

BARNET COUNCIL

LICENSING SUB-COMMITTEE

APPLICATION FOR VARIATION OF BINGO PREMISES LICENCE

48 BALLARDS LANE, FINCHLEY, LONDON N3 2BX

SKELETON ARGUMENT ON BEHALF OF APPLICANT

INTRODUCTION

1. Merkur Slots UK Limited (“the applicant”) has traded at 48 Ballards Lane until midnight since 16th August 2021. It now applies for a variation of its licence to enable it to trade for 24 hours.
2. There is no objection to the application from the Police, the licensing authority, the child protection authority, the environmental health authority or any third sector agency or organisation concerned with the protection of vulnerable people.
3. There are objections from 16 local people. The applicant responds to the matters raised below.
4. The purpose of this skeleton argument is to help the Sub-Committee navigate the material by setting out some of the background to the application, explaining the legal context under the Gambling Act 2005, and making brief submissions dealing with the representation.
5. In considering the application, the Committee may be particularly assisted by looking at the following documents:
 - Witness statements:
 - Amanda Kiernan, Head of Compliance (page 11-18)

- Steve Ambrose, Operations Director (page 19-21)
- Andy Tipple, Head of Product (page 22)
- Inspection reports by Leveche Associates (page 23-263)
- Legal obligations to promote licensing objectives:
 - Conditions on licence (Agenda page 22)
 - Mandatory conditions (page 433 - 434)
 - Gambling Commission's Licence Conditions and Codes of Practice applicable to non-remote bingo licences (page 365-420)
- Operational standards (page 267-269)

SUMMARY

6. The applicant is a national provider of gaming facilities. It operates to the highest standards of social responsibility and compliance.
7. It has over 220 trading premises. It has been granted licences at every site at which it has applied and has never suffered a review or other regulatory intervention. Its sites are across a range of areas, geographically and socially.
8. It is currently trading for 24 hours in over 150 premises. Again, none of these has ever been the subject of a review or regulatory intervention.
9. Its premises in Ballards Lane opened in August 2021. It has traded without any regulatory concern. In the last 12 months, there has been one police call-out, when a member of the public was misbehaving inside the premises, at 10.20 a.m.
10. The reasons for the applicant's record are summarised as follows:
 - (1) The applicant has detailed systems for compliance with the law and promotion of the licensing objectives, which they implement through staff training and management programmes and supervise through area and national management oversight and independent audit. These are fully described in the evidence.

- (2) Staff are not behind the counter taking or paying out bets. They are on the shop floor, greeting customers as they enter, which also means controlling who is permitted to enter and effectively supervising the premises.
- (3) Those entering will be greeted face to face by a uniformed member of staff. This is an opportunity to observe whether the customer appears to be under 25 (in which case Think 25 is operated), or whether there may be any other issue. The staff member will check whether the customer needs assistance. This interaction means that staff are aware of who is using their premises.
- (4) Alcohol is not only not sold but strictly prohibited.
- (5) Those under the influence of drugs or alcohol are not admitted.
- (6) Children are not admitted.
- (7) Customer numbers are low, usually no more than a handful at one time.
- (8) The customer demographic is adult and up to 50% female with customers coming in alone or with partners rather than in groups.
- (9) There are no “events” in bingo premises such as football matches or horse races, and therefore no reason to hang around.
- (10) There are no general seating areas for people to gather inside. The premises are not fitted out for groups and there is no space for groups to gather.
- (11) The layout of the premises facilitates effective supervision.
- (12) Good quality CCTV systems are fitted inside and out so that customers know they are under surveillance.
- (13) Exterior loitering does not occur.
- (14) The interiors are clean, well-lit, comfortable and carpeted. Toilet facilities are provided.

- (15) Customers will be offered tea/coffee and snacks, and will often chat with the friendly staff. When they are finished playing they wander off with zero impact on the locality.
 - (16) Staffing levels are set following a security risk assessment. There is no pre-planned single staffing after 8 p.m.
 - (17) Because customer numbers are low, any miscreant behaviour is immediately identified, recorded and dealt with.
 - (18) Staff Guard is deployed, which enables staff to use a portable alarm to liaise with a central security hub and SIA-licensed staff with audio and visual feeds, and for hub staff to speak directly with customers who therefore know they are being overseen. Staff Guard personnel can liaise directly with local Police if necessary.
 - (19) Staff members do not carry floats.
 - (20) Safes are time-delayed.
 - (21) Anti-money laundering systems are used on the machines.
 - (22) The locational and social context is part of induction training for all staff.
 - (23) Staff are also trained in how to deal with any difficult customers (there is a 6 week training course at the outset followed by regular refresher training).
 - (24) Premises are fitted with maglocks, enabling entry to be controlled when necessary.
 - (25) Alarms are installed giving direct contact with the Police.
 - (26) Venues are subject to security risk assessments, so that any further measures needed are periodically assessed and undertaken.
 - (27) The applicant maintains good liaison with local Police.
11. All in all, it the applicant sets out to provide a safe, welcoming and pleasant environment for customers while also promoting the licensing objectives.

