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Report of the Gaming  
Board for  
Great Britain 1991/92

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# Report of the Gaming Board for Great Britain 1991/92

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

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### Previous Reports

1990—H.C. 515 (1990–91)  
1989—H.C. 471 (1989–90)  
1988—H.C. 461 (1988–89)  
1987—H.C. 549 (1987–88)  
1986—H.C. 263 (1986–87)  
1985—H.C. 390 (1985–86)  
1984—H.C. 443 (1984–85)

MEMBERS OF THE GAMING BOARD FOR GREAT BRITAIN IN 1991/92

MR N A WARD-JONES CBE, VRD, JP, *Chairman*

MR M H HOGAN

LADY IBBS JP (to 30 November 1991)

MR P B KAVANAGH CBE, QPM (to 30 June 1991)

MR W B KIRKPATRICK JP

SIR RICHARD BARRATT CBE, QPM (from 1 July 1991)

LADY TRETHOWAN JP (from 1 December 1991)

*Secretary*

MR P R BURLEIGH (retired 15 November 1991)

MR T J KAVANAGH (from 18 November 1991)

Gaming Board for Great Britain  
Berkshire House  
168-173 High Holborn  
LONDON WC1V 7AA

ANNUAL REPORT OF THE GAMING BOARD FOR GREAT BRITAIN

To:

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

In pursuance of section 50 of the Gaming Act 1968 I have the honour to present the twenty-third report of the Gaming Board for Great Britain covering the period 1 April 1991 to 31 March 1992.

NORMAN A WARD-JONES  
Chairman

1 June 1992

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# 1 Introduction and General

1. This is the twenty-third Annual Report of the Gaming Board for Great Britain since it was established by the Gaming Act 1968. A system of statutory regulation of gaming was introduced by that legislation and the current objectives of the Board in respect of that system are given in Appendix II of this Report.

## Composition of the Board

2. During the year two members of the Board, Lady Ibbs JP and Mr P B Kavanagh CBE, QPM, retired. Mr Kavanagh left the Board on 30 June 1991 after serving for eight years and Lady Ibbs on 30 November having served six years. The Board wishes to express appreciation of the valuable work which both members contributed and their considerable experience in dealing with the issues faced by the Board will be greatly missed.

3. Sir Richard Barratt CBE, QPM was appointed as a new member from 1 July 1991. Sir Richard was formerly the Chief Constable of South Yorkshire and HM Chief Inspector of Constabulary from 1987 to 1990. Lady Trethowan was appointed from 1 December 1991: she has been a magistrate on the North Westminster Bench since 1979. Both appointments are for an initial period of two years.

4. On 15 November 1991 the Board's Secretary, Mr P R Burleigh, retired. Mr Burleigh had served for over three years and the Board wishes to record its thanks for all his efforts and valued advice. Mr Burleigh's successor is Mr T J Kavanagh, on transfer from the Home Office Immigration and Nationality Department.

5. The Home Secretary announced on 24 February 1992 that Lady Shirley Littler would become the new Chairman of the Board on the retirement of the current Chairman, Mr Norman Ward-Jones, at the end of June 1992. Lady Littler, who recently retired as Director General of the Independent Broadcasting Authority, serves as a Board Member from 1 April 1992 before her appointment as Chairman takes effect on 1 July.

## Contacts with other gaming regulatory bodies

6. Throughout the year the Board maintained and improved its links with regulators and others concerned with gaming throughout the world.

### (i) *Gaming Regulators European Forum (GREF)*

7. The fourth annual meeting of this Forum took place in London on 27-28 February 1992. It was attended by representatives from nine of the twelve European Community countries, along with Austria as an associate member. GREF provides an opportunity for regulators to share experiences and information on matters of common interest and concern. Mr Norman Ward-Jones, the Board's Chairman, had also been Chairman of GREF since its inception but relinquished that role to Mr Hans Hoefnagels of the Dutch Board for Casino Games at the end of the February meeting. The Board's Secretary is one of the two Joint Secretaries of GREF. The Board is grateful to Mr Peter Lloyd, then Parliamentary Under Secretary of State at the Home Office, for hosting a dinner for delegates to the meeting at Lancaster House on the evening of 27 February. The meeting itself took place at the Britannia Intercontinental Hotel on 28 February.

8. Members of GREF have taken a close interest in the developing European Commission initiative on the gambling sector. The Chairman and prospective Chairman of GREF visited Directorate-General III of the Commission in November 1991 in connection with the Coopers and Lybrand Study on gambling in the Community which had been prepared for the Commission and the Joint Secretaries attended as observers the hearings held by the Commission in Brussels for operators in the gambling sector on 16–17 December 1991.

(ii) *Visits*

9. In August 1991 the Secretary accompanied by the Chief Inspector visited the Netherlands Board for Casino Games and the Netherlands Measurements Institute to review their gaming machines testing facilities. In October the Chief Inspector and Mr John Godfrey, the Board's consultant accountant, visited the Turks and Caicos Islands at the request of the Government there to review the operation and internal control procedures of a newly-opened casino on the island of Providenciales. The visit continues a consultancy which began in 1989 with a report on the regulation of casinos in the Turks and Caicos. Later in October the Chairman and Chief Inspector visited the Bahamas to attend the International Association of Gaming Attorneys Conference. A number of regulators from America and the Caribbean also attended, providing the opportunity for regulators from various jurisdictions to meet and discuss matters of common interest. The Chairman and Chief Inspector then travelled on to Nevada for discussions with the Nevada Gaming Commission and Nevada Gaming Board.

10. During the year, representatives of the industry and regulatory bodies from Holland, Israel, New Zealand, Poland, Hungary, Sweden, South Africa, Mauritius, Nevada and the Australian State of Victoria visited the Board for discussions with the Secretary and Chief Inspector. In September 1991 the Chairman, Mr J Irving, and members of the New Zealand Casino Control Authority visited the Board's offices and met the Chairman and Board officials and in March the newly appointed Chairman of the Bahamian Gaming Board, Mr Bradley Roberts, accompanied by his Board Members and Secretary, also visited the Chairman and officials for discussions.

11. The Board considers the visits to and from foreign regulatory bodies and the opportunities provided by GREF as being extremely important from the point of view of maintaining and improving its contracts throughout the world. These are essential in providing a basis for the exchange of views and information in what is becoming an increasingly international industry.

## Audits and Inspections

12. Home Office Staff Inspectors carried out a further review of the Board in 1991 and recommended in particular an increase of two staff to deal with the Board's finances. The new staff were appointed in early 1992.

13. The second and third stages of the five year rolling review of the Board's management systems by internal auditors were completed. They considered the arrangements for dealing with certificates of consent and other Board certificates and examined the Board's registry system.

14. The National Audit Office undertook the audit of the Board's accounts for 1990/91 in the latter half of 1991 and the audited accounts are given in Appendix III to this report. The unaudited financial statement for 1991/92 is also given in Appendix III.

## Changes to fees

15. On 20 January 1992 Orders were laid which altered gaming and lotteries fees with effect from 1 April 1992. The new gaming fees are set out in Appendix V and details of the lotteries fees are given in Chapter 6.

16. The Gaming Board is required to cover its expenditure, including the costs of its inspectorate in their regular work of supervision of and investigation of matters relating to casinos, bingo clubs, etc, through the fees charged for certification and licensing. The Board anticipates that the level of applications for certificates—which generate a substantial part of the income from fees received under the 1968 Act—will generally be lower in 1992/93 than in the past. The Board is also continuing its efforts to apportion fees more accurately to the cost of issuing particular types of licences, certificates and registrations in an attempt to reduce cross-subsidisation. After taking into account these factors, the Board has found it necessary to raise its fees for the 1992/93 year by an average of 20 per cent, with increases ranging from 15 per cent to 34 per cent, in order to maintain its current levels of activity and services.

## Performance Targets of the Board

17. In return for the fees paid, the Board aims to ensure that it provides an efficient and effective service to clients. The Board attempts to improve this service wherever possible within the limits imposed by staff numbers and the grant-in-aid available from the Home Office. Performance targets are set for most of the work of the Board and, as will be seen from the following figures, a very high proportion of cases are completed within those targets. Where they are not, the reason is usually delay in the supply of further details and information by applicants and therefore is not within the Board's control.

SECTION	TARGET	% ACHIEVED
<i>Lotteries</i>		
determination of applications to register lottery schemes		
1.4.1991—31.10.1991	2 months	98
1.11.1991—31.3.1992	1 month	89
<i>Machines Section</i>		
determination of applications for new certificates	3 months	69
processing of renewal applications	before expiry date	91
<i>Bingo Section</i>		
resolution of certificates of consent applications	within 8 weeks of receipt	76
<i>Certification Section</i>		
issue of certificates of approval	within 6 weeks of receipt	91 (first time applicants)
<i>Casino Section</i>		
determination of casino certificates of consent applications	within 4 months of receipt	38

The Inspectorate's visiting and inspection programme is described in Chapter 7.

18. The Board is grateful to all its staff for the effectiveness and diligence with which they carry out their duties, for achieving their targets wherever possible and for their attempts to improve on them.

## Board remuneration

19. The Board consists of a part-time Chairman and four part-time members. The annual remuneration of the Chairman from 1 April 1991 was £28,860 increasing to £29,400 on 1 December 1991. Each member received £11,575 per annum from 1 April 1991 and £11,790 from 1 December 1991. Members' expenses incurred during the 1991/92 financial year were £10,400. Both remuneration and allowances are met by the Home Office and not from the grant-in-aid to the Board. Accordingly they are not included in the Board's accounts for the year.

## 2 Casino Gaming

### Casino activities

20. The number of applications for certificates of consent and for consent to transfer existing licences decreased sharply during the year (see Table 5) perhaps reflecting both the continuing recession and the introduction of fees for such applications. A number of incomplete or ill-prepared applications, which the applicants might formerly have withdrawn on advice and perhaps later replaced with new ones, have also been pursued for as long as possible because the applicants do not wish to start again and pay the fee of £5,000. The Board has been as sympathetic as possible to such cases, but in some instances it has had to insist that the application be brought to a head and determined.

21. Paragraph 25 of last year's Report mentioned the grant of a licence for an additional casino in Reading following a successful appeal against the initial refusal by the licensing justices. The Crown Court also made an order awarding costs to the appellant, both in the Crown and magistrates' courts, against all other parties, ie the Board and the two existing casinos in Reading which had opposed the new licence application. The Board's share of these costs was estimated at some £70,000, and on 21 November 1991 those three parties were given leave to apply for judicial review of so much of the Reading Crown Court's order as reversed the magistrates' court's order on costs. The matter remained undetermined at the end of the period under review.

