979 and 1980. There was an increase of almost 500 in the number working in casinos, but this was nearly offset by a reduction of 400 in the number of bingo managers.

70. The industry is one in which there has always been a large turnover of staff. We might have expected this turnover to have decreased in 1981 as a result of the recession and unemployment making staff disinclined to move. We detected no such decrease however, and the level of staff turnover remained at about 60%.

Census of staff employed

71. We are grateful to licensees and proprietors of casino gaming and bingo clubs for co-operating in providing a census of certificated staff employed on 1 December 1981. The results, compared with those of last year's census, are given in the following tables:—

(a) Casino gaming clubs

(i) England and Wales—115 clubs

	Male		Female		Totals	
	1981	1980	1981	1980	1981	1980
Managers	475	517	65	69	540	586
Supervisors	101	1	51	—	152	1
Inspectors	1,466	1,349	1,058	911	2,524	2,260
Operatives	1,233	1,192	1,711	1,677	2,944	2,869
Totals	3,275	3,059	2,885	2,657	6,160	5,716

(ii) Scotland—11 clubs

	Male		Female		Totals	
	1981	1980	1981	1980	1981	1980
Managers	41	35	10	9	51	44
Supervisors	9	—	2	—	11	—
Inspectors	58	59	46	40	104	99
Operatives	132	126	135	125	267	251
Totals	240	220	193	174	433	394

(iii) Total Great Britain—126 clubs

	Male		Female		Totals		Change
	1981	1980	1981	1980	1981	1980	
Managers	516	552	75	78	591	630	- 39
Supervisors	110	1	43	—	163	1	+ 162
Inspectors	1,524	1,408	1,104	951	2,628	2,359	+ 269
Operatives	1,365	1,318	1,846	1,802	3,211	3,120	+ 91
Totals	3,515	3,279	3,078	2,831	6,593	6,110	+ 483

There were small changes in the proportions of employees in the various grades. The percentage holding managers' certificates fell from 10% to 9%. This was doubtless due to the introduction of the new supervisor grade; at the end of the year, 2% of those employed held supervisors' certificates. The percentage who were inspectors went up from 38% to 40% and the percentage who were operatives fell from 52% to 49%. The percentage of women holding certificates remained at 46%.

(b) Bingo clubs—managers only

	Clubs Operating		Male		Female		Totals	
	1981	1980	1981	1980	1981	1980	1981	1980
England & Wales	1,343	1,393	977	1,272	495	500	1,472	1,772
Scotland	167	171	101	148	45	76	146	224
Totals	1,510	1,564	1,078	1,420	540	576	1,618	1,996

For bingo clubs, the managers only are required to be certificated. When the club is managed by the licence holder in person, the holder is not required to obtain a manager's certificate, since he or she will have been investigated during the procedure leading to the issue of the certificate of consent and the licence. 59 out of a total of 1,510 bingo clubs were managed by the licence holder without the assistance of any certificated staff.

72. We refer in paragraph 69 to a reduction in the number of bingo managers employed in the industry. From the figures supplied to us at the end of the year we noted a reduction during the year of 378 or 19%. Most of them were men.

Interviews

73. 276 interviews were held. They comprised:—

- (a) 21 first time applicants for gaming managers' certificates. 19 applications were granted, one was refused and one was deferred.
- (b) 181 first time applicants for supervisors' certificates. 170 applications were granted. 9 were deferred and 2 were withdrawn.

- (c) 6 applicants for gaming inspectors' certificates where there was some doubt about the applicants' experience. 3 applications were granted, 2 were refused and 1 was deferred.
- (d) 25 new applicants for gaming operatives' certificates about whom there were doubts. 23 were granted and 2 were refused.
- (e) 29 persons already holding gaming certificates who had been the subject of adverse reports. In 6 cases the Board took no further action. 23 persons had one or more of their certificates revoked.
- (f) 10 first time applicants for bingo managers' certificates about whom there were doubts. 6 applications were granted, 2 were refused, 1 was deferred and in the remaining case no decision had been reached by the end of the year.
- (g) 4 persons already holding bingo managers' certificates who had been the subject of adverse reports. In all cases the holders had one or more of their certificates revoked.

Types of certificate

74. In paragraphs 76 and 77 of our 1980 report we described the introduction of the new supervisor's certificate. By the end of the year this certificate had been in use for just over a year and seemed to have fulfilled the need for which it was intended. 170 supervisors' certificates were issued during the year. It looked as though the certificate had become accepted as appropriate to junior management.

75. In the early part of the year, there was some misunderstanding on the part of several casinos about the scope of the new certificate. We explained that it did not supplant the manager's (grey) certificate which was still needed by those holding senior management positions. But it could be used to support and to rationalise management structures; for instance, the fact that a supervisor could substitute in a limited way for a senior manager might be useful to casinos in avoiding the need to employ an extra senior manager in circumstances in which such an appointment was only marginally necessary. When introducing the new certificate, we defined the circumstances in which a supervisor could substitute for a manager as leave, sickness, or unforeseen absence, and it was agreed that a casino could be in the charge of a supervisor or supervisors for up to a quarter of the time during which it was open. During the year, the British Casino Association pressed us to allow substitution to take place for any reason and for it to be scheduled in advance if necessary. We agreed.

