

HOME OFFICE

**Report of the
GAMING BOARD FOR
GREAT BRITAIN
1980**

London
Her Majesty's Stationery Office

262

REPORT OF THE
GAMING BOARD FOR
GREAT BRITAIN
1980

Presented pursuant to Act Eliz. II 1968 c. 65 s. 50

*Ordered by The House of Commons to be printed
14th April 1981*

LONDON
HER MAJESTY'S STATIONERY OFFICE

Previous Reports

1979—H.C. 561 (1979–80)

1978—H.C. 11 (1978–79)

1977—H.C. 278 (1977–78)

ISBN 0 10 226281 0

MEMBERS OF THE GAMING BOARD FOR GREAT BRITAIN

LORD ALLEN OF ABBEYDALE GCB, *Chairman*

SIR ROGER FALK OBE, *Deputy Chairman*

MRS. E. B. Y. HUNTER-JONES

SIR LINDSAY RING GBE

MR. T. NORMAN RITCHIE TD

SIR JAMES STARRITT KCVO

Secretary

MR. M. H. HOGAN

Gaming Board for Great Britain
Berkshire House
168–173 High Holborn
London WC1V 7AA

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 twelfth Report of the Gaming Board for Great Britain covering the year 1st January to 31st December 1980.

ALLEN OF ABBEYDALE.

4th March 1981.

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
INTRODUCTION	1- 8	7
GENERAL	9- 33	8
CASINO GAMING	34- 44	13
LICENSED BINGO	45- 69	16
CERTIFICATION OF EMPLOYEES	70- 81	22
GAMING MACHINES	82-100	27
REGISTERED CLUBS	101-110	31
POOL COMPETITIONS ACT 1971 —	111-114	33
LOTTERIES	115-128	34
INSPECTORATE AND ENFORCEMENT	129-146	39

APPENDICES

	<i>Page</i>
I. REMUNERATION AND EXPENSES OF THE BOARD AND SENIOR STAFF	43
II. LIST OF AREAS IN WHICH THE LICENSING OF CLUBS FOR GAMING OTHER THAN BINGO IS PERMITTED, SHOWING THE NUMBERS OF LICENSED CLUBS OPERATING ON 1 JANUARY AND 31 DECEMBER 1980	44
III. RECOMMENDED CODE FOR THE OPERATION OF MECHANISED CASH BINGO	46
IV. POOL COMPETITIONS ACT 1971—LIST OF LICENSED POOL PROMOTERS	48

INTRODUCTION

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

2. There was no change in the membership of the Board during the year. Lord Allen's appointment as Chairman was extended for two years—to 30 June 1982. He continued during the year as a member of the Tribunal of Inquiry into the affairs of the Crown Agents, and Sir Roger Falk's appointment as Deputy Chairman was therefore extended until 31 March 1981. Sir Lindsay Ring, Mrs. Hunter-Jones and Mr. T. N. Ritchie each had their appointments renewed for a further term of three years.

3. The Board's Secretary, Mr. W. J. Stephens, returned to the Home Office in March after more than seven years' service with the Board. The Board would like to express their warm appreciation of Mr. Stephens' services, and the help which he consistently gave to the Board over this long period. At the same time they welcome his successor, Mr. M. H. Hogan.

Contacts with other enforcement agencies

4. The Chairman attended a gaming conference in New York on 1 October. He gave an address on British gaming to an audience widely representative of the American gaming industry.

5. On 24 April the Board received a visit from the Governor of New Jersey. He was accompanied by the State's Attorney General and by the Director of the New Jersey Gaming Enforcement Division. Matters of mutual interest were discussed. The visitors also had discussions with the Minister of State, Home Office, and the Attorney General.

6. The Secretary, the Chief Inspector, and the Board's machine inspector visited the Isle of Man on 13 and 14 October to discuss common problems.

7. A member of the Board's staff visited the Bahamas in March, July and December to continue the assistance which the Board are rendering to the Bahamian authorities. He was accompanied in March and July by a member of the Board's firm of consultant accountants. The opportunity was also taken to visit the New Jersey gaming authorities in July and December.

8. During the year, the Board were in correspondence with a number of gaming authorities and interests throughout the world. Visits were received from officials from the Netherlands, Quebec and the Aaland Islands.

GENERAL

Casino activities

9. Ladup Ltd. and Hyde Park Casinos Ltd. At the end of 1979, 3 of the 4 London casinos operated by companies in the Ladbroke Group had been closed following the rejection of the appeal at the Knightsbridge Crown Court in November. An application for a judicial review of this decision was heard in March by the Lord Chief Justice. It was not successful. The applicant companies gave notice of a petition to appeal, but in April we were notified that Ladbrokes Gaming Division had decided not to proceed with the appeal, and had also decided to surrender the fourth London licence in respect of the Ladbroke Park Tower and to dispose of its provincial casino interests. We for our part applied to the various licensing authorities outside London for adjournments of the hearings of our objections to the renewal of the eleven provincial licences. This action was taken so as to enable other persons to apply for certificates of consent and, if granted, to apply to the court for the transfer of the licences. By the end of the year, certificates of consent had been issued in 7 cases, and in 6 of these the transfer of the licence had been granted by the courts. Two applications for certificates were still being considered. Of the remaining 2 casinos, one had changed hands through the sale of share capital, and the other had been closed.

10. The Coral Leisure Group. Following the raid by police officers and Gaming Board inspectors in November 1979 (referred to in paragraph 11 of last year's report) the Board and the Metropolitan police lodged objections to the renewal, and applied for cancellation, of the licences for Coral's four London casinos. The Board also objected to the renewal of the licences for the five provincial casinos owned by the Group. On 24 September, three of the London licences were cancelled by the South Westminster licensing authority. Appeals were lodged. They had not been heard by the end of the year. The hearings in all the other cases stood adjourned.

11. In December the Coral Group of companies, including the casinos, was acquired by the Bass Group. This Group announced its intention to divest itself of the Coral casino division. By the end of the year, negotiations were proceeding for the sale of the licence-holding companies.

12. The Victoria Sporting Club. In paragraph 9 of our 1979 report, we recorded that we and the police had applied for the cancellation of the gaming licence for these premises. These applications were heard in March. The licensing authority cancelled the licence and disqualified the premises for a period of 3 years. An appeal against this decision was heard by the Knightsbridge Crown Court in October. The Crown Court acknowledged that the grounds on which the applications had been made to cancel the licence had been well founded and that the decision of the justices was one which they had been entitled to make, but allowed the appeal. The Court said that, although the licence-holding company had not changed its legal identity, its ownership had been totally transferred to an operator who had run the club in an acceptable way for what was now a considerable period.

Closure of London casinos

13. We commented last year on the possible over-provision of casinos in London and said that, if licences were lost, it was not to be assumed that new licences would necessarily be issued to replace them. When we completed the statistical returns to which our last report referred, it looked as though there was still, overall, spare capacity in London for all games, despite the closure of three casinos.

14. Before the end of the year the Board conducted a further investigation into demand, with a view to the results being made available to the licensing justices in connection with the 1981 round of licence applications.

Legislation

15. For reasons we well understand, there was no sign of a Bill making substantial amendments to the Gaming Act 1968, but during the year there were a number of Parliamentary decisions of interest to us.

16. *The Finance Act 1980* changed the basis of casino taxation from a levy on the rateable value and the number of gaming tables to a levy by the Board of Customs & Excise on gaming profits. Paragraph 11 of Schedule 5 to the Act made provision for the exchange of financial information between the Board and the Commissioners of Customs & Excise.

17. In paragraph 26 of our 1979 report, we recorded that we had invited the British Casino Association to consider asking their members to provide the Board voluntarily with accounts relating to their gaming operations. At the end of the year, we still had under review with the Association the possible bearing on this request of the powers in the Finance Act.

18. *The Gaming (Amendment) Act 1980* was passed into law. This was a Private Member's Bill, introduced in the House of Lords, enabling the Home Secretary, by regulation, to increase the maximum weekly prize limit for linked bingo. A regulation was made under these powers increasing the weekly maximum prize from £1,000 to £2,000. This regulation came into effect on 1 December.

19. *The Derbyshire County Council Bill* was introduced into the House of Lords. It contained a clause designed to exempt the High Peak Borough Council from the provisions of sections 22(3) and 44 of the Gaming Act, 1968. The exemption was sought because there were plans to open a casino at the Pavilion Gardens, Buxton, in which the Borough Council would have an interest. We felt obliged to object to the clause. We pointed out that Buxton was not in an area permitted for gaming (as defined by the Gaming Clubs (Permitted Areas) Regulations, 1971, made under section 22(3) of the Gaming Act) and that under section 44 of the Gaming Act, local authorities were not allowed to maintain, or to contribute towards the maintenance of, licensed gaming premises.

20. We were joined in our objections by the Home Office. There were other objectors also. When the Select Committee of the House of Lords examined the Bill on 7 May, the clause was disallowed.

