

## Local Gambling Risk Assessments Gambling Act 2005

### Purpose

This document was originally developed by Westminster City Council, in collaboration with Coral Racing Limited. It has been modified by City of Wolverhampton Council (the Council) and is published as a guide which gambling operators can use when undertaking and preparing their local risk assessments. This guide is intended for all gambling operators and is not been designed with a specific gambling sector in mind.

### Background

The Gambling Commission (the Commission) introduced new provisions in its social responsibility code within the Licence Conditions and Codes of Practice (LCCP), which require gambling operators to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and to have policies, procedures and control measures to mitigate those risks. This change in national policy is intended to provide a well evidenced and transparent approach to considering and implementing measures to address the risks associated with gambling.

The introduction of new provisions in the social responsibility code within the LCCP encourages local authorities, the Commission and the industry to work in partnership to address local issues and concerns. This movement towards increased partnership working is something that Wolverhampton has been doing for a number of years and continues to champion. We have found that a risk-based approach to regulation is beneficial for businesses and the authority to prioritise their actions in response to the identified risk.

The risk based approach provides a better understanding of, and enables a proportionate response, to risk. This approach includes looking at future risks and thinking about risks in a probabilistic way. Risk is not necessarily related to an event that has happened. Risk is related to the probability of an event happening and the likely impact of that event. In this case it is the risk of the impact on the licensing objectives.

This guide provides a framework for the local risk assessment process that will provide the necessary framework to comply with the LCCP requirements. Local risk assessments will be beneficial to the Council as Licensing Authority as well as responsible authorities and interested parties when considering new and variation applications. A well thought out and complete risk assessment will benefit gambling operators by reducing the need for additional information or the possible imposition of conditions.

Gambling operators will be required to undertake a risk assessment for all of their existing premises by 6th April 2016. Following that date operators must also review of those assessments when certain triggers are met. These triggers, along with the Council's views on what may instigate either a new assessment or the review of an existing one are detailed within this guidance document.

This local risk assessment process is not the same as other forms of risk assessment undertaken by gambling operators, such as Health and Safety at Work, Fire Safety and Food Hygiene, etc. These local risk assessments are specific to the potential harm that gambling premises can have on one or more of the licensing objectives under the Act. They are specific to the premises, the local area and the local community.

## Gambling Act 2005

City of Wolverhampton Council is a Licensing Authority under the Act. The Licensing Authority is responsible for considering and determining applications for premises licences which offer gambling facilities within Wolverhampton. The Licensing Authority also has a role in gambling regulation by ensuring compliance with the Act.

The Act contains three licensing objectives which guide the way that the Licensing Authority performs its functions and the way that gambling operators carry on their activities. They are:

- (a) preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
- (b) ensuring that gambling is conducted in a fair and open way
- (c) protecting children and other vulnerable persons from being harmed or exploited by gambling

The Act places a legal duty on the Licensing Authority to aim to permit gambling in so far as it thinks it reasonably consistent with the licensing objectives. The effect of this duty is that the Licensing Authority must approach its functions in a way that seeks to regulate gambling by using its powers where appropriate, for example to attach conditions to licences to moderate their impact on the licensing objectives, rather than by setting out to prevent gambling altogether.

The Licensing Authority will set out how it intends to carry out its functions under the Act in its statement of licensing principles, also known as Gambling Act 2005 Statement of Licensing Policy. This statement is kept under review and is updated every three years (as a minimum).

### LCCP and Local Risk Assessments

The Commission is responsible for issuing operating licences to gambling operators who are deemed suitable and competent to provide facilities for gambling. As a requirement of these operating licences, gambling operators must ensure that they comply with and meet the requirements of the LCCP.

In February 2015, following substantial consultation with relevant stakeholders the Commission introduced a new social responsibility code provision making it a requirement for certain gambling operators to assess the local risks to the licensing objectives posed by each of their premises based gambling operations. The Commission also introduced an ordinary code provision relating to sharing local risk assessments. The relevant provisions of the code state:

#### Social responsibility code provision 10.1.1

##### Assessing local risk

**All non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences.**

- 1 Licensees must assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in the licensing authority's statement of licensing policy.

