

Review of Gaming Machines and Social Responsibility Measures- Government call for evidence

Government objectives

- Determine the right balance between socially responsible growth of the gambling industry and the protection of consumers and wider communities.
- It is essential that we have the necessary safeguards to ensure vulnerable individuals are protected, especially with regard to advertising.

- 1) 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 this document?**

Haringey is particularly concerned about the proliferation and accessibility of Fixed Odds Betting Terminals (FOBTs or B2 machines). We support the view of 92 local authorities, led by Newham Council and the LGA, to reduce the maximum stakes available on these addictive and profitable (for the industry) machines in high street bookmakers from £100 to £2. This will align FOBTs with the maximum stakes allowed for other gaming machines available on the high street.

Evidence

FOBTs have been called the 'Crack-Cocaine' of the gambling industry, allowing players to stake up to £100 on a 20 second spin. However they are hugely profitable for the industry, accounting for 50% of betting shop income:

- The number of FOBTs dramatically increased following changes to gambling taxation in October 2001. Industry statistics from the Gambling Commission (2015) show that in the six years between 2008/9 and 2014/15, the number of FOBTs in UK betting shops increased from 31,439 to 34,552- a growth rate of just under 2% per year.
- Over that six year period the Gross Gambling Yield from FOBTs has increased 50% from £1,050 million to £1,664 million- a growth rate of 8% per year.

These machines bring a promise of high stakes gaming to local communities who see at a viable risk to take a chance in the hope of a big payout. At a time of recession, high unemployment and government spending cuts, it is inappropriate for the gambling industry to target these addictive and profitable machines to communities that are already struggling.

- 2) 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.**

Haringey contends that industry measures have done little to mitigate harm to consumers and the borough's most vulnerable communities. There is no evidence that measures such as self- exclusion schemes prevent harm to vulnerable residents. There are inherent

problems with self-regulatory measures that rely on those with gambling problems to stop themselves without additional support.

Evidence

As of 2015 Haringey has 71 betting premises; 63 of these are easily accessible high street betting shops where the majority of FOBTs are located. Importantly 85% of Haringey's betting shops and FOTBs are concentrated in the east of the borough, where a high proportion of our most financially and socially-disadvantaged residents live:

- Over half of all licensed betting shops (54%) in Haringey are situated in areas defined as within the 20% most deprived in England.
- 30% of all licensed shops are located in areas calculated as being within the top 10% most deprived areas.

Figure 1 (Appendix) shows the type and distribution of licensed betting shops in Haringey. It demonstrates that they are over-concentrated in three main town centres in deprived areas of the borough, situated on Wood Green High Road and Tottenham High Road. These are the two main arterial roads running from north to south through the borough. Almost a quarter (23%, n=16) of all betting shops are located in Wood Green town centre (Noel Park ward) alone.

In February 2016, the Evening Standard revealed the nine worst hit streets where gamblers lost over £22 Million on FOBTs. Tottenham High Road was ranked as the 5th worst street in London, where gamblers lost an estimated £2.5 million. The figures, produced for The Campaign for Fairer Gambling (CFG), a not for profit organisation, appear to suggest that bookmakers are targeting the most vulnerable and deprived populations.

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

FOBTs must be licensed and regulated more forcefully, as other types of gaming machines already are. Government needs to allow more local control in gambling licensing and regulation. Local authorities should be able to respond to characteristics and needs of their local areas and communities, enabling them to set licensing and planning rules that protect vulnerable people and communities.

Haringey's local data strongly suggests an overlap between the proliferation of licensed betting premises and parts of the borough with higher concentrations of poverty, unemployment, health inequality, and crime (see Appendix, Figures 3 onwards). Mapping of the gambling industry in Haringey shows that gambling machines are overly concentrated in areas of high deprivation, with a greater proportion of residents in low status and low income occupations (Appendix, Figure 7). This mapping also found that areas of high deprivation had twice as many betting shops compared to areas of lower deprivation.

