

EXPLANATORY MEMORANDUM TO

THE GAMBLING (INVITING COMPETING APPLICATIONS FOR LARGE AND SMALL CASINO PREMISES LICENCES) REGULATIONS 2008

2008 No. 469

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.
2. **Description**
 - 2.1 These regulations make provision for licensing authorities to invite applications for large and small casino premises licences and provisional statements in respect of large and small casinos under the Gambling Act 2005 (“the Act”).
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 None.
4. **Legislative Background**
 - 4.1. This instrument has been made as part of the implementation of the Act.
 - 4.2. The Act establishes a new system for the regulation of all gambling in Great Britain, other than the National Lottery and spread betting. It repeals the Betting, Gaming and Lotteries Act 1963, the Gaming Act 1968 and the Lotteries and Amusements Act 1976. It provides for local authorities in England and Wales and licensing boards established under Scottish legislation – together called “licensing authorities” in the Act – to license premises within their areas which are used to provide facilities for commercial gambling.
 - 4.3. The Act also introduces a unified regulator for gambling – the Gambling Commission (“Commission”). The Commission will license and regulate virtually all commercial gambling in Great Britain, including all casinos.
 - 4.4. The Act sets out the following three licensing objectives, which licensing authorities are required to consider in licensing premises under the Act and which the Commission is also required to pursue:
 - To prevent gambling from being a source of crime and disorder;
 - To ensure that gambling is conducted in a fair and open way; and
 - To protect children and vulnerable persons from being harmed or exploited by gambling.
 - 4.5. As part of the new licensing regime it introduces, the Act provides for the following three main types of licence:
 - 4.5.1. Premises licences. These will be held by people who wish to use premises to provide facilities for commercial gaming and betting and, in general, it will be an offence to use premises for such a purpose without a premises licence. There are different kinds of premises licences for the different kinds of gambling premises (for example, casino premises licences, bingo premises licences, betting premises

licences, etc.). Premises licences may only be issued to a person who holds a valid operating licence (see below). They will be issued and overseen by licensing authorities.

- 4.5.2. Operating licences. These will be held by people who wish to provide facilities for commercial gambling and, in general, it will be an offence to provide such facilities without an operating licence. Operating licences will be issued and overseen by the Gambling Commission.
- 4.5.3. Personal licences. These licences will also be issued and overseen by the Gambling Commission and will be held by people who hold specified “management offices” in relation to an operating licence or who perform specified “operational functions” in relation to such a licence.
- 4.6. The Act also provides for licensing authorities to issue provisional statements in respect of prospective gambling premises. Different, less onerous, rules apply to applications for premises licences by people who have already been issued with a provisional statement in respect of the premises.
- 4.7. The Act provides for three different kinds of casino – 1 regional, 8 large and 8 small – and for different premises licences (and provisional statements) for each kind. These regulations deal only with large and small casino premises licences and provisional statements. The Secretary of State has decided not to provide for a regional casino at this time and such provision will not be given further consideration until after an assessment of the social and economic impact of the 16 large and small casinos has been carried out. This assessment will not be carried until at least three years after the first new casinos have begun operating. The assessment is not expected to be completed until 2013.
- 4.8. Section 175 of the Act prescribes limits on the number of casino premises licences that may have effect at any time. There may only be eight large and eight small casino premises licences in effect at any time. Section 175(4) provides for the Secretary of State, after consultation with the Scottish and Welsh Ministers,¹ to specify by order:
 - 4.8.1. which licensing authorities may issue each kind of casino premises licence; and
 - 4.8.2. the number of casino premises licences of each kind issued by each authority that may have effect at any time.
- 4.9. The Secretary of State laid before Parliament a draft order under section 175(4) of the Act at the same time as laying these regulations.
- 4.10. Where a limit is specified under section 175 of the Act in relation to a kind of casino premises licence, Schedule 9 to the Act provides for each licensing authority who may issue that kind of licence (or related provisional statement) to run a two-stage competition for those licences and statements. Paragraph 2 of Schedule 9 provides for the Secretary of State to make regulations about inviting applications as part of those competitions. These are the first regulations made under that provision. A licensing authority must comply with them before considering an application for a casino premises licence or a provisional statement in respect of a casino.

¹ Section 175(4) refers to the National Assembly for Wales rather than the Welsh Ministers. However, the function of the National Assembly for Wales in section 175(4) was transferred to the Welsh Ministers by paragraph 30 of Schedule 11 to the Government of Wales Act 2006 (2006 c.32). Under paragraph 32 of Schedule 11 to that Act, the reference to the National Assembly for Wales in section 175(4) is to be construed as being a reference to the Welsh Ministers.