- 2 Licensees must review (and update as necessary) their local risk assessments:
- a) to take account of significant changes in local circumstances, including those identified in a licensing authority's statement of licensing policy;
  - b) when there are significant changes at a licensee's premises that may affect their mitigation of local risks;
  - c) when applying for a variation of a premises licence; and
  - d) in any case, undertake a local risk assessment when applying for a new premises licence.

## Ordinary code provision 10.1.2

### Sharing local risk assessments

#### **All non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences**

Licensees should share their risk assessment with licensing authorities when applying for a premises licence or applying for a variation to existing licensed premises, or otherwise on request.

These code provisions come into effect on 6<sup>th</sup> April 2016. As a result, all premises that provide facilities for gambling must be assessed to identify the local risks posed by the provision of gambling facilities in their respective locations. This guidance will assist operators in complying with these code provisions.

#### **Risk assessment triggers**

The local risk assessment code provisions provide a number of triggers for when a new assessment is required and for when an existing one requires review. The Gambling Commission has not provided any further detail on these triggers and it will be ultimately down to gambling operators, the Commission and the Council to assess when these triggers have been met.

In order to assist gambling operators this section sets out the Licensing Authority's views on what these triggers may be and when operators should provide a copy of their assessments to the Licensing Authority.

#### **New premises**

If an operator intends to apply for a new premises licence under Part 8 of the Act then a local risk assessment must be carried out as required by the Commissions LCCP social responsibility code provision 10.1.1. That assessment should be based on how the premises are proposed to operate at the premises location and must take into account the local area. The completed assessment should be provided with the application for a new premises licence upon submission to the Licensing Authority.

#### **Significant changes in local circumstances**

Operators are required to review their local risk assessment if significant changes in local circumstances occur. Changes to local circumstances happen frequently and can be either

temporary or permanent depending on the change, how long that change will remain in place and how it affects the local area. However, the requirement for review of the risk assessment is only applicable when that change is significant.

The review of the premises risk assessment may simply mean that after review no action is necessary as the measures and systems already in place will mitigate any risk associated with that significant change. In this case gambling operators may record that a review has taken place, why it had occurred and that no action was necessary. This would enable the gambling operator to maintain an appropriate audit trail so as to demonstrate that action had been taken.

However, on occasions the significant change in local circumstances may require a need to update and amend the existing risk assessment. In those cases gambling operators may wish to ensure that their assessments are updated adequately and that any relevant control measures are introduced correctly.

As the Gambling Commission has not set out what a significant change in local circumstances it will be the gambling operator's responsibility to identify these changes and take the appropriate action in reviewing their risk assessments. The Council, in an attempt to assist gambling operators has produced the following lists of examples that may be considered to be significant changes in local circumstances:

- The local area is classified or declassified by the Licensing Authority as being an area of heightened risk within its Statement of Licensing Policy.
- Any new pay day loan or pawn brokers open in the local area
- Educational facilities increase in the local area. This may occur as a result of the construction of a new school/college or where a significant change is made to an existing establishment.
- The local area is identified as a crime hotspot by the police and/or Licensing Authority.
- Any vulnerable group is identified by the Licensing Authority or venues relating to those vulnerable groups are opened in proximity to gambling premises (e.g. additional homeless hostels or gambling or mental health care/support facilities are opened in the local area).

The list above is not an exhaustive list of examples of what could be considered as significant changes in local circumstances. The Council will provide information to gambling operators when it feels a significant change has occurred in the local area to enable them to take any necessary steps in reviewing their risk assessments. The Council may inform gambling operators when it feels that a significant change has occurred in the area. The Council may also include any specific concerns that it feels may be considered as part of any review of the local area risk assessment for that premises. The notification of any significant changes from the Council should be a prompt to gambling operators to consider carrying out a review of their local risk assessments and having regard to any specific concerns raised by the Council.