Quality of applicants

76. In general, the quality of the applicants for the new supervisor's certificate was good. We noted with approval that some of the larger casino companies had taken a good deal of trouble to prepare their candidates. A small number of applicants, however, had been left to their own devices and were not well prepared; we were obliged to defer these applications.

77. There is a difference between the interview for a manager and that for a supervisor. During the year, we received a number of enquiries from casinos as

to the scope of the questions which their candidates might expect and referred in reply to the advice which we issued in October 1980 when introducing the new certificate. An extract of that advice is included as Appendix III.

Speeding the issue of certificates

78. We referred in paragraph 78 of our 1980 report to the scheme by which a cheque is forwarded with the application form. This scheme continued to work well. By the end of the year, 80% of all casinos were using it. As was hoped, there were fewer complaints of delay during the year.

Enquiries about applicants for certificates

79. Most of the delays which occur in the issue of certificates are due to the need for the Board to make enquiries of the police and other authorities. Some of these enquiries can take time. But the Board will not compromise on their enquiries; they do not think that to do so would be in the long term interest of the industry. We recognise that sometimes an enquiry about a new applicant can take so long that an employer can become weary of continuing to employ the person in a non-productive capacity, and that there may be a temptation to replace such an applicant by one who poses fewer problems. We have however been impressed by the willingness of almost all casinos to be fair and to persist to the end with such applications. For our part, we are always prepared to accept enquiries about the reasons for any unusual delay.

80. When criminal convictions are revealed either by the applicant or by the police, a certificate will be issued only after very careful consideration. On occasion, the Board have been criticised for not passing on their information to an employer. But the Board are in a privileged position and such information may be given to us in strict confidence. We hope that we have the industry's confidence in our judgement, but it is also incumbent on managements to pursue their own enquiries about the suitability of applicants. We have been surprised to find that prospective employers sometimes do not even bother to take up references with previous employers.

Contravention of section 23(6) of the Gaming Act

81. We continued to encounter some evasive replies to the question on form GB11 about previous convictions. During the year, the form GB11 was slightly amended so as to make it even clearer that all convictions, including motoring convictions and those incurred at a juvenile court, must be declared. Perhaps as a result, there was a reduction in the number of prosecutions by the police for false declarations; there were 6 during the year, compared with 17 in 1980. Five of the offenders were fined. The sixth received a written caution.

Duplicate certificates

82. Duplicate certificates are issued to replace those which have been lost or mislaid. They are also issued en bloc in the new name of the premises when there has been a takeover. During the year 366 duplicates were issued.

Statistics—1981

83. Statistics for the year are given in the following table:—

Particulars of Certificates of Approval dealt with during 1981

Applications	Gaming						Bingo		Totals
	Managers and Supervisors		Operatives and Inspectors		Managers		England and Wales	Scotland	
	England and Wales	Scotland	England and Wales	Scotland	England and Wales	Scotland			
Carried forward from 1980	13	2	377	28	38	7		465	
Received during 1981	391	15	4,468	182	277	49		5,382	
Totals	404	17	4,845	210	315	56		5,847	
Certificates issued	340	16	3,694	193	270	49		4,562	
Old certificates re-issued	11	—	140	7	3	—		161	
Applications refused	1	—	4	—	2	—		7	
Applications withdrawn	46	1	660	10	27	4		748	
Awaiting fee or under enquiry on 31 December 1981	6	—	347	—	13	3		369	
Totals	404	17	4,845	210	315	56		5,847	
Revocations*	9	—	26	—	16	—		51	

* (i) Revocations refer to decisions taken in 1981. Certificates may have been issued and revocation procedures initiated in 1980 or earlier.
(ii) Figures given refer to individuals. Because some of those concerned held more than one certificate, 98 actual certificates were revoked.

GAMING MACHINES

Size of industry

84. 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 provide us with information about the number of machines which they sell, supply or maintain. With certain limited exceptions, however, all machines used for gaming must be covered by a gaming machine licence issued by HM Customs & Excise, now under section 21 of the Betting & Gaming Duties Act 1981. We are indebted to HM Customs & Excise for the following figures, derived from their 72nd Annual Report for the 12 months ended 31 March 1981, which provide an indication of the number of machines then in use.

	<i>Number of machines covered by gaming machine licences for the licensing years:—</i>	
	<i>1980-81</i>	<i>1979-80</i>
Jackpot machines (as permitted on premises licensed or registered under the Gaming Act 1968)	41,300	36,900
Amusement-with-prizes machines (as commonly found in public houses, cafes, arcades and pleasure fairs)	121,000	106,400
Penny machines (on premises with holiday season licences)	—	24,929

85. There was an increase of 4,400 (12%) in the number of jackpot machines and an increase of 14,600 (14%) in the number of amusement-with-prizes machines. There are no details of the number of penny machines (on premises with holiday season licences) since these machines became exempt from duty on 1 October 1980.