- 4.11. Paragraph 6 of Schedule 9 to the Act provides for the Secretary of State to issue a code of practice about the two-stage competition that a licensing authority must run before issuing a casino premise licence or provisional statement in respect of a casino. The Secretary of State issued a code of practice in relation to large and small casinos on the same day as these regulations were laid before Parliament.

5. Territorial Extent and Application

- 5.1 This instrument extends to Great Britain.

6. European Convention on Human Rights

- 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- 7.1 The Act gave effect to the Government's proposals for reform of the law of gambling. As noted above, it contains a new regulatory system to govern the provision of all gambling in Great Britain, other than the National Lottery and spread betting. It replaces the existing legislation that governs gambling in Great Britain: the Betting, Gaming and Lotteries Act 1963, the Gaming Act 1968, and the Lotteries and Amusements Act 1976.
- 7.2 Through the licensing objectives set out in section 1 (see paragraph 4.4 above), the Act places the protection of children and other vulnerable people at the heart of the regulation of gambling. All casinos – both the existing estate and the new casinos permitted by the Act – will be required to abide by new rules relating to social responsibility that are to be put in place under the Act.
- 7.3 The Act provides for the licensing of eight large and eight small new casinos. The areas in which new large and small casinos should be located were recommended to the Secretary of State by an independent panel, following submissions made to it by a number of licensing authorities against certain criteria.
- 7.4 New casinos will differ from existing casinos in a number of ways: they will be able to offer more gaming machines and they will be able to offer new combinations of gambling facilities. The operators of existing casinos licensed under the Gaming Act 1968 will, like any other person, be able to apply for the new casino licences. Existing operators have also been able to apply to convert their existing licences into new licences issued under the Act. Where they have done so, they have retained their current entitlement to 20 jackpot gaming machines.
- 7.5 The limits on the number of new casino premises licences that may have effect at any time reflect the Government's cautious approach to this reform. They allow the Government to assess whether the introduction of new casinos leads to any increase in problem gambling. The Government will also evaluate new casinos' economic and regeneration impact. A team led by Lancaster University advised the government on the methodology for this assessment and undertook a scoping study for this work. The assessment of the impact of the new casinos will not start until at least three years after the first new casinos have begun operating. It is anticipated that the assessment will not be completed until 2013.
- 7.6 The procedure for inviting and considering applications for casino premises licences (and provisional statements in respect of casinos) is prescribed by Schedule 9 to the Act, under which these regulations are made.

- 7.7 Before a licensing authority may consider any applications it must comply with these regulations, which are about inviting competing applications. In making the regulations, the Secretary of State has prescribed the minimum requirements with which licensing authorities must comply. They must publish an invitation calling for applications so that as many potential casino operators, both in the United Kingdom and abroad, have the chance to apply. The Secretary of State decided not to stipulate the actual publications in which an invitation must be published as this could vary from area to area, and licensing authorities are best placed to assess which is the best publication at the time they issue the invitation.
- 7.8 In addition to publishing an invitation, licensing authorities must make an application pack publicly available (and refer to the application pack in their published invitation). The pack will provide further useful information about applications.
- 7.9 Paragraphs 5 and 6 of the regulations prescribe the information to be included in an invitation and application pack. They set out the minimum requirements with which a licensing authority must comply, and ensure consistency between different licensing authorities.
- 7.10 If, having complied with the regulations, a licensing authority receives more than one application, it must then apply the two-stage consideration process required by Schedule 9 to the Act.
- 7.11 During the first stage, a licensing authority will consider applications in the manner in which it considers any application for a premises licence under the Gambling Act 2005. Regulations governing this application stage have already been made – the Gambling Act (Premises Licence and Provisional Statement) Regulations 2007 (SI 2007/459). Applicants must use the relevant form prescribed in those regulations and submit it with the relevant fee and a plan of the premises. The plan must show that the premises meet the mandatory conditions attached to a premises licence. The maximum fees for applications for premises licences have also been prescribed in regulations – the Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 (SI 2007/479); and the Gambling (Premises Licence Fees) (Scotland) Regulations 2007 (SSI 2007/197). As these regulations set the maximum fees, it is for individual licensing authorities to determine their own fees, on a full cost recovery basis.
- 7.12 If more than one application makes it through the first stage of the application process, the second stage requires the licensing authority to determine which of the applications would result in the greatest benefit to their area. For that purpose, a licensing authority may enter into an agreement with an applicant. An agreement may, for example, provide for an applicant, if successful, to pay a proportion of its casino profits to the licensing authority for the purposes of the treatment of problem gambling in the authority's area. The application that gives rise to the greatest benefit (and only that application) will be granted.
- 7.13 Paragraph 6 of Schedule 9 allows the Secretary of State to issue a code of practice about the two-stage consideration process, with which licensing authorities must comply. Although this code is not made by statutory instrument and is not subject to Parliamentary scrutiny, the Department consulted on it at the same time as the regulations. The code of practice contains more detail about the two-stage procedure licensing authorities will apply in considering applications. It has been developed taking into account comments from respondents to the consultation and may be revised in the future in the light of licensing authorities' practical experience of the consideration process. The code currently provides details about the following:
- Steps that licensing authorities should take to ensure that the consideration process is fair to all applicants.

