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## **Social Responsibility Code of Practice Provision**

### **Gaming Machines in Gambling Premises**

#### **Gambling Commission**

#### **RPC rating: validated**

The BIT assessment has now been validated following the regulator's response to the RPC's initial review notice. As first submitted, the assessment was not fit for purpose.

#### **Description of proposal**

The new provisions replace and build on previous regulations, which prohibited operators from making gaming machines available to customers, without also offering facilities for the named activity on the premises. The provisions also set beyond doubt the existing expectation that licensed gaming premises offering higher stake and prize gaming machines should have appropriate supervision. Finally, they require that the function and presentation of a gambling establishment enable it to be recognised as a licensed gambling premise by customers. Some elements of the provisions have been altered from ordinary code provisions (which are not compulsory) to social responsibility code provisions (which are compulsory).

The proposal is a qualifying regulatory provision.

#### **Impacts of proposal**

There are 252 non-remote general betting standard operating licences, 53 non-remote casino operating licences and 199 non-remote bingo operating licences within scope.

Based on compliance and regulatory data held by the Commission, it estimates that 99% of operators are already compliant; only 8 operating licence holders, in 16 gambling premises, warranted immediate assessment (and possible alteration to business models) due to potential non-compliance with the amended requirements (0.17% of businesses in scope).

The Gambling Commission notes that the extent of non-compliance and appropriate remedial action varies on a case-by-case basis, and some measures may assist with other compliance activities. For example, there could be an increase in operating costs in the form of investment in CCTV systems or additional staff; but this could also serve to reduce the operators' risk of breaking regulations in relation to under-

age gambling. For this reason, the regulator argues that it is not possible to forecast compliance costs.

For the 99% of businesses that are already compliant and are not directly impacted by the changes, there will be an indirect benefit because they will no longer be competing against operators assessed to be providing gaming machines in breach of the requirements. However, as fewer than 1% of businesses are non-compliant, this benefit will be marginal.

The regulator has assessed familiarisation costs by assuming that this new provision, which represents a change to the Licence Conditions and Codes of Practice (LCCP), will have been read by a single individual in each gambling premises. Using ASHE data for professional occupations and standard assumptions around reading speeds, it estimates total familiarisation costs for this change at £205.62.

### Quality of submission

The issues raised by the RPC in its initial review notice (IRN) have been adequately addressed in the resubmitted BIT Assessment.

A key concern was that the regulator did not clearly set out the proportion of non-compliant businesses or explain why it could not quantify the impacts of adjusting to the new requirements. In the revised submission, the regulator has provided evidence that 99% of operators are already compliant with the measures. It has also provided an explanation as to why it cannot quantify the costs of adjusting to the new requirements for non-compliant businesses. As the number of non-compliant businesses is so low, this is unlikely to affect the overall EANDCB.

The regulator has therefore provided sufficient evidence for the RPC to validate the EANDCB.

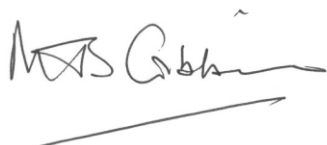
### Departmental assessment

Classification	Qualifying Regulatory Provision (IN)
Equivalent annual net cost to business (EANCB)	£0.0 million
Business net present value	£0.0 million

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### RPC assessment

Classification	Qualifying Regulatory Provision
EANCB – RPC validated <sup>1</sup>	£0.0 million
Small and micro business assessment	Not required



**Michael Gibbons CBE**, Chairman

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<sup>1</sup> For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.