86. The Finance Act 1981 provided for further increases in the duty on machines, to come into effect on 1 October 1981. For amusement-with-prizes machines (in premises with local authority approval) the lower rate was increased from £20 to £25 and the higher rate from £25 to £60 for the first machine and from £100 to £120 for subsequent machines. For jackpot machines (in premises without local authority approval) the lower rate went up from £50 to £75 a machine, the higher rate from £100 to £200 (for all machines) and the peak rate from £300 to £400. During the year, the Commissioners of Customs and Excise invited comment from interested parties on the future form and structure of the duty on machines. We had made our observations by the year's end.

Increase in stakes and prizes for section 34 machines

87. The increases referred to in paragraph 85 of our report for 1980 duly came into effect on 16 February 1981.

Use of the proposed 20p coin

88. There are proposals to introduce a 20p coin during 1982. The British Amusement Catering Trades Association requested that this coin should become a play coin without the need for change to be given. The Board agreed, subject to the conditions that the maximum charge to play one game did not exceed 10p and that any gaming machine which accepted a 20p coin could also be played by the insertion of 10p or less.

Video games

89. Concern was expressed in Parliament about the proliferation of video games machines and the obsessional use of them by some young people. There were proposals, which in the end came to nothing, to introduce controls over their use. The indications were that interest in these machines was rapidly declining.

90. A by-product of the boom was the emergence of many new businesses (which did not need to hold the Board's certificate under section 27 of the Gaming Act) devoted to the supply of video machines. Many of these new businesses later applied for certificates, either as a natural extension of their activities or in anticipation of the decline which duly occurred.

Monitoring of machines

91. We commented in our 1980 report about the value of a standardised monitoring system and the difficulty of getting all manufacturers to agree on such a system. We were glad to note that a number of the larger manufacturers and distributors during the year took up the idea of a standardised system at least to the extent of agreeing on a common interface between the monitor and host machine. We hope that this interface will eventually find universal acceptance.

Machine leasing

92. We received a number of enquiries from companies in the leasing business asking whether they required section 27 certificates in order to lease machines to site owners. Although leasing is not included as an exemption under section 27(2)(b) of the Act, we consider it to be an analogous activity. For our part, therefore, we will not insist on the lessor holding a certificate provided that he or she is the third party to a normal transaction between a certificated supplier and a site owner or operator.

Concessionaires

93. The Board received an enquiry about a concession to operate gaming machines. It was proposed that, in return for a single payment, an operator should be allowed the concession to operate video games and AWP machines in a public place, the operator retaining the profits in return for the concessionary charge. The Board took the view that, so far as the AWP machines were concerned, this would be a contravention of section 28(2) of the Gaming Act. They pointed out that, whilst it appeared that video games machines could lawfully be

operated as a concession, care would have to be taken to see that none were included which contained an element of chance in their play and were thus brought within Part III of the Act.

Permits for amusement-with-prizes machines

94. It was suggested to the Board that it might be improper for certificated suppliers to insist on paying for, and retaining, the AWP permits issued by local authorities. The Board however understood that suppliers took this action because they were anxious to ensure that a permit had been issued, the supplier and the site owner both being liable in law if there is a supply without a permit. The Board did not therefore take exception to suppliers applying for permits on behalf of site owners provided that the issue was made to the site owner. Thereafter, we suggested, the supplier could take a copy of the permit.

Applications for certificates under section 27 of the Gaming Act

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

	England and Wales	Scotland	Totals
Applications outstanding on 31 December 1980	83	4	87
New applications received	192	17	209
Totals	275	21	296
Issued	153	12	165
Refused	4	—	4
Applications withdrawn	18	2	20
To be determined or awaiting payment of fee on 31 December 1981... ..	100	7	107
Totals	275	21	296

Renewal of certificates

96. 103 certificates reached the end of their 5-year life during the year. We were notified that renewal was not required for 10 of these. Applications for the renewal of 25 certificates were received during the latter part of 1980, and for the remaining 68 during 1981. In addition, 52 applications were carried forward from 1980 and 18 new certificates were necessary in those cases where the nature of the business had changed.

	England and Wales	Scotland	Totals
New certificate necessary*	16	2	18
Certificates renewed	92	8	100
Applications withdrawn	12	1	13
Applications refused	5	0	5
To be determined or awaiting payment of fee on 31 December 1981	24	3	27
Totals	149	14	163

* Where the nature of the certificate holders had changed (e.g. from a partnership to a limited company) to the extent that a new certificate was necessary.

97. During the year we received 11 applications in respect of certificates expiring during 1982. By 31 December we had issued certificates in 4 of these cases.

Revocations

98. During the year 2 certificates were revoked.

Certificates in force

99. On 31 December there were 1,405 certificates in force, an increase of 160 compared with 1980.

Permits

100. Permits are issued free of charge for isolated transactions such as the disposal of unwanted machines by persons not normally in the trade, or for the maintenance of 1 or 2 machines. 7 such permits were issued during the course of the year.

REGISTERED CLUBS

Registration under Part II

101. Applications for the registration of members' clubs and miners' welfare institutes under Part II of the Gaming Act may be made to the local registration authority during January or February in England and Wales. Registration lasts for 12 months in the first instance, and applications for renewal must be made in the following January or February.