- Matters which a licensing authority may (and may not) consider during the first stage of the consideration process, and what they may consider during the second stage.
- Guidance on the matters about which licensing authorities should consult local people.
- Factors that a licensing authority may wish to have regard to in determining whether an application would provide the greatest benefit to their area.
- Guidance on the discussions and negotiations that licensing authorities may have with applicants.

Consultation

- 7.14 The Department consulted widely on these regulations and as regards its new casino policy in general.
- 7.15 The formal consultation process for these regulations ran from 21st February 2007 (when a consultation document was published) to 2nd May 2007. A summary of responses was published on the DCMS's website on 2nd August 2007. A total of 21 responses were received from the industry, licensing authorities and community groups. There was overall agreement to the approach the Department proposed (i.e. to lay "light touch" regulations). Although these regulations concern the invitation process only, the Department chose to consult on the Code of Practice at the same time, to ensure that this guidance would be user friendly and relevant to all parties.
- 7.16 Aspects of the draft Regulations and code of practice were changed as a result of the consultation. The initial proposal for the content of the invitation required a great deal of information to be included in the published invitation. This could have been expensive for licensing authorities. Accordingly, the draft Regulations were amended to provide for basic information only to be included in the invitation, with more detailed information included in an application pack to be made publicly available by licensing authorities. The draft Regulations were also amended to provide that applications are, for the purpose of the Act and regulations made under it, to be treated as if they were made on a common date. This has the effect, for example, that representations from interested parties in relation to multiple applications for one licence will all be due on the same date.

Guidance

- 7.17 As we have noted above, paragraph 6 of Schedule 9 to the Act enables the Secretary of State to issue a code of practice. This code supports the application process and gives useful guidance to applicants and licensing authorities alike.
- 7.18 Ongoing discussions between the Department and those licensing authorities who will be authorised to issue casino premises licences have highlighted the need for the Department to provide further guidance in the form of a 'frequently asked questions' document. This document will answer questions about practical matters which cannot be dealt with through the Regulations or the code of practice.

8. Impact

- 8.1 An Impact Assessment is attached to this memorandum.
- 8.2 The impact on the public sector is as follows. Licensing authorities who are authorised, and wish, to issue a casino premises licence (or provisional statement in respect of a casino) will be required to comply with these regulations and invite applications for

licences and statements. Where more than one such application is received they will be required to run competitions in accordance with Schedule 9 to the Act. The Act provides for the payment of a fee to a licensing authority on application for a premises licence or provisional statement. The Secretary of State and Scottish Ministers have provided by Order for licensing authorities to determine the amount of those fees, subject to maximum fees specified in the Orders (see SI 2007/479 and SSI 2007/197). In determining the amount of fees, licensing authorities are required by section 212(2)(d) of the Act to aim to ensure that their income from fees as nearly as possible equates to their costs. Accordingly, the fiscal impact to licensing authorities of inviting applications for casino premises licences, running any competition, and issuing the licences should be neutral.

9. Contact

Peter Doogan at the Department for Culture, Media and Sport Tel: 020 7211 6486 or e-mail: peter.doogan@culture.gsi.gov.uk can answer any queries regarding the instrument.

Summary: Intervention & Options

Department /Agency: Department for Culture, Media and Sport	Title: Impact Assessment of The Gambling (Inviting Competing Applications for Large and Small Casino Premises Licences) Regulations 2008	
Stage: final	Version: 1	Date: 25 February 2008
Related Publications: Code of Practice on Determinations under Paragraphs 4 and 5 of Schedule 9 to the Gambling Act 2005 relating to Large and Small Casinos		

Available to view or download at:

<http://www>.