Haringey's experience appears to confirm wider recent research. A 2012 analysis by consultancy firm Geofutures, on behalf of Channel 4 Dispatches, showed that there were

clear clusters of bookmakers in town centres across Great Britain. Those town centres with the highest density of betting shops were areas where the resident population was typically poorer and constrained by their economic circumstances.

The proliferation of betting premises and gaming machines have wider social implications. A Haringey Scrutiny Review found FOBTs in particular appear particularly susceptible to low level crime and anti-social behaviour, often perpetuated by customers losing money on the fixed odd betting terminals, then taking out their frustration on the machine or shop staff:

- A joint problem solving group in Haringey has found that betting shops in Haringey had been involved in 262 crimes over 1 year.
- As betting shops clustered in certain places it was noticed that crime rates increased in areas of the borough which already had high crime rates.

The majority of these incidents currently go undetected or unrecorded as they are not part of the licensing conditions, meaning local authorities are left unable to take effective action on the root cause of these issues- the concentration and clustering of betting premises. During the extensive consultation work that has accompanied the regeneration of Tottenham, Haringey residents in these deprived areas of the borough have consistently voiced concerns about the number of betting shops.

- 4) 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.**

Our evidence shows that current planning and licensing rules have allowed licensed gambling premises to proliferate in poorer areas of the borough (see Appendix, Figure 3). This has a disproportionate negative impact on the health and wellbeing of financially and socially disadvantaged groups.

There is no evidence, contrary to industry representations, that these businesses bring jobs and income to local communities in Haringey. The majority of income from gambling premises is earned through unmanned machines such as FOBTs. Indeed, the Evening Standard's report described above shows that these machines are extracting far more financial value from our local communities than they are adding in the form of employment and local taxation.

As a result Haringey is in favour of stronger local licensing schemes for FOBTs in betting shops. We believe that local authorities should be able to challenge the expected level of four machines on a case by case basis, reflecting the local assessment of harm or risk to vulnerable people and communities in the area. We do not support current 'per venue' limits; the number and location of machines should be set according to risks associated with the local area and location of the venue.

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

As Haringey has outlined above, current social responsibility measures continue to place too much onus on the customer to regulate their own gambling behaviour. We think this is problematic when seeking to protect ‘vulnerable’ consumers and communities.

The Gambling Commission, in its Guidance to Local Authorities, does not seek to offer a definition for the term “vulnerable people”. However for regulatory purposes the Commission assumes that this group includes people “who gamble more than they want to, people who gamble beyond their means, elderly persons, and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, or because of the influence of alcohol or drugs.”

Our evidence in this submission shows that the majority of Haringey’s licensed betting premises are operating in areas of high deprivation and observable health challenges, for example mental health issues. This means many of our most vulnerable residents, as set out in the Gambling Commission’s guidance, face heavy exposure.

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

As our evidence has outlined, the Gambling Act 2005’s licensing framework should take greater account of the cumulative impact of new gambling outlets in areas that have high proportions of disadvantaged and vulnerable residents. Under current legislation and regulation too many betting premises, with up to four addictive FOBTs in each, have been allowed to cluster in parts of Haringey that clearly have large and identifiable numbers of vulnerable residents and communities. This is compounded by the low level crime and anti- social behaviour in town centres that can be associated with the clustering of betting premises.

Planning and licensing authorities should be required to take these public health and wellbeing factors into account when considering applications for new gambling premises, preventing market saturation and concentration in areas of high deprivation, crime, and health inequality. This would further signal to the industry that these considerations must become part of their approach to social responsibility.

To deliver this change Haringey is reiterating its call for CIPs (cumulative impact policy) considerations to be brought into the gambling licensing process. This will enable local authorities to have a presumption of refusal to any new betting premises applications in a locally declared CIPs area. Additionally existing premises within a CIPs will be held to a higher account if they wished to extend their trading hours. CIPs set the bar higher, requiring the betting operator to really make a case as to why they should be granted a licence in an area that the LA has declared as being at risk.

7) 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?

The liberalisation of gambling advertising, the spread of online advertising and gaming, and the normalisation of gambling, are part of a process whereby the gambling industry is aggressively changing the popular perception of gambling. Like tobacco and alcohol advertising in decades past, the industry has aimed to normalise gambling in British society, making it an attractive and subconscious part of our everyday lives through sports sponsorship and online advertising.