22. Paragraph 26 below refers to the grant of a licence for an additional casino in Cardiff. As well as the Board, the two existing casinos in Cardiff also lodged objections on ground of demand to the grant of this licence. Following the grant, one of the casinos requested on 26 July 1991 that the Cardiff Licensing Gaming Committee state a case for the opinion of the High Court as to whether the decision to grant this licence was one which the Committee could reasonably have reached. The Committee refused this application, and on 3 October 1991 the Divisional Court gave the casino leave to challenge by way of judicial review the refusal of the Cardiff Committee to state a case. The casino seeks to challenge the decision of the Committee on the ground that no such decision, to grant a third gaming licence in Cardiff on grounds of demand, could reasonably have been made. This application, to which the Board is not a party, was also awaiting determination at the end of the year under review.

23. Paragraph 24 of last year's Report referred to the fact that the company holding the licence for the Barracuda Club had applied for continuance of their certificate of consent. The applicant company was still in receivership at the end of the 1991/92 financial year, although the Stakis group had purchased the company and Stakis's final remaining obligations to the receivers had been executed. There appeared at first sight to be no reason why the receivers should remain in office. The Board understands however that the receivers wish to do so as it would assist them in litigation elsewhere which has nothing to do with either Stakis or the Board. For the reasons given in last year's Report, the Board is not willing to continue a certificate held by a company in receivership (even though, as in this case, the receivership may be only technical). Stakis have accordingly applied to the Board for consent to transfer the Barracuda licence from the company in receivership to another Stakis company. If the Board issue a transfer certificate, the continuance application will no longer be relevant.

24. In September 1991 the Board took action against the four casino licences held by the Hamblin group of companies. These licences were for the London Park Tower Casino (West London Division), a casino in Derby and two casinos in Bournemouth. The Board objected to the renewal of the Derby licence and applied for cancellation of the other three licences. The grounds of the objection and of the cancellation applications were essentially that the licence-holders were not fit and proper persons to hold licences under the Gaming Act 1968. This action followed difficulties which the Board had experienced with the Hamblin Group over a considerable period of time concerning the provision of a proper gaming reserve; and also other matters which occasioned a serious qualification of the company's accounts by the auditors, and in respect of which the Board had not been able to obtain satisfactory explanations. However, the Hamblin group subsequently gave acceptable undertakings to the Board and implemented a restructuring under a new Chairman, with three of the directors severing all their connections with the Hamblin gaming companies. As a result, and on the strength of these undertakings which were put before the Licensing Justices, the Board felt able to ask the Justices for their agreement to the withdrawal of its actions against the Hamblin group. This was granted. The Hamblin licence-holding companies are applying for continuance of their certificates of consent.

25. Paragraph 94 below describes the background to the Board's decision to apply for cancellation and non-renewal of the casino licences held by London Clubs International PLC.

### Demand for casino gaming

26. It remains the Board's view that gaming facilities should meet only local unstimulated public demand, as is implicit in the 1968 Act. During the period under review, the Board lodged objections to new licences for additional casinos in London (South Westminster) and in Cardiff. In both cases the licensing justices granted licences, and they were both apparently influenced by the fact that the applicants were proposing to provide facilities of a higher standard than, and therefore of a different character from, those already existing in the area of the licensing authority.

27. The Lyndhurst Club in London (North Westminster) holds a licence for card-room games of equal chance only. In September 1991, the licence-holder applied for a new licence for bankers' games. The Board lodged an objection on grounds of demand and a licence was refused on 20 November 1991. The applicants have appealed and the Board will be maintaining its objection.

### Numbers of licensed casinos

28. At 31 March 1991 there were 121 clubs in Great Britain licensed for casino gaming under Part II of the Gaming Act 1968. One of these clubs had still to open for business as at 31 March 1992.

29. Five of the 121 casinos held concurrent gaming licences issued in previous years to accommodate (a) the extensive renovation of the existing premises or (b) the building of substitute premises within the prescribed permitted area; three of these surrendered their original licences in 1991/92 when the existing premises were vacated and the substitute premises became operative.

30. Five new licences were also granted within this period; three were for substitute premises or for permission to vary the extent of the existing premises, and two were issued for additional casinos in London and in Cardiff that have yet to commence trading. Therefore, of the 123 licensed casinos at 31 March 1992, three had yet to open for business.

## Transfer of licences/applications for continuance

31. Between 1 April 1991 and 31 March 1992, the Board received one application for a certificate of consent to transfer a licence which is still pending at 31 March 1992. In addition, the Board received two applications for continuance of certificates of consent. These applications remained undetermined at 31 March 1992. Of the two applications for a certificate of continuance pending from the previous year, one was granted and the other has still to be determined.

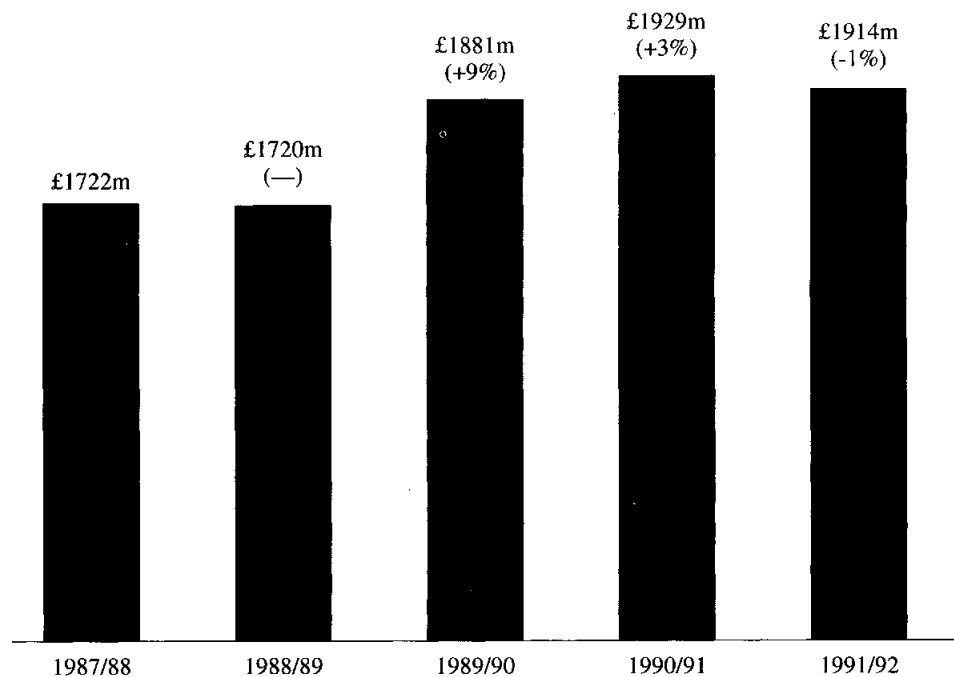
## Financial performance

32. The total drop (money exchanged for chips) in casinos in Great Britain during the financial year 1991/92 was £1,914 million, a decrease of £15 million on the revised 1990/91 figures. The totals for the last five years are as follows:—

Table 1

DROP PER YEAR: Overall

(Change from previous year in brackets)



Note on Table 1

The figures shown for 1990/91 correct an error in the last report, for which the Board apologises. Percentage figures are correct to the nearest whole percentage.

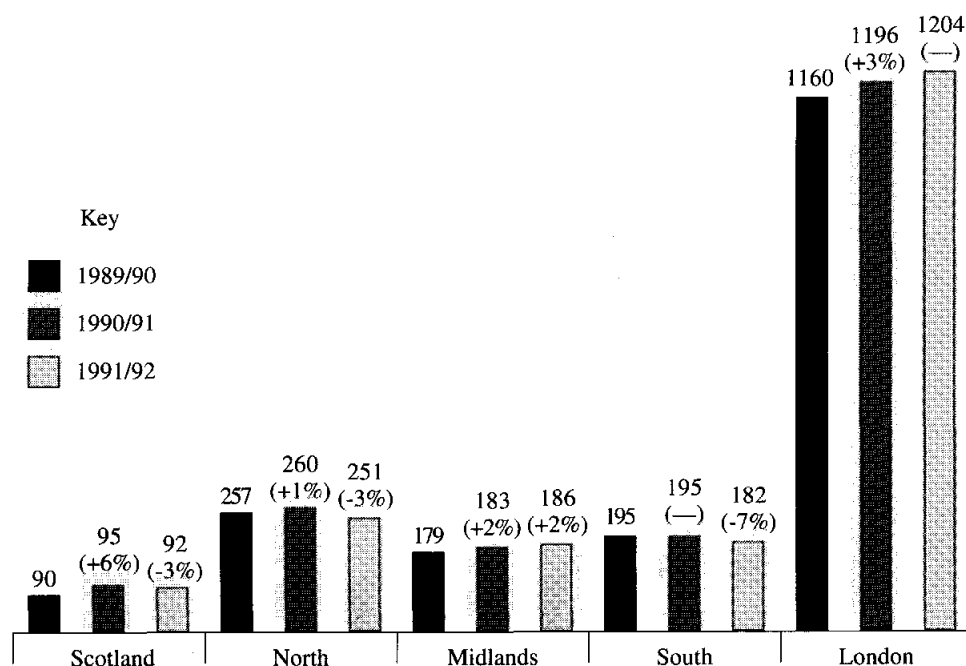
The drop in London casinos showed an increase of £8 million for the year, while that for the provinces fell by £23 million. Approximately 63 per cent of the total drop produced by all the casinos in Great Britain occurred in the London casinos.

The drop figures by region for the last three years were:—

Table 2

DROP PER YEAR £m: By region

(Change from previous year in brackets)



Note on Table 2

The figures for 1990/91 correct those shown in last year's report. Drop figures are rounded to the nearest £1m, and the percentage change is based on the rounded figures to the nearest whole percentage.

The proportion of drop for each game for the last four years was:—

Table 3

PERCENTAGE DISTRIBUTION OF DROP BY GAMES

	1988/89	1989/90	1990/91	1991/92
American Roulette	64.3	64.7	66.4	65.6
Punto Banco including Baccarat	14.8	14.4	13.7	13.1
Blackjack	18.4	18.8	18.3	18.4
Craps	1.6	1.6	1.4	2.4
French Roulette	0.05	0.04	0.1	0.01

Note on Table 3

The figures for each financial year do not include the unallocated drop received at the cash desk. Table 1, however, does include unallocated drop.