Contact for enquiries: Peter Doogan DCMS

Telephone: 0207 211 6486

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

These regulations are made under paragraph 2 of Schedule 9 to the Gambling Act 2005. Schedule 9 governs the process that licensing authorities must follow when inviting, considering and granting or rejecting applications for a casino premises licence (or a provisional statement in respect of casino premises). The process is divided into two principal stages by the Act: a "regulatory test" stage and a "greatest benefits test" stage. These regulations govern the inviting, by authorities, of applications and are made as part of the implementation of the Act.

What are the policy objectives and the intended effects?

The broad objective is to ensure that licensing authorities run fair competitions for casino premises licences. The process for competitions must be transparent and clearly understood by interested parties. Further, licensing authorities must be able to maximise the benefits accruing to their local area from the licensing of a new casino. The regulations require authorities to publish open invitations for casino applications and to make information about such applications publicly available.

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

The regulations are part of the casino licensing process with which authorities must comply, so not making them is not an option. An alternative option would be to make more prescriptive regulations about the content and publication of invitations, but the DCMS consider authorities are sufficiently experienced at tendering exercises, with which the Schedule 9 competitions will be broadly similar, to make this unnecessary. The regulations therefore prescribe minimum requirements consistent with the objective of ensuring a fair competitive process.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? The code of practice will be kept under review and will be developed over time, as necessary. An assessment of the impact of the new casinos will be carried out no earlier than three years after the issue of the first casino premises licence.

Ministerial Sign-off For 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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C O S T S	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups'	
	One-off (Transition) Yrs		
	£		
	Average Annual Cost (excluding one-off)		
	£	Total Cost (PV)	£
Other key non-monetised costs by 'main affected groups'			

B E N E F I T S	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' These regulations should help maximise those benefits, albeit in an unquantifiable way, by helping to ensure that the opportunity to apply for a licence is brought to the attention of the widest possible range of interested parties.	
	One-off Yrs		
	£		
	Average Annual Benefit (excluding one-off)		
	£	Total Benefit (PV)	£
Other key non-monetised benefits by 'main affected groups'			

Key Assumptions/Sensitivities/Risks Authorities will need to run a transparent, fair and open competition for casino premises licences, or risk challenges from the industry.

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?	March/April 2008				
Which organisation(s) will enforce the policy?					
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?	No				
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)	<table style="width: 100%; border: none;"> <tr> <td style="width: 25%; text-align: center;">Micro none</td> <td style="width: 25%; text-align: center;">Small none</td> <td style="width: 25%; text-align: center;">Medium none</td> <td style="width: 25%; text-align: center;">Large none</td> </tr> </table>	Micro none	Small none	Medium none	Large none
Micro none	Small none	Medium none	Large none		
Are any of these organisations exempt?	<table style="width: 100%; border: none;"> <tr> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	No	No	N/A	N/A
No	No	N/A	N/A		

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	Net Impact £

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.]

Section 175 of the Gambling Act 2005 provides for three new categories of casinos and imposes a limit on the number of each. There may be a maximum of 17 new casinos: one regional, eight large and eight small. These regulations relate only to the 16 large and small casinos, because the Secretary of State has decided not to make provision for a regional casino at this time. The areas in which new large and small casinos should be located were recommended to the Secretary of State by an independent panel, following submissions made to it by a number of licensing authorities against certain criteria. A local licensing authority will only be able to award a casino premises licence if one has been identified for its area.

Policy Background :

The 16 new large and small casinos can offer more gaming machines and new combinations of gaming. The Act therefore provides the industry with some opportunity to expand, although the number of licences available is limited. This limit reflects the Government's cautious approach to gambling reform, as it allows for the Government to examine the impact of new casinos and, in particular, whether there is any association between the new casinos and increased problem gambling. This supports the main objectives of the Act, which are:

- Preventing gambling being a source of crime or disorder
- Ensuring that gambling is conducted in a fair and open way; and
- Protecting children and the vulnerable from being harmed or exploited by gambling

Options

The procedure for inviting, and granting or rejecting applications for new casino licences is prescribed in Schedule 9 to the Act. The Secretary of State must make regulations that provide for:

- The manner and timing of the publication of invitations
- The timing of responses.

The Department considered three options.

1. Make no regulations.

This option was not realistic. The Secretary of State is required to make regulations to enable licensing authorities to start taking applications for new casino premises licences. Without these regulations being in place, casino operators would be prevented from being able to take advantage of the new licences permitted by the Act.