Young people in particular are at risk of problem gambling from using FOBTs. 2013 data from the GamCare helpline showed that 46% of its clients aged 18-25 were gambling in betting shops, and FOBTs (30%) were the most common form of gambling activity among problem gamblers in this age group. 27% of callers under 18 cited FOBTs/roulette machines as a problem. This indicates that young FOBT users were more likely to call the GamCare helpline than people involved in other forms of gambling.

It is therefore important that the stakes, prizes and distribution of gaming machines does not contribute to the further increase of problem gambling. An overwhelming majority of betting outlets already end up located in areas of high deprivation. At a time of recession, high unemployment and government spending cuts, it is inappropriate for the gambling industry to continue targeting communities that are already struggling with deceptive promises of large payouts.

8) Any other relevant issues, supported by evidence that you would like to raise as part of this review but that has not been covered by questions 1-7?

UK research on the cost of problem gambling to public health and wellbeing, and consequently local public services such as the NHS, is very limited. As our evidence indicates, the proliferation of betting premises in more deprived areas of Haringey does not just contribute to problem gambling, but is the cause of crime, anti-social behaviour, financial inequality and other health issues.

Haringey's Health and Wellbeing Board is committed to creating a healthier environment, using its place shaping powers to enable residents to make healthier choices more easily and to prevent ill health from developing in the first place. Creating healthy high streets, partly by tackling the clustering of betting shops and Fixed Odd Betting Terminals in the borough, is a critical part of this.

As London's Prevention Pilot Haringey Council plans to undertake an in-depth analysis of gambling prevalence and health impacts in Haringey to establish the scale and nature of problem gambling. This will inform a more joined up preventative approach for problem gamblers and harm reduction initiatives for vulnerable groups.

Appendix- Haringey risk profiles for gambling

We have made an assessment of the pattern of gambling and associated risks to the licensing objectives in wards across the borough. The distribution of existing betting shops predictable shows them to be located on the main thoroughfares and town centre. There is a significant amount along the High Road Tottenham from Stamford Hill through the Edmonton. In other areas there are significant clusters in Green Lanes , West Green Road and High Road Wood Green.

Fig 1: Distribution of licensed betting shops in Haringey relevant to town centre locations and neighbourhood regions

