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STATUTORY INSTRUMENTS

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**1996 No. 1359**

**DEREGULATION**

**BETTING, GAMING AND LOTTERIES**

**The Deregulation (Gaming Machines  
and Betting Office Facilities) Order 1996**

*Made* - - - - *23rd May 1996*

*Coming into force* - - *20th June 1996*

Whereas—

- (a) the Secretary of State is of the opinion that certain provisions of the Betting, Gaming and Lotteries Act 1963<sup>(1)</sup> and of the Gaming Act 1968<sup>(2)</sup>, which are the subject of this Order, impose burdens affecting persons in the carrying on of a trade, business, profession or otherwise and that by amending or repealing the provisions concerned and by making certain other provision it is possible to remove or reduce the burdens without removing any necessary protection;
- (b) he has consulted such organisations as appear to him to be representative of interests substantially affected by his proposals and such other persons as he considers appropriate;
- (c) it appears to the Secretary of State that it is appropriate, following that consultation, to proceed with the making of this Order;
- (d) a document setting out the Secretary of State's proposals has been laid before Parliament as required by section 3 of the Deregulation and Contracting Out Act 1994<sup>(3)</sup> and the period for Parliamentary consideration under section 4 of that Act has expired;
- (e) the Secretary of State has had regard to the representations made during that period;
- (f) a draft of this Order has been laid before Parliament with a statement giving details of such representations and the changes to the Secretary of State's proposals in the light of those representations; and
- (g) a draft of this Order has been approved by resolution of each House of Parliament.

Now, therefore, the Secretary of State, in exercise of the powers conferred on him by section 1 of the Deregulation and Contracting Out Act 1994, hereby makes the following Order:

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(1) 1963 c. 2.  
(2) 1968 c. 65.  
(3) 1994 c. 40.

### Citation, commencement and extent

1.—(1) This Order may be cited as the Deregulation (Gaming Machines and Betting Office Facilities) Order 1996 and shall come into force 28 days after the day on which it is made.

(2) This Order does not extend to Northern Ireland.

### Interpretation

2. In this Order “the 1963 Act” means the Betting, Gaming and Lotteries Act 1963 and “the 1968 Act” means the Gaming Act 1968.

### Relaxation of restrictions on conduct of licensed betting offices

3. In section 9 of the 1963 Act (betting office licences and betting agency permits) at the end of subsection (1), there shall be inserted—

“except where the use consists of the use of the premises as a place where persons may collect amounts payable by way of winnings in respect of competitions of the kind mentioned in section 1(4A)(a) of this Act(4).”.

4.—(1) Schedule 4 to the 1963 Act(5) (Rules for licensed betting offices) shall be amended as follows.

(2) In paragraph 1 (prohibition of use of licensed betting office for any purpose other than the effecting of betting transactions) after “prescribed, and” there shall be inserted “, subject to paragraphs 10A to 10C of this Schedule,”.

(3) After paragraph 10 there shall be inserted—

**10A.** Machines to which Part III of the Gaming Act 1968 (gaming machines) applies may be used on the licensed premises, but only if—

- (a) they are machines in respect of which the conditions mentioned in section 34(5A) of the Gaming Act 1968 are observed (cash prizes only), and
- (b) they do not exceed two in number.

**10B.** Publications may be sold on the licensed premises, but only if they are racing periodicals or specialist betting publications.

**10C.** The licensed premises may be used for—

- (a) the sale of tickets in any lottery other than—
  - (i) a private lottery within the meaning of the Lotteries and Amusements Act 1976, or
  - (ii) a lottery the sale of tickets in which on the licensed premises is otherwise prohibited,
- (b) the collection of amounts payable by way of winnings in any lottery for the sale of whose tickets the premises may be used,
- (c) the delivery of entry forms and stakes relating to competitions in which success depends to a substantial degree on the exercise of skill, and
- (d) the collection of amounts payable by way of winnings in any such competition as is mentioned in sub-paragraph (c) of this paragraph.”.

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(4) Section 1 was amended and subsection (4A) inserted by section 56 of the National Lottery etc. Act 1993 (c. 39).

(5) Schedule 4 to the 1963 Act was amended by the Betting, Gaming and Lotteries Act 1963 (Schedule 4) (Amendment) Orders 1986 (S.I.1986/11) and 1995 (S.I. 1995/579).