2. Make detailed regulations related to the publication of the invitation and what it should contain.

The Government considers that licensing authorities are better placed to decide what their local priorities are, and how these are communicated in the invitation to apply. The competitions for the new casino licences are not tendering exercises but there are parallels to be drawn between the two processes. Local authorities have extensive experience of conducting tendering exercises and can draw on this to run the competition process. The Government regards this as preferable to inflexible and detailed regulations for a single premises licence competition.

3. Making less prescriptive regulations, allowing licensing authorities freedom to decide what will work in their areas.

This remains the Government's preferred option. These regulations provide the minimum standards which are consistent with the objective of providing fair and open competitions and maximising the benefits that licensing authorities are able to secure for their local areas.

These regulations are made under paragraph 2 of Schedule 9. The Department consulted on a number of suggestions for the invitation itself. These included that:

- the invitations should be publicised by a licensing authority in such a manner whereby it is brought to the attention of as many potential bidders as possible;
- bidders must be given at least three months to submit applications;
- the invitation must include the timetable for the competition process, and details of the criteria a Licensing Authority will take into account at each stage; and
- applications for the first stage will follow the procedure laid out in Part 8 of the Act and use forms prescribed under that Part.

The Department has consulted with a view to prescribing the minimum requirements a licensing authority must comply with in inviting applications, so as not to be over burdensome, but at the same time to ensure consistency among the authorities concerned.

Consultation:

The Department published its formal consultation document on 21st February 2007, the consultation period ended on 2nd May 2007. A summary of responses was published on the DCMS's website on 2nd August 2007. A total of 21 responses were received from the industry, licensing authorities and community groups. The Department also undertook some informal consultation meetings within the Department's industry liaison group, community liaison group and with licensing authorities through LACORS (Local Authorities Coordinators of Regulatory Services).

There was overall agreement to the approach the Department had taken (i.e. to lay "light touch" regulations). For example, the majority of respondents agreed that three months was sufficient time in which applications should be made. Although these regulations concern the invitation process only, the Department chose to consult on a Code of Practice relating to casino premises licence competitions at the same time, to ensure that this guidance would be user friendly and relevant to all parties. As a result of the consultation, a number of changes were made to the regulations and the Code of Practice. The regulations now provide that it is mandatory for a licensing authority to make clear in the advertisement the category of casino it proposes to issue licences for (either large or small).

The regulations now provide for an invitation to be published in a manner which ensures it is brought to the attention of as many potential applicants as possible. Licensing authorities have the scope to find publications relevant to their market and area. This must include a trade publication which is likely to be read both within the United Kingdom and abroad.

Respondents indicated that there was some concern over lack of clarity between the first and second stages of the application process. The Code of Practice now contains information on how the licensing authority should treat information which is incorrectly submitted in the first stage of the application process. The Code also offers advice to those authorities who may have entered into contracts or agreements with operators prior to these regulations being made.

Costs and Benefits

Costs

The costs of publishing an invitation, making an application pack available and running a competition are paid by the licensing authority and recovered through application fees set by licensing authorities under the Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 (SI 2007/479) and Gambling (Premises Licence Fees) (Scotland) Regulations 2007 (SSI 2007/197). Licensing Authorities can draw on their experience of existing procurement systems which should help to ensure that the costs of running the competition are kept to a minimum.

The application process begins with a licensing authority publishing an invitation calling for applications. Any applications received are put through a two-stage consideration process. During the first stage, a licensing authority will consider the applications in the manner in which they consider all premises licence applications as prescribed in Part 8 of the Gambling Act and the Gambling Act (Premises Licence and Provisional Statement) Regulations 2007 (SI 2007/459). Applicants must use the relevant form prescribed in those regulations and submit it with the relevant fee and a plan of the premises. The plan must show that the premises meet the mandatory conditions attached to a premises licence. This application procedure is already in place and both licensing authorities and the industry are becoming accustomed to it. The process is designed to present as little burden to the industry, whilst being compliant with the Act.

Benefits

If more than one application makes it through the first stage, a second, 'greatest benefit' stage will apply. During this stage, applicants will be asked to demonstrate what benefits their application would have for the authority's area and the authority must determine which of the competing applications would provide the greatest benefit. In determining the benefits that an application would have for an area, authorities can enter into agreements with applicants (under which, for example, an applicant could agree to invest in a problem gambling treatment scheme, if their application were granted). Authorities must also compare competing applications to determine which application would bring most to their area in terms of employment and development. This stage will provide the industry with opportunities to demonstrate how it can play a useful role in a local community and enhance their reputation by working with local authorities. It also gives local authorities the chance to secure investment for their areas.

