

## **Review of Gaming Machines and Social Responsibility**

**Name / Organisation:** Rochdale Borough Council

**Q1.** What, if any, changes in maximum stakes and/or prizes across the different categories of gaming machines support the Government's objective set out in the document? Please provide evidence to support this position.

**A1.** Rochdale Council is grateful for the opportunity to comment on this review which is wide in its remit in not only considering just gambling stakes and prize limits, but also considers numbers and locations of machines, social responsibility measures and advertising. Rochdale Council welcomes the Government's approach to widen its terms of reference beyond matters which it may have previously considered.

The review will be considering robust evidence provided by parties and therefore it should be kindly noted by the Government that 6 weeks (which is only a minimum period for a consultation) is not a sufficient period of time for many Local Authorities, including this Council, to submit results of research which may have not been commissioned/started as of yet. For that reason, it maybe that the LGA has proposed to work with a number of Local Authorities to try to develop detailed case study evidence about issues in their areas to be able to contribute to this review. This Council is looking forward to reading the findings of the partnership between the LGA and other Local Authorities as it would most likely than not represent a similar account of what is occurring in a lot of other Local Authority areas.

To some extent, the Government has accepted that certain gaming machines, namely FOBT's, contribute to problem gambling and have therefore implemented new measures requiring those that stake more than £50 a spin to identify themselves to staff. Customers wishing to stake more than £50 on FOBTs will need to pay over the counter in cash or use account based play, which track and monitor play.

This measure is certainly a step in the right direction in providing some protection to consumers, but this Council feels that the Government may not have gone far enough in trying to protect consumers. We are concerned that a stake of £50 a spin, in real terms is equivalent to £150 a minute, which is a huge amount of money consumers could potentially stand to lose. We are also of the understanding that players, to avoid identifying themselves to staff, will inevitably place a lower stake just below the threshold of £50 and therefore fall below the radar of staff.

The Council has endorsed the efforts of the Campaign for Fairer Gambling in their work to secure the introduction of a £2 maximum stake in the use of FOBT's, in line with other category B machines. We feel that this is ultimately required given that the nature of persons who tend to use FOBTs are potentially vulnerable and therefore proper safeguarding measures are required to prevent the exploitation of such vulnerability.

**Q2.** To what extent have industry measures on gaming machines mitigated harm or improved player protections and mitigated harm to consumers and communities? Please provide evidence to support this position.

**A2.** We are aware that the industry has sought to work with the trade and introduced a range of voluntary measures to protect gamblers. For instance, in September 2013 the Association of British Bookmakers produced the Code for Responsible Gambling and Player Protection in Licensed Betting Offices in Great Britain. This document includes measures such as gamblers being able to "self-exclude" themselves from betting premises and the

introduction of personal limits on the amount of money to be gambled during a single session. However, this Council is of the understanding that given the vulnerable nature of persons who tend to use FOBTs on a frequent basis, an approach which is more robust than self-regulation would be preferable. Councillors are of the view that if a betting premise has to intervene on three occasions, then the premises should exclude person(s) from the premises.

The Government has recognised that there is a degree of harm to consumers and communities associated with gambling and that is why they announced a series of measures aimed at addressing concerns about betting shop clustering and FOBTs and introduced that those who stake more than £50 to identify themselves to staff.

There were also changes to the planning system, so that with effect from April 2015, betting shops are in a sui generis category with payday loan shops; this means that planning permission is now required before a building can change to either of these uses. This welcome change gives Local Authorities scope to develop local plans that restrict new betting, however the limitation of this is that it applies only in cases where an application for planning permission must be made. Existing betting shops already have planning permission, therefore, if one firm closes an existing premise, there would be nothing to stop a different firm from opening a betting shop in its place. We believe this is a realistic prospect.

**Q3.** What other factors should Government be considering to ensure the correct balance in gaming machine regulation? Please provide evidence to support this position.

