



# **Guidance on Undertaking Local Gambling Risk Assessments**

Gambling Act 2005

January 2018

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## 1. Introduction

- 1.1 The Gambling Commission (the Commission) has 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.
- 1.2 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.
- 1.3 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.
- 1.4 The City Corporation has developed this guidance to assist gambling operators in undertaking and preparing their local (premises) risk assessments. This guidance provides a framework for the local risk assessment process that will provide a uniform approach across all non-remote gambling sectors. This will benefit the City Corporation as Licensing Authority under the Gambling Act 2005 (the Act), as well as responsible authorities and interested parties when considering new and variation applications. The local risk assessment will also enable the City of London Corporation to establish a more progressive compliance inspection regime.
- 1.5 Gambling operators had to undertake a risk assessment for all of their existing premises by 6th April 2016. Following that date operators must undertake a review of those assessments when certain triggers are met. These triggers, along with the Licensing Authority's views on what would instigate either a new assessment or the review of an existing one are detailed within this guidance document.
- 1.6 The Licensing Authority considers that these local risk assessments are a key component of the overall assessment and management of the local risks. The Licensing Authority will assist operators in this process by providing specific information on its concerns surrounding gambling within the City and the impact that premises can have on the licensing objectives through the development of a local area profile.

- 1.7 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.

## 2. Background

- 2.1 The City of London Court of Common Council is the Licensing Authority for the City of London in terms of the Act. The Licensing Authority is responsible for considering and determining applications for premises licences which offer gambling facilities within the City of London.
- 2.2 The Act contains three licensing objectives which guides the way that the Licensing Authority performs its function 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.
- 2.3 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.
- 2.4 The Licensing Authority will set out how it intends to carry out its functions under the Act in its Policy Statement. This statement is kept under review and is updated every three years (as a minimum).
- 2.5 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 operators must ensure that they comply with and meet the requirements of the LCCP.
- 2.6 Although gambling is a legal entertainment activity it can, in some locations have a negative impact on individuals and the wider community. The City Corporation has understood its responsibility in trying to comprehend how gambling can affect its residents, work-force, and visitors. The City Corporation

has actively been examining individuals and vulnerable groups who are potentially susceptible to gambling-related harm.

- 2.7 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. Both provisions came into effect on 6 April 2016. 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. This provision came into effect on 6 April 2016.**

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 10.1.12**

**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. This provision came into effect on 6 April 2016.**

1. 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.

- 2.8 These code provisions came into effect on 6th April 2016. As a result, all premises that provide facilities for gambling within the City of London must be assessed to identify the local risks posed by the provision of gambling facilities in their respective locations. This guide will assist operators in complying with these code provisions.

### 3. Risk assessment triggers

- 3.1 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. This section sets out the Licensing Authority's views on what these triggers are and when operators should provide a copy of their assessments to the Licensing Authority.

#### **New premises**

- 3.2 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. That assessment should be based on how the premises are proposed to operate at the premises location and must consider 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**

- 3.3 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.

- 3.4 The following list sets out some examples of what the Licensing Authority considers to be significant local circumstances:

- Any substantial building development or conversion of existing premises in the local area which may increase or decrease the number of visitors. For example, where a new office building is constructed nearby.
- Any new pay day loan or pawn brokers open in the local area
- Changes are made to the provision, location and/or timings of public transport to the local area, such as a bus stop which has been used by children to attend school is moved to a location in proximity to gambling premises or where London Underground services to a local station are extended later into the evening.
- 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 which 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).

- A new gambling premises opens in the local area.

3.5 The list above is not an exhaustive list of what could be considered significant changes in local circumstances. The Licensing Authority will provide information to gambling operators when it feels a significant change has occurred in the local area. The Licensing Authority will set out what that change is and may provide information on any specific concerns it may have that should be considered by operators.

However, operators must also consider what is happening in their local areas and it is their responsibility to identify significant changes which may require a review and possibly an amendment to their risk assessment. A significant change can be temporary, and any temporary changes should be considered and adjustments made to the local risk assessment if necessary.

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

3.6 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.

3.7 The following list sets out some examples of what the Licensing Authority considers to be significant changes to the premises (some of which may also require a variation to the existing premises licence). As with the examples of significant changes in local circumstances set out previously, the following list is not an exhaustive list – operators must consider whether any change that they are proposing to their premises is one that may be considered significant.