21. *The Health Services Act 1980* gave health authorities the power to engage in fund raising activities. It did not, however, provide for any great incursion into the field of gaming. The Act did not empower health authorities to run lotteries of the type controlled by the Board but only small lotteries incidental to "exempt entertainments" as described in the 1976 Lotteries and Amusements Act. Likewise, health authorities were not empowered to form a club or society for the purpose of playing bingo. If they wished to raise funds by playing bingo, this would have to be done under section 41 of the Gaming Act, 1968 or section 15 of the Lotteries and Amusements Act, 1976. Where gaming machines were used as a means of raising funds, they should be amusement-with-prizes machines, used in circumstances in which a local authority permit was not necessary.

Judgements affecting the Board

22. Reference should be made to two Divisional Court judgements connected with the Victoria Sporting Club. The first, by Lord Justice Shaw on 4 February, was to the effect that the hearing of the licence application by the new owners, Playboy Club Ltd., should proceed and should not wait until the determination of criminal charges against the previous owners. The second, by Mr. Justice Mustill on 14 July, was to the effect that the Board should go ahead and determine a fresh consent application from Playboy Club Ltd., notwithstanding the Board's contention that this issue should not be determined whilst proceedings before the licensing authority were still pending.

Increases in fees

23. The Gaming Act (Variation of Fees) Order 1980 came into force on 1 May. It gave effect to the following increases in fees:—

	<i>From</i>	<i>To</i>
	£	£
Grant of a casino gaming licence	8,700	10,600
Renewal of a casino gaming licence	1,740	2,100
Transfer of a casino gaming licence	1,300	1,600
Registration of a club or institute under Part II	54	66
Renewal of registration under Part II	27	33
Registration of a club or institute under Part III	27	33
Renewal of registration under Part III	13.50	16
Employee's certificate of approval	10	12
Issue of a machine certificate (section 27)	750	900
Renewal of a machine certificate (section 27)	300	370
Grant or renewal of a permit under section 34	3.75	6
Grant of a bingo only licence	750	900
Renewal of a bingo only licence	300	370
Transfer of a bingo only licence	150	180

Increases in charges and prizes

24. The Gaming Clubs (Hours and Charges) (Amendment) Regulations 1980, which came into force on 3 March, permitted an increase from £1.50 to £2

in the maximum charge for admission to, or in respect of gaming on, licensed bingo premises. The Gaming Act (Variation of Monetary Limits) Order 1980, which also came into force on 3 March, permitted the maximum stake and cash prize in prize bingo to be increased from 10p to 20p, and the maximum values of the take and the prizes to go up from £5 to £10 in any one determination of winners.

25. The Gaming (Small Charges) Amendment Order 1980, which came into force on 1 December, allowed an increase from £3 to £6 in the maximum charge in clubs and miners' welfare institutes in respect of each person taking part in games of bridge or whist.

26. On 4 December the Home Office announced forthcoming increases for bingo and in stakes and prizes for section 34 machines. Although the increases would not take effect until 1981, the announcement was made so as to facilitate the preparation of machines for the Amusement Trades Exhibition in January 1981. (The increases are described more fully in the sections on licensed bingo and gaming machines—see paragraphs 64 and 85.)

Applications for certificates of consent

27. In paragraph 49 of our 1979 report, we referred once more to the problems caused by the last minute submission of applications for certificates of consent. The earlier an application is received, the earlier it is likely to be dealt with by the Board and to be ready to be considered by the licensing authority. We should have thought that this conferred some advantage on the early applicant, and it still seems to us to be shortsighted to wait until the last permitted day before lodging an application. But many applicants do.

Lotteries

28. In the 12 months to 30 April 1980, £83.1m was staked in lotteries under schemes registered with the Board, compared with £91.7m in the previous 12 months. The events of the year did nothing to cause us to modify our view that improvements are required in the Lotteries and Amusements Act, 1976. Over forty per cent of the lottery returns which were examined by the Board during the year contained faults of one sort or another. Some were trivial, but by no means all, and we fear that our concern about mismanagement was amply confirmed.

29. There were attempts to promote bogus lotteries, and instances in which persons with convictions for lottery fraud were, in ignorance, engaged by genuine promoters to run their lotteries for them. The Board urge those who promote lotteries to select their staff with care and to exercise proper supervision over their activities. Convictions for lottery fraud are usually well publicised and they can lead to an undeserved tarnishing of the image of the cause or charity concerned.

30. There was at one stage widespread press comment about instant lottery tickets which could be read before they were purchased and about the practice of supplying promoters with winning and losing tickets separately. Although some of this press comment might have been misinformed, it was nevertheless clear that there was substantial abuse in this area, and we welcomed the interest of the press and the publicity given to these dangers.

31. We refer in paragraphs 124 and 125 to the House of Lords judgement in respect of the scheme called "Spotcash". This was a scheme by which cards, offering chances of prizes, were inserted into packets of cigarettes; and was judged to be a lottery. We think that we can permit ourselves the comment that promotional schemes of this type seem to us to be undesirable. Not only is there some risk that they stimulate a form of gambling, but if they became widespread, they could lessen the public's interest in the lotteries run by societies and local authorities and run counter to the provision which Parliament made for them to have this source of fund raising.

Pool Competitions Act 1971

32. On 24 June the Home Secretary by order continued the Pool Competitions Act 1971 for a further year until 26 July 1981.

Remuneration and expenses of the Board and staff

33. Details are in Appendix I.

CASINO GAMING

Number and distribution of licensed clubs

34. Appendix II gives a list of the locations in which clubs may be licensed for gaming other than bingo, bridge or whist, and shows the number of clubs operating in each locality on 1 January 1980 and 31 December 1980. The total numbers were respectively 128 and 127.

Financial returns for the 12 months September 1979 to August 1980

35. The estimated drop (money changed for chips) was just over £930m. The totals for the last four years (for the same period) have been:—

<i>Year</i>	<i>£ million</i>	<i>% increase (over previous year)</i>
1976-77	680	43%
1977-78	727	7%
1978-79	919	26%
1979-80	930	1%

In real terms, the results for 1979-80 were down on those for the previous year. This was not surprising in view of the continuing world recession and the falling off in the number of visitors to which we referred in last year's report.

36. London's percentage share of the drop fell from 75% to 71%. In money terms, its share dropped from £696m to £661m. All of the other ten regions, except East Anglia, increased their percentage share of the drop which, outside London, went up from £223m to £269m.

37. In paragraph 44 of last year's report we gave the average amount of drop per head of adult population as over £75 a year in London, £13 a year in the South East and £12 a year in the North West. These figures should have been £139, £6 and £12 respectively. The figures for 1979-80 were £132, £7 and £15.

38. The popularity of the games was as follows:—

<i>Game</i>	<i>Popularity expressed as a percentage of the drop</i>			
	<i>1976-77</i>	<i>1977-78</i>	<i>1978-79</i>	<i>1979-80</i>
American roulette	54	56	59	61
Blackjack	17	17	16	17.5
Punto banco	16	19	18.5	17
French roulette	8	5.5	4	2.5
Craps	3	2	2	1.5
Baccarat	2	.5	.5	.5

Blackjack regained its place as the second most popular game. French roulette and craps continued to fall away in popularity.

Demand for gaming facilities

39. *London.* In the light of the information on demand disclosed by our statistical returns, we objected to the grant of any licences for new clubs in the London area. Five applications for additional casinos in London were heard during the licensing sessions in May. All were refused. Three applicants appealed to the Crown Court. One appeal was heard in December and was refused. The other two had not been heard by the end of the year.

40. *Outside London.* Ten applications for additional licences were heard. On the basis of our demand statistics, we lodged objections in five cases. Three of these applications were refused and one was withdrawn. The fifth was granted when the licence for an existing casino in the same town was relinquished. Only one appeal was lodged against the refusal to grant a licence; this was subsequently withdrawn. Three applications to which we had not objected were refused on the grounds of insufficient demand. Each of these three applications was the subject of an appeal, one of which was upheld. The other two had not been determined by the end of the year.

1979-80 applications

41. The following table shows (i) the number of consent applications received and their determination by the Board between 1 November 1979 and 29 February 1980, and (ii) the number and determination of the resultant licence applications:—

	England and Wales	Scotland	Total
<i>(i) Certificates of consent</i>			
Applications made	81	8	89
Applications withdrawn	28	2	30
Applications refused	23	—	23
Applications deferred	7	—	7
Applications outside the permitted areas	2	—	2
Certificates issued	21	6	27

	England and Wales	Scotland	Total
<i>(ii) Licences</i>			
Applications made	19	6	25
Applications withdrawn	2	1	3
Applications refused	8	2	10
Applications adjourned	—	—	—
Licences granted	9	3	12

1980-81 consent applications

42. The first two applications were received in August but no more arrived until 17 October. No less than 38 out of the total number of 77 applications were received on the closing date of 31 October. In the following table we show the position at 31 December:—

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made	71	6	77
Certificates issued	2	—	2
Applications withdrawn	2	—	2
Applications refused	1	—	1
Applications not determined by 31 December	66	6	72

Applications for renewal

43. At the beginning of 1980, there were 140 licences in existence, although 5 were 'second licences' which had been granted for extensions to, or substitute premises for, existing clubs. One club had closed down during 1979 and no application was made for the renewal of its licence. Of the applications made in respect of the remaining 139 licences, 114 were renewed, 15 were adjourned, and 10 were not proceeded with.

