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| To: General Purposes Committee | | Subject: The De-regulation (Gaming Machines and Betting Office Facilities) Order 1996 Section 34(5E) Permits Amusement Arcades |
| From: Head of Legal Services | | |
| Date: 26 June 1996 | Ref: WBK/MRP | |

1. BACKGROUND

- 1.1 Section 34 of the Gaming Act 1968 provided for the issue of permits for the installation of amusement with prizes machines (i.e. one armed bandits) in amusement arcades. The above Order has introduced a new Section 34(5E) and the purpose of this report is to advise members of the effect of this new Section and the requirement to fix a fee for the new permits for Amusement Arcades.

2. EFFECT OF THE NEW CHANGES

- 2.1 The original Gaming Act provisions imposed a maximum cash limit of £4 although machines could deliver a maximum jackpot of £8 if the excess was in tokens. These limitations proved very unpopular with both players and the trade and the above De-regulation Order was the result of consultations undertaken by the Home Office with COSLA and other interested parties. The new provisions allow for machines which pay out all prizes in cash up to a maximum of £10. However because of concern about adolescent gambling, machines delivering the higher jackpot will be restricted to persons aged 18 or over. Arcade operators will on receipt of a new Section 34(5E) permit be able to install these machines in age controlled designated areas within arcades. Under 18s will not be allowed into the designated areas whether or not they intend to play the all cash machines. This particular provision does not apply to all cash machines in premises which hold a liquor licence, casinos or betting shops as such facilities already have age restrictions.
- 2.2 Existing permit holders in terms of Section 34 of the Act are now applying for the new permits. Such applications can only be refused on limited grounds relating to the way in which AWP machines have been used on the premises or that Council Officials have been refused reasonable facilities to inspect the premises.
- 2.3 In terms of the legislation the Council requires to set a fee for the new permits which fee requires to be set at a rate which the Council considers necessary to balance its income and expenditure (including expenditure in connection with enforcement) subject to a maximum of £250. Existing Section 34 permit fees from the merging authorities of North Lanarkshire Council range from £8.50 to £32.00 for a three year permit. These fees have not been reviewed for some time and may be considered to be on the low side. In addition the new Section 34(5E) permits will require the Council to inspect and monitor premises particularly with reference to the designated areas.

3. RECOMMENDATION

That members note the above information and that a fee be set for Section 34(5E) permits to reflect the costs incurred by the Council. It is suggested that as an interim measure a fee of £125.00 per permit could be set and this fee reviewed if necessary once the additional costs are fully assessed.

Walter B. Kalgow

Head of Legal Services