12. That it does all of this to a standard of excellence is demonstrable:

- **It has over 220 licences. It has been granted licences in every premises it has applied for.¹**
- **None of its trading licence has ever been reviewed.²**

13. This is despite the range of areas in which the applicant operates, including those with high social deprivation and other social issues, including 24 hour premises. Its systems, staff training, compliance monitoring and audit have proved sufficient to ensure that the licensing objectives are promoted.

14. It is a record of which the applicant is proud and guards with care. In the very rare event of any kind of issue, it will always liaise with relevant authorities to ensure that it is resolved promptly and effectively.

15. The applicant has wanted to produce independent evidence that its late night premises do not cause crime and disorder issues. It therefore commissioned Leveche Associates to conduct covert overnight inspections at a large number of the applicant's premises. Eight different locations were inspected, all with the same result (pages 23-263), that the applicant's late night trade is not harming the licensing objectives.

THE LAW

16. As the Committee will be aware, each piece of licensing legislation sets out a different approach to the question of grant. The approach relevant to gambling is in section 153 of the Gambling Act 2005:

In exercising their functions under this Part, a licensing authority shall aim to permit the use of premises for gambling in so far as the authority thinks it:

(a) in accordance with any relevant code of practice [issued by the Gambling Commission]

¹ For completeness, there was one refusal in Blackpool but this was granted on re-application three months later following submission of further information.

² In 2021, reviews were commenced in Enfield but were rejected without a hearing by the licensing authority under section 198 Gambling Act 2005 since they were in substance objections to gambling in general rather than to the operator or the premises.

(b) in accordance with any relevant guidance issued by the Commission

(c) reasonably consistent with the licensing objectives (subject to (a) and (b))

(d) in accordance with the [authority's statement of licensing policy] (subject to (a) to (c)).

17. The gambling licensing objectives (section 1) 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, and

(c) protecting children and other vulnerable persons from being harmed or exploited by gambling.

18. It is not open to an authority to refuse a licence on the basis that it is inappropriate to licence an operation or a further operation, in an area. As the Guidance says (page 542):

5.34 Licensing authorities should be aware that other considerations such as moral or ethical objections to gambling are not a valid reason to reject applications for premises licences. In deciding to reject an application, a licensing authority should rely on reasons that demonstrate that the licensing objectives are not being, or are unlikely to be, met, and such objections do not relate to the licensing objectives. An authority's decision cannot be based on dislike of gambling, or a general notion that it is undesirable to allow gambling premises in an area (with the exception of the casino resolution powers).

19. Rather, as the paragraph makes clear, there would need to be reasons which demonstrate that the licensing objectives would not be met. That means demonstrate by evidence.

20. The following points should be noted:

a. The section 153 test is mandatory: “*a licensing authority shall*”

b. The obligation to “*aim to permit*” where (a) – (d) are satisfied is described by the Gambling Commission in its Guidance as “*the licensing authority's primary obligation.*”

- c. The “*aim to permit*” is explained in the leading textbook Patersons:

“... it creates a presumption in favour of granting the premises licence since it is only if the licence is granted that the premises may lawfully be used for gambling. But the duty seems to go further than that. The verb ‘to aim’ is defined by the OED as meaning ‘To calculate one’s course with a view to arrive (at a point); to direct one’s course, to make it one’s object to attain. Hence to have it as an object, to endeavour earnestly....’ A person who ‘aims’ to achieve a result will usually take active steps to bring it about. The provision appears to place a duty upon the licensing authority to exercise their powers so far as is lawfully possible to achieve a position in which they can grant the premises licence and thus permit the premises to be used for gambling.”

As the Gambling Commission’s Guidance says:

“5.31 Licensing authorities should not turn down applications for premises licences where relevant objections can be dealt with through use of conditions.”

- d. In the hierarchy of considerations in section 153, the licensing objectives come third and the policy comes fourth, expressly subject to the considerations in (a), (b) and (c). As the Guidance states (para 5.21): *“In the unlikely event that a licensing authority perceives a conflict between a provision of a Commission code of practice or this guidance, and its own policy statement or view as to the application of the licensing objectives, the structure of s.153 makes it clear that the Commission’s codes and this guidance take precedence.”*
- e. Conditions (which includes conditions restricting hours) should only be added where it is necessary to do so (para 9.28).
- f. Even then such conditions need to be proportionate to the circumstances requiring a response, relevant, directly related, fair and reasonable (para 9.31).
- g. The following considerations are legally irrelevant to the determination of an application for a premises licence:

- i. Nuisance (see Guidance para 5.5).
- ii. A dislike of gambling (para 5.34).
- iii. A general notion that it is undesirable to allow gambling premises in an area (para 5.34).
- iv. Moral or ethical objections to gambling (para 5.34).
- v. The demand for gambling premises (see s 153 Gambling Act 2005). As such, objections which state that there are enough gambling establishments in a locality may be relevant to planning, but they are irrelevant to licensing.
- vi. Planning matters.