102. Applications for registration may be made at any time of the year in Scotland, and renewal must be sought by the end of December in the following year.

103. Renewals in England and Wales, and in Scotland, may be for any number of years not exceeding 10.

104. The following table sets out particulars of registration in the period 1 July 1980—30 June 1981. These figures are derived from returns submitted to the Board by clerks to licensing authorities in England and Wales and sheriff clerks in Scotland, as is required by Schedule 10 to the Gaming Act.

	England and Wales	Scotland	Totals
<i>Initial applications</i>			
Granted	11	3	14
Refused	1	—	1
Not proceeded with	—	—	—
Not determined by 30 June 1981	—	—	—
Totals	12	3	15
<i>Renewal applications</i>			
Granted	247	24	271
Refused	—	—	—
Not proceeded with	4	—	4
Not determined by 30 June 1981	1	—	1
Totals	252	24	276

105. During this period, 4 registrations were cancelled in England and Wales.

106. The total number of clubs registered under Part II of the 1968 Act at 30 June 1981 in England and Wales was 814. In Scotland, it was 53.

Registration under Part III

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

108. The following table shows the disposal of applications between 1 July 1980 and 30 June 1981. These figures are derived from returns submitted by clerks to the local licensing authorities and sheriff clerks.

	England and Wales	Scotland	Totals
<i>Initial applications</i>			
Granted	1,934	109	2,043
Refused	34	—	34
Not proceeded with	49	3	52
Not determined by 30 June 1981	1	—	1
Totals	2,018	112	2,130
<i>Renewal applications</i>			
Granted	3,425	376	3,801
Refused	11	—	11
Not proceeded with	62	11	73
Not determined by 30 June 1981	8	—	8
Totals	3,506	387	3,893

109. During this period, 707 existing registrations were cancelled in England and Wales. In Scotland 18 were cancelled.

110. The total number of clubs registered under Part III of the 1968 Act on 30 June 1981 in England and Wales was 19,016. In Scotland there were 1,947.

POOL COMPETITIONS ACT 1971

111. This Act, previously extended by order until 26 July 1981, was given a further year's extension by the Pool Competitions Act 1971 (Continuance) Order 1981.

112. Of the remaining 7 licensees, one, the Warwickshire County Cricket Supporters' Association, decided not to renew its licence.

113. We continued to exercise our powers under the Act to safeguard the interest of competitors and to ensure the maintenance of the level of benefits to the societies named in the certificate granted under the Act.

LOTTERIES

New regulations

114. The Lotteries (Amendment) Regulations 1981 referred to in paragraph 28 contained the following measures designed to improve the control of lotteries:

- i. No ticket in a society or local lottery may be sold or distributed more than 3 months before the date of a previous lottery.
- ii. Every ticket in a society lottery must specify the name of the local authority with which the society is registered.
- iii. Lottery tickets or advertisements may not give prominence to the names of lottery managers or other persons employed in the running of the lottery.
- iv. The supply of winning tickets separately or in an indentifiable way is prohibited.
- v. No prize in a lottery may depend on the purchase of more than one ticket.

115. In addition, the new regulations removed the requirement for a lottery scheme to specify the maximum value of tickets to be sold in a lottery and the maximum prize available. These provisions removed the need for a society or local authority to register a new scheme if they wish to take advantage of future increases in monetary limits. While we welcome these new regulations, we remain of the view that changes to the substantive legislation are required.

Increased monetary limits

116. As explained in paragraph 29, the effect of the Lotteries (Variation of Monetary Limits) Order, was to double, with effect from 1 July, the maximum value of the major prize in a society or local lottery, and the maximum value of tickets or chances which can be sold. Thereafter, societies wishing to promote lotteries where ticket sales were not to exceed £10,000 could do so under a local authority registration and were no longer required to be registered with the Board.

117. By 31 December we had registered 216 schemes to enable societies and local authorities to take advantage of the increased limits. Not all of those who registered had started promoting larger lotteries by the end of the year. Some societies previously registered with the Board to promote £10,000 lotteries decided, once their schemes expired, to continue promoting such lotteries under a local authority registration. The availability of a more valuable prize did not seem to stimulate the market, and inflation continued to affect the expenses involved in promoting a lottery and the sale of tickets.

118. These changes resulted in the Board receiving significantly fewer lottery accounts and applications for registration of schemes than in the previous year.

Registration of schemes

119. During the year, 3 local authorities and 121 societies registered lottery schemes with the Board for the first time. It is usual for schemes to be registered

with the Board for a period of three years. 1978 was a peak year for registrations and over 800 schemes expired in 1981. Many were not renewed. By the end of the year 174 local authorities and 658 societies had schemes registered with the Board.

Enforcement action

120. We issued 3 'minded to revoke' and 20 'minded to refuse' letters in the year. As a result, 1 scheme was revoked, and 13 applications were refused. One application was refused following the issue of a 'minded to refuse' letter at the end of 1980.