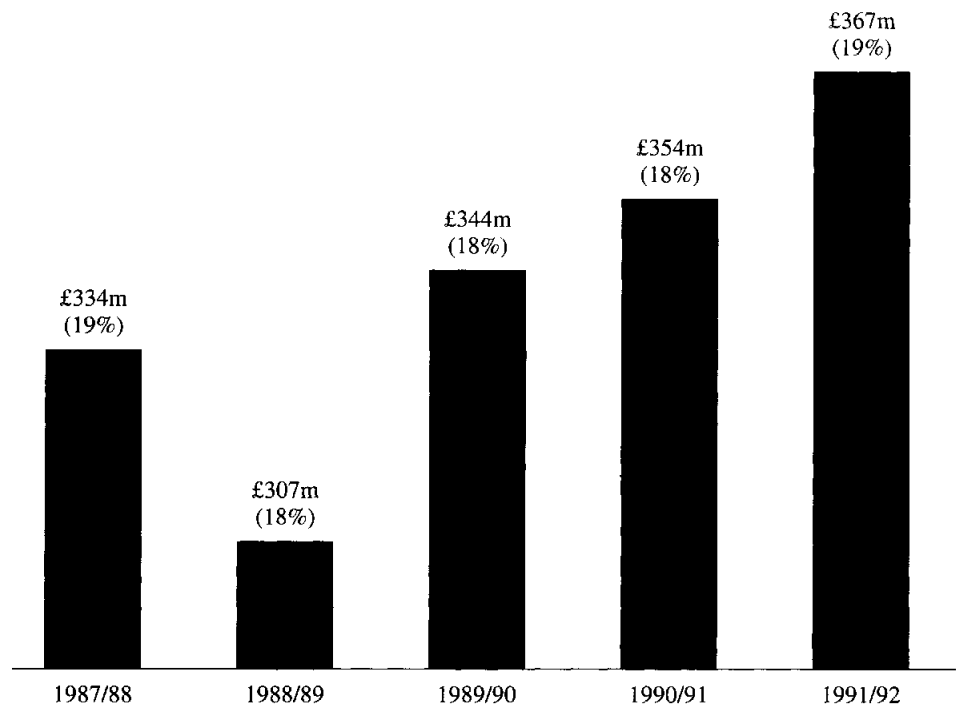


There was an increase of £13 million (4 per cent) in the total retained by casinos as house win. The figures for house win over the last four years were:

Table 4

HOUSE WIN: Overall

(Percentage of drop in brackets)



Note on Table 4

The figures for 1990/91 have been revised and they correct those shown in the last report. Figures are rounded to the nearest £1m, and percentage figures to the nearest whole percentage.

## Consent applications and the resultant licence applications

33. The number of consent applications received between 1 April 1991 and 31 March 1992 and their determination, and the number and determination of the resultant licence applications during the period, with the figures for the preceding 12 months in brackets, were as follows:—

Table 5

### OUTCOME OF CONSENT AND LICENCE APPLICATIONS

	England and Wales	Scotland	Totals
<i>Certificates of consent</i>			
Applications made	4 (15)	1 (—)	5 (15)
Applications withdrawn	— (1)	— (—)	— (1)
Applications not determined by end of financial year	2 (7)	— (—)	2 (7)
Certificates issued	*3 (7)	1 (—)	*4 (7)
*One certificate of consent issued relates to an application received during the period 1 April 1990—31 March 1991.			
<i>Licences</i>			
Applications made	3 (7)	1 (—)	4 (7)
Applications withdrawn	— (—)	— (—)	— (—)
Applications not heard by end of financial year	— (—)	— (—)	— (—)
Applications adjourned	— (2)	— (—)	— (2)
Applications refused	1 (—)	— (—)	1 (—)
Licences granted	4 (5)	1 (—)	5 (5)

#### Note on Table 5

The certificate of consent figures shown are for applications received and dealt with during the period 1 April 1991 to 31 March 1992. They do not include those applications pending from the previous year: of the seven outstanding applications carried over from 1990/91, two were refused, two were withdrawn and three still remain undetermined. Furthermore, of the four new licences granted in England and Wales during the reporting period, two were licence applications pending from the previous year. The licence refused referred to in Table 5 relates to a consent application lodged in the previous year.

## 3 Licensed Bingo

### Size of the industry

34. The 1991/92 financial year showed an increase of 0.8 per cent in the number of licensed bingo clubs, the first such increase since 1974. It is of course early to say whether this represents any reversal of the long-term downward trend, particularly as the number of clubs in operation showed a small further fall. The table below shows the position at 31 March 1992 while the figures in brackets refer to the previous year. Not all clubs holding a licence are open for business.

Table 6

NUMBER OF LICENSED BINGO CLUBS

	England and Wales	Scotland	Total
Licensed at 31 March 1992	901 (890)	118 (121)	1,019 (1,011)
Operating at 31 March 1992	846 (854)	117 (119)	963 (973)

### Changes in the industry

35. Once again there was a major development during the period covered by this Report, with the acquisition of Granada Clubs by Bass Plc in May 1991. Coral Social Clubs and Granada clubs were subsequently relaunched as "Gala Clubs", and a programme of renovation and improvement is currently under way.

### The financial trend

36. Last year's report drew attention to the fact that statistics included in earlier Board Annual Reports included stakes on bingo which attracts duty at non-licensed clubs, and therefore did not represent the amount staked on bingo in licensed clubs alone. The figures given below are those for licensed bingo clubs only for the last three years: comparable figures for previous years are not available. The available figures demonstrate an increase of 6.9 per cent in the amount of money staked on licensed bingo in the past year.

Table 7

AMOUNT STAKED ON LICENSED BINGO BY YEAR

	Amount staked £ million	Percentage change from previous year
September 1988 to August 1989	591	
September 1989 to August 1990	618	4.6
September 1990 to August 1991	661	6.9

### Bingo duty

37. There was no change in the rate of bingo duty during the year. However, with effect from 3 August 1992, bingo played in certain members' clubs (eg working men's clubs, British Legion branches etc) will be exempt from duty. Around 270 clubs will benefit from this change.

## Linked bingo

38. During the period of this report, the total number of clubs participating in linked bingo fell from 740 to 717. Involvement in "Links" seems to be gradually declining, although it still remains popular with the great majority of clubs continuing to participate.

## The National Game

39. Last year's Report stated that the Gaming Clubs (Multiple Bingo) Regulations were to be amended to allow a Saturday afternoon session of the National Game as well as the evening session. The afternoon games started in October 1991 and reports indicate that they are proving to be very popular. In June 1991, the National Game had been running for five years and in that time had paid out a total of £147 million in prize money.

## Charges and Prizes

40. Last year's Report referred to increases in certain charges and prizes, which took effect from 13 May 1991. During the course of the year, the Bingo Association for Great Britain made representations to the Board for further increases. Evidence was provided which demonstrated to the Board's satisfaction that certain monetary limits had not, in fact, kept pace with inflation.

41. This was the basis of the Board's recommendations to the Home Office, as a result of which Ministers agreed that with effect from 1 May 1992, the maximum charge for participation in a period of gaming on bingo club premises would increase to £6.20 (+ VAT); that the limit on weekly prize money in linked bingo would rise to £5,000, and that the maximum aggregate take and aggregate value of prizes in prize bingo would increase to £25. There was no increase in added prize money.

42. As far as prize bingo is concerned the industry had requested a larger increase, but the Board was concerned that in some cases the game represented poor value for money for players, with the value of prizes offered comparing unfavourably with the amount of money staked.

## Advertising

43. Paragraph 47 of last year's Report referred to discussions on bingo advertising which had been taking place between the Board and the Bingo Association of Great Britain, and to the recommendations which the Board subsequently submitted to the Home Office. Although the BAGB's first bill was not successful in its passage through Parliament a revised bill, which reflected the Board's recommendations and discussions between the industry and the Home Office, was passed on 28 February 1992.

44. The Bingo Act 1992 received Royal Assent on 6 March 1992 and came into force on 6 May 1992. The effect of the Act is to relax the controls on the advertising of bingo club premises so that, subject to some limitations, clubs will be able to advertise on a sign or notice, or in printed form (but not by radio or television), their location as bingo clubs, the fact that bingo is played there, and to invite the public to take part in games of bingo.

45. The Act also imposes restrictions on the advertising of bingo prizes and of other inducements to the public to take part as players in a game of bingo, or to become a member of a bingo club.

46. The main objective of the Act is to separate the advertising of bingo club premises on the one hand from inducements to play bingo or to become members of a bingo club on the other. It is hoped that this will ensure that the primary emphasis remains on the social aspects of bingo clubs, rather than on gambling.

## Consent, renewal and transfer applications

47. The following tables show the results of consent applications made to the Board during the period 1 April 1991 to 31 March 1992 and the number and outcome of subsequent licence applications. The figures in brackets relate to the previous 12 months. This year we have included the information on transfer applications in table form, although we are not able to provide all figures for the previous 12 months.

Table 8

### OUTCOME OF BINGO CONSENT AND LICENCE APPLICATIONS 1991/92

	England and Wales	Scotland	Total
<i>New Certificates of Consent</i>			
Applications made	27 (37)	3 (5)	30 (42)
Applications withdrawn	2 (3)	— (—)	2 (3)
Applications refused	— (—)	— (—)	— (—)
Applications not determined by 31 March	10 (5)	1 (2)	11 (7)
Certificates issued	15 (29)	2 (3)	17 (32)
<i>Licences</i>			
Applications made	14 (29)	2 (2)	16 (31)
Applications withdrawn	— (1)	— (1)	— (2)
Applications refused	— (1)	— (—)	— (1)
Applications not determined by 31 March	5 (9)	1 (0)	6 (9)
Licences granted	9 (18)	1 (1)	10 (19)
<i>Transfer Certificates of Consent</i>			
Applications made	30	8	38 (99)
Applications withdrawn	2	—	2 (26)
Applications refused	—	—	0
Applications not determined by 31 March	5	—	5 (43)
Certificates issued	23	8	31 (30)
<i>Licences</i>			
Applications made	21	8	29
Applications withdrawn	—	—	0
Applications refused	—	—	0
Applications not determined by 31 March	7	—	7
Licences granted	14	8	22

#### Notes to Tables

The figures shown refer to applications received and dealt with during the period 1 April 1991 to 31 March 1992. They do not include those applications pending from the previous period. Of these outstanding applications 2 licences were granted and 28 were transferred.

During the period of this report, the Board objected to the renewal of one bingo licence, where the licence-holding company had gone into receivership. The licence was not renewed.

## 4 Certification of Employees

### Certification of operational directors

48. The Board has for some time been concerned that some directors of casino operating companies, who have substantial direct operational control and influence over day to day casino matters and on the decisions of other certificated staff, are not required to hold any Board certificate themselves. This presents in the Board's view a particular problem in that there is a gap between its powers to act against individual holders of manager's certificates and to oppose renewal of a licence. The Board has accordingly obtained the British Casino Association's agreement to establish a joint working party to examine the problem in the hope that a mutually acceptable voluntary system of certification for such directors can be found. Alternatively, the Board has made clear that it would use its discretionary powers under Section 19(3) of the 1968 Gaming Act to introduce a mandatory scheme.

### Applications

49. During 1991/92 the Board received 5,455 applications for certificates under Section 19 of the Gaming Act 1968, and issued 4,917 certificates. These figures compare with 6,526 and 5,786 in 1990/91 and 6,871 and 6,070 in 1989/90.