21. It is therefore necessary to consider:

- whether there is evidence which demonstrates that the licensing objectives would not be met by granting the variation;
- bearing in mind the controls on the applicant, including the further conditions offered, is it necessary to refuse or only partially grant the application?
- whether any further conditions might be necessary in order to be able to grant the application, consistent with the aim to permit.

REPRESENTATIONS

22. The representations submitted cover a broad range of matters.

23. Some are not relevant, including:

- The planning permission for the premises.
- Need or demand for the extended hours.
- That it would attract seedy people to Finchley.
- The balance of planning uses in the area.

- Whether the premises could be put to a better use.
- That the proposal involves gambling.
- That gambling is harmful.
- Gambling should not be encouraged.
- Lack of benefit.
- Potential nuisance.
- Parking.

24. However, some of these concerns are relevant to planning. The applicant requires planning permission to operate the hours requested in this application, and so those concerns will be considered by the planning authority when a planning application is made.

25. The remaining concerns involve fears that the proposal will cause crime and disorder and / or harm vulnerable people. However, those concerns are not supported: by any evidence; or by the responsible authorities; or by the applicant's trading and regulatory record. This is not a criticism of the objectors but it is a fact. The reasons why the evidence does not exist are fully set out in the applicant's evidence bundle.

26. It is understandable that fears are expressed, even if not supported by evidence. The applicant's experience is that following grant of the application the issues anticipated do not materialise. If, however, this case proves the exception, the mechanism of review is designed as a remedial measure.

27. In the circumstances, the Sub-Committee is invited to grant the application.

PHILIP KOLVIN KC
11 KBW
Temple EC4
21st September 2023

LICENSING SUB - COMMITTEE HEARING – 28 SEPTEMBER 2023

SUPPLEMENTAL STATEMENT – AMANDA KIERNAN

1. I am a Chartered Institute of Internal Auditors (IIA) Qualified Internal Risk and Corporate Governance Auditor with over 25 years' experience working in risk-based customer facing environments within various industries, including High Street Retail and Optical Health. In 2011 I started working in the Gambling Industry occupying the role of Internal Audit Manager for Praesepe (the parent company of Merkur Slots UK Limited), responsible for all internal and external audit policies and procedures. During 2018 a merge of the Audit and Compliance departments created the role of Head of Compliance, I now hold this position and am responsible for Internal Audit, Risk/Fraud Management and the Regulatory Compliance of the Merkur organisation.
2. Merkur operates a national estate of over 220 licensed bingo, adult gaming centre and family entertainment centre premises.
3. Merkur is a leading national operator of bingo premises with clear and proactive policies to promote the Gambling Licensing Objectives. We always endeavour to liaise with Responsible Authorities concerning the operation of our premises and pre-consult with the police prior to making new applications.
4. Merkur has full authority to provide bingo facilities through the grant of an Operating Licence issued by the Gambling Commission, which has approved the measures which Merkur has put in place to ensure that it implements effective player protection, anti-money laundering procedures, security procedures and trades responsibly in accordance with gambling legislation, the Licensing Objectives and the Licence Conditions and Codes of Practice.
5. Merkur Slots UK Limited, has never had a review of a trading premises licence, which evidences the high standard of operation applied across the Company's licensed estate. Two premises licences were subject to review applications last year in Enfield, but both applications were rejected by the Authority without a hearing, as the substance of both applications was based on objections to gambling in principle rather than identifying any concerns with the proposed operation at the premises.
6. Merkur holds key positions within the Bingo Association and BACTA (the trade association for the amusement and gaming machine industry in the UK) Executive and Social Responsibility Committees, working closely with these groups to innovate and promote Compliance and Social Responsibility within the industry.
7. Merkur has over 50 Personal Management Licence Holders throughout its operational structure, all of whom are aware of their roles and responsibilities in regard to the Licence Conditions and Codes of Practice (LCCP). Legal obligations are placed upon personal licence holders to promote the Licensing Objectives whilst undertaking their respective duties.
8. Merkur has appointed a dedicated team of compliance auditors that work independently of its Operations Team to continually assess premises' compliance with the governing legislative standards and Company Policy and Procedure. The Company conducts a minimum of two compliance audits per year in each venue. Audits include Regulatory Compliance, Customer Interaction, Incidents, Self-exclusion breaches and Age Verification records. During the audits, premises staff are tested on their level of knowledge and understanding of all relevant criteria. Venues may be re-visited and any additional training needs addressed. Records of incidents, interactions, self-exclusion breaches and age

verification checks are collated on a central hub, which is regularly reviewed and monthly reports are provided to Operations Teams.

9. Merkur operates a strict marketing and promotional guidelines policy, which has been developed in accordance with the Gambling Commission's Licence Conditions and Codes of Practice and the Advertising Standards Authority's Committee of Advertising Practice (CAP) and Broadcast Committee of Advertising Practice (BCAP) Codes. A copy of the Company's Marketing Code of Practice and sample window displays can be seen in the supporting documents.
10. Venue window displays are designed in consideration of premises' location, particularly in busy high street areas where Children and Young Persons may pass by, and maintain the Company's focus that all gambling should be carried out in a socially responsible manner. Direct line of sight into premises is blocked by appropriate window displays and barriers adjacent to entrances, which minimise exposure of underage individuals to ambient gambling.

