

**London Borough of Tower Hamlets**  
**2<sup>nd</sup> December 2016**

**Response to the call for evidence on the local impact of Fixed Odds Betting Terminals (FOBTs)**

The London Borough of Tower Hamlets welcomes the opportunity to respond to the Government's call for evidence in relation to the local impact of Fixed Odds Betting Terminals (FOBTs). The borough, alongside many other local authorities in London and across the country, supports London Councils' campaign to reduce the maximum stake from £100 to £2 and welcomes that the Department for Culture, Media and Sport is seeking the views of local government on this matter.

The London Borough of Tower Hamlets has recently updated its Gambling Policy and the information contained in this response has been drawn from the research findings and consultation responses gathered during the review process.

Local view on gambling and FOBTs

We know that residents are worried about the impact of gambling and in particular the potential impact on children, but also the make-up and feel of their high street. The issues of betting shop clustering and concern over FOBTs have shown that gambling generates extremely strong feelings.

In January 2016, during the deliberations on the Gambling Policy at the Overview and Scrutiny Committee meeting, councillors highlighted cases that demonstrated how FOBTs had damaged the quality of life of residents who gambled, especially those who are less privileged. The committee recommended that the Council closely monitors the experiences of other local authority areas where betting shop clustering was prevalent.

The Campaign for Fairer Gambling commented on the use of FOBTs during the Gambling Policy consultation but in line with current guidelines for the development of Gambling Policies, the Council was able to only note those comments as such concerns would only be a consideration for individual applications rather than the policy as a whole.

Betting shops and FOBTs in Tower Hamlets

In Tower Hamlets, we have not experienced the same volume of licensing applications in gambling as we have in other areas of licensing. There has only been one application since 2014. This application was objected to by the community, but after consideration by the Licensing Sub Committee and legal advice the licence was issued.

Since the introduction of the Gambling Act 2005 80 licences have been issued, primarily to betting shops and adult amusement arcades. These businesses are nearly all national companies that have conducted their

business within the legal requirements. While the Council is mindful of the risk of clustering of betting shops and would not wish to see clustering to become prevalent in the borough, no excessive clustering has been observed.

### Prevalence of gambling in Tower Hamlets and social impacts

People's gambling behaviour covers a continuum with most people deriving pleasure from gambling and it not having a detrimental impact on them or their families and communities. However, for about 8% of gamblers there is an increased risk with the proportion of those with a problem gambling habit increasing. The impact can be described as follows;

a) The individual may experience health and personal problems such as stress, depression and anxiety, job loss, social isolation, financial hardship, and family and relationship issues. Gambling often co-exists alongside mental illness and abuse of alcohol and drugs.

b) The immediate family and wider network of friends and family may experience negative outcomes, including family and relationship breakdown, domestic violence and a fall into poverty. The negative impact falls disproportionately on women and children and may exacerbate low income due to zero hour contracts and changes to the benefits systems. Local experience suggests that any money won on gambling was rarely spent on anything but more gambling.

c) The wider community/ society: Problem gambling may be linked to issues such as unemployment, increased burden on health and welfare services, and an increased take up of benefits. At a local level the impact is often felt by the look of local neighbourhoods/high streets due to the clustering of outlets and a perception that there is a link to anti-social behaviour such as litter, street drinking and gathering of adults. Staff working alone on premises may feel vulnerable and at risk and reluctant to suggest that customers should take a break from using FOBTs, for example. Concerns are also raised about proximity to schools or faith venues.

For health and social care professionals, and even the family and friends of at risk or problem gamblers, the challenge of problem gambling is that it is not easily detectable. It is often described as the 'hidden addiction'. Problem gamblers are far more likely to present with financial, health and relationship issues before an addiction to problem gambling is recognised.

In terms of the adult population 'the prevalence of problem gambling is significantly higher in the 16 - 24 year age group (2.1%) and in the 25 - 34 year age group (1.5%) than in older adults (0.3% in those aged 55 - 64 years), which reflects similar findings in international research highlighting the particular risks of problem gambling for young people.

When attempting to estimate the local prevalence we used statistical techniques to recognise the population profile of the borough (e.g. age, sex and ethnicity) and our current estimate in our population is 1.3% i.e. twice the

national average for problem gambling with 3% at moderate risk. It is likely that this is an underestimate. The borough has higher rates than most of London. This would equate to in the region of 3,000 problematic gamblers with 6,000 at moderate risk.

As previously stated the impact of gambling has an impact beyond the individual. An assumption can be made that for every problem gambler there will, as a minimum, be between two to three other individuals affected by gambling which significantly increases the scope of work needed to address these problems. Therefore as described in the table below the number affected will be significantly higher and many of these will be children.

Problem Gambling	Estimate	Minimum	Maximum
Gamblers	3600	2200	5000
Affected x 2	7200	4400	10000
Affected x 3	10800	6600	15000

Domestic violence (DV) is a significant problem in Tower Hamlets. Over 5,000 incidents are reported to the police each year, and DV constitutes about 30% of reported violent crime in the borough. DV and gambling is not measured officially, however nationally it is known that domestic violence has links with gambling whereby families affected by domestic violence also have drug, alcohol, mental health and gambling issues. Having a gambling problem can be all-consuming, and as well as the effect on the gamblers themselves, it can have a devastating impact on their relationships with other people, their friends and family. This can take various forms, especially arguing more with your partner or family, especially about money, budgeting and debt, often resulting in financial abuse and coercive control.

Problem gambling in a family can also have an effect on children - the impact of stress within the family unit and potential loss of relationship with a parent can have lasting consequences.

#### Limited local authority planning and licensing powers

Present licensing and planning legislation limits the ability of local authorities to control clustering of betting shops and the proliferation of FOBTs. This limits local authorities to take into account local resident concerns, the extent of problem gambling and wider economic factors such as the vitality and diversity of high streets.

In April 2015 the use class order was changed so that betting shops were removed from their previous A2 use class and made a 'sui generis' use. As such planning permission is now required to change the use from any other use to a betting shop. This has meant that there is slightly more control under planning legislation to control the growth of betting shops. As part of the

determination of planning applications, issues such as the number of betting shops in the surrounding area could be a consideration if the area was becoming saturated with betting shops.

However, planning powers cannot control existing betting shops if they have already opened up under a permitted change of use (i.e. before the recent changes to the use class order moving betting shops from A2 to 'sui generis').

The determination of applications for gambling premises is limited to the licensing objectives and in this context, clustering or the proliferation of FOBTs are not considerations.

### Limiting the impact of FOBTs

The wider impacts of gambling can be significant as outlined above. The prevalence of problem gambling in Tower Hamlets is estimated to be higher than the national average. FOBTs have the potential to magnify the negative impact of gambling due to the higher value stakes associated with these machines.

There have been several concerns raised though London Councils concerning FOBTs that have been installed within betting shops. London Councils are promoting that the maximum £100 stake on B2 machines should be changed to £2 to prevent the clustering of betting shops due to the profitability of such gambling machines. Tower Hamlets is a signatory to this campaign.