- 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 e.g. to permit the sale of alcohol.

3.8 The Licensing Authority 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**

3.9 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.

3.10 When preparing an application to vary the premises licence the operator must undertake a review of the local risk assessment and update it if necessary. Operators submitting a variation application to the Licensing Authority should provide a copy of the reviewed local risk assessment when submitting the application.

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

3.11 As a matter of best practice the Licensing Authority 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 any of the trigger events set out above have occurred, these risk assessments are considered at regular intervals and updated as necessary.

### **4. Local risks and control measures**

4.1 There are two specific parts to the risk assessment process, the assessment of the local risks, and the determination of appropriate mitigation to reduce those risks.

4.2 The risks that operators must identify relate to the potential impact a gambling premises and its operation may have on the licensing objectives. The gambling operator will be expected to identify and list all of the local risks within the assessment. The level of such risks can range from being low to very high depending on the potential impact they can 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 necessary to mitigate such risk.



- 4.3 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.
- 4.4 Operators will already be familiar with identifying risks in relation to health and safety 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.
- 4.5 This local risk assessment process, although similar requires a much broader range of considerations when identifying local risk. Operators must consider the local area in which the premises are situated, the gambling operation and the premises both internally and externally.

#### **Local area risks**

- 4.6 There are a number of factors relating to the local area that operators may identify as local area risks which are independent of who the operator believes is their target market. While it is for the operator to identify and determine these factors, the Licensing Authority considers the following list may be of assistance to operators in identifying local area risks:
- The types of premises and their operation in the local area surrounding these premises.
  - The footfall in the local area, for example, does it predominately comprise residents, workers or visitors.
  - Transport links and parking facilities.
  - Educational facilities.
  - Community centres.
  - Hospitals, mental health or gambling care providers.
  - Homeless shelters, hostels and support services.
  - The age and economic makeup of the local community
- 4.7 The local area will be different depending on the premises and the size of its operation.

### **Gambling operational risks**

- 4.8 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. It will also include other elements such as:
- The gambling products it provides in the premises.
  - The facilities to enable gambling within premises.
  - Marketing materials within premises
  - Security and crime prevention arrangements.
  - Shop displays and provision of information to customers.
  - Staffing levels.
- 4.9 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.
- 4.10 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**

- 4.11 The design of the premises is an extremely important factor when considering local risks. For example, premises which are located within an area which has a high number of children and young people present throughout the day may identify that their standard external design means that children and young people can see into the premises and see gambling taking place. The appropriate mitigation in this case may be for the operator to amend the premises design by installing a screen or by covering the windows to obscure the interior of the premises. Such changes would be considered as control measures to mitigate the risk of attracting children to gambling.
- 4.12 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.

### **Interior design risks**

- 4.13 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 restrictions on the location of Automated Teller Machines (ATM's), and unobstructed views in placing Gaming Machines.

- 4.14 Operators will need to 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**

- 4.15 The exterior of premises will be a major advertisement for the gambling operator. However, the design will need to be assessed based on the associated risk. Operators will identify the 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.

### **Control measures**

- 4.16 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 will 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 will 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.
- 4.17 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 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 to see out of the premises or a design to avoid attracting children to the premises.
- 4.18 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, window shutters, UV lights in toilets.

- 4.19 As aforesaid, 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, ID scans, and door staff.

- 4.20 As outlined in the code provisions, applications for new premises licences and for variations to existing licences will require a local risk assessment. The control measures specified in these risk assessments may be incorporated into the new or varied premises licences through the imposition of appropriate conditions.

## 5. Undertaking a local risk assessment

- 5.1 A local risk assessment of gambling premises should be embarked on through a step-by-step approach. The approach that the Licensing Authority suggests is to first assess the local area and identify the relevant risk factors, then to assess the gambling operation, and finally to 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. To assist, the Licensing Authority has developed a local risk assessment form that encompasses the step-by-step approach to the assessment (See Appendix A). While operators can develop their own style of local risk assessment, they are encouraged to have regard to the issues set out in this Guidance. 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.