Relationship with the Responsible Authorities and Interested Parties

11. Merkur takes its duty to operate safe and Gambling Act 2005 compliant premises seriously. To this end, the Company has always sought to maintain good relations with local police and licensing authority teams.
12. For the purposes of the variation to bingo premises licence application, the local Police Licensing Team and Licensing Authority were initially contacted on 24th February 2023.
13. On 28th March 2023 the licensing officer confirmed they had no issues with the proposed variation.
14. No response was ever received from the Police, nor any objection submitted.
15. All other responsible authorities, including Child Protection team and Gambling Commission did not raise any concerns regarding Merkur's bingo premises licence proposals and did not object to the application.
16. Merkur's detailed policies and procedures are designed to ensure that all gambling in Company premises remains responsible, controlled and that the Licensing Objectives are Continually promoted.
17. Merkur has considered local police crime statistics and the premises location along with the Council's Statement of Licensing Principles under the Gambling Act 2005. We understand that the local area may suffer with general crime and disorder and nuisance, albeit not specifically associated with gambling premises. It has been our consistent experience in the majority of circumstances that we do not experience the kind of difficulties sometimes experienced by betting offices in terms of crime and disorder and nuisance, due to our different clientele, product, layout and management. The premises has only had one police call-out in the last 12 months, where a member of the public behaved in a threatening manner and the police were called. This happened at 10:20am. Lines of communication are, and will continue to be, maintained with the local police and the Licensing Authority to ensure that local knowledge is continuously shared and that the premises adapt to any emerging risks or local concerns identified.
18. We have identified a local provider of vulnerability support services within the local area risk assessment and we will endeavor to contact any relevant organisations and invite feedback on any local concerns that can be incorporated into premises training and evaluation. The Company is also committed to working with all Responsible Authorities to ensure that any emerging risks are identified, incorporated into the premises risk assessment and effectively addressed.

Merkur Compliance – Protection of Children and Vulnerable

19. Merkur was selected by the Gambling Commission as one of the first top 40 licensees to prepare an annual assurance statement due to its size and scale of operation. Annual Assurance Statements enable an annual comprehensive review of the business, completed at Board level, in consideration of the effectiveness of the Company's governance and risk management arrangements designed to facilitate positive consumer protection, address gambling-related harm and crime prevention measures. This process ensures that the highest standards are implemented across the Company's estate from Board through to premises level.
20. In August 2020, Praesepe Limited, Merkur's parent Company, and Merkur's brand premises obtained G4 Global Gambling Guidance Group accreditation, which can be seen in the supporting documents. G4 is a group of international experts in the field of problem gambling and responsible gambling and accreditation is awarded to responsible operators. Audit reports identified that 'Customer care is of an exemplary standard in all Merkur Venues, regulatory compliance policies and procedures are excellent...and provide a strong foundation for consistent approaches to Responsible Gambling across the (Company's) estate'.
21. In February 2022, Merkur were subject to the G4 follow up audit where it retained its accreditation status. The auditor commended the senior management training in regards to gambling harm and social responsibility (YGAM), noted that Merkurs Safer Gambling ethics shine through as priority and customer care is a strong focus of the business. The auditor further noted that staff loyalty, enthusiasm and knowledge were all of a high standard.
22. Merkur operates training upon recruitment and then 6-monthly refresher training programmes for all employees. Training modules include 'The Essentials of Compliance and Social Responsibility' which covers the Gambling Act 2005, Licence Conditions and Codes of Practice, the Licensing Objectives under the Gambling Act 2005 and 'Safeguarding Children & Vulnerable People', which focus on assisting staff to recognise and respond to indicative behaviours of potential problem gambling and vulnerability and how to conduct effective customer interaction. Initial six-week, classroom based, induction training is completed for all new venue teams and includes customer interaction role play and exposure to operation and customers in live venues. Following site opening, new teams are provided regular follow up and support. The Company also incorporates accredited Social Responsibility and Interaction training for its premises management teams. Excerpts from the Company's training platform are provided in the supporting documents.
23. Merkur have one National Training Centre where venue teams receive face to face training which includes identifying signs of potential problem gambling and other vulnerabilities such as homelessness. Staff are rigorously trained to take appropriate action, such as where to offer gambling control support including managing time spent playing (time outs), controlling stake limits, providing information on gambling support agencies such as GambleAware, offering participation in the Bingo Association's national self-exclusion scheme and refusing service, where deemed necessary.
24. Merkur ensures that all staff continue to promote responsible gambling through customer behaviour observation and interaction. As part of this process, customer play, duration and spend is monitored and customer interactions are triggered to ensure play remains responsible.
25. Following a customer interaction, customers may be offered a variety of self-help measures to control and monitor spend and time spent gambling, time outs, information regarding

