

Steven Cobb

Subject: FW: Submission from the Campaign for Fairer Gambling for the review of the Gambling Act 2005 Statement of Principles 2016/19

From: Lucy Knighton

Sent: 04 September 2015 14:52

To: Cllr Lynda Needham

Subject: Re: Submission from the Campaign for Fairer Gambling for the review of the Gambling Act 2005 Statement of Principles 2016/19

Date: 04 September 2015

Dear Council Leader,

Re: Submission from the Campaign for Fairer Gambling for the review of the Gambling Act 2005 Statement of Principles 2016/19

As leader of the council, you will know that Licensing Authorities are required under the Gambling Act 2005 (the Act) to publish a statement of the principles which they propose to apply when exercising their functions in respect of gambling activity within their borough.

Under the Act, Licensing Authorities are required to consult those who represent the interests of persons who are likely to be affected by the exercise of the authority's functions. The Campaign for Fairer Gambling in conjunction with its more focused Stop the FOBTs campaign has prepared this consultation submission for the consideration of all Local Authority licensing committees with particular regard to dealing with the contentious issue of betting shops and Fixed Odds Betting Terminals (FOBTs/B2 classified gaming machines).

We would appreciate if you could share the important contents of this mailing with your Chief Licensing Officer.

Under the Act, Licensed Betting Offices (LBOs) are allowed a maximum of four B2 category gaming machines offering game content defined as B2 with stakes up to £100 per spin, B3 with stakes up to £2 per spin and category C with stakes up to £1 per spin. Also, the bookmakers have merged two game categories (B2 and B3), so in betting shops you can play a low stake £2 capped slot game that suddenly introduces the player to £10, £20, £30 plus stakes per spin.

Despite increasing evidence of the destructive social impact of high speed, high stake casino gaming in betting shops at stakes up to £100 per spin, the previous coalition government and the current Conservative government have failed to take either decisive or effective action to curb FOBTs.

The recent government response to 93 Councils led by Newham calling for the stakes on FOBTs to be cut to £2 per spin laid the blame for the issue of proliferation of betting shops in town centres and consequently FOBTs, at the door of licencing authorities. Marcus Jones MP, Minister for Local Government, wrote:

"It is perhaps an uncomfortable reality that every one of the betting shops that collectively have given rise to the concern at the heart of the submission relies on a premises licence granted by the local authority itself".

He goes on to advise councils of their existing powers under the licensing process, which many local authorities already recognise as limited in scope.

However, he points to "few" local authorities having so far "made effective use of a provision of the Act that we see as being absolutely critical in managing the local gambling landscape". With this statement he is

referring to the three year review of local gambling policy now under way across England, Scotland and Wales by local authorities such as yours.

In his letter to Newham, Marcus Jones MP, criticises councils for drafting “generic” and “template” based statements and that the Gambling Commission “will be placing much greater emphasis on the importance of the statements”.

The Campaign for Fairer Gambling has prepared this submission for consideration as part of your review, taking into account the Minister’s advice and focusing on the most prominent issue of contention for licensing authorities – licensed betting offices and the Fixed Odds Betting Terminals they operate.

Enforcement

The main enforcement and compliance role for a licensing authority in terms of the Act is to ensure compliance with the premises licences and other permissions which it authorises. One strategic methodology to measure compliance is to commission test purchasing of premises and staff employed on those premises to transact gambling.

The Gambling Commission (the Commission) notes that “*it is the responsibility of operators to manage the risks to the licensing objectives that their activities may present*”. Licencing authorities are rightly empowered to undertake test purchasing to ensure measures are being implemented effectively. Under guidance from the Commission, test purchasing to evaluate the effectiveness of measures in place on licensed premises concerning self-exclusion, under age controls, anti-money laundering policies and procedures are within the remit of a licensing authority.