Transfer of licences

44. We received 13 applications for consent to transfer existing licences. 9 certificates were issued, one was refused and 3 had not been determined by 31 December.

LICENSED BINGO

Trends

45. The pattern in licensed bingo was similar to that of the previous year. There was a small decline in the number of people playing bingo, and a small reduction in the number of licensed bingo clubs. Nevertheless the amount of money staked continued to rise—from £405 million to £456 million. The amount staked in each of the last five years is given in the following table, produced from statistics provided by HM Customs & Excise:—

Year ending 31 August 1976	=	£309.60	million
1977	=	£327.56	„
1978	=	£367.50	„
1979	=	£405.72	„
1980	=	£456.02	„

46. We were consulted by representatives of the National Association of Licensed Bingo and Social Clubs and the British Bingo Association before the launch of a pilot advertising scheme for the bingo market in the Midlands (on which the Associations had taken legal advice). The campaign, which was handled by a firm of publicity agents, ran through the summer months and was geared to promote bingo as a leisure pastime, not to promote individual clubs. We understand that the results were disappointing.

47. We note that the proprietors of bingo clubs paid the sum of £131,941 in royalties to the Performing Right Society during 1979.

Visits to bingo clubs by Board members

48. Mrs. E. B. Y. Hunter-Jones, the Board member with special responsibility for bingo, visited 55 selected bingo clubs in Great Britain between October 1979 and August 1980. Her travels took her to clubs of all sizes. Some belonged to the smaller independent groups and to individuals, and she found that some of these proprietors felt threatened by the possibility of being swamped by the larger groups and were worried about the competition which would ensue from increasing the monetary prizes. Some were also concerned about the coach services provided for club members in outlying districts, on occasion with pick up points outside competitors' premises.

49. In our report for 1978 we commented on the increase in the number of holiday caravan clubs wishing to provide cash bingo as one of the entertainments for their visitors. Mrs. Hunter-Jones visited a number of such clubs and was struck by the varying degree of security. In some it was good, but, in a few, precautions were somewhat lax, with jackpot machines available for play by anyone who might be on the premises. In one club, three teenage children were discovered 'playing for mum'. Security was quite a problem in clubs all over the country, jackpot machines being a prime target for intruders.

50. There was an interesting innovation by a licence holder in Glasgow who, assisted by a professor of electronics from Glasgow University, had installed a computer to assist with the administration of his group of clubs. The system

consists of a console in each club with a master unit at head office. The computer can assist with the control of mechanised cash bingo and linked bingo; take stock of bingo books; and produce print outs showing the starting and finishing numbers for all games including stake money, participation fees and bingo duty.

51. The Gaming Act 1968 aimed to separate bingo from other forms of commercial gaming and to restrict it to a neighbourly form of gaming for modest prizes played in a social atmosphere. Mrs. Hunter-Jones found that in most clubs a real effort was made to promote this social atmosphere. She was impressed by the enthusiasm shown by many of the managers in helping to entertain the lonely and the elderly.

Size of the industry

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

	<i>England and Wales</i>	<i>Scotland</i>	<i>Total</i>
1976	1,579	196	1,775
1977	1,545	195	1,740
1978	1,530	190	1,720
1979	1,510	187	1,697
1980	1,476	185	1,661

Not all clubs holding licences are open for business. At the end of the year, a total of 1,564 clubs (1,393 in England and Wales and 171 in Scotland) were operating, as compared with 1,583 at 31 December 1979.

53. Out of a total of 80 certificates issued by the Board, 75 applications were made to licensing authorities. 54 licences were granted. 4 hearings remained adjourned at 31 December. Details are shown in the tables at paragraph 65. 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

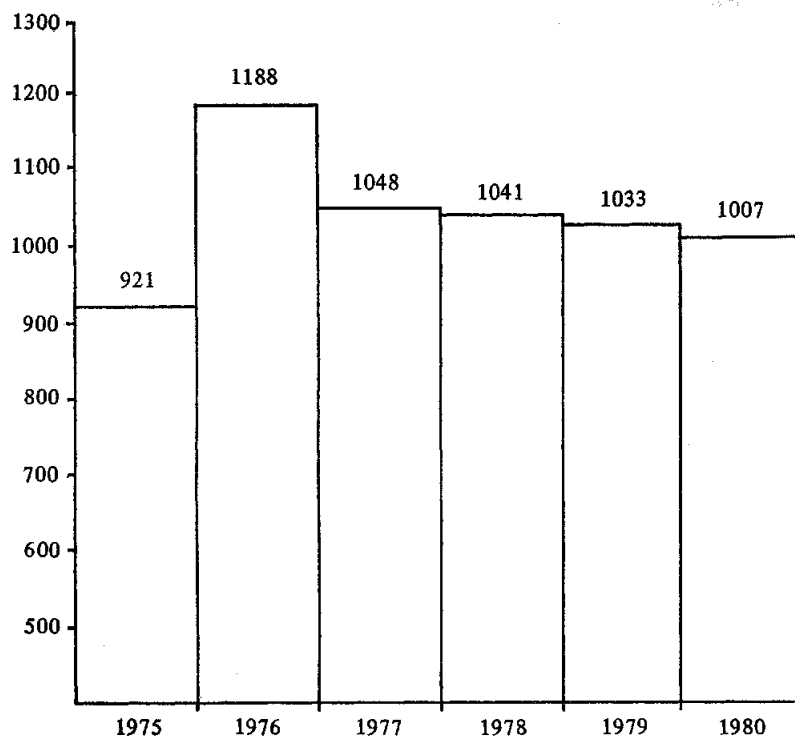
54. Bingo played by two or more clubs linked together continued to be an attraction. A regulation was made increasing from £1000 to £2,000 the maximum amount of prize money which can be offered in any one week. This took effect from 1 December.

55. The peak year for linked bingo was in 1976 when 1,188 clubs played linked bingo. This year 1,007 clubs participated, compared with 1,033 in 1979.

56. Links may consist of two or more clubs. The largest link-up in 1980 was one of 19 clubs. There were 350 links in 1980, compared with 358 in 1979.

57. Nearly two-thirds of all bingo clubs (65%) belonged to one link or another. Most links were small, with nearly 70% of those participating belonging to links of two or three clubs.

58. The table below shows the incidence of linked bingo in each of the last six years:—



Survey of bingo clubs

59. Every two years since 1972 we have carried out a survey to obtain information about the number of people who regularly play bingo. These surveys have been carried out by our inspectors with the co-operation of the Bingo Associations and of individual clubs. Our conclusions for the 1980 Survey, and comparisons with previous years, can be summarised as follows:—

(a) The number of regular bingo players seems to have decreased very slightly, from about 5·8 million to 5·7 million—which would mean that about 14% of the adult population played bingo. Our sample however was not large enough for us to claim complete accuracy for this calculation.

(b) The average daily attendances continued to fall:—

1972	461,254	
1974	468,478	plus 1·6%
1976	453,950	minus 3·1%
1978	424,038	minus 6·6%
1980	412,311	minus 2·8%

(c) The percentage of the players who were men went up from 16% in 1978 to 17% in 1980.

- (d) The percentage of the players who were under 30 went up from 9% in 1978 to 11% in 1980.
- (e) The survey covered four categories of clubs (as against two on previous occasions). They were for clubs with a capacity:—
- (a) up to 500;
 - (b) between 501 and 750;
 - (c) between 751 and 1,000; and
 - (d) of more than 1,000.
- (f) The average amounts paid for admission and participation over the past five surveys have been:—

	1972	1974	1976	1978	1980	
Larger clubs	20p	27p	39.5p	58p	£1.12	(capacity 751–1,000) 99p (capacity over 1,000)
Smaller clubs	15p	21p	32p	54p	90p	(capacity up to 500) 93p (capacity 501–750)

- (g) The average amounts staked over the five surveys have been:—

	1972	1974	1976	1978	1980	
Larger clubs	£1.10	£1.25	£1.58	£2.11	£3.16	(capacity 751–1,000) £3.08 (capacity over 1,000)
Smaller clubs	80p	£1.13	£1.37	£1.92	£2.60	(capacity up to 500) £2.66 (capacity 501–750)

In general, the amounts staked have trebled since our surveys began, with an increase of 50% since 1978.