- gambling support services and self-exclusion. For customers deemed to be at risk who do not agree to self-exclusion we reserve the right to bar customers, should the need arise. Staff members are provided detailed training to ensure that interaction is completed in a sensitive manner whilst ensuring that the Company's policies and procedures are effectively implemented.
26. Merkur has undergone Gambling Commission inspection and Company training and compliance policies and procedures comply with the Licence Conditions and Codes of Practice attached to the Company's Operating Licence.
 27. Examples of some of Merkur's responsible gambling information have been provided in the supporting documents.
 28. As part of Merkur's continuing commitment to high standards of staff training and compliance, the Company engaged the services of the charities YGAM (Young Gamers & Gamblers Education Trust) and Betknowmore to assist with the development and provision of additional Safer Gambling training and resources for venue and area managers. This training has been designed to complement our existing face to face training, is City and Guilds accredited and has been delivered to over 200 venue and area managers to date.
 29. In October 2020, Merkur launched its 360 Safer Gambling Program, which was developed in consultation with the Global Gambling Guidance Group (G4) and comprises an Advisory Board of Senior Executives and external specialists. The program cements the Company's commitment to safer gambling and includes the establishment of a Customer Experience Group, which provides customer feedback on the effectiveness of the Company's customer interaction, safer gambling tools, messaging and support services.
 30. All Merkur's bingo premises are adult only and operate a strict Think 25 policy. Age verification procedures are embedded in Company training platforms and responsible gambling policies. Age verification test purchasing and mystery shopper visits are frequently carried out by third party companies (Check Policy and Store Checker) and test results can be provided to the Licensing Authority upon request. Merkur prides itself on its high standard of venue compliance and its test purchase success rates nationally.
 31. A copy of Merkur Slots Social Responsibility, Operational Compliance and Training Documents have been included within our hearing documentation, which highlight the priority given to responsible gambling and the provision of responsible gambling information to our customers and staff members.

Site location

32. A detailed and updated local area risk assessment has been supplied in the supporting documentation, designed in consideration of the councils Gambling Statement of Licensing principles, local crime statistics, local demographics and establishments that may impact on potential customer vulnerability and local crime and disorder.
33. Local analysis is an invaluable tool to direct local resources and assists with the identification of potential risks and the development of local training and partnership to ensure that potential risks are mitigated and that gaming in Merkur Slots premises remains responsible.
34. Merkur is an experienced operator with premises in many large cities and towns across the country, each with their own local profiles and risk. Merkur effectively and responsibly operates in these areas, some of which are subject to greater and lower levels of general crime and disorder and deprivation. The Company's responsible gambling safeguards, security measures and strictly controlled marketing practices are proven to be effective and management will always adapt to local circumstances.

35. As a result of the Company's commitment to responsible operation and the resources directed to responsible play, none of Merkur's operational premises licences have been subject to review proceedings or revocation.

Underage Gambling

36. Merkur's detailed policies and procedures are designed to ensure that all gambling in Company premises remains responsible, controlled and that the Licensing Objectives are continually promoted.
37. By law, licensed bingo premises can permit under 18s on the premises and can also apply for a premises licence under the Licensing Act 2003. However, Merkur's premises are strictly adult only, operate Think 25 and will not obtain a licence under the Licensing Act 2003.
38. Unlike many other licensed operators, such as some licensed betting premises and adult gaming centres, the Merkur Slots venue will apply our strict marketing and advertising policy, ensuring that advertising is not appealing to underage individuals and that line of site into the venue is restricted. This will ensure that children and young persons cannot see into the premises, preventing exposure to ambient gambling with all gaming activities hidden from view.
39. Merkur Slots customer demographics are up to 50% female with an average age over 30.
40. Staff training and company policy is designed to mitigate the potential risk of underage gambling and exposure to ambient gambling.
41. To ensure the effectiveness of the Company's Think 25 policy, venues regularly undergo random test purchasing and details can be provided to local authorities upon request.
42. In our experience venues are not more susceptible to access by underage individuals due to the nature of our gaming services and customer demographics. This is consistently seen across our licensed estate and Merkur's products do not appeal to underage individuals.
43. The Company's partnership approach and high standard of staff training, customer monitoring and interaction has continued to ensure that all potential risks are mitigated and the occurrence of incidents remains minimal.

Crime and Vulnerability

44. It is rare for our premises to be associated with anti-social behaviour or crime and disorder but our staff training procedures and security measures, including external CCTV, are designed to monitor customer behaviour and external areas for anti-social behaviour. Company policy ensures that appropriate steps are taken to minimise any risks and we record and report any incidents or concerns to Company management, for internal review and assessment, and local authorities.
45. Merkur is an experienced operator with a proven history of operating premises in some challenging areas and incidents relating to crime and disorder are rare.
46. All staff training is developed to consider local area characteristics and Merkur Slots operates on the basis that its controls and best practice are adopted at all times.
47. Local premises management will always work with local authorities under the Act, other authorities, trade groups and vulnerability support services to reinforce any local concerns and identify any emerging local risks within premises' training and operation.