However, in the period 2013/2014 across the whole of England, Scotland and Wales, of the two most highly represented licensed premises in high street locations – licensed betting offices (LBO) and adult gaming centres (AGC) - just 825 instances of test purchasing were recorded as being carried out by licensing authorities. To put this in context 599 (6%), of the 9,137 betting shops (to March 2014) and 226 (14%) of the 1,618 AGCs were subject to test purchasing by licensing authorities. Only 37 Councils carried out test purchasing last year.

In most cases, test purchasing focuses on the “protection of the vulnerable” licensing objective and consists of tests for under age access to gambling on licensed premises. However, the Commission is clear that the scope of test purchasing should include the effectiveness of self-exclusion procedures and anti-money laundering controls as well as under age controls. Money laundering in particular has been repeatedly highlighted as a particular area of concern around FOBTs both low level and more highly-organised incidents that revealed serious weaknesses in operator controls.

Premise Licence Conditions

The Minister for Local Government, in his negative response to the Newham-led call for stakes on FOBTs to be cut to £2 per spin, said: “*The licensing process gives authorities considerable scope to attach conditions to licences where that is necessary to achieve the licensing objectives*”.

The tenth betting shop to open in London’s China Town was subject to attached conditions by the Licencing Authority following concerns from the local community and representations from the Police. They included:

- A. Seating provided for use by customers whilst playing FOBTs must be secured to the floor – this is viewed as anticipating aggressive behaviour from FOBT players who suffer large losses
- B. a comprehensive CCTV system covering internal and external frontage with immediate availability to the police must be fitted
- C. an incident log of all incidents on the premises must be kept
- D. minimum 11.5 mm thickness security glass must be fitted to the service area

- E. a "behind the counter" attack alarm must be fitted and each member of staff must be issued with and required to carry on their person a personal fob attack alarm
- F. maglocks fitted to entrance and exit points and even toilet doors.
- G. a minimum of two staff to be present post 8 pm in the evening.

Whilst these measures have some merit in addressing the potential incidents that now occur in betting shops, they are indicative of an escalation in anti-social behaviour as a consequence of gambling activity in these licensed premises. In the first nine months of 2014, Police call outs to betting shops were already up by over 20% on the previous year.

The one condition that Licencing Authorities seem hesitant to impose and, when they do - as per Westminster - is done in a relatively lack lustre manner, is requiring an adequate number of staff on the premises. The number of people employed in the betting sector has fallen by 9,700 since 2008. The industry now staffs most LBOs with just one person. This is particularly risky for staff and undermines industry claims to be promoting "responsible gambling" and "player protection measures" when they absolve responsibility for their premises to one person, generally young and female, working for not much more than minimum wage levels.

No other gambling sector employs lone staffing as a standard policy. It is perceived as irresponsible to leave licensed premises, on which gambling is transacted, under the management and operation of one person. It is within the remit of licencing authorities to impose minimum staffing levels as a condition attached to LBO premises licences.

Locally determined conditions are recommended by the Commission who says: "*Where there are specific, evidenced risks or problems associated with a particular locality, or specific premises or class of premises, a licencing authority will be able to attach individual conditions to address this. That will be a matter for them in the light of local circumstances.*"

However, unlike the conditions attached to the new Soho betting shop that deal with issues that predominantly occur inside the premises, often disturbances occur outside the premises, causing a nuisance for other businesses or residential occupiers. Acts of vandalism against betting premises, youths gathering outside and anti-social behaviour upon leaving betting shops are common cause for concern and complaint. However, Licencing Authorities are unable deal with these issues under their licensing responsibilities. As the Commission notes: "*Unlike the Licensing Act, the Gambling Act does not include, as a specific licencing objective, the prevention of public nuisance. Any nuisance associated with gambling premises should be tackled under other relevant legislation.*" Hence the imposition of conditions to deal with problems emanating from betting shops but occurring outside of the premises is limited in scope.