### **Significant changes to the premises**

From time to time operators will undertake a refresh of the premises' layout and décor, which is unlikely to prompt a review of the risk assessment for that premises. However, where there is a significant change at the premises that may affect the mitigation of local risks, then an operator

must review its risk assessment and if necessary update it, taking into account the change and how it may affect one or more of the licensing objectives.

It is expected that gambling operators will undertake this risk assessment process as a matter of course for any premises refit, changes to layout or internal control measures. If any changes do require a review of the risk assessments for that premises gambling operators should ensure that they have a system in place to record and action any measures identified in that review.

The gambling operator will be responsible for identifying when a significant change to the premises has occurred. In order to assist gambling operators the Council has provided the following list of examples of what could be classified as a significant change to the premises (some of which may also require a variation to the existing premises licence).

- Any building work or premises refit where gambling facilities are relocated within the premises.
- The premises licence is transferred to a new operator who will operate the premises with its own procedures and policies which are different to those of the previous licensee.
- Any change to the operator's internal policies which as a result requires additional or changes to existing control measures; and/or staff will require retraining on those policy changes.
- The entrance or entrances to the premises are changed, for example, the door materials are changed from metal with glazing to a full glass door or doors are reallocated from egress to ingress or vice versa.
- New gambling facilities are made available on the premises which were not provided previously, for example, bet in play, handheld gaming devices for customers, Self Service Betting Terminals, or a different category of gaming machine is provided.
- The premises operator makes an application for a licence at that premises to provide an activity under a different regulatory regime, for example, to permit the sale of alcohol.

As with the examples of significant changes in local circumstances, the list above is not an exhaustive list of significant changes to premises.

The Council will not, as general practice, request a copy of the reviewed risk assessment if a significant change to the licensed premises has occurred, unless the change is one that will necessitate a variation application.

### **Variation of the premises licence**

Variations to premises licences are only those required to be made under section 187 of the Act and will not include changes of circumstances such as a change of premises' name or a change of licensee's address, etc.

The Commission's LCCP social responsibility code provision 10.1.1 requires that gambling operators must undertake a review of the local risk assessment and update it if necessary when preparing an application to vary the premises licence. Operators submitting a variation

application to the Council may consider submitting a copy of the reviewed local risk assessment when submitting the application. This will then negate the need for the Council requesting to see a copy of this risk assessment and could potentially reduce the likelihood of a representation being made to the application.

If an operator wishes to vary a converted casino premises licence from one premises to another then the gambling operator should consider producing a new risk assessment for that premises. It is advisable that a copy of that assessment is submitted to the Council with the application form.

### **Regular review of risk assessment**

As a matter of best practice the Council recommends that operators establish a regular review regime in respect of their local risk assessments. This review programme can be carried out alongside other reviews on Health and Safety risk assessments for the premises. This review programme would ensure that, regardless of whether or not any of the trigger events set out above have occurred, these risk assessments are considered at regular intervals and updated if necessary.

It will be up to the gambling operator as to the frequency of these reviews but it is recommended that no more than three years should pass before these assessments are reviewed. Operators may wish to synchronise their reviews of the local risk assessments with the publication of the Council's Statement of Licensing Principles for Gambling. This would enable gambling operators to consider the Local Area Profile, which has been published in the Council's Statement of Licensing Policy for Gambling.

### **Local risks and control measures**

There are two specific parts to the risk assessment process:

- the assessment of the local risks
- the determination of appropriate mitigation to reduce those risks

The risks that operators must identify relate to the potential impact a gambling premises and its operation may have on the licensing objectives. Gambling operator should identify and list all of the local risks within the assessment that they have identified. The level of such risks can range from being low to very high depending on the potential impact that the gambling operator has assessed it to have on the licensing objectives. The level of any given risk will have a direct impact on the type and extent of the control measures that the gambling operators deems as being necessary to mitigate such risk.

This process is not new to gambling operators as they are already undertaking elements of this assessment, albeit in a far less formalised way. Operators will already be assessing locations when looking for new sites or when reviewing the performance of their premises. The design of premises is also assessed to ensure that they will meet the needs of the gambling operation, will provide protection for staff and customers; and will have facilities for recording crime. Operators will also have implemented policies and procedures for the operation of premises in line with statutory and other regulatory requirements placed upon them by the Commission and other agencies.