48. It is rare for our venues that operate late at night to attract customers leaving alcohol licensed venues as the entertainment offering is significantly different. Merkur's late night operation appeals to shift workers and employees of the late night economy and our detailed policies, procedures and safeguards are designed to ensure that premises operation remains safe and secure for both staff and our customers.
49. Merkur operate a business-wide Anti-Money Laundering (AML) policy, which is reviewed annually, and ensures that the risks of money laundering in these premises are low. The premise layout is designed to allow customer supervision at all times. All machines within the premises are linked to a central machine data capture system, which identifies and sends alerts of suspicious activity and allows the venues to individually analyse live transactional activity for money laundering. All AML incidents, rare as they are, are reported by the venue staff via a tablet which also provides an automated email alert to myself, as the dedicated AML manager.
50. All Merkur Slots venues operate a strict zero tolerance drugs policy and refuse service to individuals who are deemed to be under the influence of alcohol. The company's extensive training, which incorporates Gamcare approved social responsibility and customer interaction tools are designed to ensure minimal conflict and successful implementation of our strict policies. In our experience, incidents of customers attempting to enter our venues whilst intoxicated or attempting to consume alcohol within our venues remains low across the Company's licensed estate regardless of premises location.
51. As an Operating Licence holder, Merkur Slots UK Limited provides details of incident records and self-exclusion to the Gambling Commission as part of its Regulatory Returns and compliance process. Whilst incidents across our licensed estate are rare, all records are regularly evaluated to ensure that premises operate safely and responsibly.

Local Concerns

52. The representations received from the local residents identify the potential for increased anti-social behavior and the increased risk to vulnerable people and children in the area should the Licensing Sub-Committee be minded to grant the current premises licence application.
53. All comments made within the representations were reviewed and appropriate safeguards, conditions are already in place at the premises, through the Merkur current operation and existing premises licence conditions to alleviate these concerns.
54. Merkur has provided a detailed local area risk assessment, reviewed local area statistics and demographics, discussed the application with the local police licensing team and reviewed the Council's detailed policies in order to effectively identify any potential risks to the proposed operation.
55. Merkur will implement robust security policies and procedures to monitor customer behaviour both within the premises and immediately outside the venue, refuse service to individuals who may be under the influence of alcohol or drugs and work in partnership with the local police in the unlikely event that any incidents of crime or disorder occur.
56. Merkur Slots premises, from experience, are not attractive to young persons and sites rarely have issues with young person's attempting to gain access. All our premises are over 18s and operate a Challenge 25 policy.
57. Merkur Slots premises usually only have low numbers of customers within the premise at any one time, with members of staff continually walking around. This safeguards the

premises that in the rare event a young person will attempt to enter the premises, they would be intercepted and challenged for their ID at the earliest opportunity.

58. The Company's detailed training procedures and evaluation tools have been designed to mitigate any local risk to the Licensing Objectives, with a particular focus on the protection of children and the vulnerable from harms associated with gambling. As part of Merkur's Socially Responsible Gambling Policy, customers are continually monitored and interactions completed where concerns are identified. As part of the interaction process, customer play is assessed to trigger customer affordability and source of funds enquiries to ensure that all gaming remains controlled. I have described the Company's approach above, and it will of course be implemented in these premises.
59. Should the Committee members be minded to grant the new licence application we believe all potential operational risks will be effectively mitigated.
60. Merkur understands that local risk assessment and staff training is a live matter, which is regularly assessed and adapts to any emerging or changing risks in the locations in which it operates. This premises will be no exception.
61. Due to the nature of the gaming that is provided at Merkur venues, it is rare for customers to congregate outside, unlike betting premises, as there is no ongoing entertainment such as a sporting event. It is also rare for our venues to have significant customer numbers at any one time with total customer numbers almost always in single figures. Customers leaving our premises rarely cause concern to our local neighbours.
62. Merkur is committed to partnership working and will always engage with local Betwatch, Pubwatch, or other similar schemes to share best practice and local knowledge of venue operation or identified risks, whether or not they strictly relate to gambling premises.

Premises Operation

63. The premises is currently, and will continue to be so, managed by an experienced shop manager who has been the premises manager since its opening, and who will in turn be supported by a complement of staff who will all have received the comprehensive level of training appropriate to their specific role. Training focuses on the promotion of the Licensing Objectives and a copy our Policies and Procedures has been provided as part of our hearing bundle.
64. The Merkur Slots premises layout has been developed to facilitate customer observation and all staff members provide regular sweeps of the premises to ensure positive engagement with our customers and facilitate continuous observation and customer interaction.
65. Merkur Slots staff members are not restricted to counter positions that may be found in other licensed venues, such as betting premises. Our staff are actively encouraged to move throughout the premises and proactively engage with all customers, particularly on entry, not only to implement our Think 25 policy, but to build customer relationships and ensure effective identification of potentially vulnerable individuals.
66. All Merkur's staff members actively monitor and manage the area immediately outside their premises and record all incidents should they occur. Reporting lines are set up with local police teams to ensure that any potential local issues are identified and addressed.
67. All Merkur premises operate extensive CCTV throughout customer facing areas and also external areas to assist with monitoring customer behaviour and that of other individuals in

the immediate vicinity of the premises. CCTV displays are appropriately situated to ensure that all customer areas are monitored.

