

Licensing Sub-Committee Supplementary Agenda



5. **Gambling Act 2005: Application for an Adult Gaming Centre Premises Licence at 82 Westow Hill, Upper Norwood** (Pages 3 - 6)

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Representations

The applicant is a small company run by Alan Kallas and Gerry Stewart who are two hard working people that have been in the industry for many years. They also own GS Gaming Limited a business that supplies low stake gaming machines into pubs and clubs. Between them Alan and Gerry they have 45 years' experience in the industry. Mr Kallas is local business man from the Croydon area.

Both Companies are regulated by the Gambling Commission in what is one of the most regulated gambling sectors in the world. Both Companies hold Operating Licences authorising them to carry out their gambling activities and went through a lengthy and stringent due diligence process to ensure that the Companies and the Directors were suitable and fit to offer Gambling. As part of that process the Applicant was required to develop a set of Policies and Procedures to demonstrate to the gambling Commission that it could provide gambling facilities that would comply with the licensing objectives set out in the Gambling Act 2005 as well as the Licensing Codes and Conditions of Practice known as LCCPs that are set down by the Gambling Commission. My Client has shared those Policies and Procedures with the Licensing Authority as part of its application for the Premises Licence, and which I will assume the Committee has had an opportunity to read through. Neither Company has been the subject of enforcement action by either the Gambling Commission or a local authority.

The Company has 3 other Adult Gaming Centres, or AGCs – one in Dagenham, one in West Ealing and one that recently opened on the Broadway in Wimbledon. These Premises offer low stake Category B3 C & D gaming machines where the maximum stake is £2 and the maximum pay-out is £500. Their customers vary in demographics; 48% are female; they tend to visit either alone or as couples who tend to drop in play the machines for an hour on average staking 30p-40p at a time; large groups are rare and discouraged. The sites in Dagenham and West Ealing are frequented during the day by people of retirement age who come in to meet with friends, have a chat and a coffee or tea provided on the house and spend on average £20. This is not the hard-core gambling taking place on the Internet nor that previously seen in Betting shops. Unfortunately AGCs have been tarnished with the same brush as the Betting shops during the campaign to reduce the stakes on the infamous Category B2 or Fixed Odds Betting Terminals that had a maximum stake of £100. These were the gaming machines that featured prominently in the press and were referred to as the crack cocaine of gambling – they have never been permitted in AGCs.

The applicant is a member of BACTA the British Amusement & Catering Trade Association, which was part of the campaign that fought hard to get the stakes on FOBTs reduced to £2. BACTA has a Code of Conduct and Rules that all members are expected to uphold. As part of their membership the Applicant has access to a tool kit that helps them to ensure that their arcades run to the highest standards; it undergoes age verification testing, receives social responsibility training has access to the BACTA Multi-Operator Self Exclusion Scheme which along with SMART Exclusion links up with other local arcades to ensure that when someone has concerns about their gambling they can not only self-exclude from the applicant's premises but also those around them for at least 6 months.

The Applicant's staff also undergoes training on induction and at least annually provided by my Company. This includes training on the licensing objectives, the offences set out in the Gambling

Act, the Licensing Codes and Conditions of Practice as prescribed by the Gambling Commission, anti-money laundering and social responsibility. Staff are trained to know their customers; to identify anyone who may show signs of problem gambling and how to interact with them offering aids such as time and spend limits, information on where to find external help through Gamcare and the opportunity to self-exclude. Self-exclusion is for a minimum of 6 months and up to 12 months with the opportunity for people to extend that period by a minimum of 6 months each time. Anyone who has concerns can self-exclude either in the arcade or at a meeting away from the premises and they must take positive action before returning to gambling in the arcade at the end of the self-exclusion period by phone or in person, which is then followed by a 24 hour cooling off period before the person can enter the AGC and start gambling again.

Access to AGCs is by law restricted to those aged 18 or over; the Applicant has a duty to protect children as set out in the licensing objectives and it operates a Think 25 policy. Staff are continually walking the shop floor, ready to challenge anyone who looks younger; they have all undertaken training on what ID is acceptable and how to deal with anyone under 18 attempting to gamble. The Applicant does not have issues with under 18s gambling in its other sites and there is no reason to believe it should here. A door entry system in place that can be activated at any time should staff find groups of people/children congregating outside the shop.

It is a requirement of the LCCPs that an Operator must carry out a Local Area Risk Assessment before opening a Premises and good practice that the Risk Assessment should be shared with the Licensing Authority when submitting an application for a new Premises Licence or when varying or transferring a Premises Licence.

