

Summary: Intervention & Options

Department /Agency: Department for Culture, Media and Sport	Title: Gambling Act 2005: Section 172(6) definition of gaming table in casinos	
Stage:	Version: 1	Date: February 2009
Related Publications: Regulations concerning the categories of casinos		

Available to view or download at:

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What is the problem under consideration? Why is government intervention necessary?

The Gambling Act 2005 (the Act) sets strict limits on the number of gaming machines which the new categories of casino may offer, and lays down a ratio for how many gaming tables a casino must use in order to be able to exercise their full entitlement of gaming machines. For this purpose, section 172(6) of the Act makes provision for defining a gaming table. Section 172(6) also specifies the purposes, circumstances and extent of use of a gaming table and the circumstances in which a number of tables are to be treated as if they were a single table. Since the government is not proceeding with the one regional casino for the time being, the proposal only concerns the 8 large and 8 small casinos permitted by the Act.

What are the policy objectives and the intended effects?

These regulations form an integral part of the government's efforts to ensure that the new casinos offer a balanced mix of real table games, gaming machines and other automated gaming. In particular they are intended to ensure that operators do not seek to increase artificially the number of gaming machines which they are entitled to operate, for example by including in the casino significant number of real gaming tables which are never used. The government believes that a balanced offer would support the delivery of the licensing objectives of the Act in a number of ways:

- casinos uniquely have been granted the right to offer unlimited stake and prize gaming on the basis that they are the most heavily regulated of gambling environments. The presence of licensed staff to operate and oversee the gaming has always been, and will remain, an integral part of the system of regulation of casinos;
- in particular, the presence of real gaming tables ensures there is a greater number of staff trained to spot the signs of problem gambling on the gaming floor;
- it means that customers are able to make a choice whether to play table games which are more social in nature, as opposed to gaming machines and other automated gaming equipment, where there is less potential for human interaction and which tend to be more repetitive in nature.

What policy options have been considered? Please justify any preferred option.

During the course of developing the current proposals the Department considered whether additional regulations might be needed to address potential abuses of the table:machine ratio. If additional regulations were not brought in then it was felt that without definitions spelt out in secondary legislation, casinos would have to rely on the general and unspecific wording in the Act, which would produce uncertainty and possibly lead to an increase in costs for government, regulators and casino operators, for example in the form of legal advice.

Consideration was then given to whether it might be necessary to introduce regulations relating to:

- the minimum number of players which tables can accommodate;
- the minimum size of tables; or
- the minimum footprint for tables.

However, the Department concluded that the minimum table gaming area requirements and the requirement for there to be adequate space around tables were already sufficient to prevent potential abuse of this sort.

- Definition of gaming table

Regulations under section 172(6) will not be used to set out an exhaustive definition of what constitutes a gaming table. Instead it is proposed to rely on its natural and ordinary meaning. Even though there is no statutory definition of a gaming table under the current legislation, the meaning of the term is well understood by the industry and casino users alike to a sufficient degree so as to make this definition robust.

- Making a gaming table available for use

A number of options are put forward in the consultation on what constitutes making a table available for use linked to the amount of time a table is used in any one day, and how quickly a table can be brought into use. It is suggested that a table must be available for use within a reasonable period (rather than a set time) of a request being made by a customer. It is not proposed that a time is set for what constitutes “a reasonable period”.

The options being consulted are designed to be practicable for casino operators while ensuring that the potential for new casinos to be operating for at least part of the day with their full compliment of gaming machines but with no, or a minimal number of, gaming tables being used is mitigated. For casinos to be able to do so would run counter to the intentions behind the table:machine ratio and the government’s desire to ensure a balanced offer in casinos.