**A3.** We are aware that the LGA has been lobbying the Government on a range of gambling issues. We support the LGA in their work and would like the following measures to be introduced;

- Government should amend the Gambling Act 2005 to restore the principle of the demand test – this proposal would give Local Authorities the statutory right to create cumulative impact zones in areas with a high number of betting shops;
- The addition of new Gambling Act objectives relating to the prevention of public nuisance (equivalent to the Licensing Act 2003) and public health. A wider set of licensing objectives, including an anti-social behaviour objective, would enable councils to better reflect community impacts as part of the licensing process. The Council alongside its partner agencies such as Greater Manchester Police is currently dealing with a host of anti-social behaviour issues that are associated with particular gambling premises in our Borough;
- Further player protection measures for FOBTs including bringing maximum stakes into line with maximum stakes for other types of gaming machine playable on high streets;
- Effective and balanced regulation of gaming machines relates not only to stakes, but also to the number of machines that are permitted at premises. We believe that Local Authorities should be allowed the right to decide as to how many machines be allowed at the different number of premises by taking into account local factors relating to that locality and potential risk factors. There should not be a blanket policy, for example, of allowing 4 machines at a betting shop.

- The statutory aim to 'permit gambling' should be altered and a stronger onus placed upon the industry to provide information to Local Authorities as to why a licence should be granted to them.

**Q4.** What, if any, changes in the number and location of current gaming machine allocations support the Government's objective set out in this document? Please provide evidence to support this position.

**A4.** The Council believes that there is a need for parity. For example, The Gaming Act 1968 licence for casinos allowed only 20 machines, whereas the current legislation, The Gambling Act 2005 licence for casinos allows between 80-150 machines, while still being the same gambling venue. We believe that with much more machines on offer in venues has inevitably increased the footfall of consumers and may have contributed to problem gambling, impacting the wider community.

As discussed earlier, a welcomed approach would be to propose that Local Authorities have flexibility to determine the number of machines per premises in their areas, depending on local circumstances. A similar power has been devolved to the Scottish Government in relation to reducing the number of FOBTs allowable per betting shop.

**Q5.** What has been the impact of social responsibility measures since 2013, especially on vulnerable consumers and communities with high levels of deprivation?

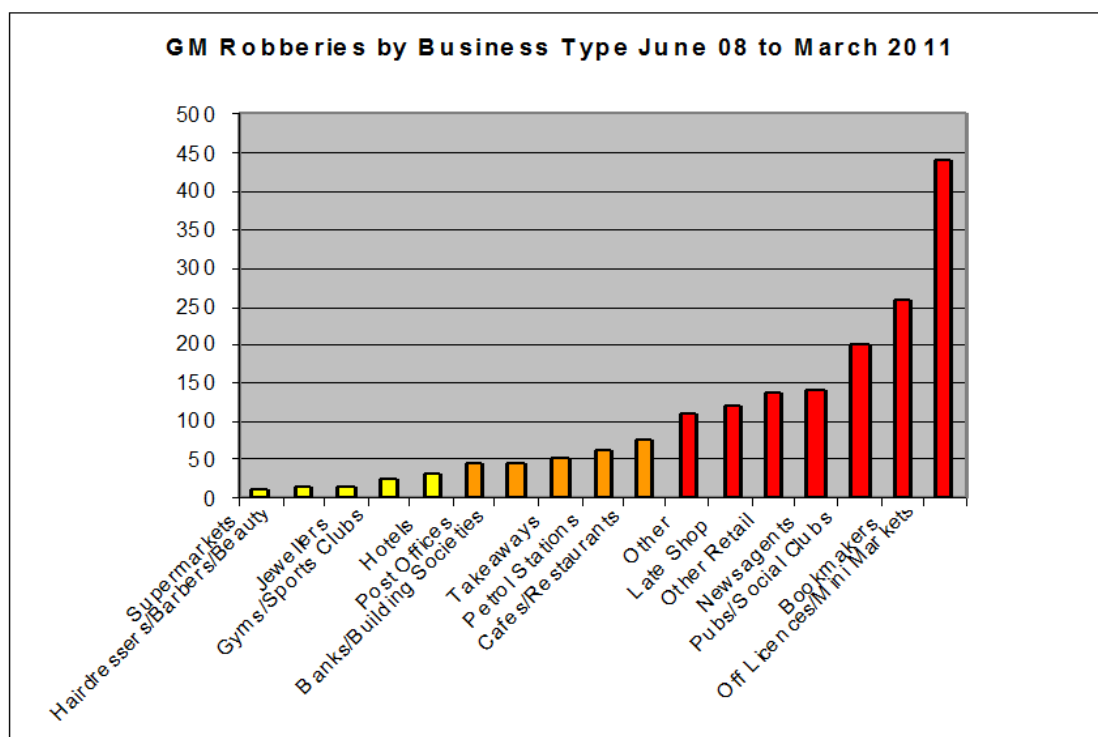
**A5.** The Council welcomed the strengthening of social responsibility measures in the licence conditions and codes of practice for all operators. Changes in several areas, amongst others saw, new requirements on under-age access that intended to make it demonstrably much harder for children to access gambling; measures on customer interaction that intended to help remove some of the existing barriers to identifying those experiencing harm and intervening effectively and intended to implement a land based multi-operator self-exclusion scheme etc.