It is estimated over 100 betting shops per week suffer attacks on FOBTs with very few instances being reported to the Police. These are criminal acts of vandalism always occurring as a consequence of heavy cash losses from FOBT usage. As Licencing Authorities are responsible for gambling activity that takes place on the premises it is perfectly warranted for a condition to be attached to individual or all licensed premises under the licencing authorities' remit, for the recording and reporting of all such incidents. This would not be considered a regulatory burden and is in keeping with the LA responsibility of keeping crime out of gambling.

Despite the Minister for Local Government pointing to conditions as providing "considerable scope", in the area of greatest concern, that of high stake, high speed FOBTs, a Licencing Authority has no control or powers. Section 172(10) of the Act provides that conditions may not relate to gaming machine categories, numbers, or method of operation and section 171 prevents an authority imposing conditions in relation to stakes, fees, winnings or prizes.

Section 181 of the Act however contains an express power for licencing authorities to restrict the number of *betting machines*, their nature and circumstances in which they are made available for, by attaching a licence condition to a betting premises licence. These are not defined under the act as FOBTs. Section 181 of the Act refers to these machines as "accepting bets on real events" and betting operators now refer to them as Self Service Betting Terminals (SSBTs). Like the introduction of FOBTs, no controls over numbers per premises have been agreed and it is left to Licencing Authorities, if they see fit, to control their

numbers under guidance pertaining to floor space, service counter positions and ability of staff to monitor their use.

There are now estimated to be in excess of 5,000 SSBTs sited in betting shops and this is increasing each month. As with FOBTs, SSBTs are contributing to the further erosion of jobs in betting shops (down 9,700 since 2008) with one operator, Trafalgar Leisure, providing five SSBTs and four FOBTs at each of its licensed premises but they did not offer any human facing over-the-counter betting facilities.

The Gambling Commission lost in their attempt to declare these betting premises as providing "insufficient facilities for betting" and the consequence is that a betting shop will still be a betting shop even if it is used for no other purpose than making machines available for use on premises.

It is essential that Licensing Authorities have particular concern to the development of SSBTs in betting premises and in particular the content made available on what have been deemed "betting machines" and use their powers under section 181 of the Act to control and monitor their proliferation.

Closing note

It is clear to Councils and Councillors that their ability to deal with and curb the proliferation of betting shops in town centres and high streets, as well as controlling the quantity of FOBTs available is severely restricted under the 2005 Gambling Act. Despite the Minister for Local Government's view that licencing authorities are not making sufficient use of existing powers.

It is proposed to give Scotland the power to vary the number of FOBTs in new betting premises and, subject to amendments in the Scotland Bill, this could be extended as a retrospective power. No such power for Licensing Authorities in England and Wales is proposed just a continual reference to "existing powers".

The view of the Campaign for Fairer Gambling is that the power to vary the number of FOBTs should be devolved to all Local Authorities and their Licensing Committees as is proposed for Scotland. However, it is not the quantity of machines that essentially creates the problem as can be seen from the latest Gambling Commission statistics.

Sector/Machines	Terminals	Yield (millions)	Yield Share
Betting Shops/B2	34,874	£1,613.60	68%
Bingo B3/4/C/D	52,506	£292.24	12%
Casino B1/2/3	2,925	£166.26	7%
AGC B3/4/C/D	50,530	£306.09	13%
Totals	140,835	£2,378.19	

Figures from the Gambling Commission Industry Statistics to September 2014

All gaming machines other than B2/FOBTs are capped at £2 and under per spin. It is the capacity for large losses that is facilitated by such a high staking capacity (£1 to £100 rather than 25 pence up to £2 as on most other gaming machines) that is the core of the problem regarding the B2 casino content.

As part of your Council's gambling policy over the next three years, we recommend you contain a statement supporting further regulatory action against FOBTs, with greater powers of control devolved to councils.

We urge all councils to support Newham in their action under the Sustainable Communities Act calling for the stakes on FOBTs to be brought in line with all other high street gaming machines at £2 per spin.