### Who should undertake the assessment

- 5.2 It will be the responsibility of the gambling operator to assign the assessor for assessing the local risks for their premises. The person assigned as the assessor must be competent to undertake this role as failure to properly carry out this function 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**

- 5.3 Operators will be expected to identify the local risk factors surrounding the premises. The risk factors will differ from location to location therefore a clear understanding of the specific characteristics of the local area and the people who live, work or visit that area is imperative.
- 5.4 To assist in assessing the local area the Licensing Authority has produced a Local Area Profile within its Statement of Licensing Principles. The Local Area Profile sets out the demographic profile area of the City of London, and the specific concerns and risks that the Licensing Authority has identified in relation to gambling in those areas.
- 5.5 The first step is to identify the local risk factors associated with the local area in which the premises are located. Local risk factors are risks that affect one or more of the licensing objectives. The Licensing Authority Statement of Licensing Principles will identify some of these risk factors which are considered to be of significance for areas of the City.
- 5.6 The list below is a small representative example of some of the risk factors that may be present in an area where gambling premises are located:
  - The types of premises and their operation in the local area surrounding these premises.
  - Transport links and parking facilities.
  - Educational facilities.
  - Community centres.
  - Hospitals, mental health or gambling care providers.
  - Homeless shelters, hostels and support services.
  - Significant presence of young children.
  - High crime and unemployment area.
  - Nearby alcohol or drug support facility.
  - Pawn broker/pay day loan businesses, food banks and soup kitchens in the vicinity.
  - Other gambling premises in the vicinity.

### **Step 2: The gambling operation**

- 5.7 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 assessor may wish to consider:

- how the gambling operation will relate to how the operator conducts its business
- what gambling products it provides in the premises
- the facilities to enable gambling within the premises
- the staffing levels within the premises
- the level and requirement for staff training
- whether loyalty or account cards are used or not
- the policies and procedures it has in place in relation to regulatory requirements of the Act or to comply with the LCCP
- the security and crime prevention arrangements it has in place
- how it advertises locally and on the premises
- the marketing material within the premises
- the display and provision of information, including the ability to signpost customers to support services with respect to problem gambling, financial management, debt advice etc.

### **Step 3: The design of the premises**

- 5.8 The design and layout 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. For example:

- the premises may have a number of support pillars which the assessor identifies as obstructing the view of the gaming machines from the cashier counter.
- premises which are located within an area which has a high number of children and young people present throughout the day, may identify that their standard external design means that children and young people can see into the premises and see gambling taking place.
- if a premises has a large amount of glass frontage in an area prone to criminal damage, the assessor may consider the risk of damage to the standard toughened glass to be high.

These would be identified risk factors that would need to be documented.

### **Step 4: Control measures**

- 5.9 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.

### **Completed Assessments**

- 5.10 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 and procedure. The assessment must be retained and should be reviewed whenever a trigger occurs or as part of a regular review regime (as outlined).
- 5.11 Where appropriate the Licensing Authority will assess the risks identified and the measures implemented to mitigate those risks. When a completed assessment is provided with a new application or with a variation application, the Licensing Authority will consider the assessment in the course of determining whether to grant the application or not. Some control measures identified in the assessment may be put forward as conditions to be attached to the licence to address any significant local concerns.



## Local Area 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.

**Licensing Objectives:** The Gambling Act 2005 (The Act) gives Local Authorities responsibility for issuing premises licences for gambling venues. The Act requires that Local Authorities should 'aim to permit' premises licences so long as they are consistent with three objectives:

1. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
2. Ensuring that gambling is conducted in a fair and open way, and
3. Protecting children and other vulnerable persons from being harmed or exploited by gambling.

**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 licensing objectives by virtue of the provision of gambling facilities at the premises.

**Control Measures:** These are measures that the operator can put in place to mitigate the risk to the licensing objectives from the risk factors.

**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 should be longer than 36 months.



## Local Area Gambling Risk Assessment

Premises number or Licence No:

Ward:

Area (if applicable):

Premises address:

Category of gambling premises licence:

Name of person completing assessment:

Date of Assessment:

Review Date:

Notes:

# 1. Local Area

Licensing Objective		Risks	Existing Control Measures	Further Controls Recommended
1.1	Preventing Gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime			
1.2	Ensuring that gambling is conducted in a fair and open way			
1.3	Protecting children and other vulnerable persons from being harmed or exploited by gambling			

## 2. Gambling Operation & Physical Design (Internal and External) (and External)

Licensing Objective		Risks	Existing Control Measures	Further Controls Recommended
2.1	Preventing Gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime			
2.2	Ensuring that gambling is conducted in a fair and open way			
2.3	Protecting children and other vulnerable persons from being harmed or exploited by gambling			