### Interviews

50. During 1991/92, 246 interviews were held. They were concerned with:—
- (a) Forty-nine applications for gaming managers' certificates, four of which were applications for certification after earlier revocations. Forty-six were granted, two deferred and one refused.
  - (b) Five applications for gaming inspectors' certificates, four of which were applications for certification following an earlier revocation. Four were granted, one was refused.
  - (c) Twenty-seven applications for gaming operatives' certificates, nine of which were applications for certification following earlier revocation. Twenty were granted and seven refused.
  - (d) One hundred and twenty-nine applications for bingo managers' certificates of approval. Ninety-two were granted, four deferred, twenty-eight withdrawn, and five refused.
  - (e) Thirty-two persons holding certificates of approval in respect of casinos who were the subject of adverse reports. In respect of three, the Board took no further action. Twenty-nine had their certificates revoked.
  - (f) Four persons holding bingo managers' certificates who were the subject of adverse reports. In all cases the certificates were revoked.

### Revocation without interview

51. In all cases where the Board is considering the revocation of certificates the holders are offered the opportunity to appear in person before the Board or to make written representations. If they fail to do either, or the Board's

correspondence is returned undelivered by the Post Office, the Board must consider the certificate holder's suitability to hold the Board's certificates on the basis of available information. During the period thirty-two persons had certificates revoked without interview.

## Issue of certificates

52. It remains the Board's policy to make checks or obtain reports from the police or other authorities on all applicants for certificates of approval, in accordance with paragraph 3 of Schedule 5 to the Gaming Act 1968. This results in delays in the processing of many such applications. On average during the year, however, 91 per cent of all first time applicants for the operatives' (blue) certificate received their certificate within six weeks of receipt of the application by the Board. This compares with an average of 89 per cent in 1990/91 and 86 per cent in 1989/90.

53. Applicants for the manager's (grey) certificate were called to interview within a few weeks of the date of receipt by the Board of their application; however, the requirement for an interview at Board headquarters resulted in the issue of these certificates taking somewhat longer than other types.

## Quality of managerial applicants

54. The quality of first-time applicants for the managers' certificate continued to be good and in only one case was a certificate refused. Where the applicant did not meet the required standard, the application was deferred by agreement to allow the applicant to improve his or her knowledge of the Gaming Act and the Regulations made under it. Only two applications were deferred during the period covered by this report. The Board continues to regard it as important that high standards are maintained and that holders of this certificate should understand the reasons which lie behind the Regulations, and the reasons for the rules they must follow. The Board was pleased by the continued efforts of operators to ensure that senior staff received adequate training before they applied for the managers' certificate.

## Adverse reports

55. The Board continued to receive a number of adverse reports from its Inspectors on individuals to whom it had issued certificates of approval. In the main the reports concerned contraventions of the law or breaches of contracts of employment or conditions of service. Usually they raised doubts about the fitness of the individual to continue to hold the Board's certificate. In such cases the Board offers the individual the opportunity to appear before it or to make written representations to explain their actions.

56. During the year the Board again revoked the certificates of a number of certificated staff who had been found to have been involved with illegal drugs both inside and outside the licensed premises in which they worked. The Board commented on this trend in last year's Report and is very concerned at indications that it continues to increase. It is the Board's normal practice to revoke a certificate in such cases, unless there are compelling reasons for not doing so. The Board considers that it is important that contracts of employment should contain provisions in respect of any illegal activity and they fully support casino operators who take a firm line in dealing with such activity.

57. The Board again revoked the certificates of a number of certificated casino staff who had been found to have contravened conditions of employment prohibiting them from visiting or gaming in other casinos or associating with club members away from the club. It is important that all employers make it clear to their staff that such activities may result in the revocation of their certificates of approval as some staff claim not to have been made aware of this particular condition of their contract of employment.

## Overseas enquiries

58. The Board continued to receive a number of enquiries from regulatory authorities in other countries where British staff holding the Board's certificate were seeking employment.

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

59. A number of applicants failed to disclose a full record of their convictions, although the application form makes it quite clear that the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975 authorises the Board to require such disclosure. There were three prosecutions by the police during the year for failure to disclose previous convictions. In a number of other cases, the matter was taken up with the applicant by the Board at interview and in addition a number of written warnings were issued, some to certificate holders who had failed to disclose convictions on subsequent applications. All convictions and pending prosecutions must be disclosed on *each* application for a certificate made to the Board.

## Applications by outcome and type

60. The outcome and type of each application for a Section 19 certificate, and revocations made, by grade, for 1991/92 were:

Table 9

### SECTION 19 CERTIFICATES

#### (a) Outcome

	Casino Operatives				Bingo Manager	Total
	Manager	Supervisor	Inspector	Dealer		
New certificates issued	90	112	1,409	2,434	157	4,202
Old certificates re-issued	18	11	234	173	279	715
Total certificates issued	108	123	1,643	2,607	436	4,917
Applications refused	1	1	2	7	5	16
Applications withdrawn	7	2	72	413	28	522
Revocations*	7	2	16	28	8	61

\* Figures given refer to individuals. As some held more than one certificate, a total of 156 certificates were revoked.

#### (b) Type

	Casino Operatives				Bingo Manager	Total
	Manager	Supervisor	Inspector	Dealer		
New applications	—	—	14	1,679	114	1,807
Transfers	43	20	861	755	43	1,722
Promotions	47	92	534	—	—	673
Re-issued	18	11	234	173	279	715



# 5 Gaming Machines

## Number of machines in use

61. With certain specified exceptions, those who wish to sell, supply or maintain gaming machines can do so only if they hold a certificate granted by the Board under Section 27 of the Gaming Act 1968. While such certificate holders are not required to submit to the Board details of the numbers of machines they sell, supply or maintain, machines used for gaming must, with certain exceptions, be covered by a gaming licence issued by H M Customs & Excise under Section 21 of the Betting and Gaming Duties Act 1981. The Board is therefore grateful to H M Customs & Excise for the figures reproduced below from the 82nd Report of its Commissioners for the year ended 31 March 1991. These give an indication of the number of gaming machines in use at that time.

Table 10

NUMBER OF MACHINES COVERED BY GAMING MACHINE LICENCES FOR THE LICENSING YEARS SHOWN (including licensed machines in Northern Ireland and special licences)

	<u>1990/91</u>	<u>1989/90</u>
Jackpot machines (installed in premises licensed or registered under the Gaming Act 1968)	39,516	40,720
Amusement-with-prizes (AWP) machines (commonly found in public houses, cafes, arcades and pleasure fairs)	189,741 Note 1	186,104 Note 2

Note 1: AWP machines with a 2p stake do not require a gaming licence and such machines are therefore not included in the figure quoted. While it is not known how many 2p or other types (eg crane machines) of gaming machines which do not attract licence duty are currently in use, it is thought that there may perhaps be something in the region of 20,000 such machines.

Note 2: The figure is lower than the one shown in last year's report as a result of an amendment made by H M Customs & Excise in their 1990/91 report.

## Amusement-with-prizes (AWP) machines

62. Conventional multi-feature game AWP's have continued to be less popular with players during the course of the year and as a consequence the great majority of machines injected into the market place by manufacturers have been of the low to mid-technology type. These provide what is essentially a very simple or "low technology" game to the player but the addition of certain game features, some of which are "hidden" and have to be identified by the player, move the game into the so called "mid-technology" range. Several new concepts were introduced towards the end of the year, including a bank of machines which, while not linking individual games together, were all connected to a controlling device which automatically varied the percentage payout of each machine on an occasional basis. The year also saw the introduction of machines which incorporate both conventional reels and a video display. Wins from the former, and features, can be played off on the video screen using a variety of novel skill and non-skill features. The Board welcomes the development of games which offer a longer game cycle, and greater amusement, to the player. In addition, the year saw the promotion of a new, high value token for use on AWP's.

## Redemption and Section 52 Machines

63. The number of machines introduced during the year which dispense tickets as prizes and operate under Section 52(5) of the Gaming Act 1968 has continued to increase. The Board's view that such tickets should have a value clearly printed on each was reiterated to those manufacturers seeking advice on machine features. However, it was noted with concern that not all operators have heeded the advice given. Further discussions between the Board and BACTA on this matter are likely.

## Skill-with-prizes machines (SWPs)

64. Last year's report referred to BACTA's proposal to increase the recommended maximum prize for SWP machines from £12 to £20 and their invitation to the Board to comment. Following the Board's expression of concern about the size of the increase, BACTA requested a meeting with the Board in May in order to explain the background to the proposal. The Association also informed the Board that it would not seek to increase the SWP maximum prize further for at least three years and that it would seek the Board's views before recommending any further increase. Taking note of BACTA's intentions, the Board made it clear that, while it would be content to hear BACTA's views about proposals for future increases and perhaps comment on them, it could not be expected to approve any particular figure as SWPs do not strictly come within its regulatory control. The Board's concern about the increase to £20, which was implemented in mid June, was subsequently reported to the Home Office.

65. The number of SWP machine designs offered to the Board for a view was less than in previous years. However, of these the great majority were essentially trivia quiz based games with additional skill features. New developments have seen the introduction of a machine where the player is presented with a short film clip of a sporting event, movie film, etc, about which he has to answer questions and which incorporate electronic devices using state of the art data compression and expansion techniques. Other machines introduced included a number of video based trivia games with improved graphics which provide skill features designed to test a player's perceptive, logic and reactive skills. The year also saw the introduction of a small number of redemption based SWPs and of a pre-paid plastic card for use on non-gaming machines, including SWPs.

## Guidelines for enforcement policy

66. During the course of the year, one addition was made to the Board's reference document on gaming machine features. This provided guidance on so called "mystery prizes" on jackpot machines operated under Section 31 of the 1968 Act. The Board also reached understandings with the industry about the strictly limited circumstances in which use may be made of the live jackpot reset facility and the use to which any part-credits left on a machine should be put.

## Machine testing

67. In June 1988 the Board produced a Reference Document, which was intended to provide further advice on, and clarification of, the existing guidelines and placed certain additional restrictions on machine designs which were considered undesirable. The Reference Document was accompanied by a new advisory system on undesirable machine features. Although the Board considers that the system is generally working well, it has for some time been concerned that

there is a serious gap in its voluntary arrangements with the industry which needs to be closed in that there is no agreed system of machine testing. Against this background the Board wrote to BACTA in October 1991 with a view to exploring whether a voluntary limited machine testing regime should be introduced. These matters are still being discussed.

### 1992 Triennial review of AWP stakes and prizes

68. It is the Board's practice to review the monetary limits for AWP machines every three years. The last review in 1989 led to increases being introduced on 1 January 1990. In March 1992, the Board accordingly wrote to interested parties inviting them to submit any views in the context of the 1992 review. In addition to examining the stake and prize limits for AWP machines, the Board will also consider any representations in respect of the monetary limits for jackpot machines.

### Gaming Regulators European Forum (GREF)—sub-group on gaming machines

69. At its meeting in February 1991, GREF decided to establish a sub-group to enable member states to exchange information, including technical knowledge, on gaming machines. The sub-group met on three occasions during the course of the year, under the chairmanship of the Board's Specialist Machines Inspector.

