



Gambling & Gaming on Licensed Premises

Please note that this information is applicable to this local authority and all others in England & Wales with responsibilities conferred on them by the Licensing Act 2003.

1. This advice is designed to provide a practical overview of gaming issues with premises and clubs licensed to serve alcohol. It refers to current gaming and gambling law, which will be superseded when the Gambling Act 2005 comes fully into force in 2007.

Gaming on alcohol licensed premises

2. Pubs are entitled to allow gaming in the form of dominoes and cribbage for small stakes. There is a general understanding in law that small stakes are no more than what a person might spend on a round of drinks.

3. Holders of alcohol premises licences are entitled to apply to licensing authorities to extend the range of games that may be played in a pub under section 6 of the Gaming Act 1968.

4. Past experience shows that it was a relatively rare event for licensing justices to allow the games permitted to be extended, although some did specifically permit bingo with conditions.

5. The recent popularity of poker has resulted in requests for poker to be authorised under the provisions of section 6. Such permissions need careful consideration when one takes into account the difficulties of maintaining the low stake principle. When the 1968 Act came onto the statute book, the provision was aimed at accommodating low stake games that had locally inspired names, which were only played in those localised communities and the local licensed premises.

6. Section 6 allows customers to sit and play such equal chance games (those where players do not play against a 'bank') in licensed premises. It does not authorise the licensee to make charges for taking part or impose levies on stakes or winnings.

7. Licensing authorities have the power to impose conditions or restrictions by order, concerning the playing of all games on premises with an alcohol license (including dominoes and cribbage) to ensure that:

- Gaming for high stakes does not take place: and
- Gaming does not become the main inducement for people to attend the premises

8. As poker is a game where the players pay into a prize 'pot', how can the authority prevent high stakes accumulating in a tournament environment?

9. If poker competitions are publicised it will be difficult to ensure that the tournament is not the main inducement to attend the venue, and therefore will fall outside what is permitted by the Act.

10. If the authority decided it was appropriate to extend the games that may be played, the order will have no fixed duration, but could be revoked or varied by the authority if there are lawful reasons for them to do so. These reasons could include a breach of conditions attached to the order relating to the level of stakes or where gaming has become the main attraction for the premises. No fee is chargeable for such orders.

11. Hotels and restaurants that only serve alcohol with food may not apply for a section 6 order. If the hotel or restaurant has a bar that allows alcohol may be served on its own then it may apply for a section 6 order.

12. A copy of every section order made by the licensing authority must be sent to the local police as soon as possible. It would clearly be appropriate to discuss with the police whether the grant of such a gaming facility in the specific premises raises issues from the police's perspective.

Any existing orders granted by the licensing justices remain valid unless the licensing authority revokes or varies it.

Section 16 terminals (Lotteries and Amusements Act 1976)

13. The basic way machines in general are classified is by stake and prize limits. Section 16 "machines" (these are perhaps better termed Section 16 terminals to avoid confusion) do not comply with the above definition because they play a game of chance by means other than the machine, that is, the game of chance takes place outside the machine.

14. The game of Chance on such equipment is provided by a device called an RNG (random number generator); this is a small electronic device which produces a series of random numbers which are then used by the game to determine the outcome of play, purely at random. This physical device must be external to the player terminal (the machine) in order for it to be classified as a Section 16 "machine". If the RNG is within the machine or any part of the machine, that is, the base or the top box etc, or attached to the machine by anything apart from connecting cables, then the machine falls within the section 26 definition of a gaming machine and the appropriate stake and prize limits apply.

15. The terminals have the appearance of gaming machines, and players can be excused for thinking that they are. The maximum monetary prize that can be awarded per chance under Section 16 is only £25 but, by creating multiple chances per game (usually 20 chances), terminals can payout a lot more. Section 16 terminals are now commonplace in Amusement Arcades but are rarely sited in public houses or clubs. S16(1) Of the Lotteries & Amusement Act 1976 deals with the need for a permit under that section to be issued to

the licence holder or occupier of premises before a S16 terminal may be sited in those premises. S16(1) (b) provides an exemption where a S34 permit is in place but only where it relates to premises that are an amusement arcade. Therefore to site such a terminal in a public house requires the issue of a S16 permit. Since the Licensing Act 2003 the appropriate issuing authority for liquor licensed premises is the Local Authority.