### **Relaxation of restriction on number of machines in licensed or registered premises**

5. In section 31 of the 1968 Act (use of machines by virtue of licence or registration) for subsection (2) there shall be substituted—

“(2) The maximum number of machines to which this Part of this Act applies which may be made available for gaming shall be—

- (a) in the case of premises in respect of which a club or a miners' welfare institute is for the time being registered under Part II or under this Part of this Act, three,
- (b) in the case of bingo club premises (as defined by section 20 of this Act), four, and
- (c) in the case of any other premises in respect of which a licence under this Act is for the time being in force, six.”.

### **Relaxation of restrictions on use of machines for amusement purposes**

6.—(1) Section 34 of the 1968 Act (uses of gaming machines for amusement purposes otherwise than at non-commercial entertainments) shall be amended as follows.

(2) In subsection (1) (which lists the premises in relation to which the conditions specified in the section apply)—

(a) for “the following provisions of this section” there shall be substituted “subsections (2) to (3) and (5) of this section”,

(b) for paragraph (a) there shall be substituted—

“(a) on any amusement machine premises in respect of which there is for the time being in force a permit under this section which—

- (i) is granted by the authority mentioned in paragraph 1(b) or, as the case may be, (d) of Schedule 9 to this Act, and
- (ii) is expressed to be granted for the purposes of this subsection,

(aa) on any premises, other than amusement machine premises, in respect of which there is for the time being in force a permit under this section which is granted as mentioned in paragraph (a)(i) of this subsection,” and

(c) paragraph (b) (premises in relation to which the section applies because of a direction under section 32) is hereby repealed.

(3) After subsection (5) there shall be inserted—

“(5A) The conditions specified in subsections (5B) and (5C) of this section shall be observed where a machine to which this Part of this Act applies is used for gaming on any premises in respect of which a betting office licence is for the time being in force.

(5B) The charge for play for playing a game once by means of the machine shall be the same as that under subsection (2) of this section.

(5C) No player or person claiming under a player shall receive, or shall be entitled to receive, in respect of any one game played by means of the machine, any article, benefit or advantage other than a money prize not exceeding £10 delivered by the machine.

(5D) The condition specified in subsection (5C) of this section shall not be taken to be contravened by reason only that a player, after inserting in the machine an amount permitted in accordance with subsection (5B) of this section and playing a game successfully, is afforded by the automatic action of the machine an opportunity to play one or more further games without inserting any further coin in the machine, if in respect of all those games—

- (a) he does not receive, and is not entitled to receive, any article other than a money prize of an amount or aggregate amount not exceeding £10, and

(b) he does not receive, and is not entitled to receive, any other benefit or advantage apart from the opportunity to play the further game or games.

(5E) Where a machine to which this Part of this Act applies is used for gaming—

(a) on any amusement machine premises in respect of which there is for the time being in force a permit under this section which—

(i) is granted by the authority mentioned in paragraph 1(b) or, as the case may be, (d) of Schedule 9 to this Act, and

(ii) is expressed to be granted for the purposes of this subsection,

(b) on any premises in respect of which there is for the time being in force a permit under this section which is granted by the authority mentioned in paragraph 1(a) or, as the case may be, (c) of Schedule 9 to this Act, or

(c) on any premises in respect of which a licence under this Act and a direction given under section 32 of this Act are for the time being in force, where, by virtue of that direction, the provisions of this subsection have effect in relation to the premises,

either the conditions specified in subsections (2) to (3) and (5) of this section or the conditions specified in subsections (5B) and (5C) of this section shall be observed.”.

(4) After subsection (7) there shall be inserted—

“(7A) In subsections (1) and (5E) of this section, references to amusement machine premises are to premises used wholly or mainly for the provision of amusements by means of machines to which this Part of this Act applies.”

7.—(1) The 1968 Act shall be amended as follows.

(2) In section 32(2) (power of licensing authority to authorise more than two machines), in paragraph (b), after “34” there shall be inserted “(5E)”.

(3) In section 35 (prohibition of use of machines not falling within sections 31 to 34) for paragraph (c) there shall be substituted—

“(c) as mentioned in section 34(1)(a), (aa), (c) or (d), (5A) or (5E)(a), (b) or (c) of this Act.”.