By not prescriptively defining the factors that are relevant to determining 'greatest benefit', the Government has allowed licensing authorities and the industry to be imaginative about the contributions a casino can make to the local community. Licensing authorities will also be able to decide what suits their particular community best. For example, an applicant could agree to implement a recycling and waste management scheme which supports the authority's environmental policy, or to invest directly in the regeneration of the area. Both the authority and the applicant can enter into a flexible, locally-focused agreement which can be reviewed as needs change.

Competition assessment

This regulation is fundamentally about maximising competition. Each authority must publish an invitation calling for applications so that as many potential casino operators, both in the United Kingdom and abroad, have the chance to apply. Competition is not restricted to any particular classes of people and therefore applications can be made by any person. The Secretary of State chose not to stipulate the actual publications in which an invitation must be published as this may vary from area to area, and licensing authorities are best placed to assess which is the best publication at the time they issue the invitation. In addition to publishing an invitation, licensing authorities must make an application pack publicly available (and refer to that pack and the place where it may be obtained in their published invitation). The pack will provide further useful information about applications.

Small firms impact test

Requiring licensing authorities to publicise the invitation in the manner proposed should ensure that it comes to the attention of companies, of whatever size and they will be able to consider applying for the new casino premises licenses.

Implementation and delivery

These regulations are being laid alongside the geographical distribution of large and small casinos order, which will specify the licensing areas in which the new casinos will be located. If that is approved by Parliament, the licensing authorities concerned will be able to begin the competition.

Paragraph 6 of Schedule 9 allows the Secretary of State to issue a Code of Practice about the two-stage consideration process, with which licensing authorities must comply. Though this Code is not subject to Parliamentary scrutiny and is not made by statutory instrument, the Department consulted on it at the same time as the regulations. The Code of Practice contains more detail about the two-stage procedure licensing authorities will apply in considering applications and thus provides useful support in the context of a new process. The document will be formally released as these regulations are made. At the heart of both the regulations and the Code of Practice is the aim to provide an application process which is fair. Industry will have access to that guidance, which ensures that the consideration process is transparent.

The Code of Practice was developed with reference to the comments received in the consultation responses, and can be revised to take into account the practical experience of licensing authorities once the system is up and running. Once these regulations have been approved by Parliament, the licensing authorities will be permitted to take applications for casino premises licenses. LACORS have established a casino network which will provide the authorities with a forum in which to discuss issues as they arise. The Department will continue to provide advice to licensing authorities by producing answers to 'frequently asked questions' which the authorities themselves will collate once the new application process has begun.

Application forms have already been made available to licensing authorities using word templates, under the Premises Licences and Provisional statement regulations.

Post Implementation Review

The Government will evaluate new casinos' economic and regeneration impact. A team led by Lancaster University advised the government on the methodology for this assessment and undertook a scoping study for this work. The assessment of the impact of the new casinos will not start until at least three years after the first casino has begun trading. It is not anticipated that the assessment will be completed until 2013.

Specific Impact Tests

The Department carried out preliminary health assessment of the impact of this policy, which indicated that a full assessment was not necessary as the three indicator questions all provoked negative responses. The Government is introducing a strict licensing regime for these new casinos, has limited the number of licences which can be issued initially and will assess the impact on problem gambling before deciding whether or not to propose any further casinos.

Similarly, initial assessment for the Carbon Impact Test demonstrated that the proposed policy would not have a significant impact as the policy does not affect any of the sectors/activities identified by DEFRA as being key sources of emissions of greenhouse gasses (Energy, Industrial Processes, Agriculture, Land Use/Forestry, Agriculture, or Waste). Therefore a full test is not required.

According to the 13 questions set by DEFRA to determine a policy's impact on rural areas, no work is required to "rural proof" this policy. The regulations are of a technical nature and do not of themselves have an impact, neither positive nor negative, on rural communities/areas, or an impact which is different to urban areas.

Again, these regulations cover a technical issue which, in itself, does not have any direct impact on any individuals, therefore initial assessments of the impact Race, Gender or Disability showed that a full assessment was not required.

Finally, these regulations do not require their legal aid impact to be assessed as they do not impose new criminal or civil penalties.

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	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	Yes	No
Other Environment	No	No
Health Impact Assessment	Yes	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	Yes	No
Rural Proofing	Yes	No