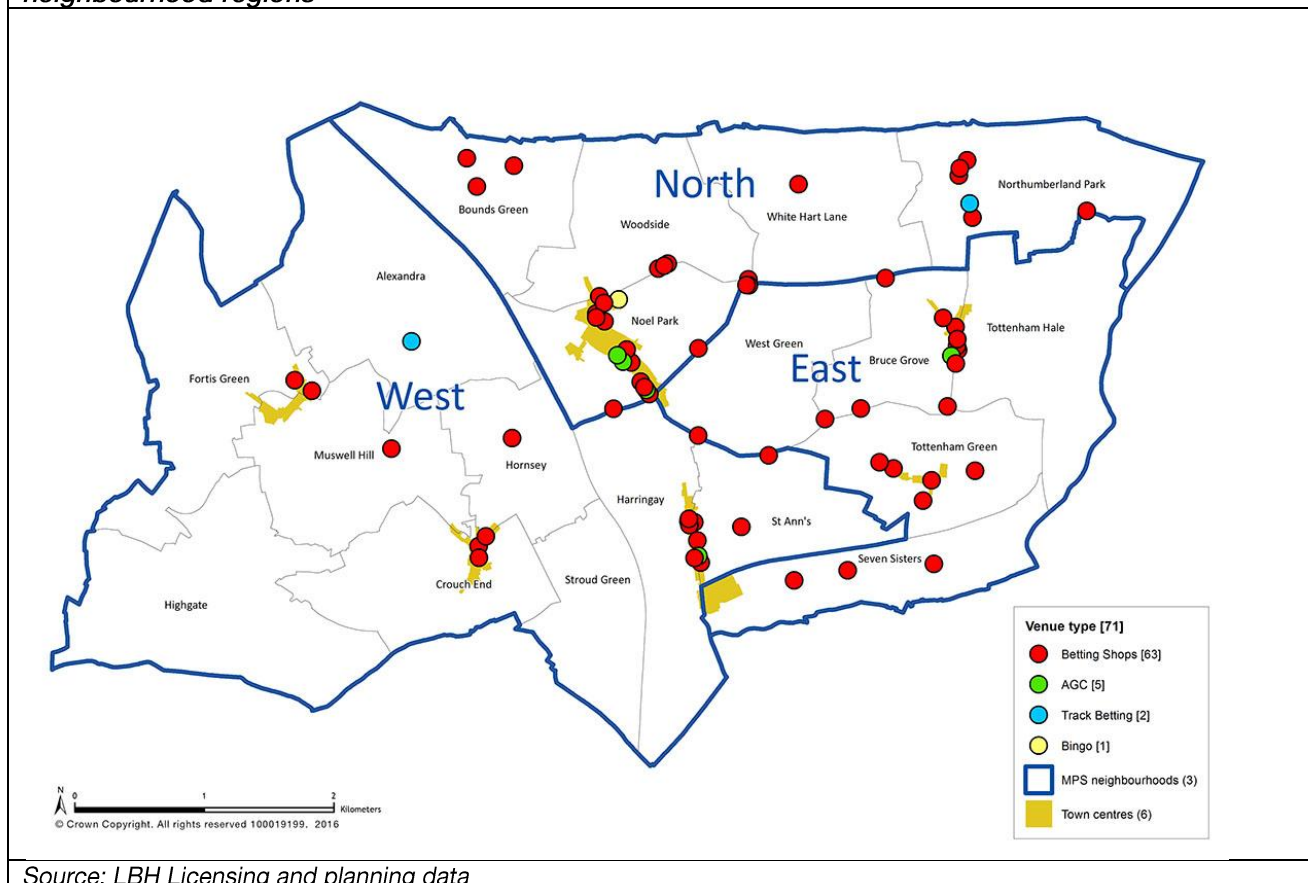