121. Our staff continued to assist the police with investigations into alleged lottery offences and made statements to the police in a number of cases. Some of these investigations concerned lotteries which were ostensibly being run by societies but in reality were for the benefit of private individuals. We noted that a number of these bogus schemes had been registered with local authorities and, sometimes, also with the Board. We believe that the ease with which unscrupulous persons can obtain registration underlines the weakness of the present controls. Under the Lotteries and Amusements Act we do not have the power to challenge local authority registrations and, in turn, local authorities have very limited powers to investigate the *bona fides* of applicants for registration.

Lottery accounts

122. We were concerned last year about the number of accounts sent to the Board which disclosed breaches of the Act, mainly because the prize and/or expenses limits had been exceeded. There was some improvement in the accounts received during 1981. Up to 1 July, 41.59% of local authority and 28.15% of society accounts showed breaches of the Act, compared with 48.46% and 39.33% respectively, in the first six months of the previous year. One of the reasons for this improvement was the decision of many promoters to promote lotteries at less frequent intervals, thus achieving better ticket sales over a longer period. We continued to be concerned about the length of time some promoters took to submit accounts to the Board.

Lottery sales

123. Tables 1 and 2 show the total number of lotteries promoted in Great Britain between 1 May 1980 and 31 October 1981 under schemes registered with the Board. The tables also show the total amount of money received from ticket sales, the amount appropriated for expenses and prizes, and the balance which went to the causes concerned. These figures show a continuing decrease in total ticket sales although the average proceeds increased as fewer lotteries were promoted. The average proceeds for lotteries promoted between 1 May 1980 and 30 April 1981 was £7,351, compared with £6,895 for the preceding twelve months. The average for lotteries promoted between 1 May 1981 and 31 October 1981 was £7,590, compared with £6,400 for the same six months in the previous year. Promoters were responding to lower ticket sales by lengthening the period between lotteries.

124. Such accounts as we had received by the end of the year for lotteries run

under the new limits showed that gross sales were up by only about 25% on sales under the old limits. We suppose that this apparent lack of interest in the new larger lotteries must in part be occasioned by the recession and the shortage of money in people's pockets.

Expenses

125. The Lotteries and Amusements Act requires that the expenses appropriated in respect of lotteries with proceeds which exceed £10,000 shall be 15% of the proceeds, or such larger percentage, not exceeding 25%, as the Board may authorise in the case of a particular lottery. There was some criticism of the Board's policy in relation to the authorisation of expense levels and we received requests for 25% to be allowed for all lotteries. There can be no doubt however that the phrasing of the Act represents a clear intention of Parliament that 25% was not to be the norm for lotteries. It was originally thought that the larger the lottery and the longer the period between lotteries, the lower the percentage appropriated in respect of expenses would need to be, but experience has not altogether borne this out. We are anxious that promoters should not commit themselves to costs which will inevitably lead to a breach of the statutory expense limit if sales are low or if costs, such as ticket printing or wages, increase. We now examine every application on its merits and seek to establish, so far as possible, that the level of expenses proposed is reasonable given the circumstances in which the lottery is promoted. But our main aim must be to ensure that the intention of Parliament is carried out, that is, that maximum benefit should accrue to the cause concerned.

Registration of further schemes

126. We referred last year to the requirement in the Act for the Board to take into account the conduct of lotteries promoted during the previous 5 years when considering an application for the registration of a further scheme. During the year we registered 107 local authority and 213 society schemes to replace schemes which were either due to expire or where amendments were required, for example, to take advantage of the new monetary limits. Of these, 20 local authority and 32 society schemes were registered at the direction of the Secretary of State.

Control of lotteries

127. Lack of financial resources forced us to suspend our programme of 'on the ground' visits by members of our staff at the beginning of the year. The reduction in our lotteries work since 1 July gave us the opportunity to resume regular visits. We believe that they are an important part of the control of lotteries and they also provide us with a valuable insight into the patterns within the lottery market.

Code of practice

128. As foreshadowed in our last Report, the British Printing Industries Federation published their code of practice in May. They also made arrangements for the random testing of members' tickets by Pira, the research association for the paper, board, printing and packaging industries.

Statistics

129. These are contained in the following Tables 1 and 2.

TABLE 1

All lotteries promoted in England and Wales, and Scotland, between 1 May 1980 and 30 April 1981 under schemes registered with the Board
SOCIETY LOTTERIES

	Number of lotteries	Total ticket sales		Expenses		Prizes		Balance	
		£	(%)	£	(%)	£	(%)	£	(%)
England and Wales	7,745	55,396,972	(22.30)	12,355,120	(22.30)	22,927,225	(41.39)	20,114,627	(36.31)
Scotland	379	7,601,380	(21.08)	1,602,504	(21.08)	3,000,077	(39.47)	2,998,799	(39.45)
Total	8,124	62,998,352	(22.16)	13,957,624	(22.16)	25,927,302	(41.15)	23,113,426	(36.69)