- Single Table

Section 172(6) includes a power for the Secretary of State to set regulations to provide where a number of tables are to be treated as a single table in specified circumstances. Careful consideration has been given to whether it might be necessary to use this power to cater for a situation where a number of tables may be linked to e.g. one roulette wheel or one croupier in an attempt to artificially increase the number of gaming machines on a premises. However, it has been decided not to use this power for the time being: the natural and ordinary meaning, along with the minimum table gaming area requirements included as mandatory casino premises licences, should be sufficient to mitigate any potential abuse. The government will continue to monitor this aspect of policy and will not hesitate to use this power if it becomes clear that abuse is taking place.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The provision and use of casino gaming tables, and the appropriate ratio of gaming machines, will be monitored by the Gambling Commission, the regulator for and the government’s advisor on gambling. We will ask them to report to us if there is any evidence that tables are not being provided in accordance with the regulations that are made or if the gaming table:gaming machine ratio is not being adhered to.

Ministerial Sign-off For SELECT STAGE Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

.....Date:

Summary: Analysis & Evidence

Policy Option:	Description:
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' The proposed regulations will not cause operators to incur any additional costs over and above those that they would have to incur in running a large or small casino.	
	One-off (Transition) Yrs		
	£ n/a		
	Average Annual Cost (excluding one-off)		
	£ n/a		
Total Cost (PV)		£ n/a	
Other key non-monetised costs by 'main affected groups'			

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' No data available	
	One-off Yrs		
	£ Not known		
	Average Annual Benefit (excluding one-off)		
	£ Not known		
Total Benefit (PV)		£ Not Known	
Other key non-monetised benefits by 'main affected groups' Casino operators will have flexibility to respond to peaks of demand and staff breaks.			

Key Assumptions/Sensitivities/Risks

Some groups with concerns about problem gambling may argue that this proposal could contribute to an increase in the risk of problem gambling. The new casinos will be subject to strict new requirements in terms of social responsibility based upon evidence of the risks faced by gamblers. These will include requirements to make available to customers information about responsible gaming and where to find help for gambling problems, and to have in place procedures for monitoring for the signs of problem gambling and taking action where appropriate.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	Great Britain
On what date will the policy be implemented?	2 nd quarter 2009
Which organisation(s) will enforce the policy?	Local authorities (premises licenses) Gambling Commission (operating licences)

What is the total annual cost of enforcement for these organisations?					
Does enforcement comply with Hampton principles?					Yes
Will implementation go beyond minimum EU requirements?					n/a
What is the value of the proposed offsetting measure per year?					£ n/a
What is the value of changes in greenhouse gas emissions?					£ n/a
Will the proposal have a significant impact on competition?					No
Annual cost (£-£) per organisation (excluding one-off)		Micro none	Small none	Medium none	Large none
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)				(Increase - Decrease)
Increase of £	Decrease of £	Net Impact	£ None	

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1. The proposed regulations are designed to ensure that casino operators make gaming tables available for use in accordance with gaming table: gaming ratios, as set out in section 172 (4) and (5) of the Gambling Act 2005, categories of casinos:

- s.172(4) a large casino using at least 1 gaming table may make gaming machines available for use so long as the number of machines is not more than 5 times the number of gaming tables used in the casino, and is not more than 150;
- s.172(5) a small casino using at least 1 gaming table may make gaming machines available for use so long as the number of machines is not more than twice the number of gaming tables used in the casino, and is not more than 80.

2. A large casino must, therefore, make 30 gaming tables available for use in order to be able to offer the maximum 150 gaming machines; a small casino must make 40 tables available for use in order to be able to offer the maximum 80 gaming machines.

3. One possible approach to making casino gaming tables available for use would be to say that a gaming table is only being used in a casino at any time if at that time casino gaming is taking place at the table. However, the Department does not propose to adopt such a restrictive approach. It recognises that it would be impractical for operators to have to turn machines on and off depending on whether customers were at any particular moment playing at a table. To stipulate that all 30 tables in a large casino or all 40 tables in a small casino had to be open and manned continually would, particularly outside of peak hours, be impractical, burdensome and probably commercially unviable.