Any changes to the current system for the benefit and protection of consumers and communities has to be a good starting point. However, we believe that the Government along with the Gambling Commission can do more on this and build on the good work that is currently in place. We feel that children should be challenged immediately at the point of entry to demonstrate with appropriate means of identification that they are of legal age to gamble. We feel that there should be a much stronger approach than self-regulation/self-exclusion, with gambling establishments 'barring' consumers themselves if they suspect problem gambling as consumers with vulnerability issues may not have the capacity to self-exclude. For that reason, regular mandatory training should be provided to all staff working in such venues to equip them with the skills and knowledge required to identify vulnerability issues.

Derek Webb, founder of the Campaign for Fairer Gambling has commented that social responsibility covers more than just the prevention of harm; it also includes the health and safety of staff at gambling premises. It should be a requirement for operators to report any criminal damage caused to FOBT's by consumers, which is not currently happening, therefore resulting in a culture of violence in betting shops which also places staff and other consumers in danger.

The Council has some historical data (2011) as set out below which details where betting shops sit in comparison to other business types for robberies within Greater Manchester.

There is also a high incidence of lower level violence (abuse on staff from consumers, aggression from losing bets, etc.) which generally goes unreported:



The Council has more recent data (2014 to March 2015), as shown below, detailing the worrying trend of robberies and violence being committed in betting shops within Greater Manchester, which needs to be addressed in terms of protecting staff at the premises and other consumers gambling. The data shows that, despite social responsibility measures having been introduced, gambling establishments are still being targeted affecting both consumers and communities.

	Bolton	Bury	Manchester	Oldham	Rochdale	Salford	Stockport	Tameside	Trafford	Wigan	
Pubs/Social Clubs (inc Toby)	5	2	6	2	2	3	3	2	3	2	30
Bookmakers	1	1	15		3	3	3	2	10	3	41
Off Licences/Mini Markets	3	4	18	9	10	14	13	4	6	10	91
(Co-operative Food) Late Shop	1	2	5	3	2	1	7		5	2	28
Banks/Building Societies			1	1	1	2	2		1		8
Cafes/Restaurants (inc McD/KFC)			4			5		1		4	14
Takeaways	2		3	1	1	2	2		1		12
Hairdressers/Barbers/Beauty	1				2	1					4
Newsagents	5	1	4	2	1	8	4	3	2	1	31
Other Retail (inc Aldi/Lidl)	1	6	8	4	3	3			2	3	30
Hotels	1		1		1	1	2	1			7
Nail Bars/Massage Parlour			1								1
Travel Agents			1	1	1			1			4
Other /not stated	2	1	8	1	2	2	5	2		1	24
Jewellers/Pawnbrokers	1		6	1	2		2		2	1	15
Gyms/Sports Clubs		1	2	1	1			1			6
Petrol Stations		1	6	2	1	1	6		4	1	22
Chemists		1	2							1	4
Post Offices		1	2	1		3	1	1		3	12
McColls	1					1			2		4
Tesco Express/Sainsbury's				1	2	3	1	1		1	9
Supermarkets	2		3			2	1				8
Taxis/Delivery Drivers/Debt Collectors	1	1	13	5	6	4	1	2	3	1	37
Commercial Total	27	22	109	35	41	59	53	21	41	34	442
CVIT			1	1	1		0			1	4
TOTAL	27	22	110	36	42	59	53	21	41	35	446

In addition, we feel that the Government, coupled with the social responsibility measures, should also introduce a £2 maximum stake in the use of FOBT's, in line with other category

B machines. We feel that this is ultimately required given that the nature of persons who tend to use FOBTs are potentially vulnerable and therefore this would be an adequate measure to have in place.

