

GAMING IN PUBS AND CLUBS

Gambling has been in the spotlight recently. Here we provide a round up of the latest news and key actions you should be taking now to prepare yourself for the start of the new gaming regime in September.

Poker leagues – are they legal?

Under current gambling – legislation confirmed in the recent ruling against the Gutshot Club - it is illegal to host poker games in pubs except under certain very strict conditions – the event must be private, with no fee for entry, prizes are forbidden and the pub must place no levy on stakes or winnings. Playing for points rather than prizes is something of a grey area, but few leagues will be organised in such a way as to avoid breaching at least one of these conditions.

Police and local authorities can be expected to stamp down hard on any unregulated gambling, following the Gutshot case, and this will have a knock on effect on the premises licence. The best advice at present has to be to stop, and wait for the law to catch up with consumer demand.

New Entitlements

The situation is all set to change in September. Proposed new laws would allow pubs to host low level gambling on games of equal chance – including poker – without the need for a licence. The relaxation will be limited to those times when alcohol is authorised to be sold.

Whilst the venue itself will continue to be prevented from making money from the games by charging an entrance fee or taking a cut, the current restriction to private events is to be lifted. Providing certain strict conditions are met – no children, no membership subscriptions or participation fees and no linking of games across more than one outlet – no further authorisation will be required. The quid pro quo is that there will be strict limits on individual stakes - £5 per person, per game - and no more than £100 a day or £500 a week may be staked or won in any one premises.

The new proposals have yet to be finalised, and we expect that they will be accompanied by a statutory code of practice. This may yet impose further restrictions on the number of players or record keeping requirements. However, the change is a welcome clarification of the law for those operators wanting to take advantage of new poker leagues and tournaments from September.

AWPs – Protect what you've got

New arrangements for AWP permits will also apply from September. From that date, the current system of 3 yearly permits will be abolished. Instead, all outlets will automatically be entitled to 2 category “C” machines as of right. They will simply be required to notify their local authority at the same time as submitting their premises licence application, and pay a one-off fee. Those wanting more than 2 machines will have to apply separately (£150) and pay an annual admin fee (£50)

As with the transition to the new licensing regime, existing operators are guaranteed to keep their existing permissions and machine numbers cannot be reduced. A flat fee of £70 for converting existing permissions will be levied. However, unlike with licensing, there is to be no D-Day for conversion of existing permissions. Permits will be reissued under the new system when they expire. It is important, therefore, that you do not allow current Section 34 permits to lapse.

If your current permits expire before the 31 August, you should renew them immediately and as normal for the full 3 years. Review the number of machines you currently operate and if you think you may want more than 2 in the future, apply for additional permissions now to ensure you have grandfather rights up to 2010 at the current reduced cost.

If the permit expires after 1 September, you should notify and/or apply for new permissions at least 2 months before the current permit expires. Whilst there is no higher application fee for more machines during transition, there will be an annual charge of £50 and this fivefold increase in cost must be borne in mind in deciding whether it continues to make business sense to trade with large numbers of machines.