Operators will already be familiar with identifying risks in relation to health and safety and food hygiene legislation. Risk assessments are also used for security and crime purposes, for example for money laundering and as part of trade association best practice, such as the Safe Bet Alliance.

This local risk assessment process, although similar requires a much broader range of considerations when identifying local risk. The requirement of the Commissions LCCP social responsibility code provision 10.1.1 is that gambling operators consider the local area in which the premises are situated and the impact that the premises operation may have on the licensing objectives.

### **Local area risks**

There are a number of factors relating to the local area that operators may consider which is independent of who the operator believes is their target market. It will be for the gambling operator to identify these risks. However, there may be occasions that the Commission or the Council will provide information on what they perceive as being a local risk. This may be specified in the Statement of Licensing Policy or in a separate guidance document, both of which will be found on the Council's website.

The local area will be different depending on the premises and the size of its operation. For example a casino may have a wider catchment area than a neighbourhood betting shop as the casino attracts customers from further afield.

### **Risk Assessment Mapping Tool**

***Risk Assessment mapping tool has been developed by Public Health.***

### **Gambling operational risks**

The gambling operation relates to how the premises will be or is run. This will include the operator's policies and procedures which have been put in place to meet the requirements of the business, the Act and/or specific code provisions within the LCCP.

Gambling operators should identify operational risks in the local area to the licensing objectives and then consider whether there are control measures in excess of those already in place that would mitigate the risk. For example if there is a known illegal drug use in the local area the gambling operator may consider using control measures such as maglocks on the toilet doors or change the design to the toilet to deter people from using it for illegal drug use.

It is likely that the identification of risks associated with this element of the assessment will be very similar for all premises with slight variations depending on any specific factors that relate to the premises or the local area.

The control measures that operators will put in place to mitigate any risk associated with the gambling operation will be dependent on the type of gambling activities provided, how the company operates and the size of the organisation.

### **Premises design risks**

The design of the premises is an extremely important factor when considering local risks. For example, an Adult Gaming Centre which is located within an area which has a high number of children and young people present throughout the day may identify that the doors on either side of the premises are being used by local children as a short cut to access the adjacent street. The appropriate mitigation in this case may be that the gambling operator closes off one of the doors to prevent it being used as a short cut.

As part of the design process, the layout of the premises is a major consideration as poorly conceived design may create significant risks to one or more of the licensing objectives. Gambling operators are experienced in premises design and often these considerations are made during the planning phase. It is advisable that gambling operators ensure that there is a

process in place to record these key decisions at an early stage of the planning process for the premises design so that this can be included in their risk assessment.

### **Interior design risks**

The internal design and layout will reflect the premises operation and the type of gambling facilities that it offers. For some premises the design will be subject to certain limitations due to mandatory conditions on the gambling premises licence, such as the distance between gaming tables and other gambling facilities in casinos, and restrictions on the location of ATMs.

Operators should assess the risk presented by the internal layout of the premises and the location of gambling facilities within them. For example, if a gaming machine is placed within the direct line of sight of the cashier counter then staff will be able to monitor player behaviour and undertake interventions if there is a concern over the customers' spending habits. Staff can also monitor the use of the machines and can challenge any customers who are believed to be under the age of 18, or who damage the machines, or who appear to be attempting to launder money. By a simple assessment of the optimum location for these machines, operators can significantly reduce the risk to the licensing objectives.

### **Exterior design risks**

The exterior of premises will be a major advertisement for the gambling operator. However, the design should be assessed based on the associated risk. Operators may identify a risk associated with the design and introduce control measures based on that perceived risk. For example, if the premises have a large amount of glass frontage in an area prone to criminal damage, operators may consider the risk of damage to the standard toughened glass to be high and introduce a control measure such as roller shutters and/or external CCTV cameras.