### Applications for certificates under Section 27 of the Gaming Act 1968 to sell, supply and/or maintain gaming machines

70. The number of new applications received during 1991/92, and their outcome, is shown in the following table:—

Table 11

#### NEW APPLICATIONS FOR SECTION 27 CERTIFICATES

	England and Wales	Scotland	Totals
New applications outstanding on 31 March 1991	31	4	35
New applications received in 1991/92	81	9	90
<b>Totals</b>	<b>112</b>	<b>13</b>	<b>125</b>
Certificates issued	58	6	64
Applications refused	3	1	4
Applications withdrawn	13	2	15
To be determined, or awaiting payment of fee on 31 March 1992	38	4	42
<b>Totals</b>	<b>112</b>	<b>13</b>	<b>125</b>

## Renewal of certificates

71. A total of 176 certificates reached the end of their five year life during the course of the year. The Board was notified that renewal was not being sought for 58 of these. 118 renewals were therefore left to be considered. The outcome of these applications, together with the 24 renewal applications carried over from 1990/91, is shown in the following table:—

Table 12

### APPLICATIONS FOR THE RENEWAL OF SECTION 27 CERTIFICATES

	England and Wales	Scotland	Totals
Renewal applications outstanding on 31 March 1991	21	3	24
Applications received in respect of certificates expiring in 1991/92	109	9	118
Totals	130	12	142
New certificates necessary*	10	1	11
Certificates renewed	94	6	100
Applications withdrawn	9	2	11
Applications refused	0	0	0
To be determined, or awaiting fee on 31 March 1992	17	3	20
Totals	130	12	142

\* Where the nature of the certificate holder's business had changed (eg from a partnership to a limited company).

If a certificate expires and has not been renewed, the holder may continue to honour existing contracts but is not entitled to negotiate new contracts, or new rental or maintenance terms for machines already on site; nor can these machines be replaced or taken away and subsequently returned.

## Revocations

72. During the year, two Section 27 certificates were revoked.

## Certificates in force

73. On 31 March 1992 there were 1,041 certificates in force, 39 less than twelve months previously.

## Permits

74. Permits are issued free of charge for isolated transactions such as the sale of an unwanted machine by a person not normally in the trade. Twenty such permits were issued during the year.

## 6 Lotteries

75. At the end of March 1991 there were 957 lottery schemes registered with the Board, comprising 52 local authority and 905 society schemes. During the twelve months to 31 March 1992, 6 local authority and 382 society schemes were registered by the Board, and 10 local authority and 210 society schemes expired. The total number of schemes registered with the Board as at 31 March 1992 was 1,125, comprising 51 local authority and 1,074 society schemes.

76. Over the year there was therefore an increase of 169 (19 per cent) in the number of society schemes registered with the Board, while the number of local authority schemes so registered remained almost the same. As was the case at the end of 1990/91, the rise in the number of society schemes was due in no small part to the registration of schemes employing UK Charity Lotteries Ltd as an external lottery manager.

77. During the twelve months to 31 March 1992, the Board received 149 accounts for lotteries promoted by local authorities compared with 148 in the preceding twelve months. Accounts were received for 1,049 lotteries promoted by societies under schemes registered with the Board, compared with 855 in the previous period, an increase of 194 (23 per cent).

78. The Board has no records of a third class of lotteries ie the smaller society lotteries promoted solely under local authority registration.

79. During the course of the year two society scheme registrations were revoked by the Board, in exercise of its powers under Schedule 2 to the Lotteries and Amusements Act 1976, because it was not satisfied that all of the lotteries promoted by the societies during the previous five years had been properly conducted.

### Action by the Board

80. This has been another busy year for the Board in the lotteries field. Quite apart from the further increase in the total number of schemes registered with it and the regular advice and guidance which has been given to societies and local authorities, the Board has continued to receive numerous enquiries about the legislation governing lotteries. The law in this area is not straightforward and, while the Board seeks to be as helpful as possible in responding to such enquiries, its formal responsibilities are limited to those society and local authority schemes registered by it. Those seeking to promote other types of lawful lottery (ie small lotteries which are incidental to an exempt entertainment and private lotteries) or competitions which purport not to breach the provisions of the 1976 Act have therefore been advised that they may consider it prudent to seek professional advice if they are in any doubt about the legality of their proposals. An indication of the level of enquiries about lotteries has been the continuing heavy demand for the Board's new booklet on the subject, "Lotteries and the Law", some further 3,000 copies of which were distributed during the course of the year. The booklet is primarily intended for the guidance of societies and local authorities seeking to promote public lotteries under Sections 5 and 6 of the 1976 Act.

81. The Board requires those promoting lotteries under schemes registered with it to submit accounts within three months of the date of each lottery. In order to ensure that societies and local authorities are in no doubt about the information which must be included on these, explanatory notes have now been added to a

revised version of the account form (GBL 4). In particular, the notes make it clear that where either expenses or prizes have been donated to the lottery, information must be given about the extent and source of any such donation.

82. The National Council for Voluntary Organisations organised a one day event entitled "Running a Lottery" at the Connaught Hall, London, in November 1991. The Head of the Lotteries Section and the Deputy Chief Inspector participated in this with presentations on the law governing lotteries and the Board's role in supervising schemes registered with it. In February 1992, the Head of the Lotteries Section and the Senior Inspector, Northern Region, attended the Annual Conference of the Lotteries Council, held at Old Trafford, Manchester.

## Lotteries fees

83. From 1 April 1992 increased fees were payable to the Board in connection with the registration of lottery schemes and with lotteries promoted under schemes registered by the Board. The new fee levels, set out below, were introduced by the Lotteries (Gaming Board Fees) Order 1992.

Table 13

### INCREASES IN LOTTERIES FEES

	From 1 April 1991	From 1 April 1992
	£	£
(a) Where the value of tickets to be sold does not exceed £10,000:		
(i) Fee on application for the registration of a scheme	144	193
(ii) Fee for each lottery promoted (see note)	45	58
(b) Where the value of tickets to be sold exceeds £10,000:		
(i) Fee on application for the registration of a scheme	420	500
(ii) Fee for each lottery promoted with gross proceeds between £10,000 and £20,000 (see note)	90	112
(iii) Fee for any other lottery (see note)	115	140

Note: These fees are for each lottery (including the first) where more than one lottery is conducted under a scheme.

## UK Charity Lotteries Ltd (UKCL): Multiple Instant Lotteries

84. Paragraphs 92 and 93 of last year's report referred to the registration by the Board of a large number of individual lottery schemes submitted by societies employing UKCL as an external lottery manager. UKCL was initially a wholly owned subsidiary of Golden Grid plc but the Board was advised in August 1991 that the ownership of the company had changed following its purchase by Carlyle Games Ltd. In reviewing developments to date, the Board has reported to the Home Office that, among other things, it does not consider that the 1976 Act was designed to encompass the regulation of a lottery operation of the nature and scale of that organised by UKCL. The Board is continuing to monitor both the promotion and advertising of the lotteries.

## Skill competitions

85. The Board has become increasingly concerned about the rising numbers of certain so-called "skill" competitions run by newspapers, other organisations and individuals. The level of skill required in such competitions is often minimal. In the

Board's view, many such competitions are in reality little more than lotteries run for commercial or private gain, purposes for which public lotteries cannot lawfully be promoted. Typically, the first part of such a competition might involve a participant being invited to answer one or more relatively simple questions or being asked to select a single correct answer from a given choice of three. In the latter case, of course, a participant has only to submit three separate entries, giving each of the answers in turn, in order to eliminate altogether the need for the exercise of skill. Many, if not most, participants are (as is no doubt intended by the competition organisers) able successfully to complete this part of the competition and their names are then entered into a draw in order to determine the winner(s). It is the Board's view that if a charge is made to participate in any such competition (and a number of recent such competitions have involved entry through an 0898 premium rate telephone number, a proportion of the cost of which goes to the line subscriber) there may be a breach of the Lotteries and Amusements Act 1976. The Board has drawn its concerns about the proliferation of such competitions to the attention of the Home Office.

## National Lottery

86. In March 1992, the Government published a White Paper entitled "A National Lottery Raising Money for Good Causes". This announced the Government's intention to establish a single national lottery which would be promoted throughout the whole of the United Kingdom. The lottery would be intended to benefit the arts, sport, the heritage and charities. The White Paper canvassed a range of possibilities about the way in which a national lottery might be set up and run and made it clear that its introduction would require a fresh look at those aspects of the existing controls in the 1976 Act about which concerns have previously been expressed. The White Paper invited interested parties to submit any comments to the Home Office by 1 June 1992. The Home Office has written to the Board to seek its views on the issues raised and the Board will be submitting these in due course.

## Foreign lotteries

87. Under Sections 1 and 2 of the 1976 Act, the conduct and promotion of foreign lotteries in Great Britain is unlawful. Efforts to prevent the circumvention of the law in this area have continued throughout the year but there has been increasing speculation about the impact of lotteries from other European Community countries following completion of the Single European Market on 1 January 1993. Although the European Commission is currently studying gambling within the single market, it is not yet clear what the outcome will be. The Government's view remains, however, that its present prohibition on major lotteries, which applies equally to domestic and foreign ones, is compatible with EC law. It has nonetheless expressed the view that this prohibition may be increasingly difficult to enforce in practice, not least because of the advances in modern technology.

## Lottery statistics

88. The first Table which follows gives details of accounts received from 1 April 1991 until 31 March 1992 for lotteries promoted in Great Britain under schemes registered with the Board. The Table shows the number of lotteries promoted, the total amount of money received from ticket sales, the amounts appropriated for expenses and prizes, and the balance which went to the cause concerned.

89. The average proceeds (or ticket sales) for society and local authority lotteries promoted in the twelve months to 31 March 1992 were £51,263 and £14,187 respectively, compared with £29,783 and £13,656 for the same period in 1990/91.

90. The second Table below shows comparative figures for the total ticket sales on accounts received from 1 April 1987 to 31 March 1992 for lotteries promoted in Great Britain under schemes registered with the Board. The total value of society lottery tickets sold more than doubled in the period 1 April 1991 to

31 March 1992 compared with the previous year's figures. The increase was due partly to the large number of lotteries in respect of which UK Charity Lotteries Ltd has acted as an external lottery manager but it is also a reflection of the increase in "non-UKCL" society registrations and of the trend towards individual societies promoting fewer, but larger lotteries. Total proceeds from local authority lotteries increased by 5 per cent, reversing last year's decline.