If you would like further information, please visit www.stopthefobts.org or contact us at info@stopthefobts.org to discuss in more detail.

Yours sincerely,

Derek Webb

Adrian Parkinson

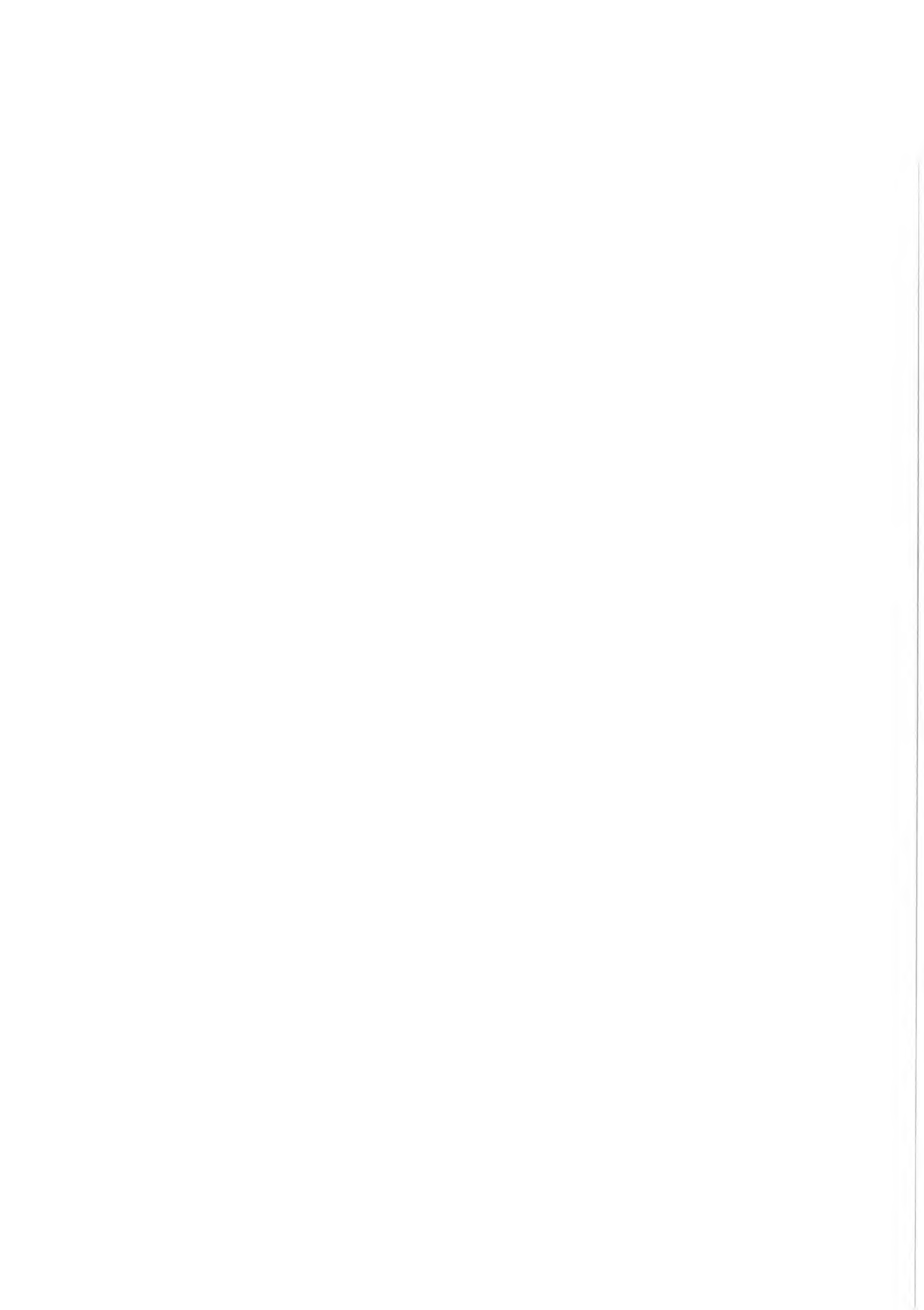
Matt Zarb-Cousin

The Campaign for Fairer Gambling
www.fairergambling.org / www.stopthefobts.org

Lucy Knighton Press Officer



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The Licensing Manager
North Hertfordshire District Council
PO Box 480
M33 0DE