Mechanised Cash Bingo

60. During the year, the voluntary code for the operation of mechanised cash bingo was revised. It had originally been drawn up in 1976. The National Association of Licensed Bingo and Social Clubs, the British Bingo Association, and the British Amusement Catering Trades Association were consulted as before. The amended code is reproduced as Appendix III. It was agreed that it should take effect from 1 January 1981.

61. The new code permits a maximum of 200 playing positions. Where these are made up of more than one unit, the operation of the units will have to be synchronised to ensure that no player exceeds the maximum number of games of mechanised cash bingo which may be played in a charging period. The new code also permits the rounding of prizes to the nearest penny, without the Board contending that this constitutes a contravention of sections 4, 15 or 20(8) of the Gaming Act. The new code confirms that the centres of playing positions should be not less than 16 inches apart; but the Board will not be minded to enforce this provision at the seven clubs which still have units which do not conform to it.

62. The provisions of the new code do not alter our concern about this variety of the game which we expressed in our reports for 1975 and 1976 and which was shared by the Royal Commission on Gambling. This concern relates to the speed of play and the danger that this development, if unchecked,

could change the whole character of bingo. By the end of the year, evidence was accumulating that there were many clubs where the whole of the charges which could be made in respect of gaming in a charging period was being made in respect of mechanised cash bingo. Moreover, the designation by proprietors of charging periods which were not co-terminous with the permitted hours of gaming enabled them to create periods as short as half an hour, at the beginning or end of the permitted hours of gaming, in which mechanised cash bingo only was played.

63. We should like to see a limit on the proportions of the aggregate charges in a charging period which may be taken by way of charges for mechanised cash bingo, but the Associations have expressed the opinion that the viability of many a small club is dependent upon mechanised cash bingo.

Increase in maximum added prize money

64. We referred in paragraph 24 to certain increases in bingo charges and prizes which came into effect during the year. In addition, on 4 December, an increase was announced in the maximum weekly limit for added prize money. This will go up from £500 to £1,000 early in 1981.

1979-80 applications

65. The following table shows the number of consent applications received, and their determination by the Board, between 1 November 1979 and 29 February 1980, and the number and determination of the resultant licence applications:—

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made (including three deferred from 1978-79)	92	9	101
Applications withdrawn	19	2	21
Applications refused	—	—	—
Certificates issued	73	7	80

Note—Although the Board issued 80 certificates, no licence applications were made in respect of 5 (all in England and Wales), leaving 75 for the licensing stage.

	England and Wales	Scotland	Total
<i>Licences</i>			
Applications made	68	7	75
Applications withdrawn	11	—	11
Applications refused	5	1	6
Applications not determined by 31 December	4	—	4
Licences granted	48	6	54

There was an increase in the number of holiday camp clubs wishing to provide licensed bingo as one of the entertainments for their visitors. Out of the 101 consent applications received, 27 were in respect of holiday camp sites. 22 of the other applications were in respect of existing licensed premises which were being either increased or decreased in size.

Applications for renewal

66. During January and February, 1,717 applications for renewal of licences were lodged with licensing authorities. Of these, 1,607 were renewed, 95 were withdrawn, 4 were refused and 11 were still to be determined at the end of the year.

67. One local licensing authority refused an application for renewal on the grounds that the premises had been so altered as to create new premises. The applicant had however already been granted a new certificate of consent, and a new licence was granted. Another application for renewal was refused because, although a licence had been granted the previous year, the premises were still being used as a cinema and no attempt had been made to convert them into a bingo club. Another was refused because the premises were dirty and squalid and there was a lack of demand. A fourth was refused because the club had closed and the premises were due to be sold to another person who intended to demolish the building and erect a new building for a new club which would require a new licence.

1980-81 consent applications

68. Details are given below:—

	England and Wales	Scotland	Total
<i>Certificates of consent</i>			
Applications made	74	15	89
Applications withdrawn	10	2	12
Applications refused	—	—	—
Applications not determined by 31 December	41	8	49
Certificates issued	23	5	28

As in previous years, most applications were submitted during the last weeks before the closing date. By mid-October we had received only 28 out of the eventual total of 89.

Transfer of licence

69. During the year, the Board received 72 applications for certificates of consent to the transfer of "bingo only" licences from one person to another. Of these applications, 4 were withdrawn, 39 were granted, and 29 remained to be determined by the end of the year.

CERTIFICATION OF EMPLOYEES

Size of industry

70. We received 4,754 applications for certificates under section 19 of the Gaming Act and issued 4,202 certificates. These figures compare with 6,808 and 5,094 respectively in 1979, and with 5,355 and 4,523 in 1978.

71. There were some 8,000 certificated staff working in the industry on 1 December 1980. This total was about the same as in 1979, and some 500 more than in 1978.

72. The turnover of staff continued to be high—again of the order of 60%. It was made up to a considerable extent of people moving from club to club, but also included those moving in and out of the industry.

Census of staff employed

73. A new type of supervisor's certificate was introduced, as described in paragraph 76. The old supervisor's certificate was re-titled an inspector's certificate.

74. We are grateful to licensees and proprietors of casino gaming and bingo clubs for co-operating in providing a census of certificated staff employed in the industry on 1 December 1980. The results, compared with those of last year's census, are given in the following tables:—

(a) Casino gaming clubs

(i) England and Wales—116 clubs

	Male		Female		Totals	
	1980	1979	1980	1979	1980	1979
Managers	517	489	69	59	586	548
Supervisors	1				1	
Inspectors	1,349	1,284	911	789	2,260	2,073
Operatives	1,192	1,273	1,677	1,689	2,869	2,962
Totals	3,059	3,046	2,657	2,537	5,716	5,583

(ii) Scotland—11 clubs

	Male		Female		Totals	
	1980	1979	1980	1979	1980	1979
Managers	35	41	9	10	44	51
Supervisors	—		—		—	
Inspectors	59	53	40	34	99	87
Operatives	126	136	125	132	251	268
Totals	220	230	174	176	394	406

(iii) Total Great Britain—127 clubs

	Male		Female		Totals		Change
	1980	1979	1980	1979	1980	1979	
	Managers	552	530	78	69	630	
Supervisors	1				1		+ 1
Inspectors	1,408	1,337	951	823	2,359	2,160	+ 199
Operatives	1,318	1,409	1,802	1,821	3,120	3,230	-110
Totals	3,279	3,276	2,831	2,713	6,110	5,989	+ 121

The proportion of employees in the various grades was similar to that recorded last year; 10% were managers, 38% were inspectors (previously supervisors) and 52% were operatives. The percentage of women holding certificates went up from 45% to 46%.

(b) Bingo clubs—managers only

	Clubs operating		Male		Female		Totals	
	1980	1979	1980	1979	1980	1979	1980	1979
England and Wales	1,393	1,412	1,272	1,313	500	546	1,772	1,859
Scotland	171	171	148	105	76	55	224	160
Totals	1,564	1,583	1,420	1,418	576	601	1,996	2,019

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. 45 out of a total of 1,564 bingo clubs were managed by the licence holder without the assistance of any certificated staff.

Interviews

75. 157 interviews were held. They comprised:—

- (a) 90 first time applicants for gaming managers' certificates. 88 were given certificates. 2 were refused.
- (b) 2 applicants for gaming inspectors' certificates where there was some doubt about the applicant's experience. One application was granted and the other was withdrawn.
- (c) 18 new applicants for gaming operatives' certificates about whom there were doubts. 13 applications were granted, 4 were refused and one was withdrawn.
- (d) 30 persons already holding gaming certificates who had been the subject of adverse reports. In 11 cases the Board took no further action, 15 persons had one or more of their certificates revoked and in 4 cases no decision had been reached by the end of the year.

- (e) 9 first time applicants for bingo managers' certificates about whom there were doubts. 7 applications were granted, one was refused and one was withdrawn.
- (f) 8 persons already holding bingo managers' certificates who had been the subject of adverse reports. In 5 cases the Board took no further action, 2 persons had one or more of their certificates revoked and in the remaining case no decision had been reached by the end of the year.

Types of certificate

76. We continued with the review mentioned in paragraph 78 of our 1979 report. With the assistance of the British Casino Association, we examined the duties of all grades of certificated staff and the types of certificate issued to them. We came to the conclusion that there was a need for a new grade of certificate holder whose duties would cover those of senior operative (such as a pit boss) and junior manager. We decided that the new certificate should be called a supervisor's certificate and that the existing supervisory certificate should be re-titled an inspector's certificate (a name by which it was already commonly known). We defined our aims in introducing the new certificate as follows:—

- (i) to rationalise the management structure in casinos and to help to bridge the gap between the inspector's certificate and the manager's certificate;
- (ii) to improve the career structure for gaming employees;
- (iii) to assist managements to achieve management coverage without the need to promote to senior manager;
- (iv) to give flexibility in the use of staff; and
- (v) to bring the duties covered by the various certificates more in line with those described in section 19(2) and (3) of the Gaming Act.