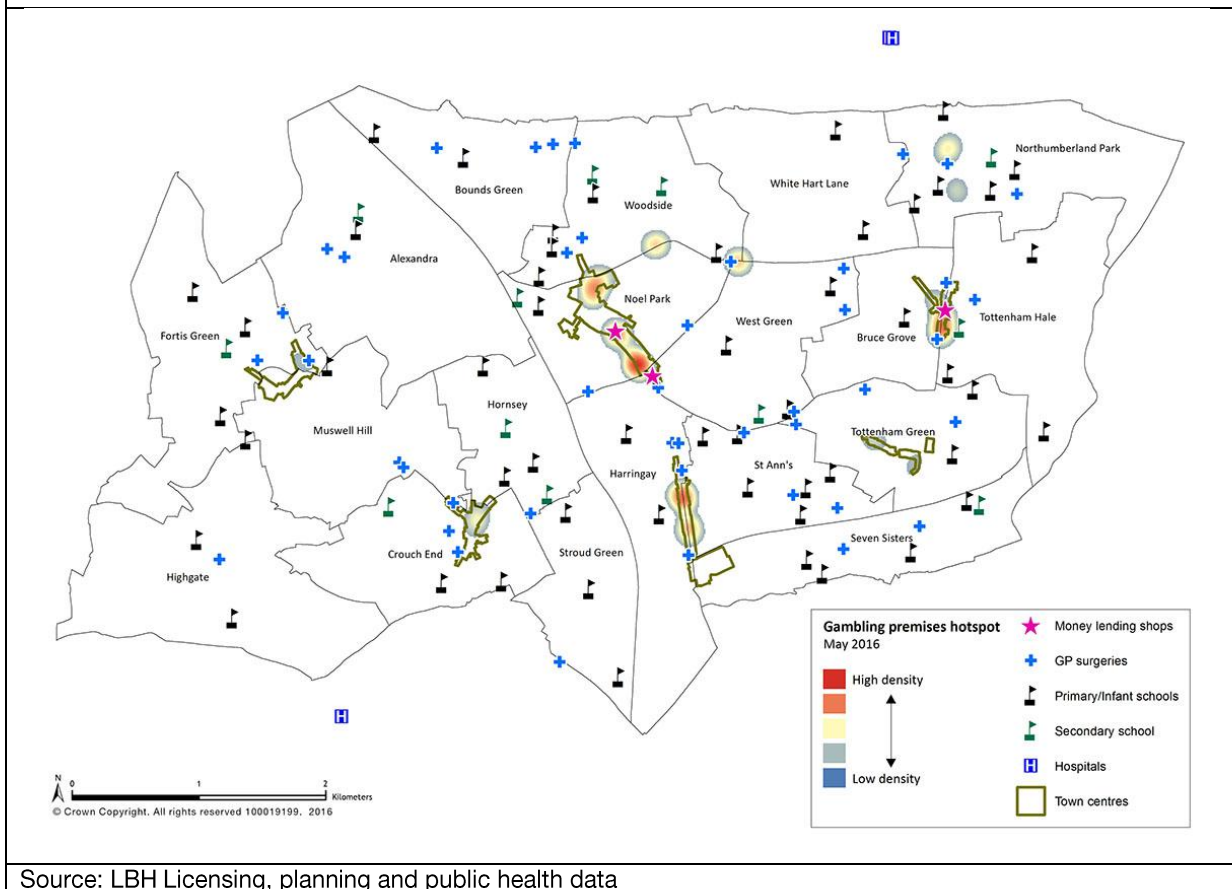