30th July 2015

Dear Sir

Consultation on North Hertfordshire District Council's Statement of Principles – Gambling Act 2005

Coral Racing Limited is most grateful to be given the opportunity to respond to this consultation exercise. Coral was one of the first national bookmakers to be licensed under the Betting and Gaming Act of 1960, and so has been operating the length and breadth of the UK for over 50 years. Its premises comprise locations in the inner city, on the high street, in suburbs and in rural areas, and in areas of both high and low deprivation. It now operates 1850 betting offices across Great Britain, which comprise about 20% of all licensed betting offices. It is, therefore, a highly experienced operator.

We have detailed below our response:-

Coral Racing Limited are supportive of the document; it again notes that the Board when considering applications are still required to 'aim to permit gambling' where this is 'reasonably consistent with the licensing objectives', additionally noting that it should not take into account of moral objections to gambling.

Whilst it is not detailed within the consultation document, Coral Racing Limited recognise the requirement to supply risk assessments with future applications following the consultation completion and seek to clarify an area which the Council will take into account when considering applications for Premises Licences. Specifically and in relation to the note that the Licensing Authority will take into account the proximity of the application in relation to schools, vulnerable adult centres, residential areas with a high concentration of families and children and places which have a similar characteristic:

- Coral knows of no evidence that the location of a licensed betting office within the proximity of the aforementioned causes harm to the licensing objectives. It involves a four-fold suggestion that a) those using such facilities are inherently problem gamblers, b) that having visited such facilities, users are more likely to visit a betting office than if they had not used such facilities, c) that if they do, that they are more likely to engage in problem gambling, and d) that the protective mechanisms arising from the Licence Conditions and Codes of Practice are insufficient to mitigate the risk. There is no evidence for any of these propositions.
- Coral knows of no evidence that children coming from schools are gaining access to betting offices. Coral's general experience, in common with every bookmaker, is that children are not interested in betting, and in any case the Think 21 policy operated by Coral is adequate to ensure that under-age gambling does not occur in their premises. There are very many examples of betting offices sited immediately next to schools and colleges and no evidence whatsoever that they cause problems.



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Registered in England No. 541600



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0800 242 232

The reason for Coral's caution against making such perceptions, which we anticipate is similar to that of the other main bookmakers, is that it already operates systems which ensure that the licensing objectives are strongly promoted across its estate.

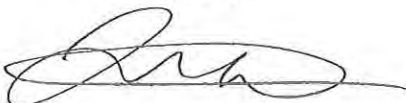
For example:

- Coral benefits from an operating licence granted by the national regulator, the Gambling Commission. Therefore, its corporate systems for the promotion of the licensing objectives have been approved by the Commission, which continues to exercise vigilance in this regard through inspections and examination of regulatory returns.
- Coral is subject to the Licence Conditions and Codes of Practice, which are effectively the national code of operation to ensure that the licensing objectives are promoted.
- It carries out health and safety risk assessments pursuant to its legal obligations. These assessments are shortly to be extended so that formal compliance assessments are conducted.
- It conducts risk assessments in relation to Exposure to Violence, Aggression and Conflict (EVAC assessments).
- It operates the assessment principles of the Safe Bet Alliance, the national code for safe premises. It was one of the architects of the code.
- It operates the ABB's Code for Responsible Gambling, and again was one of the architects of that code.
- It operates an extensive compliance manual, upon which all staff members are trained. Copies are available for your inspection if required.
- It contributes to the Responsible Gambling Trust, which seems to promote responsible gambling who in-turn contribute to GamCare, the national problem gambling charity.