Table 14

DETAILS OF ACCOUNTS RECEIVED IN THE PERIOD 1 APRIL 1991-31 MARCH 1992 FOR LOTTERIES PROMOTED IN ENGLAND, WALES AND SCOTLAND UNDER SCHEMES REGISTERED WITH THE BOARD

Society Lotteries

	Number of Lotteries	Total Ticket sales		Expenses		Prizes		Balance	
		£		£	%	£	%	£	%
England and Wales	956	51,019,088		10,258,903	20.11	17,467,339	34.24	23,292,846	45.65
Scotland	93	2,756,280		622,847	22.60	1,050,193	38.10	1,083,240	39.30
Total	1,049	53,775,368		10,881,750	20.24	18,517,532	34.43	24,376,086	45.33

Local Authority Lotteries

	Number of Lotteries	Total Ticket sales		Expenses		Prizes		Balance	
		£		£	%	£	%	£	%
England and Wales	149	2,113,844		503,719	23.83	814,556	38.53	795,569	37.64
Scotland	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL
Total	149	2,113,844		503,719	23.83	814,556	38.53	795,569	37.64
Total All Lotteries	1,198	55,889,212		11,385,469	20.37	19,332,088	34.59	25,171,655	45.04

Table 15

TOTAL TICKET SALES AND NUMBERS OF LOTTERIES SHOWN ON ACCOUNTS RECEIVED BETWEEN 1 APRIL 1987 AND 31 MARCH 1992

Society Lotteries

	1.4.87 to 31.3.88		1.4.88 to 31.3.89		1.4.89 to 31.3.90		1.4.90 to 31.3.91		1.4.91 to 31.3.92	
	Total Ticket Sales	No. of Lotteries	Total Ticket Sales	No. of Lotteries	Total Ticket Sales	No. of Lotteries	Total Ticket Sales	No. of Lotteries	Total Ticket Sales	No. of Lotteries
	£m		£m		£m		£m		£m	
England and Wales	16.96	885	17.55	808	19.48	885	24.39	806	51.01	956
Scotland	1.52	141	1.25	90	1.18	87	1.07	49	2.75	93
Total	18.48	1,026	18.80	898	20.66	972	25.46	855	53.77	1,049

Local Authority Lotteries

	1.4.87 to 31.3.88		1.4.88 to 31.3.89		1.4.89 to 31.3.90		1.4.90 to 31.3.91		1.4.91 to 31.3.92	
	Total Ticket Sales	No. of Lotteries	Total Ticket Sales	No. of Lotteries	Total Ticket Sales	No. of Lotteries	Total Ticket Sales	No. of Lotteries	Total Ticket Sales	No. of Lotteries
	£m		£m		£m		£m		£m	
England and Wales	3.09	375	2.55	280	2.55	256	2.02	148	2.11	149
Scotland	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	3.09	375	2.55	280	2.55	256	2.02	148	2.11	149
Total All Lotteries	21.57	1,401	21.35	1,178	23.21	1,228	27.48	1,003	55.88	1,198



# 7 Inspectorate and Enforcement

## Introduction

91. The year has seen a number of staff changes in the Inspectorate. The Board's Deputy Chief Inspector Mr John Bragoli retired in October 1991 after completing over twenty-one years service with the Board. He had been a member of the Inspectorate since its formation in 1970 and had completed all of his service in London. He was regarded as an expert on the methods used by casino cheats and was greatly respected for his knowledge of international organised crime. Mr Alan Donegani, the Senior Inspector for the Northern Region retired in January 1992 after completing thirteen years service. He had been based in Manchester during the whole of his service and apart from his normal duties had been responsible for Inspectorate training. He was highly regarded by both the Board and the industry for his knowledge and understanding of gaming legislation. Inspector Mark Harrison also retired in January after completing over eleven years service as the Area Inspector for Northumbria and Cumbria. Mr R G White was promoted to Deputy Chief Inspector and Mr K MacLean and Mr G Rimmer were promoted to Senior Inspector, Scottish and North and the Northern Region respectively. Four new Inspectors, Mr P Denny, Mr E W Lawson, Mr I G Maxwell and Mr M G M Wiseman, all retired police officers, were appointed as Area Inspectors. The Inspectorate conducts its own training programme which comprises a residential course and practical training. Once again the Board is grateful to the Chief Constable of Greater Manchester for the use of training facilities and accommodation at Sedgley Park where much of the training takes place.

92. During the year the Board's Inspectorate made 1,846 supervisory visits to casinos and 2,922 to bingo clubs. 515 inspections of certificated machine suppliers and 21 lottery inspections were completed. Assistance was given to the police in the majority of the 38 prosecutions which were initiated in respect of gaming and lottery offences. Gaming Board Inspectors were named in 12 warrants issued under Section 43 Gaming Act 1968.

93. The Inspectorate has always regarded the specialist assistance and advice it is able to provide to police, the courts, other authorities and the public as being an important feature of its work. During the year Inspectors gave nine talks to Police and twelve to Gaming Licensing Authorities. South East Region Inspectors ran two gaming courses for Metropolitan Police Officers, both of which were fully subscribed. Inspectors from the Northern Region assisted in instruction on two courses hosted by Greater Manchester Police which were available to police officers throughout Great Britain.

## Casinos

94. On 6 June 1991 police officers accompanied by Gaming Board Inspectors entered four casinos and other premises operated by London Clubs International Plc in pursuance of warrants issued under Section 43 Gaming Act 1968. This followed protracted enquiries by South East Region Inspectors, and resulted in a joint investigation team being formed with officers from the Metropolitan Police Club Squad. On 12 March 1992 the Board and the Commissioner of the Metropolitan Police sought cancellation and lodged objections to renewal of all six casino licences held by subsidiaries of London Clubs International.

95. One of the Inspectorate's responsibilities is to investigate allegations which may affect the suitability of gaming staff holding certificates issued by the Board under the provisions of Section 19 Gaming Act 1968. As was made clear in

paragraphs 56 and 57 of Chapter 4, all too often these investigations lead to the revocation of certificates by the Board. During the year a total of seventeen cases were reported relating to the misuse of drugs, generally cannabis, and a further sixteen cases related to fraternisation between staff and players. The Board reiterates that such activities continue to cause concern and it applauds licensees who take firm action against staff who become involved in the illegal use of drugs and whose contracts of employment prohibit fraternisation with players.

96. The activities of cheats and fraudsters in casinos continue to present difficulties to licensees. However, good surveillance techniques and an exchange of information between casinos can lead to successful prosecutions. In one case which resulted from extensive police and Inspectorate enquiries, a woman was convicted at Birmingham Crown Court of two offences of handling stolen property, the proceeds of theft from gaming tables. She was sentenced to two years imprisonment and ordered to pay £18,728 compensation with £3,500 costs and £38,000 payable to police funds. In another case a man charged with an offence of conspiracy to steal at roulette was fined a total of £5,800 with £2,800 being awarded in costs at Derby Crown Court. In yet another case a club member was convicted of using a false instrument to defraud and obtaining pecuniary advantage by deception. The fraud had been perpetrated by the use of forged bank drafts over a four day period and resulted in a sentence of 15 months imprisonment being imposed at Knightsbridge Crown Court.

## Bingo

97. Inspectors have reported on the upgrading of several bingo clubs throughout the country. These refurbishments, often undertaken by operators at very considerable cost, do appear to generate new custom and in particular a younger and more mixed group of players. Often more elaborate and sophisticated display equipment is introduced to be used both for the advertising of club events and the display of ticket sale information. However, the Board wishes to stress the importance it places on the continuous display of book sale information and prize money. It believes that players having normal sight should be able to see such displays throughout gaming and from the information they contain confirm the prize amounts being awarded. In cases where licensees do not co-operate in providing these displays the Inspectorate will have no option but to draw this to the attention of licensing justices at renewal.

98. Once again the Board must draw attention to the provisions of Section 14 Gaming Act 1968. This section requires that charges made under the Gaming Clubs (Hours and Charges) Regulations, which from 1 April 1992 allow licensees to charge up to £6.20 plus VAT during a period of not less than two hours, must be both displayed and notified to the Gaming Licensing Authority. The display of these charges is the only statutory requirement which provides a means whereby players become aware of charges taken by the licensee for participating in gaming. Whilst provision is available for regulations to be made relating to the size and nature of the display the Board has never sought the introduction of such regulations. Nevertheless it believes that these notices should be displayed prominently in the club foyer where they can readily be seen by players and that the information contained in them should be sufficiently detailed to identify clearly the circumstances in which the charges will apply. In one case a total of over £3,000 was levied unlawfully by a licensee who failed to comply with the provisions of the Section.

99. The Inspectorate continue to monitor and inspect the conduct of the National Game. No major difficulties were reported during the year. As mentioned in Chapter 3, the introduction of the Saturday afternoon game by the National Bingo Game Association has been well received by clubs who opted to join, and Inspectors report that it has proved to be very popular amongst Saturday afternoon players.

## Machines

100. Inspectors continue to investigate reports relating to the unlawful supply of gaming machines by uncertificated suppliers. Wherever possible they will seek to initiate proceedings against those who avoid certification under Section 27 of the Act.

101. During the year H M Customs & Excise Investigation Branch arrested 25 persons in relation to the operation and siting of gaming machines in the Greater London area. A total of 575 machines were seized and 18 persons have been charged with VAT offences. The Board's Specialist Machines Inspector and the South East Region have assisted H M Customs & Excise throughout the enquiry.

102. The Board's Specialist Machines Inspector made some 100 visits to machine manufacturers and convertors to discuss ongoing technical developments and to give advice on design concepts for new machines. In addition to conventional AWP and 'Jackpot' machines, to which the provisions of the Gaming Act 1968 apply, advice was given on machines to be operated under Section 52(5) of the Act, and on skill-with-prizes machines. Visits were made to several UK trade exhibitions, including the ATEI; to the FER Exhibition in Barcelona in his capacity as Chairman of the Gaming Regulators European Forum Machines Sub-Group, and to a number of major machine suppliers. Assistance was also given to the police and other authorities.

103. During their visits to certificated suppliers Inspectors must also be satisfied that the sites where machines are placed hold the appropriate authority and suppliers should be certain where siting any machine of the existence of such authority. Any failure to do so may make the certificate holder liable to proceedings under the provisions of the Act with the added risk of the Board considering revocation of the certificate.

## General

104. In addition to their primary duty relating to the supervision of casinos, bingo clubs and certificated suppliers of gaming machines, Inspectors carry out investigations into the suitability of applicants for the Board's various certificates. Where staff holding the Board's operative certificates seek work abroad, foreign regulatory authorities will seek validation of the Board's certificate. Similarly staff returning to work in Great Britain must satisfy the Board of their continued fitness. To that end the Chief Inspector maintains a close liaison with regulatory authorities throughout the world. However the Board believes there still remains a responsibility on licence holders to satisfy themselves about an applicant's previous employment and to that end wherever possible they should make some positive enquiry themselves before offering employment. Similarly staff returning from abroad should seek references from previous employers in support of their applications for employment in Great Britain.