Fig 1 shows the type and distribution of licensed betting shops in Haringey, focused primarily on the three main town centres situated on High Road Wood Green and High Road Tottenham, the two main arterial roads running from north to south through the borough.

Almost a quarter (23%, n=16) of all betting shops are located in Wood Green town centre (Noel Park ward), more than double the number for Bruce Grove, the second highest ranked ward with just 7 (10%) licensed betting shops. Northumberland Park and St Ann's wards are ranked joint third, each containing 6 licensed betting shops.

Fig 2: Licensed betting shops location hotspots relevant to town centres, money lending shops, GP surgeries, schools (primary and secondary) and hospitals



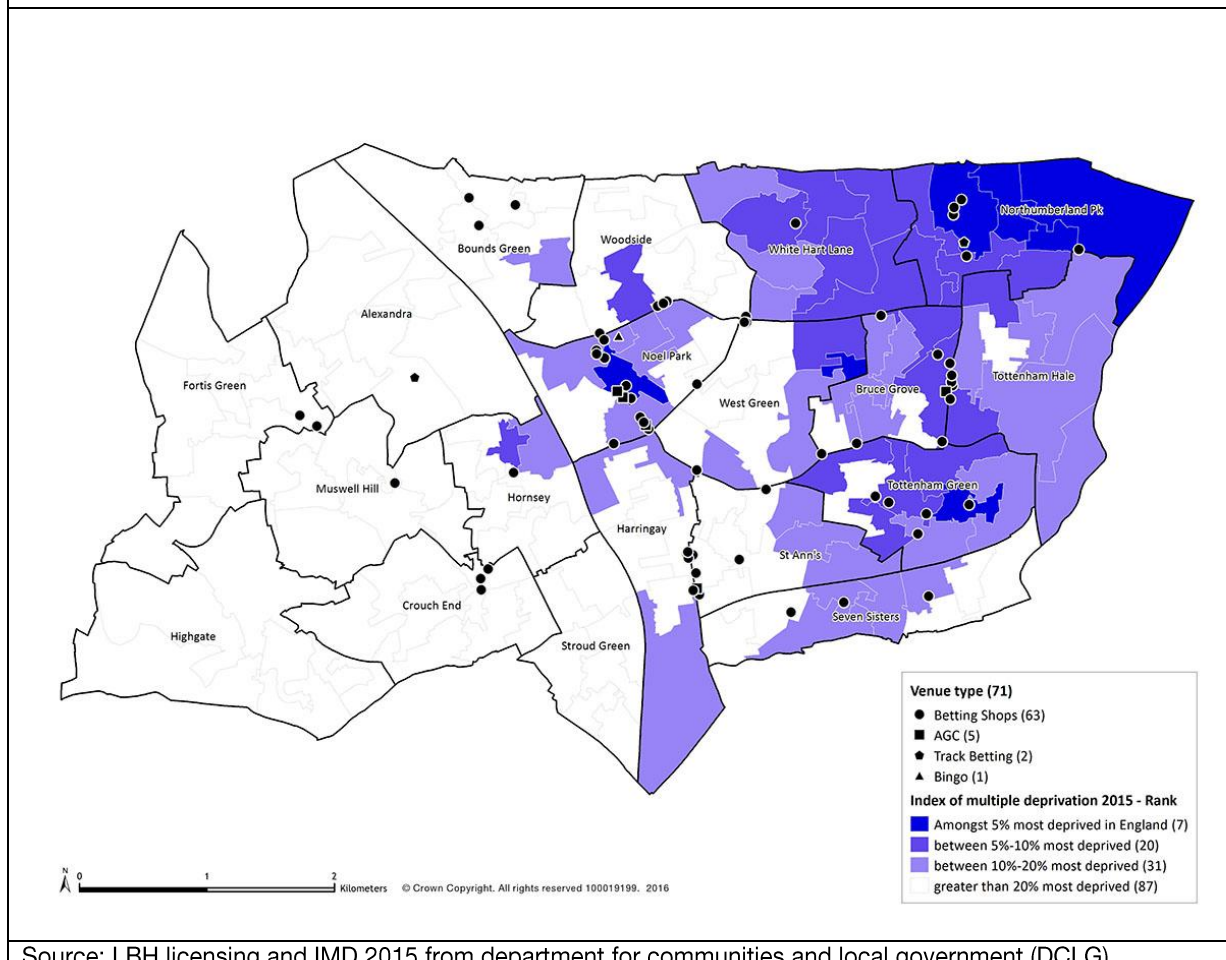
Source: LBH Licensing, planning and public health data

Fig 2 shows licensed betting shop location hotspots evident in four of the six town centres in the borough, namely Wood Green, Bruce Grove, Green Lanes (Harringay) and Crouch End. Clusters in Tottenham Green and Muswell Hill are also visible but to a lesser extent.

This Haringey profile appears to confirm recent research; a 2012 analysis by Geofutures on behalf of Channel 4 Dispatches showed that there were clear clusters of bookmakers in town centres across Great Britain and that those town centres with the highest density of betting shops were areas where the resident population was typically poorer and constrained by their economic circumstances.

Geographical links between licensed betting shop hotspots and schools, both primary and secondary, are not evident, mostly because, in the main, schools tend to be situated in residential areas rather than busy commercial high streets in town centres.

Fig 3: Distribution of licensed betting shops and the index of multiple deprivation (IMD) 2015



Source: LBH licensing and IMD 2015 from department for communities and local government (DCLG)

Recent research conducted by the Responsible Gambling Trust (RGT) found clustering of licensed betting shops in areas high on the index of multiple deprivations (IMD), where households can least afford to lose large amounts of money (Fig 7 Median HH income estimates), where there is high unemployment (Fig 4 Unemployment), high ethnicity and welfare payments (Fig 5 Working age benefit claimants). This profile is replicated in Haringey; Fig 3 shows clear geographical correlation between licensed betting shop clusters and the most deprived areas in the borough as measured by the IMD 2015