(4) In section 38 (offences under Part III of the Act), in subsection (3) (contravention of section 34 in the case of premises in relation to which that section applies because of a direction under section 32), for the words from “and where” to “contravened” there shall be substituted “and where subsection (5E) of section 34 of this Act is contravened in relation to premises falling within paragraph (c) of that subsection”.

(5) In subsection (6) of that section (other offences in connection with section 34)—

(a) for “any of the provisions” there shall be substituted “subsection (1)”,

(b) the words from “, otherwise” to “section,” are hereby repealed,

(c) for “paragraph (a)”, in the first place where it occurs, there shall be substituted “paragraph (aa)”, and

(d) after “paragraph (a)”, in the second place where it occurs, there shall be inserted “or (aa)”.

(6) After that subsection there shall be inserted—

“(6A) Subject to subsection (11) of this section, where subsection (5A) of section 34 of this Act is contravened, the holder of the betting office licence in respect of the premises shall be guilty of an offence.

(6B) Subject to subsection (11) of this section, where, in the case of any premises falling within paragraph (a) or (b) of subsection (5E) of section 34 of this Act—

- (a) that subsection, or
- (b) a condition to which the permit is subject,

is contravened, the holder of the permit shall be guilty of an offence.”.

(7) In subsection (11) of that section (defence to certain offences) for “subsection (4) or subsection (6)” there shall be substituted “(4), (6), (6A) or (6B)”.

(8) In section 39(2) (under which a court may cancel a permit under section 34 on convicting the holder of an offence under section 38(6) in respect of contravention of a condition attached to the permit) after “(6)” there shall be inserted “or (6B)”.

**8.—**(1) Section 48 of the 1968 Act (fees) shall be amended as follows.

(2) In paragraph (h) of subsection 3 (fee for the grant or renewal of a permit under section 34 of the Act) after “Act” there shall be inserted “, other than one expressed to be granted for the purposes of subsection (5E) of that section.”.

(3) After that paragraph there shall be inserted—

“(i) in respect of the grant or renewal by a local authority (as defined by paragraph 3 of Schedule 9 to this Act) of a permit under section 34 of this Act which is expressed to be granted for the purposes of subsection (5E) of that section, such fee, as may be fixed annually by the authority for the whole of their area not exceeding

(i) £250, or

(ii) the rate mentioned in subsection (4B) of this section whichever is the less.”.

(4) After subsection (4A) there shall be inserted—

“(4B) The rate referred to in subsection (3)(i) of this section is such rate as the local authority reasonably consider necessary to balance their income and expenditure in connection with permits of the kind mentioned in that provision (including expenditure in connection with enforcement).”.

**9.—**(1) Schedule 9 to the 1968 Act (permits under section 34) shall be amended as follows.

(2) In paragraph 5 (application for grant or renewal of permit) after sub-paragraph (1) there shall be inserted—

“(1A) Where an application for the grant of a permit in respect of premises to which paragraph 4 of this Schedule applies is made to a local authority, the application shall be either—

(a) for the grant of a permit for the purposes of subsection (1) of section 34 of this Act, or

(b) for the grant of a permit for the purposes of subsection (5E) of that section.”

(3) In paragraph 8(1)(b) (grounds on which renewal of amusement machine premises permit may be refused)—

(a) for “either” there shall be substituted “(i)”,

(b) after “that” there shall be inserted “, while the permit has been in force,”

(c) after “inspect the premises” there shall be inserted—

“(ii) where the permit is expressed to be granted for the purposes of section 34(5E) of this Act, on the grounds that the condition specified in paragraph (a) of sub-paragraph (3) of paragraph 10B of this Schedule or, as the case may be, any of the conditions specified in paragraph (b) of that sub-paragraph has not been complied with to their satisfaction,” and

(d) after “or”, in the second place where it occurs, there shall be inserted “(iii)”.

(4) After paragraph 8(1) there shall be inserted—

“(1A) Where an application for the grant of a permit for the purposes of subsection (5E) of section 34 is made in respect of premises in respect of which the applicant holds a permit under that section which is expressed to be granted for the purposes of subsection (1) of that section, the appropriate authority may only refuse to grant the permit if they would have grounds for refusing an application to renew the existing permit.