LOCAL AUTHORITY LOTTERIES

	Number of lotteries	Total ticket sales		Expenses		Prizes		Balance	
		£	(%)	£	(%)	£	(%)	£	(%)
England and Wales	2,447	14,633,311	(22.80)	3,337,242	(22.80)	6,092,999	(41.64)	5,203,070	(35.56)
Scotland	43	391,595	(22.63)	88,627	(22.63)	155,795	(39.79)	147,173	(37.58)
Total	2,490	15,024,906	(22.80)	3,425,869	(22.80)	6,248,794	(41.59)	5,350,243	(35.61)
Total ALL lotteries	10,614	78,023,258	(22.28)	17,383,493	(22.28)	32,176,096	(41.24)	28,463,669	(36.48)

TABLE 2

All lotteries promoted in England and Wales, and Scotland, between 1 May 1981 and 31 October 1981 under schemes registered with the Board
Note: Figures are provisional and are based on accounts received so far.
 SOCIETY LOTTERIES

	Number of lotteries	Total ticket sales		Expenses		Prizes		Balance	
		£	(%)	£	(%)	£	(%)	£	(%)
England and Wales	2,824	22,663,996	(21.18)	4,800,010	(40.02)	9,070,888	(38.80)	8,793,098	(38.80)
Scotland	416	3,287,457	(21.59)	709,903	(40.60)	1,334,684	(37.81)	1,242,870	(37.81)
Total	3,240	25,951,453	(21.23)	5,509,913	(40.10)	10,405,572	(38.67)	10,035,968	(38.67)

LOCAL AUTHORITY LOTTERIES

	Number of lotteries	Total ticket sales		Expenses		Prizes		Balance	
		£	(%)	£	(%)	£	(%)	£	(%)
England and Wales	887	5,371,768	(21.23)	1,238,572	(40.10)	2,211,575	(38.67)	1,921,621	(38.67)
Scotland	12	93,448	(22.33)	20,869	(37.70)	35,227	(39.97)	37,352	(39.97)
Total	899	5,465,216	(23.05)	1,259,441	(41.11)	2,246,802	(35.84)	1,958,973	(35.84)
Total ALL lotteries	4,139	31,416,669	(21.55)	6,769,354	(40.27)	12,652,374	(38.18)	11,994,941	(38.18)

INSPECTORATE AND ENFORCEMENT

Introduction

130. Mr R W Doak, O.B.E., Chief Inspector to the Board since its inception, retired on 31 July. Mr Doak joined the Board from the Metropolitan police in 1969 and was responsible for the recruitment and formation of the then newly formed Inspectorate. It was through his expertise and diligence that the Inspectorate has become the expert and well respected body it is today. The Board are most grateful to Mr Doak for his very valuable service over the last 12 years.

131. Mr J Lynch was appointed to the post of Chief Inspector on 1 August. Mr J A Peters, Senior Inspector for the South East Region, was appointed Deputy Chief Inspector on the same date, and Mr J E R Bragoli, Inspector for London Area II, was promoted to Senior Inspector for the South East Region. Inspector L J Mackey retired on ill-health grounds on 30 June. Vacancies arose for three area inspectors and a second specialist gaming machines inspector.

Three of these vacancies were filled but one vacancy (for an area inspector in London) remained unfilled at the end of the year. The new machines inspector was to commence training in January 1982 and the two area inspectors in March 1982.

132. During the year the Inspectorate gave 125 talks to police forces. The high level of co-operation with the police was maintained and the Board express their appreciation for the help which they continued to receive from the police.

133. The Board's inspectors made 2,225 supervisory visits to casinos and 4,280 supervisory visits to bingo clubs, as a result of which they issued 23 warnings to licensees for infringements of the law. They also made 469 inspection visits to certificated machine suppliers. Assistance was given to the police when they initiated 121 prosecutions for gaming offences and gave 48 cautions. Inspectors were named in 56 warrants granted to the police under section 43 of the Gaming Act. Most of these warrants were for gaming on unlicensed or unregistered premises or for unlawfully supplying or using gaming machines.

Casino gaming

134. In paragraph 133 of our 1980 report we described certain developments following the execution of warrants at the premises of the Victoria Sporting Club in December 1978. On 30 April, a director of the club and three others were charged at the Central Criminal Court with offences under the Gaming Act and there were further charges against two of the defendants of conspiring to defraud the Inland Revenue. One defendant was fined £350 and given 9 months' imprisonment suspended for two years, another was fined £250 and another was given a conditional discharge. The fourth defendant was acquitted. A fifth person was also involved but he did not answer to bail at the magistrates court and was believed to be living abroad. The same director was also charged with conspiracy to pervert the course of justice and was due to appear at the Central Criminal Court early in 1982.

135. On 20 February, the Metropolitan police, accompanied by the Board's inspectors, executed warrants under the Gaming Act at the premises of the Playboy Club and the Clermont Club and at the Playboy offices in London. There were no criminal charges arising from the execution of these warrants but objections to the renewal of the licences held by the Playboy group were made by the Metropolitan police and by the Gaming Board (see paragraphs 13 and 14).

136. On 3 March, the Metropolitan police and Gaming Board inspectors raided the Knightsbridge Sporting Club under a warrant issued under the Gaming Act. Six principals were subsequently charged with offences and at the year's end were awaiting trial. The police and the Gaming Board applied for the cancellation of the licence for the club, and also lodged objections to its renewal (see paragraph 15).