77. With the help of the British Casino Association, we circulated details of the new certificate to all casinos in October. The certificate was introduced on 1 December. We understand that it has been well received.

Speeding the issue of certificates

78. In the light of complaints concerning the length of time taken to deal with some applications for certificates, the Board experimented with a procedure aimed at cutting out any delay caused by the need to secure payment of the fee once the decision to issue a certificate had been taken. Five companies were invited to take part in this experiment, whereby they forwarded a cheque for the application fee with each application form. This procedure seemed to work well, notwithstanding possible difficulties if in the end an application was refused. The scheme was put into general use in May. Some 70 per cent of the applications were following it by the end of the year.

Contravention of section 23(6) of the Gaming Act

79. The Board continued to be concerned about evasive replies given to the questions on application forms dealing with convictions. The police took action in 17 cases where applicants had made false statements. One individual was given an absolute discharge and one a conditional discharge. Fifteen were fined; and the fines imposed tended to be heavier than in previous years.

Duplicate certificates

80. 500 requests for duplicate certificates were received during the second half of the year. Mostly they related to en bloc take-overs. 274 duplicate certificates had been issued, for a fee of £1 each, by the end of the year.

Statistics—1980

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

Particulars of Certificates of Approval dealt with during 1980

Applications	Gaming						Bingo		Totals
	Managers and Supervisors		Operatives and Inspectors		Managers				
	England and Wales	Scotland	England and Wales	Scotland	England and Wales	Scotland			
Carried forward from 1979*	28	2	553	36	4	—	—	623	
Received during 1980	196	18	3,868	250	390	32	32	4,754	
Totals	224	20	4,421	286	394	32	32	5,377	
Certificates issued	170	22	3,421	211	345	33	33	4,202	
Old certificates re-issued	4	—	99	2	2	1	1	108	
Applications refused	1	—	4	1	1	—	—	7	
Applications withdrawn	6	1	553	22	13	—	—	595	
Awaiting fee or under enquiry on 31 December 1980	13	2	377	28	38	7	7	465	
Revocation†	6	—	26	2	7	—	—	41	

* Revised figures.

† (i) Revocations refer to decisions taken in 1980. Certificates may have been issued and revocation procedures initiated in 1979 or earlier.
(ii) Figures given refer to individuals. Because some of those concerned held more than one certificate, 72 actual certificates were revoked.

GAMING MACHINES

Size of industry

82. It is the responsibility of the Board under section 27 of the Gaming Act to grant certificates to those undertaking the sale, supply and maintenance of gaming machines. But there is no requirement for certificate holders to provide us with information about the number of machines which they sell, supply or maintain; and we are indebted to HM Customs and Excise for the following figures, derived from their 71st Annual Report for the 12 months ended 31 March 1980. With certain limited exceptions, all machines used for gaming must be covered by a gaming machine licence issued under section 21 of the Betting and Gaming Duties Act 1972.

	<i>Number of machines covered by gaming machine licences for the licensing years:—</i>	
	<i>1979–80</i>	<i>1978–79</i>
Jackpot machines (as permitted on premises licensed or registered under the Gaming Act 1968)	36,900	37,100
Amusement-with-prizes machines (as commonly found in public houses, cafes, arcades and pleasure fairs)	106,400	93,200
Penny machines (on premises with holiday season licences)	24,929	45,535
	<hr style="width: 50%; margin: 0 auto;"/> 168,229	<hr style="width: 50%; margin: 0 auto;"/> 175,835

83. The total number of machines decreased by 7,606. There was a decrease of 20,606 (45%) in the number of penny machines, and an increase of 13,200 (14%) in the number of amusement-with-prizes machines. There was little change in the number of jackpot machines.

84. The Finance Act 1980 provided for a restructuring of the duty on machines with effect from 1 October. The duty on penny machines was removed altogether. A single lower rate of duty at £20 a year was introduced for amusement-with-prizes machines and a single lower rate of duty at £50 a year for jackpot machines. The higher rates of duty on amusement-with-prizes and jackpot machines were unchanged but a new peak rate of £300 a year was brought in for jackpot machines.

Increase in stakes and prizes for section 34 machines

85. We referred in paragraph 26 to forthcoming increases in stakes and prizes for section 34 machines. On 4 December, the Home Office announced an increase in the maximum permitted stake from 5p to 10p and a doubling of the maxima for all prizes. These increases were to take effect early in 1981.

The use of the 50p coin

86. On 5 December the Board announced that they would agree to the use of the 50p coin as a play coin provided that on each occasion on which a 50p coin was inserted not more than 10p was committed to play, with the balance of 40p being delivered in change by the machine. This would apply to amusement-with-prizes machines and to jackpot machines, and would be effective from the same date as the increases recorded in paragraph 85.

Monitoring jackpot machines

87. In paragraph 84 of our 1979 report we referred to the feasibility of introducing a small recording microprocessor into gaming machines at the manufacturing stage and explained that complicated issues were involved.

88. During the year, with the help of our consultants, we produced outline proposals for a monitoring device which incorporated standard mass produced components and was capable of recording virtually all that happened to a machine over a period of up to twelve months. We formed the view that it was not necessary to build such a monitor into every machine but that it should be capable of being plugged into a machine as and when required. There would have to be a common interface with the host machine but, other than this, there would be no burden on the host since the monitor would be completely self contained.

89. The cost of each monitor would depend mainly on the number produced, the amount of memory catered for, and the cost of the programming and development work. It could be as low as about £13. In addition, there would be a need for interrogator devices which would also have to be microprocessor based. The cost of these devices would depend on their complexity, the number produced, and the amount of programming and development work, and might work out at about £500 each. But only a limited number would be necessary since one interrogator could serve many monitors.

90. We have direct responsibility for less than 4,000 jackpot machines, and we were loath to seek powers to require the fitting of monitors into this small proportion of the total number of machines. We therefore sought meetings with the trade and with a number of the larger manufacturers to promote the idea of a standard system such as we have described. We were disappointed, but not entirely surprised, to find that our proposals did not command much support. We well understand that the machine trade is a competitive one and that manufacturers prefer to undertake their own development. Even so, we still believe that there must ultimately be some standardisation and commonality of design; and we feel that the Board's initiative in getting manufacturers together at several meetings has been productive of constructive thinking.

91. This is a matter to which we shall continue to give close attention.

Video games

92. It seemed that opinion within the trade was divided on whether video games would continue to gain popularity or whether interest would start to die away, although there appeared to be agreement that players tended to seek new and more sophisticated games. We heard that some videos went out of fashion

soon after they were put out on site and that it was sometimes difficult to recoup the cost of the machines. We for our part continued to examine individual models which appeared to incorporate an element of chance, in order to recommend whether or not they should be considered as falling within Part III of the Gaming Act, and had our general policy under review at the end of the year.

Applications for certificates under section 27 of the Gaming Act

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

	England and Wales	Scotland	Totals
Applications outstanding on 31 December 1979	36	1	37
New applications received	166	8	174
Totals	202	9	211
Issued	98	4	102
Refused	2	—	2
Applications withdrawn	19	1	20
To be determined or awaiting payment of fee on 31 December 1980	83	4	87
Totals	202	9	211

Renewal of certificates

94. Certificates have a life of five years, so that, as was to be expected in this tenth year since certification was introduced, 1980 was a heavy year for renewals. Since we have only a small staff at our disposal, some delays could not be avoided. We were helped by the good response to our appeal for the early submission of applications but at the end of the year there were still 52 applications for renewal which had not been determined or for which we were awaiting the fee. Holders of section 27 certificates are reminded that, once a certificate has lapsed, the holder is not entitled to seek any new business but may continue to honour existing contracts.

95. 871 certificates reached the end of their five year life during the year. We were notified that renewal was not required for 156 of these. Applications for the renewal of 20 certificates were received during the latter part of 1979, and for the remaining 695 during 1980. The disposal of these applications is shown in the following table. In only one case was renewal refused.

	England and Wales	Scotland	Totals
New certificate necessary*	22	3	25
Certificates renewed	570	27	597
Applications withdrawn	37	3	40
Applications refused	1	—	1
To be determined or awaiting payment of fee on 31 December 1980	48	4	52
Totals	678	37	715

* 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.

96. During the year we received 18 applications in respect of certificates expiring during 1981. By 31 December we had issued certificates in 7 of these cases.

Revocations

97. During the year one certificate was revoked.

Certificates in force

98. On 31 December there were 1,245 certificates in force, a decrease of 98 compared with 1979.

Permits

99. 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. 11 such permits were issued during the year.

Partnerships

100. Partnerships are often dissolved on the death or retirement of a partner, or when it is desired to reconstitute a partnership. If they are then set up in a new form, a new certificate is required at a present cost of £900. We suggest that those setting up in partnership should examine the possibility of incorporating into the deed some provision for the continuance of the partnership in such circumstances.