(1B) Where an application for the grant of a permit for the purposes of subsection (1) of section 34 is made in respect of premises in respect of which the applicant holds a permit under that section which is expressed to be granted for the purposes of subsection (5E) of that section, the appropriate authority may only refuse to grant the permit if they would have grounds for refusing an application to renew the existing permit were it expressed to be granted for the purposes of subsection (1) of that section.”.

(5) After paragraph 10 there shall be inserted—

**“Condition in case of premises with liquor licence**

**10A.**—(1) A permit in respect of any such premises as are mentioned in sub-paragraph (a) or sub-paragraph (c) of paragraph 1 of this Schedule shall be subject to the condition that any machine in respect of which the conditions mentioned in section 34(5A) of this Act are observed is located in a bar.

(2) In sub-paragraph (1), “bar”—

- (a) in relation to any such premises as are mentioned in sub-paragraph (a) of paragraph 1 of this Schedule, has the same meaning as in the Licensing Act 1964<sup>(6)</sup> and
- (b) in relation to any such premises as are mentioned in sub-paragraph (c) of that paragraph has the same meaning as in the Licensing (Scotland) Act 1976<sup>(7)</sup>.

**Grant by local authority of amusement machine premises permit**

**10B.**—(1) This paragraph applies where a local authority grant a permit in respect of premises to which paragraph 4 of this Schedule applies.

(2) The authority shall state in the permit whether it is granted for the purposes of subsection (1) or (5E) of section 34 of this Act.

(3) Where the permit is expressed to be granted for the purposes of section 34(5E) of this Act, it shall be subject to the following conditions, namely—

- (a) in the case of premises where admission is restricted to persons aged 18 or over, that no person under 18 is admitted to the premises; and
- (b) in the case of premises where admission is not restricted to persons aged 18 or over—
  - (i) that any machine in respect of which the conditions mentioned in section 34(5A) of this Act are observed is located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access otherwise than by means of an entrance designed for the purpose;
  - (ii) that only persons aged 18 or over are admitted to an area of the premises in which any such machine is located;
  - (iii) that access to an area of the premises in which any such machine is located is supervised;

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<sup>(6)</sup> 1964 c. 26.

<sup>(7)</sup> 1976 c. 66.

- (iv) that any area of the premises in which any such machine is located is so arranged as to permit all parts of it to be observed; and
- (v) that at the entrance to, and inside, any such area there are prominently displayed notices indicating that access to the area is prohibited to persons aged under 18.”.

(6) After paragraph 20 there shall be inserted—

“**20A.**—(1) A permit expressed to be granted for the purposes of subsection (1) of section 34 of this Act shall cease to have effect on the grant in respect of the premises to which the permit relates of a permit expressed to be granted for the purposes of subsection (5E) of that section.

(2) A permit expressed to be granted for the purposes of subsection (5E) of section 34 of this Act shall cease to have effect on the grant in respect of the premises to which the permit relates of a permit expressed to be granted for the purposes of subsection (1) of that section.”.

### **Transitional provision**

**10.**—(1) Any permit under section 34 of the 1968 Act in respect of amusement machine premises which is in force on the coming into force of this Order shall be treated for the purposes of that Act as one which is expressed to be granted for the purposes of subsection (1) of that section.

(2) In paragraph (1) above, the reference to amusement machine premises is to premises which are used wholly or mainly for the provision of amusements by means of machines to which Part III of the 1968 Act applies.

Home Office  
23rd May 1996

*Timothy Kirkhope*  
Parliamentary Under Secretary of State

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order is made under section 1 of the Deregulation and Contracting out Act 1994. It reduces restrictions on business in three areas.

Articles 3 and 4 amend the Betting, Gaming and Lotteries Act 1963 to increase the facilities ancillary to betting which may be provided in a licensed betting office.

Article 5 increases the number of jackpot gaming machines which may be used in premises licensed or registered under the Gaming Act 1968 from the present limit of two.

Article 6 relaxes the restrictions on use of machines for amusement purposes in the Gaming Act 1968 by permitting a cash-only machine which gives a maximum prize of £10 in premises to which children have restricted access.

Articles 7 to 10 make various consequential and transitional provisions.