Coral's experience is that, through all it does, it achieves an exemplary degree of compliance, and attracts negligible evidence of regulatory harm. Through the additional local risk assessment to be introduced with future premises licence applications from April 2016, Coral believe that these should be a) to assess specific risks to the licensing objectives in the local area, and b) to assess whether control measures going beyond standard control measures are needed. In other words, there should be no requirement to list the locations that are currently stated (as there is no evidence that there is a link between such venues and a betting office), however notwithstanding this, such locations would automatically be included with the operators risk assessment submitted when the application is considered.

If we can provide any further information, we would be pleased to do so.

Yours faithfully,



John Liddle
Director of Development – Coral Retail

Statement of Licensing Principles consultation | ABB response

07 August 2015

Introduction

The Association of British Bookmakers (ABB) represents over 80% of the high street betting market. Our members include large national operators such as William Hill, Ladbrokes, Coral and Paddy Power, as well as almost 100 smaller independent bookmakers.

The high street betting industry contributes £1.2 billion in tax a year, employs 36,316 FTE people, and contributes £2.3 billion in gross value add to the economy.

Please see below for the ABB's response to the current consultation on the Council's review of its Statement of Licensing Principles.

This sets out the ABB approach to partnership working with local authorities and details our views on the importance of adopting an evidence based approach within licensing policy.

We are also concerned to ensure that the "aim to permit" principle is preserved, and we welcome the Council's acknowledgement in their Statement of the section 153 of the Gambling Act requirement.

It is important that this response also be viewed within the context of declining betting shop numbers. The latest [Gambling Commission industry statistics](#) show that numbers as at 31 Mar 2015 were 8,958 - a decline of 179 from the previous year, when there were 9,137 recorded as at 31 March 2014.

Working in partnership with local authorities

The ABB is fully committed to ensuring constructive working relationships exist between betting operators and licensing authorities, and that where problems may arise that they can be dealt with in partnership. The exchange of clear information between councils and betting operators is a key part of this and we welcome the opportunity to respond to this consultation.

▪ LGA – ABB Betting Partnership Framework

In January 2015 the ABB signed a partnership agreement with the Local Government Association (LGA), developed over a period of months by a specially formed Betting Commission consisting of councillors and betting shop firms, which established a framework designed to encourage more joint working between councils and the industry.

Launching the document Cllr Tony Page, LGA Licensing spokesman, said it demonstrated the

"...desire on both sides to increase joint-working in order to try and use existing powers to tackle local concerns, whatever they might be."

The framework builds on earlier examples of joint working between councils and the industry, for example the Ealing Southall Betwatch scheme and Medway Responsible Gambling Partnership.

In Ealing, the Southall Betwatch was set up to address concerns about crime and disorder linked to betting shops in the borough. As a result, crime within gambling premises reduced by 50 per cent alongside falls in public order and criminal damage offences.

In December last year, the Medway Responsible Gambling Partnership was launched by Medway Council and the ABB. The first of its kind in Britain, the voluntary agreement allows anyone who is concerned they are developing a problem with their gambling to exclude themselves from all betting shops in the area.

The initiative also saw the industry working together with representatives of Kent Police and with the Medway Community Safety Partnership to develop a Reporting of Crime Protocol that is helpful in informing both the industry, police and other interested parties about levels of crime and the best way to deal with any crime in a way that is proportionate and effective.

Learnings from the initial self-exclusion trial in Medway have been incorporated into a second trial in Glasgow city centre, launched in July this year with the support of Glasgow City Council, which it is hoped will form the basis of a national scheme to be rolled out in time for the LCCP deadline for such a scheme by April 2016.

Jane Chitty, Medway Council's Portfolio Holder for Planning, Economic Growth & Regulation, said:

"The Council has implemented measures that work at a local level but I am pleased to note that the joint work we are doing here in Medway is going to help the development of a national scheme."