### **Control measures**

Depending on the nature of the risk factors, the control measures identified to mitigate the perceived risk may be a combination of systems, design and physical measure. Control measures that relate to systems may be measures that have been put in place through policies and procedures. These can either be systems that apply to all of the operator's premises or systems that have been developed specifically for particular premises to deal with a specific local risk factor. System control measures may include staff training, security policies and procedures. They may also relate to having security personnel on entrances, implementing membership criteria and/or providing support to local vulnerable groups through financial or other means.

Design control measures are measures that are built into the design of the premises. These can include the location of gambling facilities and the design and location of cashier counters within the premises, and the exterior design of premises. For example, a control measure for the interior of the premises could involve moving a cashier counter from the rear of the premises to the front of the shop next to the main entrance. An external design control measure may involve the exterior design being tailored to address local risks, for example, more open window displays to enable staff can see out of the premises or a design to avoid attracting children to the premises.

The final control measures relate to specific physical measure that will address an identified risk factor. These physical control measures may, for example, include alarms, CCTV cameras, doors, magnetic locks, time locks on safes, spit kits, window shutters, fogging systems, UV lights in toilets.



The control measures identified to mitigate a perceived risk may involve a combination of systems, design and physical measures. For example to address the risk factors relating to children gaining access to an over 18 restricted gambling premises, the operator may identify the following control measures:

**Systems:** PASS card or age verification policies, challenge 21 scheme, staff training and door staff.

**Design:** Exterior design which will not attract children into the premises, the entrance layout will enable staff and security to watch those entering the premises and challenge them on the grounds of age.

**Physical:** Magnetic door locks and ID scans.

### **Undertaking a local risk assessment**

The risk assessment should be carried out through a step-by-step approach. Gambling operators may first assess the local area and identify the relevant risk factors, then assess the gambling operation, and finally assess the premises design, both internal and external. Once the risk factors have been identified, the control measures to mitigate the risks should be considered. These control measures will either already be in place or will need to be implemented.

In order to assist gambling operators in this process the Council has developed a local risk assessment form that encompasses the step-by-step approach to the assessment as set out above. The form also enables the assessor to identify actions such as the installation or production of control measures, the individual made responsible for carrying out those actions, and to record when those actions were completed. This form is not mandatory and gambling operators can develop their own assessment forms to suit their own business.

### **Who should undertake the assessment?**

It is for the gambling operator to decide who should assess the local risks for their premises. The assessor must be competent to undertake this role as failure to carry out this function properly could result in a breach of the provisions of the LCCP. The assessor must understand how the premises operate or will operate, its design, and where it is located. The assessor will need to understand the local area and can use staff or area managers to assist in gaining an understanding of that local area.

### **Step 1: The local area**

Assessors should start by identify the local risk factors surrounding the premises. The risk factors will differ from location to location so an understanding of the specific characteristics of the local area and the people who live, work or visit that area is important. Use the mapping tool [gambling tool](#) and your own local knowledge. It is possible that the mapping tool does not have the latest information and staff or area managers may have information that the mapping tool is missing.

### **Step 2: Gambling operation and physical design**

In assessing the risk factors associated with a gambling operation the assessor should take into account the local risks which are commonly accepted by broader stakeholders and how that gambling operation may affect that risk.

The physical design of the premises is a key consideration as this could have a significant impact on the risk to the licensing objectives. In assessing the risk factors associated with the

premises design and layout reference is needed to the local area risks factors already identified to ensure the design doesn't add to that risk. The design, both internal and external should be considered and specific risk factors identified and noted.

**Step 3: Control measures**

Once the risk factors have been identified, the assessor should seek to identify control measures that would mitigate the identified risks. Such control measures will relate to one of the three categories of control measures mentioned above (systems, design and physical). Some risk factors may require a combination of control measures to adequately mitigate the risk.

**Step 4: Action Plan**

Once the assessment has been carried out an action plan should be completed so that any identified actions are documented and a deadline for completing the required piece of work is set and agreed.

**Completed assessment**

The control measures must be implemented on the premises and, if applicable, staff on the premises should be trained in their use or trained on the new policy or procedure. The assessment must be retained and should be reviewed whenever a trigger occurs or as part of a regular regime.