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 1968 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 1979–30 June 1980. These figures are derived from returns submitted to the Board by clerks to licensing authorities in England and Wales and sheriff clerks in Scotland, as is required by Schedule 10 to the 1968 Act.

	England and Wales	Scotland	Totals
<i>Initial applications</i>			
Granted	58	—	58
Refused	—	—	—
Not proceeded with	1	—	1
Not determined by 30 June 1980	—	—	—
Totals	59	—	59
<i>Renewal applications</i>			
Granted	238	4	242
Refused	1	—	1
Not proceeded with	2	—	2
Not determined by 30 June 1980	—	—	—
Totals	241	4	245

105. During this period, 14 registrations were cancelled in England and Wales.

106. The total number of clubs registered under Part II of the 1968 Act at 30 June 1980 in England and Wales was 791. In Scotland, it was 29.

Registration under Part III

107. Clubs or institutes may be registered with local authorities under Part III of the Gaming Act 1968 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 1979 and 30 June 1980. 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	1,172	112	1,284
Refused	28	3	31
Not proceeded with	—	5	5
Not determined by 30 June 1980	1	—	1
Totals	1,201	120	1,321
<i>Renewal applications</i>			
Granted	7,733	823	8,556
Refused	20	—	20
Not proceeded with	—	48	48
Not determined by 30 June 1980	—	—	—
Totals	7,753	871	8,624

109. During this period, 918 existing registrations were cancelled in England and Wales. In Scotland 19 were cancelled.

110. The total number of clubs registered under Part III of the 1968 Act on 30 June 1980 in England and Wales was 18,396. In Scotland there were 2,035.

POOL COMPETITIONS ACT 1971

111. When seeking Parliamentary approval of the extension of this Act for a further year, the Government was mindful of the conclusion of the Royal Commission on Gambling that the Act should not be extended beyond July 1979, but considered that there were good grounds for continuing the Act in force until Parliament had decided what changes should be made in the general law on lotteries. Accordingly, the duration of the Act was extended for a further year, until 26 July 1981, by the Pool Competitions Act 1971 (Continuance) Order 1980. The Government undertook to invite the organisers of these competitions to discuss with the Home Office in the meantime the scope for a permanent substitute for the temporary arrangements for which the Act provides.

112. The seven licensed pool promoters continued to operate competitions having a turnover well in excess of that permitted under the Lotteries and Amusement Act 1976.

113. Declining membership, coupled with the effects of inflation, resulted in some pool promoters having to raise their entry fees.

114. We continued to exercise our powers under the Act both to safeguard the interests of competitors and to ensure the continued financial benefits to the societies named in the certificates granted under the Act.

LOTTERIES

Introduction

115. During the year 3 local authorities and 141 societies registered lottery schemes with the Board for the first time. 74 local authority and 112 society schemes expired and were not renewed. The total number of schemes registered by the end of the year, including schemes registered for the second time as described in paragraph 123, was 1,286. These comprised 285 local authority and 1,001 society schemes.

Enforcement action

116. We issued 6 "minded to revoke" and 17 "minded to refuse" letters in the year. As a result, 5 schemes were revoked and 7 applications were refused.

117. During the year, our staff were increasingly involved in assisting the police with investigations into alleged lottery offences. On occasion, this involved staff in making statements to the police, and in two or three instances giving evidence in court.

Submission of accounts

118. At 30 April 1980, the out-turn for gross ticket sales for the preceding 12 months for society and local authority lotteries was £65.8m. Six months later, at 31 October 1980, the figure for this period had risen to £83.1m as a result of late accounts being received. The 1976 Lotteries and Amusements Act is silent on the matter of how soon accounts should be submitted to us following the promotion of a lottery, and we have no authority to set a time limit for their submission. Experience has shown that a reasonable period for the submission of an account is six weeks from the date of the relevant lottery; and although we appreciate that difficulties may arise to prevent adherence to this time scale, we are concerned that some promoters take very much longer than this to submit their accounts.

119. We were also concerned at the appreciable number of accounts sent to the Board which on examination were found to disclose breaches of the Act (for example, because the expense limit or the limit on prizes, or both, had been exceeded). Some 48.46% of all local authority and 39.33% of all society lottery accounts submitted to us disclosed breaches of the 1976 Act.

120. Many breaches resulted from poor ticket sales. Difficulty in selling all the tickets for individual lotteries led some local authorities and societies to lengthen the period between lotteries. Another development was the move to promote lotteries with proceeds of £5,000 or under.

Lottery sales

121. The average proceeds for lotteries of all sizes under schemes registered with the Board, calculated from accounts received, was £6,895 for those lotteries promoted in the 12 months from 1 May 1979 to 30 April 1980. The figure fell to £6,400 for the following 6 months to 31 October 1980. These figures showed a decrease when compared with the figures for the previous year, which were £6,980 and £7,100 respectively.

122. The separation of these figures into local authority and society lotteries shows that the downward trend was more marked for local authority lotteries. During the period 1 May 1978 to 30 April 1979, the average for local authority lotteries was £6,640. For the subsequent 12 months, the figure was £6,175. For the 6 months 1 May 1980 to 31 October 1980 it was £5,020. For society lotteries, the average in 1978-79 was £7,180. For the subsequent 12 months, it was £7,130 and for the 6 months from 1 May 1980 to 31 October 1980 it was £6,920. It should be remembered that the basis of the average for the two types of lotteries is different. Society lottery schemes are required to be registered with the Board only when the turnover is expected to be more than £5,000. All local authority schemes, however small, must be registered with the Board.

Registration of further schemes

123. The Board began to register lottery schemes from 1 May 1977, when the Act of 1976 came into force. These schemes had effect for a period of not more than three years. From 1 May 1980 they began to expire, and numerous local authorities and societies applied to the Board to register further schemes. The renewal of a scheme is not an automatic procedure. When considering applications the facts of each case are carefully studied. Under our statutory obligations we have, for instance, to take into account whether or not all lotteries promoted by or on behalf of the applicant within the last five years have been properly conducted. We have been advised that where we cannot be satisfied on this issue, the effect of the Act is that we have no discretion to register a scheme, but can do so if directed by the Secretary of State. By the end of the year the Board had registered 110 schemes to replace schemes which were due to expire. Of these, 32 were at the direction of the Secretary of State. These consisted of 18 local authority and 14 society schemes.

House of Lords ruling: Spotcash

124. The House of Lords gave judgement in March in the case of Imperial Tobacco Ltd. and Another v. H.M. Attorney General. Imperial Tobacco Ltd. had promoted a "free lottery" (Spotcash) by inserting cards in packets of Players King Size cigarettes. A rival tobacco company were advised that the scheme was an unlawful lottery and applied to the Attorney General for his consent to the institution of a relator action by them against the respondents. The Attorney General did not consent but a criminal prosecution was instituted on the instructions of the Director of Public Prosecutions by the laying of information in Nottingham Magistrates Court. These proceedings were overtaken when Imperial Tobacco Ltd. decided to try and get the legality of the scheme determined by seeking a declaration in the Commercial Court that the conduct complained of was not criminal.

125. Mr. Justice Donaldson held, in that court, that the scheme was both a lottery and an unlawful competition. His decision on both points was reversed by the Court of Appeal (Lord Denning, Master of the Rolls, Lord Justice Ormrod and Lord Justice Browne) who held that the scheme was lawful. The case went on appeal to the House of Lords and was heard by Viscount Dilhorne, Lord Edmund-Davies, Lord Fraser of Tullybelton, Lord Scarman and Lord Lane. They ruled that the scheme was a lottery. They said that in their opinion

a scheme was a lottery if the prizes were distributed by chance and if persons were induced to make a money payment, or to give other valuable consideration, in order to obtain a chance of winning a prize, it being immaterial that no part of the price could be allocated to the chance. The House of Lords were of the opinion that, in the Spotcash scheme, there was a payment for a chance when, in return for the money paid, the customer secured a chance as well as a packet of cigarettes. They considered that Spotcash was not a competition because no effort or skill was required from the participants.

Control of lotteries

126. We continued a programme of "on the ground" visits by members of our staff during the year. These helped us in identifying problems which occurred at local level, and in supervising the lotteries promoted under schemes we had registered. We intend that these visits will remain a regular feature of our work, and wish we had the staff to do more.

Code of practice

127. During the year, the British Printing Industries Federation went ahead with the preparation of a code of practice for use by printers of lottery tickets. We were consulted about its terms and consider that this was a welcome and useful development. We hope that lottery promoters will consider purchasing their tickets only from promoters who indicate that they comply with the provisions of the code.

Statistics

128. Tables 1 and 2 show the total number of lotteries promoted in Great Britain between 1 May 1979 and 31 October 1980 under schemes registered with the Board. The tables also show the total amount of money received from gross ticket sales, the amount appropriated for expenses and prizes, and the balance which went to the causes concerned.