68. Staff numbers and premises operation are regularly risk assessed, incorporating monitoring of premises operation, internal compliance audit completed by our field based compliance team, evaluation of customer numbers and feedback from Responsible Authorities and Interested Parties. These effective measures ensure that premises are able to quickly adapt to any emerging risk or local concern. Staff numbers and rotas are continuously reviewed to adapt to customer numbers and cognisance is taken of police advice.
69. Merkur Slots premises do not play any music above background level, and in addition due to the low footfall of customers at any one time, are rarely a cause of neighborhood nuisance. No complaints have been made directly to the premises from local residents, nor has the premises been notified of any nuisance complaints by the Environmental Health noise team.

Conclusion

70. The current premises has been operating successfully and with little serious crime and disorder, which is evidenced through the absence of any representation and evidence of direct crime and disorder issues relating to Merkur Slots from the Police Licensing team.
71. The business of Merkur is the provision of safe and pleasant gaming environments. It remains crucial to the business that customers feel safe and welcome in Merkur Slots premises. This principle is fundamental to Company management strategy from head office to premises level. It is a principle which as a company we have achieved in all of our venues, which provide safe, welcoming and congenial environments for our customers.
72. In the rare case that issues do arise, the resources and commitment are in place to ensure that they are speedily resolved. For obvious reasons, Merkur does not wish to run licensed venues which cause regulatory issues, and the Company devotes a great deal of time and resources to ensuring that there are none.
73. In my experience a good manager and their team will know regular customers well and new customers will always attract raised awareness.
74. I can state that it is rare for our premises to be the cause of, or otherwise associated with, crime, disorder or nuisance to nearby premises due to the nature of our gaming premises and our customer base.
75. Merkur continues to take very seriously any issue which its presence creates, both out of respect for the local community and because its licence and commercial reputation depends upon it.

Ms Amanda Kiernan, Head of Compliance, Merkur Slots UK Limited

Date: 19/09/2023

LICENSING SUB - COMMITTEE HEARING – 28 SEPTEMBER 2023

SUPPLEMENTAL STATEMENT – STEVE AMBROSE

1. I am the Operations Director for Merkur having held this position since December 2016 responsible for all day to day operations across our estate of Adult Gaming Centres, High Street Bingo premises and Bingo Halls.
2. I am a Director of the Bingo Trade Association "The Bingo Association" and the Division 3 Chairman of the Amusement Trade Association "BACTA" covering Adult Gaming Centres across Great Britain.
3. I started in the Gaming Industry in 1992 and have held a multitude of positions ranging from Customer Service Assistant right up to my present position of Operations Director, this experience has enabled me to gain an understanding of the complexities of operating in gaming businesses both big and small, in rural and city centre locations.
4. Through my years of working in the gambling industry I can state categorically that it is rare for Merkur Slots UK Limited's venues, and specifically its high street bingo premises, to be associated with crime and disorder, anti-social behaviour or local nuisance.
5. Whilst I appreciate this may be different to perceived risks that may be associated with other licensed gambling venues, such as betting premises, I believe this reflects the type of gaming operated by Merkur and its customer demographic, which is approximately 50% female with an average age of over 30.
6. Due to the nature of the gaming services provided at our high street bingo venues, customers do not congregate outside our venues, unlike betting premises that may show sporting events over long periods of time. In our high street venues, there is no 'event' taking place.
7. Across the high street bingo estate, average customer numbers at any one time remain relatively low, in single figures, and customer numbers between 5 and 10 at any one time, would be considered an exceptionally busy period.
8. Customer numbers do not vary significantly throughout the hours of premises operation and due to the relatively low numbers, later hours of operation are often sought, with the majority of Merkur premises operating into the early hours. Later hours of opening appeal to shift workers and employees of the late-night economy and Merkur Slots policies, procedures, safeguards, and security measures are designed to ensure that premises operate securely and safely at all hours of operation.
9. We operate premises throughout the UK in busy high street locations that have a high footfall of Children and Young persons. Due to the nature of our gambling premises, customer demographic and presentation of our venues on the high street, we do not see a significant number of underage individuals seeking to gain access to our premises regardless of location. In our experience, Merkur's product does not appeal to the younger generation.
10. Merkur's Think 25 policy and its implementation are effective tools ensuring that our venues operate responsibly. By strictly controlling our marketing and advertising and limiting line of site into venues, individuals that pass by our venues are not exposed to ambient gambling, which may be visible in other operator's venues, such as some betting premises and public houses that provide gaming machines.
11. All our venues operate CCTV throughout, which is designed to not only assist with monitoring all customer facing areas but to cover the area immediately in front of our venues, which provides additional security in the high street areas in which we operate.