16. There is nothing legally that precludes Section 16 terminals being sited in public houses, provided the relevant local authority has granted a Section 16 permit, but they are clearly undesirable in an environment that can attract persons under 18 years of age and where supervision is limited. Prizes are usually displayed on the front of terminals. The central question to be asked is whether it is right for a terminal to be located in a public house.

Section 21

17. Section 21 is almost equivalent to Section 16 but S21 equipment can only be sited in premises licensed for gaming that is casinos and licensed bingo clubs.

Poker rooms

18. A poker or card room needs the current equivalent of a casino premises hence and any requests for permission to open such premises should be directed to the Gambling Commission. The currently requires that commercial poker rooms need a Certificate of Consent from the Commission and in future potential providers of poker rooms will need an operating licence from the Commission before they can apply to the licensing authority for a premises licence.

19. It is appropriate to point out that the viability of any commercial poker room is constrained by the restrictions placed on Charges and Registration fees although such properly licensed premises could site therein a maximum of twenty £4000 jackpot Section 31 machines and make available to customers, gaming within Section 21 of the Gaming Act 1968.

Bingo in clubs

20. Equal chance gaming in properly constituted 'Members Clubs', whether or not registered under Part I or II of the Gaming Act, Miners Welfares, Registered Clubs and proprietary clubs registered under Part III and Part III of the Act 1968 is permitted under Section 40 of that Act. As a general rule, clubs are normally registered under Part III of the Act, (which primarily enables them to site a maximum of three £250 Section 31 machines), and such registration allows them to charge a maximum of 60 pence per day per customer for providing gaming facilities on the premises. (This normally involves regular bingo sessions). Clubs not registered under Part I or II of the Act, can similarly take advantage of the daily 60 pence charge, provided appropriate membership restrictions are in place.

21. A club is defined under this Section of the Gaming Act as being not temporary in nature and consisting of not less than twenty-five members.

22. The 60 pence charge is a maximum deduction for all gaming on a particular day. Any additional moneys paid by players is unlimited provided it is all, (with of course the exception of the 60 pence charge), returned to players as prizes for success in the game.

23. Subject to the 60 pence limit on charging for gaming, clubs could stage poker competitions within this Section, This is because there is no restriction on stake money, only on the amount that can be charged and not returned in winnings to players, which would allow poker competitions in such circumstances. However the Commission is concerned that such gaming may breach the 1968 Act, so it has produced an information sheet on its website. This may be accessed at www.gamblingcommission.gov.

Bridge and Whist Clubs

24. The Gaming (Small Charges) Order 2000 allows bridge and/or whist clubs constituted as genuine members clubs to charge a fee not exceeding £15 per day per person for the right to participate in gaming providing it is restricted solely to playing bridge and/or Whist. Premises Registered Under Part II of the Gaming Act 1968

25. Few clubs are registered under this part, but where this applies, a maximum charge per person per day of £2 is permitted, Instead of the 60 pence per day charge that can be made under Part III registration), and in addition chemin-def-er and pontoon may be played. Registration under Part II and III of the Gaming Act remains at this time the responsibility of the local Gaming Justices.

Charity Gaming

26. Section 41 of the Gaming Act 1968 allows gaming at entertainments not held for private gain. This is something of a 'catchall' Section which allows, subject to the conditions highlighted below, fund raising by way of gaming which is usually bingo, in clubs, village halls, schools, and similar non private gain situations. It should be noted that although clubs identified under Section 40 can also play under Section 41, if this occurs in a privately owned club, as distinct from a club owned by the membership, the owner(s) cannot benefit because that would constitute private gain. If the funds raised from such activity are only applied to the good of the membership, that would be within this Section of the Act.

27. The maximum charge that can be made per customer per day is £4 and that amount includes any charge for promoting the activity, (which will be applied to the benefit of the charity or non profit making target of fund raising), as well as stakes/prizes. This therefore unlike Section 40 Where a charge, 60 pence is made, and additional moneys by way of stakes added to fund prizes, is a maximum charge of £4 which cannot be exceeded and which includes entrance fee, stake or otherwise - Section 41 (3).

28. The maximum prize awarded is £400 but if the entertainment continues over more than one day, and all the participants remain the same, (which is very unlikely in normal circumstances), that maximum prize can rise to £700. If participants do not remain the same, the £400 maximum applies.



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