TABLE 1
All lotteries promoted in England and Wales, and Scotland, between 1 May 1979 and 30 April 1980 under schemes registered with the Board
SOCIETY LOTTERIES

	Number of lotteries	Total ticket sales		Expenses		Prizes		Balance	
		£	(%)	£	(%)	£	(%)	£	(%)
England and Wales	8,334	58,881,911	(21.47)	12,643,352	(41.14)	24,220,985	(37.39)	22,017,574	(37.39)
Scotland	840	6,524,590	(23.05)	1,503,806	(40.26)	2,626,744	(36.69)	2,394,040	(36.69)
Totals	9,174	65,406,501	(21.63)	14,147,158	(41.05)	26,847,729	(37.32)	24,411,614	(37.32)

LOCAL AUTHORITY LOTTERIES

	Number of lotteries	Total ticket sales		Expenses		Prizes		Balance	
		£	(%)	£	(%)	£	(%)	£	(%)
England and Wales	2,936	17,807,430	(21.83)	3,887,997	(41.48)	7,385,596	(36.69)	6,533,837	(36.69)
Scotland	64	711,398	(22.96)	163,348	(41.62)	296,058	(35.42)	251,992	(35.42)
Totals	3,000	18,518,828	(21.88)	4,051,345	(41.48)	7,681,654	(36.64)	6,785,829	(36.64)
Totals ALL lotteries...	12,174	83,925,329	(21.69)	18,198,503	(41.14)	34,529,383	(37.17)	31,197,443	(37.17)

TABLE 2

All lotteries promoted in England and Wales, and Scotland, between 1 May 1980 and 31 October 1980 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	4,095	28,019,782	(22.14)	6,203,541	(22.14)	11,508,843	(41.07)	10,307,398	(36.79)
Scotland	356	2,782,465	(22.91)	637,591	(22.91)	1,136,257	(40.84)	1,008,617	(36.25)
Totals	4,451	30,802,247	(22.21)	6,841,132	(22.21)	12,645,100	(41.05)	11,316,015	(36.74)

LOCAL AUTHORITY LOTTERIES

	Number of lotteries	Total ticket sales		Expenses		Prizes		Balance	
		£	(%)	£	(%)	£	(%)	£	(%)
England and Wales	1,673	8,394,574	(22.79)	1,912,677	(22.79)	3,493,964	(41.62)	2,987,933	(35.59)
Scotland	17	93,443	(23.38)	21,846	(23.38)	40,195	(43.02)	31,402	(33.60)
Totals	1,690	8,488,017	(22.79)	1,934,523	(22.79)	3,534,159	(41.64)	3,019,335	(35.57)
Totals ALL lotteries...	6,141	39,290,264	(22.33)	8,775,655	(22.33)	16,179,259	(41.18)	14,335,350	(36.49)

INSPECTORATE AND ENFORCEMENT

Introduction

129. We referred in our last report to impending retirements and promotions. In the event, the changes during the year exceeded our expectations. Three senior inspectors, Mr. C. Irving, Mr. J. Rowland, MC, and Mr. J. G. Young retired in March. Inspector W. S. Smith, OBE, MC, retired in September. These officers had joined the Board's inspectorate at its inception in 1970 and the Board are grateful to them for their loyalty and dedication through our formative years. Inspector D. W. Millward resigned to take other employment.

130. Mr. G. E. Bentley, who was awarded the Queen's Silver Jubilee Medal in 1977, retired from the post of Deputy Chief Inspector at the end of the year, but was to continue in service with the Board as inspector for the Bristol area. Mr. J. Lynch, Senior Inspector for the South-East region, was appointed as his successor. Three new inspectors were appointed. A vacancy for a specialist gaming machines inspector and two vacancies for area inspectors remained to be filled at the end of the year.

131. During the year, the inspectorate gave 118 lectures to police officers. A high level of co-operation with the police was maintained.

132. The Board's inspectors made 2,305 supervisory visits to casinos; 4,304 supervisory visits to bingo clubs; and 436 inspections of certificated gaming machine suppliers. They issued 18 warnings to licensees for infringements of the law. The police issued 59 cautions and initiated 57 prosecutions. The Board's inspectors were named in 54 warrants granted to the police under section 43 of the Gaming Act 1968.

Casino gaming

133. At paragraph 12 we have recounted developments relating to the licence of the Victoria Sporting Club. The position at the end of the year as regards criminal proceedings, following the execution of warrants at the premises by the police in December 1978, was that the trial of one principal, charged with possessing a controlled drug, which had been set for December had been adjourned when he and another person, not previously charged, were charged with conspiring to pervert the course of justice. That principal and four others stood committed for trial on other charges arising from the execution of the warrants which were to be tried on a date which had not been set by the end of the year.

134. We have summarised at paragraphs 10 and 11 the developments affecting the licences of the casinos controlled by the Coral Leisure Group. Of those charged with criminal offences arising from the police enquiries, at the year's end 16 had been committed for trial, two had been tried summarily, and one had been discharged. On the directions of the Director of Public Prosecutions, all or some of the charges against 13 persons had been withdrawn.

135. During the year, eighteen other certificated staff of casinos were charged with, or committed for trial for, conspiring to cheat and defraud their employers.

136. The international character of gaming offences, and the persistence of persons believed to be engaged in cheating activities, are illustrated by two cases:—

- (i) At paragraph 119(3) of our report for 1976, we noted the arrest and conviction of a number of men concerned in a conspiracy to cheat at roulette by making alterations to a roulette wheel. One of the principals subsequently absconded from an open prison and returned to the Continent. Enquiries from Spain in mid 1980 revealed that that principal and associates had been identified patronising casinos there.
- (ii) In February a person with whom casino proprietors have become familiar, with an accomplice, entered a Derby casino and was believed to be cheating at roulette. When confronted, the accomplice left through a plate glass window but was arrested and subsequently sentenced to 12 months' imprisonment. The principal was handed over to the police of another force by whom he was wanted for similar offences.

In June, that same principal, and two accomplices, visited a Birmingham casino but were refused admission. They went to a Staffordshire casino where they came under suspicion and were asked to leave. They were then refused admission to another casino in the same area and returned to Birmingham where they gained admission to another. They again came under suspicion and were arrested. Each was fined £450 at Birmingham Magistrates Court. Two of those convicted were on bail awaiting trial for similar offences elsewhere.

Bingo

137. In paragraphs 60 to 63 and in Appendix III we describe the introduction, with effect from 1 January 1981, of a revised code for the operation of mechanised cash bingo. We refer to some of the features of the new code which we hope will go some way towards alleviating the problems caused by certain undesirable features of mechanised cash bingo. Our inspectors will pay special attention to the working of the revised code in the forthcoming months.

138. We have drawn attention from time to time to the need for physical checks of the operation of mechanised cash bingo and such a requirement is enshrined in the new code. The necessity for such checks was intended to protect proprietors from malfunction of equipment and the legal consequences thereof. A recent case has revealed as great a necessity for a physical check of the operation of a unit during each session of games if a proprietor is to protect himself from theft. A simple method had been devised by which the insertion of a coin at a playing position allowed the indicator light at the position to indicate that the position was in play but the acceptance of the money was not registered by the unit computer. After each game there was an excess of money taken over that recorded as having been taken, the benefit of which did not go to the proprietor.

139. At paragraph 109 of our 1978 report, we referred to the execution in 1977 by the police of a warrant under section 43 of the Gaming Act at the

premises of a club where it was claimed that bingo was organised under the provisions of section 40. In our 1979 report (paragraph 131) we reported that two principals had been committed for trial to Winchester Crown Court on charges alleging conspiracy to defraud club members, to make unlawful charges in respect of gaming, and to make unlawful levies on the stakes of players. Those principals had not been tried by the end of the year.

140. The hazards of non-members taking part in bingo on licensed bingo club premises are not always the obvious ones. In the past, we have noted cases where non-members have won substantial prizes and the consequent dilemma of the proprietor. At one club in 1979 a player noticed that a particular number had not been called the whole of the evening. At the end of the evening he requested a check of the numbered balls in the selector unit. Eight numbers were found to be missing. The player requested the refund of his participation fees and stake money. When this was refused, he reported his grievance to police. Police enquiries revealed that neither the complainant, nor his wife who had also taken part in the gaming, were members, or were guests of a member. A prosecution was initiated against the proprietor under sections 12, 23 and 31(8) of the Gaming Act. He was perhaps fortunate that a charge had not been preferred also for a contravention of section 2 of the Act (chances in the gaming not equally favourable to all the players) but he may have learned the necessity to check all numbers at the beginning of play, as so often advised by the Board.

141. In November, at Newcastle-upon-Tyne Crown Court, six bingo club managers and one machine mechanic pleaded guilty to indictments alleging theft from gaming machines and conspiring to steal. Two managers were sentenced to 9 months' and 8 months' imprisonment respectively and ordered to pay £2,500 compensation. The machine mechanic was sentenced to 6 months' imprisonment. The remaining four managers were made subject to Community Service Orders of 200 hours each.