In making its decision as to whether to grant a Premises Licence, the Council's statement of Principles states that the Council should aim to permit the use of premises for gambling in so far as it thinks it is

- In accordance with any relevant code of practice issued by the Gambling Commission; and
- In accordance with any relevant guidance issued by the Gambling Commission; and
- reasonably consistent with the licensing objectives; and
- in accordance with the authority's statement of licensing policy

The Applicant has in the contents of its application clearly demonstrated that it will operate its premises in accordance with all of the above.

Turning to the representations that have been raised – it is noted that none of the Responsible Authorities felt the need to raise any concerns, and that there are just two from Interested Parties.

It is striking that both representations make a link with alcohol licensed premises and gambling but alcohol is not permitted in AGCs and the Applicant has a duty to protect the vulnerable including those under the influence of alcohol. It is simply not the case that the opening hours are designed to respond to the pubs; this shows a clear lack of understanding about how AGCs operate. There are clear provisions in the Gambling Act, the LCCPs and the Applicant's compliance policies about preventing people who are under the influence of alcohol from gambling. It is not in the Applicant's interest to have drunk people causing trouble either inside or outside their Premises. In the

Applicant's experience the majority of late night customers are shift workers and the local entertainment workforce. The Applicant's AGCs tend to see a maximum of 15 people around 8pm on a weekend but only 6-7 on average.

It is noted that Mr Mann believes the Applicant does not understand the area, however Mr Kallas as a local businessman understands the area well and which is why the site was chosen. His other business supplies gaming machines into pubs locally including one just 5 minutes away in West Norwood. The suggestion that people will leave local pubs and bars at closing time and visit the AGC is without merit; the majority of bars in the Westow hill area have late night closing, typically midnight to 4am when the AGC will already be closed.

██████████ has suggested a limit to opening hours of 2300; this is a planning condition and has already been confirmed by the Applicant. He has raised concerns about late night drinking establishments causing anti-social behaviour; the Applicant's Premises will not contribute to this issue as alcohol is not permitted in AGCs. The Applicant's compliance policies do not permit access to its Premises to those under the influence of alcohol and staff are trained in such matters. The Applicant has a locked door policy at night to restrict access as soon as it gets dark so much earlier in the winter particularly.

██████████ has also alleged that the application provides insufficient information and yet the information provided meets the statutory requirements and in deed goes beyond that by including the Local Area Risk Assessment and the Applicants own compliance policies. The Applicant has clearly set out how it operates to protect children in its policies and the local area risk assessment; staff are trained to be vigilant, they undergo age verification training and testing; there are floor walkers and CCTV monitoring the site continuously. Mr Kallas and his staff have spent some time observing the street outside the premises just before and after school times. No children were observed before school, and almost no children were observed passing after school. This is not the type of establishment that appeals to children. Nevertheless the Applicant does intend to monitor the situation and will review its policies if that becomes necessary as is required by the Gambling Commission. If and only if it becomes clear that it is necessary, the Applicant will adopt a policy of dropping the latch on the door lock during the hours of 1530-1630 so that entry can only be gained during these hours via a member of staff.

██████████ has also raised concerns about gangs, drugs and anti-social behaviour but not adduced any evidence. It is noted that during the application for change of use for this Premises the planning officer in his report addressing such concerns stated that "There is no evidence that the proposed use would lead to an increase in crime or anti-social practices. The current use of the application site is of a betting shop, which was also a gambling establishment". ██████████ has referred to the Police's objections to planning permission for a change of use for 46-48 Westow Street from restaurant to takeaway on the grounds of anti-social behaviour but operating a take away and an AGC are completely different. And it is of course noted that the Police have not made any objections to the change of use for this site or indeed the application for the Premises Licence.

In summary the Applicant has a sound history of running AGCs; they provide safe fun places for people to participate in low stake gambling. The Applicant is not interested in encouraging children

or vulnerable people into their arcades – it does not sit with their business model and would ultimately lead to enforcement action with the potential to lose both their Premises Licences and Operating Licences and thus the Director’s livelihoods. The Applicant has in its application provided sufficient information to demonstrate its intentions to uphold the licensing objectives. There have been no representations from any Responsible Authorities, just two from interested parties who have made much of mixing alcohol and gambling and warned of anti-social behaviour but have failed to adduce any evidence of how that will arise. I therefore submit that it would be unfair and unjust to refuse the application.

Finally if the Committee is minded to grant the application I would like to request that a declaration be made under s208 (2) of the Gambling Act that in the event that an Appeal is lodged the Applicant may continue trading until the Appeal is heard.