## Complaints

105. Every year the Inspectorate receives a number of complaints and enquiries not only relating to licensed gaming but also to gaming and lotteries conducted outside its direct area of enforcement responsibility. Each is dealt with as helpfully as possible: however in many cases the Inspectorate is unable to respond as positively as it, or the enquirer, might wish. This particularly relates to enquiries concerning the legality of proposed lotteries, free draw schemes and prize competitions often linked to commercial promotions or the sale of property or expensive commodities such as motor cars (see paragraph 80 in Chapter 6 for more detail on difficulties in this area). The Board wishes to emphasise that these are areas in which the law is not clear and in such cases enquirers will be advised to

seek their own legal opinion as to the legality or otherwise of their proposals. The conduct of unlawful lotteries is also not directly a matter in which the Board has a locus and in such cases its Inspectorate can only refer matters to the local police who must make their own decision on what action if any is to be taken.

106. During the year the breakdown of complaints on which action resulted was as follows:—

Casinos	41
Bingo	60
Others	24

All these complaints were investigated and, in the majority of cases, satisfactorily resolved.

# Appendix I

## The Board's Staff as at 31 March 1992

	Grade	Staff in Post
Administrative Staff	5	1
	7	1
	SEO	1·5
	HEO†	5
	EO	8
	PS	2
	AO*	16
	AA	4
	Typist	1·5
	Messenger	1
	Paperkeeper	1
		<b>Total</b>
Inspectorate	Chief Inspector	1
	Deputy Chief Inspector	1
	Senior Inspector	5
	Inspector	27
	Machines Inspector	1
		<b>Total</b>
		<b>77</b>

\* Including 5 at regional offices.

† Including an accountant seconded from Home Office.

# Appendix II

## The Objectives of the Board

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

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

In pursuit of these aims the Board:

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

# Appendix III

## Financial Statements

### PREFACE

1. Since 1 April 1987 the Board has been financed by a grant-in-aid from the Home Office, and the National Audit Office has conducted an annual audit of the Board's Accounts. To comply with the Home Office Memorandum on payment of grant-in-aid, the Board is required to publish the audited and certified accounts in its Annual Report. The 1990/91 account reproduced in this Report complies with this requirement. The 1991/92 statement is reproduced in unaudited form.

GAMING BOARD FOR GREAT BRITAIN  
RECEIPTS AND PAYMENTS ACCOUNT 1990/91

FOREWORD

1. The Gaming Board for Great Britain was established under Section 10 of the Gaming Act 1968 to keep under review the extent and character of gaming in Great Britain, in particular the extent, character and location of gaming facilities. The Board also has responsibilities in relation to lotteries under the Lotteries and Amusements Act 1976.
2. Remuneration, pensions and other expenses of Board members are paid directly by the Secretary of State in accordance with the requirements of paragraphs 5 and 5A of Schedule 1 to the 1968 Act, and are not borne on the Board's grant-in-aid or reflected in this Account. Expenditure on staff (including inspectors) remuneration and other expenses incurred by the Board under Section 48(1) of the Act and paid out of the grant-in-aid, are included in this account.
3. Since 1 April 1987, the Board has been financed by a grant-in-aid from the Home Office administration, immigration and police support services, England and Wales Vote [Class IX Vote 3]. The Home Office Memorandum on payment of the grant-in-aid requires the Board to prepare a statement of account for each financial year, in a form agreed by the Secretary of State in consultation with the Treasury, and to append the statement of account certified by the Comptroller and Auditor General and his report thereon in the Annual Report of the Board laid before Parliament by the Secretary of State under Section 50 of the Gaming Act 1968.
4. Fees received by the Board in respect of licensing certificates issued under Sections 19 and 27 of the Gaming Act 1968 and certain other provisions are paid over to the Home Office for appropriation in aid of Class IX, Vote 3. Other fees receivable under the Gaming Act are collected by Justices Clerks of Licensing Justices (Licensing Boards in Scotland) and paid over to the Home Office for surrender to the Consolidated Fund. Although receipts from the latter fees are not shown in these accounts, the estimated amount receivable in 1990/91 stated in the Board's latest memorandum trading account is £2,423,900.
5. Fuller details of the Board's activities, and progress on its objectives during the year, are given in its Annual Report. A list of the Board's objectives appears at Appendix II to that report.
6. The members of the Gaming Board for Great Britain during 1990/91 were as follows:—

Mr N A Ward-Jones CBE, VRD, JP (Chairman)  
Mr M H Hogan  
Mr W N Hunter Smart CA (to 31 December 1990)  
Lady Ibbs JP  
Mr P B Kavanagh CBE, QPM  
Mr W B Kirkpatrick JP (from 1 January 1991)

T J Kavanagh  
Accounting Officer  
Gaming Board for Great Britain

18 March 1992



RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR  
ENDED 31 MARCH 1991

	Notes	£	1989/90 £
HMG Grants received	2	2,433,151	2,297,026
Operating receipts	3	<u>845,973</u>	<u>754,895</u>
		3,279,124	3,051,921
<i>Less</i>			
Salaries and wages etc	4	1,653,002	1,879,712
Other operating payments	5	<u>1,063,345</u>	<u>846,734</u>
		2,716,347	2,726,446
Surplus from operations		562,777	325,475
Other receipts	6	<u>118,013</u>	<u>249,139</u>
		680,790	574,614
Surplus for year		680,790	574,614
Receipts surrendered to Home Office		<u>844,691</u>	<u>672,477</u>
Excess of payments over receipts for the financial year		<u>163,901</u>	<u>97,863</u>

STATEMENT OF BALANCES AS AT 31 MARCH 1991

	Notes	Bank & Cash £	1989/90 £
Balance at beginning of financial year		360,927	458,790
Less excess of payments over receipts		<u>163,901</u>	<u>97,863</u>
Balance at end of financial year	7	<u>197,026</u>	<u>360,927</u>

NOTES TO THE ACCOUNTS

1. These accounts are drawn up in a form agreed by the Secretary of State for the Home Department with the Treasury.

2. HMG Grants received		1989/90
	£	£
Grants received from Class IX, Vote 3 1990/91	2,433,151	2,297,026

3. Operating receipts		
Receipts of fees etc		
Section 19 certificates	245,991	232,150
Section 27 certificates	352,270	302,009
Lotteries & Amusements Act	247,535	145,630
National Bingo Game	—	70,000
Miscellaneous	<u>177</u>	<u>5,106</u>
Total	<u>845,973</u>	<u>754,895</u>

4. Salaries and wages etc

(a) Senior employees

Two senior employees received remuneration in excess of £35,000.

(b) Staff costs incurred in the financial year were:—

	£	1989/90 £
Salaries, wages and allowances	1,251,638	1,411,675
Employer's NI contributions	89,131	103,148
Pensions and accruing superannuation liability	204,330	242,085
VAT	107,903	122,804
Total paid in 1990/91	<u>1,653,002</u>	<u>1,879,712</u>

The total liability for staff costs is as follows:—

Payments made in 1990/91	1,653,002	1,879,712
Plus balance paid in 1991/92	4,256	7,319
	<u>1,657,258</u>	<u>1,887,031</u>
Less payment for 1989/90 made in 1990/91	7,319	373,103
Total liability for staff costs in 1990/91	<u>1,649,939</u>	<u>1,513,928</u>

	£	1989/90 £
5. Other operating payments	£	£
Rent and Rates etc		
Maintenance, cleaning, heating and lighting	566,786	504,485
Professional fees (accountant, barristers and solicitors)	157,588	97,927
Travelling and subsistence	193,248	157,468
Bank charges	784	399
Postage and telephone	27,310	28,506
Stationery and office supplies	23,675	19,148
Publications	1,588	1,830
Hospitality	1,103	477
Computer	52,382	6,804
Central services from Home Office	25,924	22,767
Audit fee	12,957	6,923
Total	<u>1,063,345</u>	<u>846,734</u>

	£	1989/90 £
6. Other receipts	£	£
Refund of VAT overpaid to Home Office	36,503	119,782
Compensation received from landlord	—	57,500
Bank interest	60,720	61,158
Recovery for repayment services	—	4,446
Uncashed cheques issued in 1988/89	—	3,962
Recoveries of season ticket advances	*	1,871
Recoveries of statutory sick and maternity pay	—	340
Other miscellaneous	2,802	80
Court costs awarded	17,988	—
Total	<u>118,013</u>	<u>249,139</u>

\* Included in net salaries figure for 1990/91.

7. Balance at Year End		
Cash in bank	182,845	349,067
Cash held at offices	<u>14,181</u>	<u>11,860</u>
Total	<u>197,026</u>	<u>360,927</u>

T J Kavanagh  
Accounting Officer  
Gaming Board for Great Britain

18 March 1992

**REPORT OF THE COMPTROLLER AND AUDITOR GENERAL  
TO THE GAMING BOARD FOR GREAT BRITAIN**

I have examined the financial statements on pages 32 to 35 in accordance with the National Audit Office auditing standards.

In my opinion, the financial statements properly present the receipts and payments of the Gaming Board for Great Britain for the year ended 31 March 1991 and the balances held at that date and have been properly prepared in accordance with the directions of the Secretary of State with the approval of the Treasury.

National Audit Office  
29 May 1992

J J Jones  
Associate Director  
for the Comptroller and Auditor General

GAMING BOARD FOR GREAT BRITAIN  
UNAUDITED RECEIPTS AND PAYMENTS ACCOUNT 1991/92

FOREWORD

1. The Gaming Board for Great Britain was established under Section 10 of the Gaming Act 1968 to keep under review the extent and character of gaming in Great Britain, in particular the extent, character and location of gaming facilities. The Board also has responsibilities in relation to lotteries under the Lotteries and Amusements Act 1976.
2. Remuneration, pensions and other expenses of Board members are paid directly by the Secretary of State in accordance with the requirements of paragraphs 5 and 5A of Schedule 1 to the 1968 Act, and are not borne on the Board's grant-in-aid or reflected in this Account. Expenditure on staff (including Inspectors) remuneration and other expenses incurred by the Board under Section 48(1) of the Act and paid out of the grant-in-aid, are included in this Account.
3. Since 1 April 1987, the Board has been financed by a grant-in-aid from the Home Office administration, immigration and police support services, England and Wales Vote [Class IX Vote 3]. The Home Office Memorandum on payment of the grant-in-aid requires the Board to prepare a Statement of Account for each financial year, in a form agreed by the Secretary of State in consultation with the Treasury, and to append the Statement of Account certified by the Comptroller and Auditor General and his report thereon in the Annual Report of the Board laid before Parliament by the Secretary of State under Section 50 of the Gaming Act 1968.
4. Fees received by the Board in respect of licensing certificates issued under Sections 19 and 27 of the Gaming Act 1968 and certain other provisions are paid over to the Home Office for appropriation in aid of Class IX, Vote 3. Other fees receivable under the Gaming Act are collected by Justices Clerks of Licensing Justices (Licensing Boards in Scotland) and paid over to the Home Office for surrender to the Consolidated Fund. Although receipts from the latter fees are not shown in these accounts, the estimated amount receivable in 1991/92 stated in the Board's latest memorandum trading account is £1,821,850.
5. Fuller details of the Board's activities, and progress on its objectives during the year, are given in its Annual Report. A list of the Board's objectives appears at Appendix II to that report.
6. The members of the Gaming Board for Great Britain during 1991/92 were as follows:—

Mr N A Ward-Jones CBE, VRD, JP (Chairman)  
Mr M H Hogan  
Lady Ibbs JP (to 30 November 1991)  
Mr P B Kavanagh CBE, QPM  
Mr W B Kirkpatrick JP  
Sir Richard Barratt CBE, QPM (from 1 July 1991)  
Lady Trethowan, JP (from 1 December 1991)

T J Kavanagh  
Accounting Officer  
Gaming Board for Great Britain

**UNAUDITED RECEIPTS AND PAYMENTS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1992**

	Notes	£	1990/91 £
HMG Grants received	2	2,734,269	2,433,151
Operating receipts	3	<u>905,894</u>	<u>845,973</u>
<i>Less</i>			
Salaries and wages etc	4	1,819,301	1,653,002
Other operating payments	5	<u>970,867</u>	<u>1,063,345</u>
Surplus from operations		849,995	562,777
Other receipts	6	<u>25,066</u>	<u>118,013</u>
Surplus for year		875,061	680,790
Receipts surrendered to Home Office		<u>976,397*</u>	<u>844,691</u>
Excess of payments over receipts for the financial year		<u>101,336</u>	<u>163,901</u>

\* This includes some fees which remained to be surrendered for the 1990/91 financial year.