142. During the year, eight other managers of bingo clubs were charged with, or convicted of, theft from their employers and four checkers were charged with conspiring with club members to confirm false claims for winnings.

Gaming machines

143. We continued to be surprised at the equanimity with which operators of machines accepted claims that jackpot machines had failed to deliver prizes in full. Where an operator retains in use a machine which is frequently the cause of complaint and relies on the provisions of section 31(4) of the Act for his refusal to ensure payment of the prize, he risks being suspected of being dishonest. In other cases, claims that prizes have had to be paid otherwise than by the machine may be an indication that the benefit thereof accrues to a person other than the winner of a game on the machine. Recently devised systems for monitoring the action of a machine may enable a proprietor to protect himself against suspicion or against an employee who may seek to benefit himself.

144. In October 1977, an inspection of two machines in a club by one of the Board's inspectors caused suspicion that the machines had been supplied by a supplier who had had a certificate granted to him under section 27 of the Act

revoked some years previously. There ensued a lengthy and complex enquiry as a result of which the supplier appeared at Swansea Crown Court in July 1980, charged with 22 counts alleging the unlawful sale, supply and maintenance of machines, unlawful profit sharing of the proceeds from machines, and unauthorised removal of money from machines. He pleaded guilty to seventeen of the counts and these pleas were accepted. He was fined a total of £10,000 and ordered to pay £2,000 costs. Five gaming machines and £953.10 cash from machines were ordered to be confiscated.

145. On 3 December 1980, at Beverley Crown Court, a certificated supplier of gaming machines was fined a total of £2,000 and ordered to pay two-thirds of the costs of the prosecution for supplying machines contrary to the provisions of section 28(2) of the Gaming Act. Two officers of the company were also fined, with alternative sentences of imprisonment in default of payment.

146. There were eleven other prosecutions for the unlawful sale or supply of machines and four of unlawful gaming by means of Bally bingo type machines. Examination of two amusements-with-prizes machines in an amusement arcade, operated under a permit under section 34 of the Act, revealed that an old and commonly known method had been used to prevent a player obtaining some of the prize winning combinations which the machines would otherwise have provided. A prosecution was being considered. We believe that such deception is more common than is realised.

APPENDIX I

REMUNERATION AND EXPENSES OF THE BOARD AND SENIOR STAFF

The Board consisted of a Chairman, a Deputy Chairman and four members. All were part time. The remuneration of the Chairman at 31 December was £4,172 a year, that of the Deputy Chairman £7,052 a year, and that of each of the members £5,000 a year.

On 31 December the Board had 90 full time employees. Of these, at the end of the year, one was receiving a salary of £20,500 a year and one a salary of £18,500 a year. Three were receiving salaries of £15,000 a year and a further ten were receiving salaries in the range £10,000–£13,500 a year.

Expenses incurred during the financial year ended 31 March 1980 amounted to £107,000. £2,950 was attributable to Board members and £104,050 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 1980
AND 31 DECEMBER 1980

ENGLAND

	<i>1 January 1980</i>	<i>31 December 1980</i>
LONDON	23	22
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 BOROUGHS, NON-COUNTY BOROUGHS AND
URBAN DISTRICTS OF:—

	<i>1 January 1980</i>	<i>31 December 1980</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	1	2
HOVE	—	1
HUDDERSFIELD	1	1
KINGSTON-UPON-HULL	1	1
LEEDS	3	3
LEICESTER	3	3
LIVERPOOL	5	5
LUTON	1	2
LYTHAM ST ANNES	1	1
MANCHESTER	5	5
MARGATE	2	2
NEWCASTLE UPON TYNE	4	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 1980</i>	<i>31 December 1980</i>
SANDOWN-SHANKLIN	2	2
SCARBOROUGH	1	1
SHEFFIELD	3	3
SOUTHAMPTON	2	2
SOUTHEND-ON-SEA	3	3
SOUTHPORT	2	2
STOCKPORT	1	1
STOKE-ON-TRENT	2	1
SUNDERLAND	1	1
TEESSIDE	2	2
TORBAY	1	1
WALSALL	2	1
WARLEY	—	—
WEST BROMWICH	—	—
WOLVERHAMPTON	1	1

WALES

THE AREAS OF THE FORMER COUNTY BOROUGHS OF:—

	<i>1 January 1980</i>	<i>31 December 1980</i>
CARDIFF	2	2
SWANSEA	2	2

SCOTLAND

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

	<i>1 January 1980</i>	<i>31 December 1980</i>
ABERDEEN	3	3
DUNDEE	2	2
EDINBURGH	3	3
GLASGOW	3	3
	—	—
	128	127
	—	—

APPENDIX III

RECOMMENDED CODE FOR THE OPERATION OF MECHANISED CASH BINGO

The following code shall have effect from 1 January 1981, and shall apply to cash bingo played upon fixed positions equipped with tables, panels or consoles containing electronic, electrical or mechanical apparatus, excepting sound equipment, any part of which is used in playing the game:—

1. (a) A charge for the playing of mechanised cash bingo is a charge which comes within the control of Section 14 of the Gaming Act, 1968, and the Gaming Clubs (Hours and Charges) Regulations, 1970. It is important, therefore, to ensure that such charges are notified to the licensing authority and the aggregate of charges for mechanised cash bingo and all other cash bingo, excluding V.A.T., does not exceed that permitted by the regulations.
(b) The display of charges which may be incurred in any one charging period must show the charge for playing each game or session of mechanised cash bingo, the number of games or sessions which may be played, and the aggregate amount of charges which may be incurred in that charging period in respect of all games or sessions of mechanised cash bingo.
2. Mechanised cash bingo shall be neither a substitute for nor allowed to predominate normal cash bingo and may only be played 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.
3. Where possible, the area used for the operation shall be clearly identifiable and separate from normal cash bingo, and may be played upon prize bingo units subject to Code 5(c) below.
4. The equipment used shall conform to the following design standards:—
 - (a) Playing positions shall be at not less than 16" centres.
 - (b) The bingo boards or cards shall have not less than 15 numbers, and no fewer than 75 numbers shall be used in the game.
 - (c) On top of each position there shall be an indicator light activated at the time of payment.
 - (d) The maximum number of playing positions in any one licensed bingo club shall not exceed 200. Where the aggregate number of playing positions consists of more than one unit, the units shall be so synchronised that no player may exceed the maximum games of mechanised cash bingo which may be played in a charging period. The options provided by this rule are that there may be:—
 - (i) a single unit of up to 200 seats, or
 - (ii) separate units which, when taken together, comprise up to 200 seats and which are linked and played as one unit with one control position, or
 - (iii) separate units which, when taken together, comprise up to 200 seats and which are synchronised as to games count-down but which are played as separate independent games.
5. Operators shall be bound to ensure:—
 - (a) The aggregate of admission and participation fees collected in any one charging period does not exceed the maximum permitted under the Gaming Clubs (Hours and Charges) Regulations in force at the time and conforms to a scheme of charges.

- (b) No player pays more than one participation fee per game or per session, nor plays at more than one position at any one time.
- (c) No other game is played upon the same unit simultaneously with the game of mechanised cash bingo.
- (d) The accuracy of the count when computers are used by physically cross-checking at least once per session.
- (e) The number of participants and the prize money payable in each game is published and announced before the game is completed.
- (f) The rules of play for mechanised cash bingo are displayed in the area used for operating the game.
- (g) The start and finish of each series of games and any change to a game other than mechanised cash bingo is announced clearly.

6. Where a method of calculating participation fees, duty and prizes has the effect of awarding a prize which includes a decimal of a penny the prize may be rounded to the nearest 1p. In this limited case, the Board will not require that the amounts by which prizes are rounded up shall be aggregated for the purpose of subsection 8 of section 20 of the Gaming Act, 1968, nor contend that where rounded down a levy has been imposed on stakes.

RECOMMENDED MINIMUM RULES OF PLAY FOR MECHANISED CASH BINGO

The rules of play relative to cash bingo and published in the code of conduct shall apply, together with the following additional rules:—

- (1) No player may pay more than one participation fee per game or, where a series of games are played as a session, more than one participation fee per session. Any infringement of this rule shall debar the player from participating in that particular game (or from the remainder of games in that session).
- (2) The illumination of the indicator light at the player's position is proof of payment and a pre-requisite of any winning claim.

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
Warwickshire County Cricket Supporters' Association	Warwickshire County Cricket Supporters' Association and medical aims

HER MAJESTY'S STATIONERY OFFICE

Government Bookshops

49 High Holborn, London WC1V 6HB
13a Castle Street, Edinburgh EH2 3AR
41 The Hayes, Cardiff CF1 1JW
Brazennose Street, Manchester M60 8AS
Southey House, Wine Street, Bristol BS1 2BQ
258 Broad Street, Birmingham B1 2HE
80 Chichester Street, Belfast BT1 4JY

*Government publications are also available
through booksellers*