4. The government's preferred option is 1B:

- A gaming table is to be treated for the purposes of section 172 (4) to (5) as being used in a casino at any time if **at that particular time it is being used in the casino for playing casino games or is available for customers to use for that purpose;**
- For these purposes, a gaming table is to be treated as being available for use for playing casino games if arrangements are in place which ensure that customers of the casino are made aware (whether by means of a notice placed on or near the table, or otherwise) that the table is available to be used for playing casino games, and that customers are able to request to use the table. **Where such a request is made the table must be available for use by the customer within a reasonable period of time of the request being made.**

5. The Department believes this option offers the most straightforward interpretation of "making a table available for use". Such an approach would be in keeping with the intentions of the Act in that it would support the government's objective of ensuring new casinos offer a balanced mix of real tables and machine gaming. It would also provide certainty for operators that they were meeting the minimum requirements and, would be relatively straightforward for the Gambling Commission and licensing authorities to monitor and enforce.

6. A strict interpretation of option 1 is that if a casino table is not being used, then it must be immediately available to be used. In practice this is likely to mean that an appropriately qualified casino employee would be standing at the table ready to run games. While this would provide greater certainty for operators, regulators and customers alike, it would also be inflexible. If, for example, if the operator decided that it would not be economic to keep all gaming tables open then they would be forced to turn off a commensurate number of machines. Also, if an employee suddenly became unwell or went on a break then machines would possibly have to be turned off temporarily until they returned or a substitute was found. Hence sub-option B is designed to offer a more flexible approach which would help ameliorate such problems. Rather than requiring tables to be immediately available for use, this sub-option only requires the table to be available within a reasonable period of time of a request being

made by a customer to use the table. This would reduce the need for employees to be standing by tables at all times

7. It has not been possible to establish a typical figure for the costs and numbers of staff involved in manning gaming tables in a casino. For example, dealers and inspectors can be interchangeable and have different shift patterns; and the amount of time any one table is in use, or indeed the hours a casino is open, can vary. Although a roulette or blackjack table will each require a croupier or dealer, respectively, there will also be inspectors, pit bosses and possibly other gaming floor staff on duty. Management staff could also be required as circumstances arise. The Department would welcome any such data that the gambling industry is able to provide.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	Yes
Small Firms Impact Test	Yes	Yes
Legal Aid	N/a	No
Sustainable Development	N/a	No
Carbon Assessment	N/a	No
Other Environment	N/a	No
Health Impact Assessment	Yes	Yes
Race Equality	N/a	No
Disability Equality	N/a	No
Gender Equality	N/a	No
Human Rights	Yes	Yes
Rural Proofing	N/a	No

Results of the specific impact tests are set out below.

Competition assessment

The proposed regulation will not have a direct impact on competition between the 16 new casinos, and existing casinos. The number of gaming tables and, contingent on this, the number of gaming machines that the new casinos will be able to make available are fixed in the provisions of the Act. The proposal is intended to set out the basis on which tables need to be made available for a casino operator to be able to make the maximum permitted number of gaming machines available. It does not affect the number of tables or maximum number of gaming machines that can be made available. The mix and number of tables and machines provided will be for each operator's own commercial decision.

Small Firms

Small firms will also be able to tender for the work generated by the development and operation of the new casinos.

Legal Aid

No impact.

Sustainable Development

No impact.

Carbon Assessment

No impact

Other Environment

No impact.

Health Impact Assessment

An assessment of the social and economic impact of the 8 large and 8 small casinos permitted under the Gambling Act will be conducted when the first of the new casinos has been trading for at least three years. The new casinos are not likely to be trading before 2010 or 2011 at the earliest. It is expected that the assessment will be completed in 2014.

The new casinos will be subject to strict new requirements in terms of social responsibility based upon evidence of the risks faced by gamblers. These will include requirements to make available to customers information about responsible gaming and where to find help for gambling problems, and to have in place procedures for monitoring for the signs of problem gambling and taking action where appropriate. These new requirements are likely to reduce the potential for adverse health impacts.

Race Equality

No impact.

Disability Equality

No impact.

Gender Equality

No impact.

Human Rights

The provisions of the Order are compatible with the European Convention on Human Rights.

Rural Proofing

No impact.