Describing the project, Glasgow's City Treasurer and Chairman of a cross-party Sounding Board on gambling, Cllr Paul Rooney said:

"This project breaks new ground in terms of the industry sharing information, both between operators and, crucially, with their regulator."

- **Primary Authority Partnerships in place between the ABB and local authorities**

All major operators, and the ABB on behalf of independent members, have also established Primary Authority Partnerships with local authorities.

These Partnerships help provide a consistent approach to regulation by local authorities, within the areas covered by the Partnership; such as age-verification or health and safety. We believe this level of consistency is beneficial both for local authorities and for operators.

For instance, Primary Authority Partnerships between Milton Keynes Council and Reading Council and their respective partners, Ladbrokes and Paddy Power, led to the first Primary Authority inspection plans for gambling coming into effect in January 2015.

By creating largely uniform plans, and requiring enforcing officers to inform the relevant Primary Authority before conducting a proactive test-purchase, and provide feedback afterwards, the plans have been able to bring consistency to proactive test-purchasing whilst allowing the Primary Authorities to help the businesses prevent underage gambling on their premises.

From April 2016, under new Gambling Commission LCCP provisions, operators are required to complete local area risk assessments identifying any risks posed to the licensing objectives and how these would be mitigated.

Licensees must take into account relevant matters identified in the licensing authority's statement of licensing policy in their risk assessment, and these must be reviewed where there are significant local changes or changes to the premises, or when applying for a variation to or a new premises licence.

The ABB supports this requirement as set out in the LCCP, as this will help sustain a transparent and open dialogue between operators and councils.

- **Evidence based approach**

It is important that any risks identified are supported by substantive evidence. Where risks are unsubstantiated there is a danger that the regulatory burden will be disproportionate. This may be the case where local authorities include requirements in their licensing policy statements relating to perceived rather than evidenced risks.

Any increase in the regulatory burden would severely impact on our members at a time when overall shop numbers are in decline, and operators are continuing to respond to and absorb significant recent regulatory change. This includes the increase to 25% of MGD, changes to staking over £50 on gaming machines, and planning use class changes which require all new betting shops in England to apply for planning permission.

- **Employing additional licence conditions**

It is our view that additional conditions should only be imposed in exceptional circumstances where there are clear reasons for doing so – in light of the fact that there are already mandatory and default conditions attached to any premises licence.

The ABB is concerned that the imposition of additional licensing conditions could become commonplace if there are no clear requirements in the revised licensing policy statements as to the need for evidence.

In particular, we are concerned about the inclusion within the Council's draft Statement of reference to perceived risk:

"Applicants are encouraged to propose their own restrictions on access to young and other vulnerable persons where there is a perceived risk."

We do not believe that perceived risk is a sufficient basis on which additional licence conditions should be proposed. Rather we support the approach adopted later in the draft statement by the Council:

"A condition requiring door supervisors will only be attached if there is clear evidence from the history of trading at the premises that adequate supervision cannot be undertaken by counter staff or there is a clear risk to the licensing objectives at a new premises. Under all circumstances, a condition requiring door supervision will only be attached where it is both a necessary and proportionate measure in relation to the licensing objectives."

Conclusion

The ABB and our members are committed to working closely with both the Gambling Commission and local authorities to continually drive up standards in regulatory compliance in support of the three licensing

objectives: to keep crime out of gambling, ensure that gambling is conducted in a fair and open way, and to protect the vulnerable.

Indeed, as set out, we already do this successfully in partnership with local authorities now. This includes through the ABB Code for Responsible Gambling, which is mandatory for all our members, and the Safe Bet Alliance (SBA), which sets voluntary standards across the industry to make shops safer for customers and staff. We would encourage local authorities to engage with us as we continue to develop both these codes of practice which are in direct support of the licensing objectives.

Contact: For any responses or requests for additional information please contact Lauren Hilton, Public Affairs Executive