It has been widely reported that Rochdale has been hit hard by the recession. There are various housing estates within the Borough of Rochdale who have been described as the most deprived areas in England. In Rochdale Borough, it is estimated that there are around 140 FOBTs spread across 35 licensed betting shops, at a maximum of 4 FOBTs per outlet.

The Council is aware of data previously compiled by the Campaign for Fairer Gambling, indicating that residents of the Borough gambled up to £152 million on FOBTs in 2013. This equates to £721 for every man, woman and child in the Borough's population of 211,000. If we discount any residents under the age of 18 (who are not legally entitled to gamble anyway), the amount wagered in FOBTs during 2013 becomes nearly £950 per adult resident.

In addition, the research seems to indicate that the problem locally is getting worse. For instance, in 2012 an estimated £72 million was wagered in FOBTs across Rochdale Borough (including any winnings put back into the machine); this equates to around £340 for every resident of the Borough (including those under the age of 18). Between 2012 and 2013, therefore, the amount spent per resident has increased by 112%.

Furthermore, these figures show that the problem is at least comparable with the situation found in other Boroughs within Greater Manchester. Comparative data relating to a number of local authorities across the region is set out below:

<b>FOBT Gambling 2013</b>			
<b>Local Authority</b>	<b>Total Amount Gambled</b>	<b>Population Aged 18 and Over</b>	<b>Total Amount Gambled per Resident</b>
Liverpool	£635,993,104	377504	£1,684.73
Manchester	£487,319,392	394975	£1,233.80
Salford	£177,582,490	183237	£969.14
Rochdale	£152,803,538	160927	£949.52
Oldham	£156,933,363	168340	£932.24
Bolton	£189,971,966	212227	£895.14
<b>Source of Population Data: Census 2011</b>			
<b>Source of Gambling Data: Campaign for Fairer Gambling 2013</b>			

To give an indication of the scale of the problem in Rochdale and to get a first-hand account / personal perspective of a local resident/consumer, the Council's Public Health Team, compiled a short video (called 'Suab's Story') as part of its Get MoneySmart initiative (for which an International Nudge award for behaviour change was won/received in June 2015).

The effect of gambling has an impact on local lives, namely;

- Financial impact - particularly prevalent among socio-economically disadvantaged groups (those also most likely to be affected by the current welfare reforms and benefit cuts);
- Coincides with high rates of co-morbidity (conditions such as alcohol and drug use and mental health issues, particularly depression) and cross-addiction;
- Considerable evidence that people gamble to alleviate psychological problems.

**Q6.** Is there anything further that should be considered to improve social responsibility measures across the industry? Please provide evidence to support this position.

**A6.** As discussed above.

**Q7.** Is there any evidence on whether existing rules on gambling advertising are appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising?

**A7.** The Council is aware of changes in practices with regards to gambling advertising such as, inter alia, restrictions on advertising on TV pre-watershed, all broadcasts to end with a socially responsible message, the Gambleaware website to be given greater prominence and the legal age of gambling to be clearly advertised.

The Council believes that there are far too many gambling advertisements on TV, radio and social media marketing sites. We think that these should be 'off-set' with more advertising showing the harmful effects of gambling and the potential negative impact it has on the wider community. Paying mere lip-service quickly to be socially responsible at the end of current gambling advertisements is not sufficient.

The Council feels that a programme should be rolled out nationally to educate children and potential vulnerable adults as to the harmful consequences of gambling. This would naturally underpin the three licensing objectives set out at the heart of The Gambling Act 2005, namely, protecting children and other vulnerable people from being harmed or exploited by gambling.