**UNAUDITED STATEMENT OF BALANCES AS AT 31 MARCH 1992**

	Notes	Bank & Cash £	1990/91 £
Balance at beginning of year		197,046	360,927
Less excess of payments over receipts		<u>101,336</u>	<u>163,901</u>
Balance at end of financial year	7	<u>95,710</u>	<u>197,026</u>

**NOTES TO THE ACCOUNTS**

1. These accounts are drawn up in a form agreed by the Secretary of State for the Home Department with the Treasury.

2. HMG Grants received		1990/91 £
Grants received from Class IX Vote 3	2,734,269	2,433,151
3. Operating receipts		
Receipts of fees etc		
Section 19 certificates	255,148	245,991
Section 27 certificates	304,176	352,270
Lotteries and Amusements Act	264,070	247,535
Certificate of Consent—Bingo	55,000	—
Certificate of Consent—Casino	27,500	—
Miscellaneous	—	177
Total	<u>905,894</u>	<u>845,973</u>

#### 4. Salaries and wages etc

Staff costs incurred in the financial year were:—

	£	1990/91 £
Salaries, wages and allowances	1,358,108	1,251,638
Employer's NI contributions	100,813	89,131
Pensions and accruing superannuation liability	218,781	204,330
VAT	138,228	107,903
Service charge	3,371	—
<b>Total paid</b>	<u>1,819,301</u>	<u>1,653,002</u>

#### Notes to Section 4

##### (a) Senior employees

Mr P R Burleigh retired as Secretary to the Gaming Board on 15 November 1991. He was succeeded by Mr T J Kavanagh on 18 November 1991. Both are ordinary members of the Principal Civil Service Pension Scheme.

Their total actual remuneration was as follows:—

	£
Mr P R Burleigh (1 April 1991–15 November 1991)	32,988
Mr T J Kavanagh (from 18 November 1991)	20,235

(b) Two senior employees received remuneration in the salary band £30,000–£39,999.

##### (c) Salary costs

1. Average number of staff employed by the Gaming Board during the year by category was:—

Staff	44
Inspectorate	34

2. Employee costs for the year, analysed by category, were:—

	Staff £	Inspectorate £	Total £
(a) Wages and salaries	634,297	723,811	1,358,108
(b) Social Security costs	47,310	53,503	100,813
(c) Other pension costs	106,867	111,914	218,781
	<u>788,474</u>	<u>889,228</u>	<u>1,677,702</u>

#### 5. Other operating payments

	£	1990/91 £
Rent and rates etc, maintenance, cleaning, heating and lighting	554,184	566,786
Professional fees (accountants, barristers and solicitors)	144,875	157,588
Travelling and subsistence	150,012	193,248
Recruitment	12,477	—
Bank charges	1,349	784
Postage and telephone	34,893	27,310
Stationery and office supplies	30,062	23,675
Publications	2,226	1,588
Hospitality	716	1,103
Computer	1,810	52,382
Training	3,832	—
Central services from Home Office	14,564	25,924
Gref Conference	8,581	—
Audit fee	11,286	12,957
<b>Total</b>	<u>970,867</u>	<u>1,063,345</u>

6. Other receipts	£	1990/91 £
Refund of VAT overpaid to Home Office	—	36,503
Bank interest received	24,930	60,720
Income from publications	136	—
Court costs awarded	—	17,988
Other miscellaneous	—	2,802
<b>Total</b>	<u>25,066</u>	<u>118,013</u>
7. Balance at Year End		
Cash at bank	84,206	182,845
Cash held at offices	11,504	14,181
<b>Total</b>	<u>95,710</u>	<u>197,026</u>



# Appendix IV

## 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 APRIL 1991 AND 31 MARCH 1992

### ENGLAND

	1 April 1991	31 March 1992
London	21	21
That area which is within the area specified in the Licensing (Metropolitan Special Hours Area) Order 1961—plus the City of Westminster and the Royal Borough of Kensington and Chelsea.		

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

	1 April 1991	31 March 1992
Birkenhead	1	1
Birmingham	5	5
Blackpool	2	2
Bolton	2	2
Bournemouth	4	4
Bradford	2	2
Brighton	2	2
Bristol	4	4
Coventry	3	3
Derby	2	2
Dudley	—	—
Great Yarmouth	2	2
Hove	1	1
Huddersfield	1	1
Kingston upon Hull	1	1
Leeds	4	4
Leicester	2	2
Liverpool	3	3
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	3	3
Ramsgate	1	1
Reading	2	2
Ryde	—	—
Salford	1	1
Sandown/Shanklin	1	1
Scarborough	1	1
Sheffield	3	3

	1 April 1991	31 March 1992
Southampton	2	2
Southend-on-Sea	2	2
Southport	1	1
Stockport	1	1
Stoke-on-Trent	1	1
Sunderland	1	1
Teesside/Middlesbrough	1	1
Torbay	1	1
Walsall	1	1
Warley	—	—
West Bromwich	—	—
Wolverhampton	1	1

#### WALES

##### THE AREAS OF THE FORMER COUNTY BOROUGHS OF:—

	1 April 1991	31 March 1992
Cardiff	2	2
Swansea	2	2

#### SCOTLAND

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

	1 April 1991	31 March 1992
Aberdeen	2	2
Dundee	2	2
Edinburgh	4	4
Glasgow	4	4
<b>Total</b>	<b>120</b>	<b>120</b>

# Appendix V

## INCREASES IN GAMING FEES AND INTRODUCTION OF NEW FEES

	From 1 April 1991	From 1 April 1992
	£	£
<i>Casino licences</i>		
Grant	26,200	31,400
Renewal	5,600	6,450
Transfer	5,800	6,950
<i>Bingo licences</i>		
Grant	2,000	2,585
Renewal	700	810
Transfer	700	905
<i>Casino certificate of consent</i>		
New licence	5,000	6,000
Transfer of licence	2,500	3,000
<i>Bingo certificate of consent</i>		
New licence	1,500	1,800
Transfer of licence	500	600
<i>Certificate to organise games of multiple bingo</i>		
Grant	33,000	145,000
Renewal (for 3 years)	70,000	140,000
<i>Registration of club or institute</i>		
Part II	155	185
Renewal of registration	75	90
Part III	80	96
Renewal of registration	48	58
<i>Gaming machines certificate (Section 27)</i>		
Grant	2,820	3,640
Renewal	1,104	1,450
<i>Employee's certificate of approval (Section 19)</i>		
Certificate of approval	55	71

# Appendix VI

## INCREASES IN MONETARY LIMITS (BINGO)

	<u>From 13 May 1991</u>	<u>From 1 May 1992</u>
	£	£
Linked bingo—maximum prize	4,500	5,000
Maximum admission/ participation fee	5.70 (+ VAT)	6.20 (+ VAT)
Prize bingo—maximum aggregate stake and aggregate value of prizes	20	25

# Appendix VII

## Casino licensing

1. It is clear from requests for information received by the Board that there is some confusion about the distinction between a gaming licence, granted by a local licensing authority and a certificate of consent issued by the Gaming Board. In particular there is a lack of understanding of which factors the Board is required to take into account in considering an application for a certificate of consent and which factors are not relevant for that purpose.

2. Commercial gaming including bingo, can only be conducted on premises licensed under Part II of the Gaming Act 1968. Licences are granted to a named person, partnership or company in respect of defined premises by the local licensing authority. However the licensing authority will not consider an application for a new licence unless it is accompanied by the Board's certificate of consent. The same applies where a transfer of a licence from one individual, partnership or company to another is sought or where a licence holder wishes to move his operation to new premises or extend his existing one.

3. Where a licence-holding company is acquired, for example via share purchase by another person or company, but the licence company retains its corporate identity, a certificate of consent is not required since there is no change in either the entity holding the licence or in the premises. However, following the Gaming (Amendment) Act 1990, an application for continuance of the company's certificate of consent (other than a certificate limited to a bingo club licence) must be made to the Board where there is a change in a controller of that company. A controller is defined as a person who is entitled to exercise, or control the exercise, of 15 per cent or more of the voting power at any general meeting of the company or of its holding company. In considering the application the Board may decide to continue the certificate of consent in force, or to revoke the certificate if it appears to the Board that, if that holder were then applying for such a certificate, it would determine not to issue it.

4. In deciding whether to issue or continue a certificate of consent, the Board is entitled to have regard only to the question whether, in its opinion, the applicant is likely to be capable of and diligent in securing that the provisions of the Act and of any regulations made under it will be complied with, that gaming on the premises will be fairly and properly conducted, and that the premises will be conducted without disorder or disturbance. The Board is required in considering capability and diligence to have regard to the character, reputation and financial standing of the applicant, his/her managerial staff and those for whose benefit the club would be carried on. It may also take into account any other circumstances which appear relevant to the capability and diligence of the applicant. It may not issue a certificate to an individual applicant under the age of 21, to a body corporate not incorporated in Great Britain or to an individual not resident in Great Britain for the six months prior to the application.

5. The Board when issuing or continuing a certificate of consent is therefore concerned only with matters relating to the suitability of the applicant and the manner in which he will conduct his business. The Board may not, for example, consider the suitability of the premises or the demand for gaming in a particular area. These are matters which have to be raised before the licensing authority at the licence hearing. If the Board wishes to express an opinion on these matters, it has to do so at this later stage.





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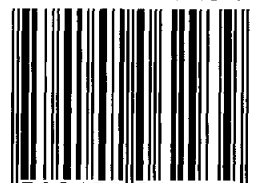
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