137. On 6 July, the Metropolitan police, together with inspectors of the Board, executed warrants under the Gaming Act at the premises of the Olympic Casino. Two principals and three others were charged with offences and at the end of the year were awaiting trial (see paragraph 16).

138. Certain charges arising from the police raid on casinos of the Coral group in London in November 1979 still remained to be heard at the end of the year (see paragraph 134 of last year's report).

139. There have always been people who will endeavour to make a living by cheating at casino games. We have reported from time to time on the various and sometimes ingenious methods which have been used. During the course of the year, the management at two casinos discovered marked cards which had been introduced into stock and in one case apparently successfully used in play at blackjack before detection.

140. Some instances of cheating involve collusion between players and gaming staff. In this respect a number of arrests were made and proceedings instituted for offences under the Theft Act. There were also thefts of chips by gaming staff who had to approach players in order to convert them into cash. Sophisticated security equipment and alert security staff resulted in a number of arrests and successful prosecutions. We were pleased to note the increasing use of closed circuit television systems and the salutary effect which the presence of such systems can have on would-be cheats.

Bingo

141. At paragraph 139 of our last report we referred to outstanding proceedings against the principals of a club where bingo was purported to be conducted under the provisions of section 40 of the Gaming Act.

142. In April the proceedings were concluded at Winchester Crown Court. For conspiring to defraud the members of the club and conspiring to contravene sections 3 and 4 of the Act, one principal was sentenced to 12 months' imprisonment on each count, suspended for 2 years, and fined £500 with 9 months'

imprisonment in lieu. The second principal, who pleaded guilty, was fined a total of £6,000 and allowed 9 months to pay, with 9 months' imprisonment in lieu.

143. In Scotland and the North of England there were a number of cases of bingo being played unlawfully in public houses. Most of the organisers responded to advice that the bingo was illegal but one prosecution had been undertaken by the end of the year.

144. In paragraph 95 of our 1977 report we referred to a conspiracy to win prizes by altering the numbers on bingo cards. A similar case was detected in July at a club in the London area. Three members of the club and a bingo caller employed by the club were charged with offences of criminal deception. The case was expected to go for trial at the Crown Court.

145. We refer in paragraph 65 to applications made by licensed bingo clubs for directions under section 32 of the Act to enable them to have a large number of section 34 (amusement-with-prizes) machines instead of the two jackpot machines permitted under section 31(2). Almost invariably this meant siting the machines in a separate area or room away from the main gaming area and the Board's inspectors commented on the inherent danger of members of the public gaining access to such areas unless strict entry control was maintained. They also felt that there was a risk that such a large number of machines might tend to change the character of a bingo club to that of an amusement arcade.

Gaming machines

146. We refer in paragraph 91 to the progress made in defining a standard interface for monitors used in gaming and amusement machines. The value of such monitors for enforcement purposes is becoming apparent. It is now possible to carry out on-the-spot tests of the performance of all types of machines, including a test of whether they are paying out the proper prizes and maintaining the correct percentages. The inspectorate look forward to the day when such testing will become widely accepted as a means of answering complaints about the malfunction or poor performance of machines.

APPENDIX I

RENUMERATION AND EXPENSES OF THE BOARD AND SENIOR STAFF

At the end of the year the Board consisted of a part time Chairman and four part time members. The remuneration of the Chairman was £8,928 a year, and that of each of the members £5,350 a year.

On 31 December the Board had 90 full time employees. Of these one was receiving a salary of £22,000 a year, three were receiving salaries between £15,000 and £16,000 a year and 33 were receiving salaries in the range £10,000-£13,500 a year.

Expenses incurred during the financial year ended 31 March 1981 amounted to £105,645. £1,205 was attributable to Board members and £104,440 to the staff.

APPENDIX II

LIST OF AREAS IN WHICH THE LICENSING OF CLUBS FOR GAMING OTHER THAN BINGO IS PERMITTED, SHOWING THE NUMBER OF LICENSED CLUBS OPERATING ON 1 JANUARY 1981 AND 31 DECEMBER 1981

ENGLAND

	<i>1 January 1981</i>	<i>31 December 1981</i>
LONDON	22	21
That area which is within the area specified in the Licensing (Metropolitan Special Hours Area) Order 1961—plus the remainder of the City of Westminster and the Royal Borough of Kensington and Chelsea.		
THE AREAS OF THE FORMER COUNTY BOROUGH, NON-COUNTY BOROUGH AND URBAN DISTRICTS OF:—		
	<i>1 January 1981</i>	<i>31 December 1981</i>
BIRKENHEAD	1	1
BIRMINGHAM	5	5
*BLACKPOOL	2	2
BOLTON	2	2
BOURNEMOUTH	5	5
BRADFORD	2	2
BRIGHTON	2	2
BRISTOL	4	4
COVENTRY	3	3
DERBY	2	2
DUDLEY	1	1
GREAT YARMOUTH	2	2
HOVE	1	1
HUDDERSFIELD	1	1
KINGSTON-UPON-HULL	1	1
LEEDS	3	4
LEICESTER	3	3
LIVERPOOL	5	5
LUTON	2	2
LYTHAM ST ANNES	1	1
MANCHESTER	5	5
MARGATE	2	2
NEWCASTLE UPON TYNE	3	3
NORTHAMPTON	1	1
NOTTINGHAM	2	2
PLYMOUTH	2	2
PORTSMOUTH	2	2
RAMSGATE	1	1
READING	2	2
RYDE	—	—
SALFORD	1	1