10. Our venue teams seek to form genuine relationships with local police, town centre groups, support services and Betwatch or Pubwatch schemes should they be available. Our staff are proud of the areas in which they live and work and do not wish to see any level of anti-social behaviour.
11. We set out to provide a comfortable and convivial atmosphere. Our premises are carpeted, well-appointed and spotlessly clean. Our staff are smart and friendly. They are not positioned behind a counter, but are present on the trading floor, circulating and interacting with customers and offering tea and snacks.
12. Staff levels are continually risk assessed to ensure that sufficient numbers are maintained not only to enable effective premises management but also to ensure that customers can be continually monitored and assisted where necessary. As part of our commitment to working with local authorities, we will always liaise with local police licensing teams to ensure that where local police concerns are identified, sufficient staff members are on site during premises hours of operation,
13. Customer monitoring, interaction and any incidents including implementation of our Think 25 policy are recorded on electronic IHL tablets. This technology enables all recording to be logged whilst staff are present in customer facing areas and it is rare for staff to be called away to back office areas during their shifts. IHL tablets are linked through a central system so that Merkur Slots UK Limited's independent audit team can regularly monitor all records.
14. The Company's audit department collates and evaluates monthly reports on venue operations and management to allow continued assessment of operational compliance, including monitoring self-exclusions, under-age checks and any untoward behaviour. The monitoring process allows venues to adapt to any emerging risks and staff training requirements.
15. Our venues operate a ticket in ticket out system, which minimises the need for cash handling on site during opening hours.
16. Machine emptying is only carried out when customer numbers are low and security systems implemented, which include activating the premises maglock and ensuring sufficient staff remain on duty.
17. Merkur Slots UK Limited's venues also operate time delay safes where keys are stored. All cash is retained within the GeWeTe change machine on the venue floor.
18. Venues are equipped with our staff guard system. The system allows direct communication with a central monitoring station through audio and CCTV. The central monitoring station would then contact the relevant emergency services in case of incident.
19. The entrance to all venues are fitted with a magnetic door locking system. This allows staff members working to manage the entrants to the venue when in use.
20. The use of door supervision at any premises is decided on a risk assessment basis based on a multitude of factors per premises, with cognisance always taken of local Police and Licensing knowledge and advice.
21. We have considered the local concerns raised by the Interested Parties and believe that should the Committee members be minded to grant the new premises licence all perceived operational risks and fears should have been effectively addressed.
22. In our local area risk assessment we have identified a local organisation that provide support services to local vulnerable individuals. Merkur is committed to working in partnership with local authorities and any organisations identified to discuss local concerns, ensuring that local risks are identified and incorporated into our risk assessment and management training.
23. All of these features mean that our premises provide safe and congenial environments and do not impact on their localities. In my experience, while concerns are sometimes expressed by

local residents and some authorities with regard to theoretical risks and the potential impact when applications are made, such concerns vanish once premises actually open.

24. The current premises has been operating successfully and with minimal serious crime and disorder.

Mr Steve Ambrose, Operations Director, Merkur Slots UK Limited

Date: 19/09/2023

LICENSING SUB-COMMITTEE HEARING – 28 SEPTEMBER 2023

SUPPLEMENTAL STATEMENT - ANDY TIPPLE

1. I am Currently Head of Product for Merkur Casino UK and have over 35 years' experience in the Gaming Industry and have held a multitude of positions ranging from Arcade Manager, Service Manager to Gaming Manager. This experience has enabled me to gain an understanding of the intricacies of operating across all our gaming platforms.
2. Merkur Slots UK Limited operates over 220 'High Street Bingo' premises, bingo clubs, Family Entertainment Centres and Adult Gaming Centres throughout Great Britain.
3. The development of High Street Bingo has occurred because customers are becoming less interested in attending large, sub-regional bingo halls and increasingly wish to play bingo with a portable electronic terminal rather than marking numbers off a card. Accordingly the High Street Bingo model has evolved, with a customer offer of live and automated bingo played on terminals, as well as on paper, with gaming machines in accordance with the permission provided by a bingo premises licence. The Gambling Commission is fully aware of the presentation of bingo in our high street premises.
4. In our premises, customers can move around with the terminal, choosing to play while standing or in seating provided around the premises.
5. As for gaming machines, the governing legislation provides strict limits on the types of machines that may be made available in bingo premises, which is the same as that permitted in licensed Adult Gaming Centres.
6. High Street Bingo premises operate a combination of category B3 and C gaming terminals with stakes ranging from 10p through to £2.
7. Across Merkur Slots UK Limited's venues the average stake placed is between 30p and 40p. Only 20% of the gaming machines provided may be category B3s. The remainder, being the category C gaming machines, have the same stake and prize levels as those offered in pubs
9. All Merkur Slots UK Limited premises are sufficiently staffed to ensure effective implementation of the Company's Think 25 policy and all staff are fully trained on the three Licensing Objectives under the Gambling Act 2005, with particular focus on the protection of vulnerable persons from being harmed or exploited by gambling. Full written details of the training and the Company's operating procedures have been provided in the hearing bundle.
10. As stated above, electronic bingo is a natural evolution of 'traditional bingo' and has been operated nationally for many years since the inception of the Gambling Act 2005 and is approved and understood by the Gambling Commission.

Mr Andy Tipple, Head of Product, Merkur Slots UK Limited

Date: 19/09/2023