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# Local Gambling Risk Assessment Template

## Notes for completing this form

This risk assessment must be completed for all new premises or when the premises licence is varied. The assessment must also be reviewed when there are any significant changes to either the local circumstances and/or the premises.

For further guidance on completing this assessment or when this assessment must be reviewed please refer to City of Wolverhampton Council's Local Gambling Risk Assessment Guidance.

**Risks** Area of consideration that may impact on one or more of the licensing objectives.

**Local Risks** These are the identified factors that may pose a risk to the licensing objectives by virtue of the provision of gambling facilities at the premises or in the local area.

**Control Measures** These are measures that the operator can put in place to mitigate the risk to the licensing objectives from the risk factors. These control measures are split into three categories, systems, design and physical.

**Frequency of Review** Operators will need to specify the time period in which a review of this risk assessment should be carried out. The frequency will be up to the gambling operator but it shouldn't be longer than 36 months.

## Local Gambling Risk Assessment

Premises number or licence number:

Premises Address:

Name of Assessor:

Colleagues Present:

Date of assessment:

Review date:

| 1 Local Area   |                           |                              |
|--|---------------------------|------------------------------|
| 1a Licensing Objective: Protecting children and other vulnerable people from being harmed or exploited by gambling |                           |                              |
| Risks  | Existing control measures | Further controls recommended |
| 1.   |                           |                              |
| 2.   |                           |                              |
| 3.   |                           |                              |
| 4.   |                           |                              |
| 5.   |                           |                              |
| 6.   |                           |                              |

| 1b Licensing Objective: Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime |                           |                              |
|--|---------------------------|------------------------------|
| Risks  | Existing control measures | Further controls recommended |
| 1.   |                           |                              |
| 2.   |                           |                              |
| 3.   |                           |                              |
| 4.   |                           |                              |
| 5.   |                           |                              |
| 6.   |                           |                              |

| 1c Licensing Objective: Ensuring that gambling is conducted in a fair and open way |                           |                              |
|--|---------------------------|------------------------------|
| Risks  | Existing control measures | Further controls recommended |
| 1.   |                           |                              |
| 2.   |                           |                              |
| 3.   |                           |                              |
| 4.   |                           |                              |
| 5.   |                           |                              |
| 6.   |                           |                              |

**2 Gambling Operation & Physical Design (internal and external)**

| 2a Licensing Objective: Protecting children and other vulnerable people from being harmed or exploited by gambling |                           |                              |
|--|---------------------------|------------------------------|
| Risks  | Existing control measures | Further controls recommended |
| 1.   |                           |                              |
| 2.   |                           |                              |
| 3.   |                           |                              |
| 4.   |                           |                              |
| 5.   |                           |                              |
| 6.   |                           |                              |

2b Licensing Objective: Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime

| Risks | Existing control measures | Further controls recommended |
|-------|---------------------------|------------------------------|
| 1.    |                           |                              |
| 2.    |                           |                              |
| 3.    |                           |                              |
| 4.    |                           |                              |
| 5.    |                           |                              |
| 6.    |                           |                              |

| 2c Licensing Objective: Ensuring that gambling is conducted in a fair and open way |                           |                              |
|--|---------------------------|------------------------------|
| Risks  | Existing control measures | Further controls recommended |
| 1.   |                           |                              |
| 2.   |                           |                              |
| 3.   |                           |                              |
| 4.   |                           |                              |
| 5.   |                           |                              |
| 6.   |                           |                              |

**Action Plan (add pages as necessary)**

Local Area / Gambling Operation / Physical Design (delete as appropriate)

| Identified risk (e.g. 1a-3, 2c-1) | Action required | By whom, when, date completed |
|-----------------------------------|-----------------|-------------------------------|
| 1.                                |                 |                               |
| 2.                                |                 |                               |
| 3.                                |                 |                               |
| 4.                                |                 |                               |
| 5.                                |                 |                               |
| 6.                                |                 |                               |

**Assessment Review**

Frequency of Review:

Date review due:

Completed risk assessment brought to the attention of:

| Name | Position | Signature | Date |
|------|----------|-----------|------|
|      |          |           |      |
|      |          |           |      |