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

APPENDIX II—continued

						<i>1 January</i> <i>1981</i>	<i>31 December</i> <i>1981</i>
SANDOWN-SHANKLIN	...	...	...	...	...	2	2
SCARBOROUGH	...	...	...	...	...	1	1
SHEFFIELD...	...	...	...	...	...	3	3
SOUTHAMPTON	...	...	...	...	...	2	2
SOUTHEND-ON-SEA	...	...	...	...	...	3	2
SOUTHPORT	...	...	...	...	...	2	2
STOCKPORT	...	...	...	...	...	1	1
STOKE-ON-TRENT	...	...	...	...	...	1	1
SUNDERLAND	...	...	...	...	...	1	1
TESSIDE	...	...	...	...	...	2	2
TORBAY	...	...	...	...	...	1	1
WALSALL	...	...	...	...	...	1	1
WARLEY	...	...	...	...	...	—	—
WEST BROMWICH	...	...	...	...	...	—	—
WOLVERHAMPTON	...	...	...	...	...	1	1

WALES

THE AREAS OF THE FORMER COUNTY BOROUGHS OF:—

						<i>1 January</i> <i>1981</i>	<i>31 December</i> <i>1981</i>
CARDIFF	...	...	...	...	...	2	2
SWANSEA	...	...	...	...	...	2	2

SCOTLAND

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

						<i>1 January</i> <i>1981</i>	<i>31 December</i> <i>1981</i>
ABERDEEN	...	...	...	...	...	3	3
DUNDEE	...	...	...	...	...	2	2
EDINBURGH	...	...	...	...	...	3	3
GLASGOW	...	...	...	...	...	3	3
						—	—
						127	126
						—	—

APPENDIX III

SCHEME FOR THE INTRODUCTION OF A NEW SUPERVISOR'S CERTIFICATE UNDER SECTION 19 OF THE GAMING ACT, 1968

Scope of the supervisor's certificate (not necessarily exhaustive)

A supervisor would be expected to have a good working knowledge of the following:—

- (i) All games played at his or her club.
- (ii) The Gaming Act and Regulations made under the Act.
- (iii) Sections 12 and 16 of the Act in particular.
- (iv) Cash point procedures (training should include experience in the cash cage).
- (v) Casino licensing procedures with special reference to the club's own licence.
Any restrictions applying.
- (vi) Gaming machines (including action in the case of malfunction, restrictions on the payment of prizes, and payout percentage calculations).
- (vii) The functions of all grades of certificated staff (section 19).
- (viii) Powers of the Board's inspectors and of the police under section 43.
- (ix) Fire and safety precautions. Fire drills and evacuation procedures.
- (x) Such general managerial knowledge of the club's activities as to permit the holder to take charge of the club when necessary.
- (ix) Sufficient knowledge of the jobs of all subordinates (operatives, inspectors, security staff, cashiers and pit bosses) to allow the holder to wield effective control.

APPENDIX III—*continued*

SCHEME FOR THE INTRODUCTION OF A NEW SUPERVISOR'S
CERTIFICATE UNDER SECTION 19 OF THE GAMING ACT, 1968

Scope of the manager's certificate
(not necessarily exhaustive)

A manager should be capable of taking complete control of the operation of a casino and should have a considerable knowledge of gaming and of the duties of his subordinates. He or she might be responsible for any action under the following headings and sub-headings:—

Administration

- (i) General administration including organisation and control of the casino. Casino accounting.
- (ii) The working of the Gaming Act and the Regulations. The effect of other relevant legislation.
- (iii) Staff recruitment and selection. Their deployment, duties and records.
- (iv) Business promotion (with special reference to advertising and section 42).
- (v) Consent and licensing procedures. Liaison with local licensing magistrates (Schedule 2).
- (vi) Other licences or permits required.
- (vii) Certificates of approval issued under section 19.

Casino Games

- (i) Rules of games permitted in the casino (S.I. 1970 No. 803).
- (ii) Standards of equipment and maintenance (for example roulette wheels).
- (iii) Layout of gaming area and any restrictions imposed by the licence.
- (iv) Gaming staff, their deployment and duties including knowledge of the games.
- (v) Gaming procedures.
- (vi) Liaison with club members.

Security

- (i) Control of casino security and security staff.
- (ii) Local procedures.
- (iii) General security considerations.

Catering

- (i) Control and procedures.
- (ii) Staffing.
- (iii) Liquor licensing requirements.

General

- (i) Health, safety and fire regulations.
- (ii) Fire and safety drills and devices.
- (iii) Liaison with Gaming Board inspectors, police, and fire and health authorities.

APPENDIX IV

POOL COMPETITIONS ACT 1971 LICENSED POOL PROMOTERS

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

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