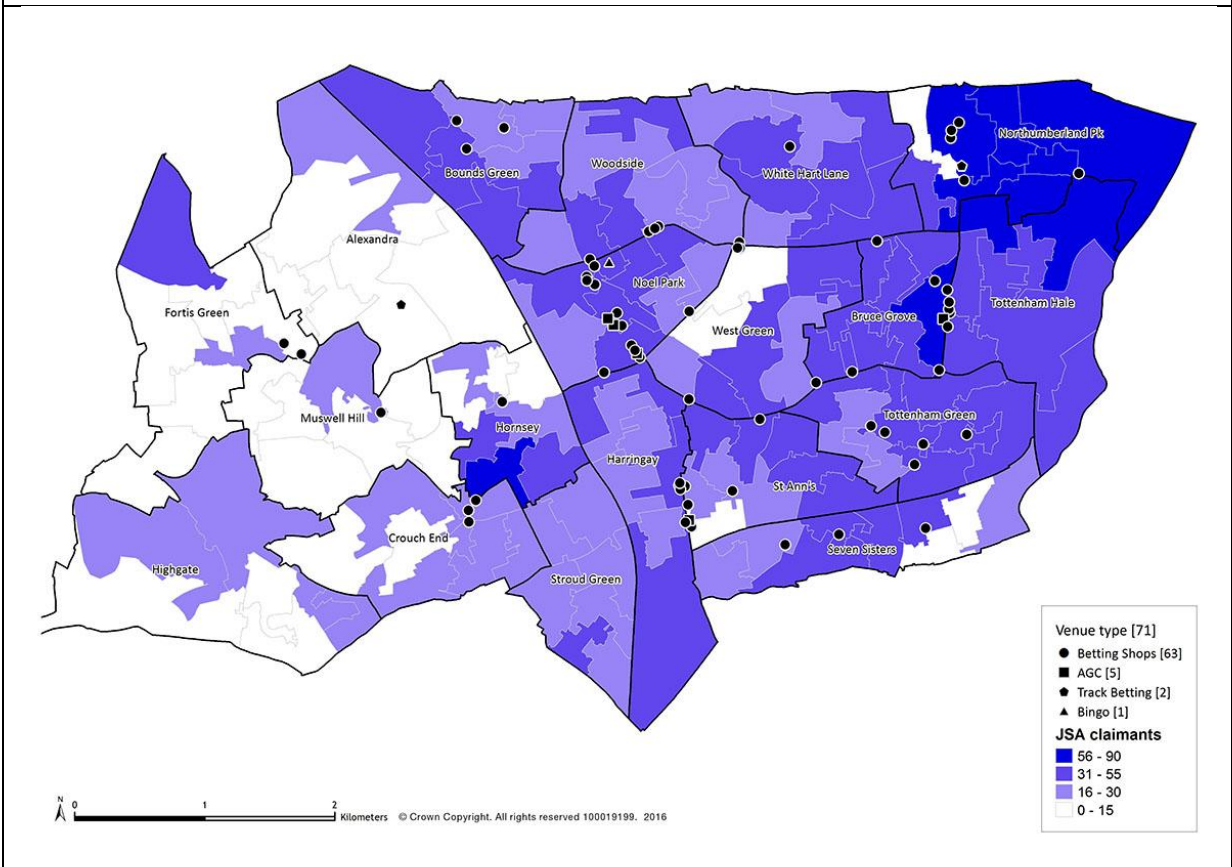
Over half (54%, n=39) of all licensed betting shops are situated in areas defined as within the 20% most deprived in England and 30% of all licensed betting shops (n=21) are located in areas calculated as being within the top 10% most deprived areas in England, in the main centred in pockets in Northumberland Park, Noel Park, Tottenham Green and Bruce Grove

Further geo-spatial research from the RGT¹ - based on bookmakers loyalty card analysis matched to loyalty card holder area of residence - confirms that visitors to licensed betting shops are local, often high on unemployment, high on economic inactivity and

¹ Contextualising Machine Gambling characteristics by location 2015; author- Gaynor Astbury and Mark Thurstain-Goodwin. This study links a survey of British bookmakers loyalty card members with data in their loyalty card records

high on the index of multiple deprivation. This implies that populations exposed to visiting local licensed betting shops, including those playing fixed odds betting machines (FOBT) are vulnerable.

Fig 4: Distribution of licensed betting shops and areas of unemployment



Source: LBH licensing and job seekers allowance (JSA) claimants from Nomis

Fig 5: Distribution of licensed betting shops and areas for working age benefit claimants – November 2015

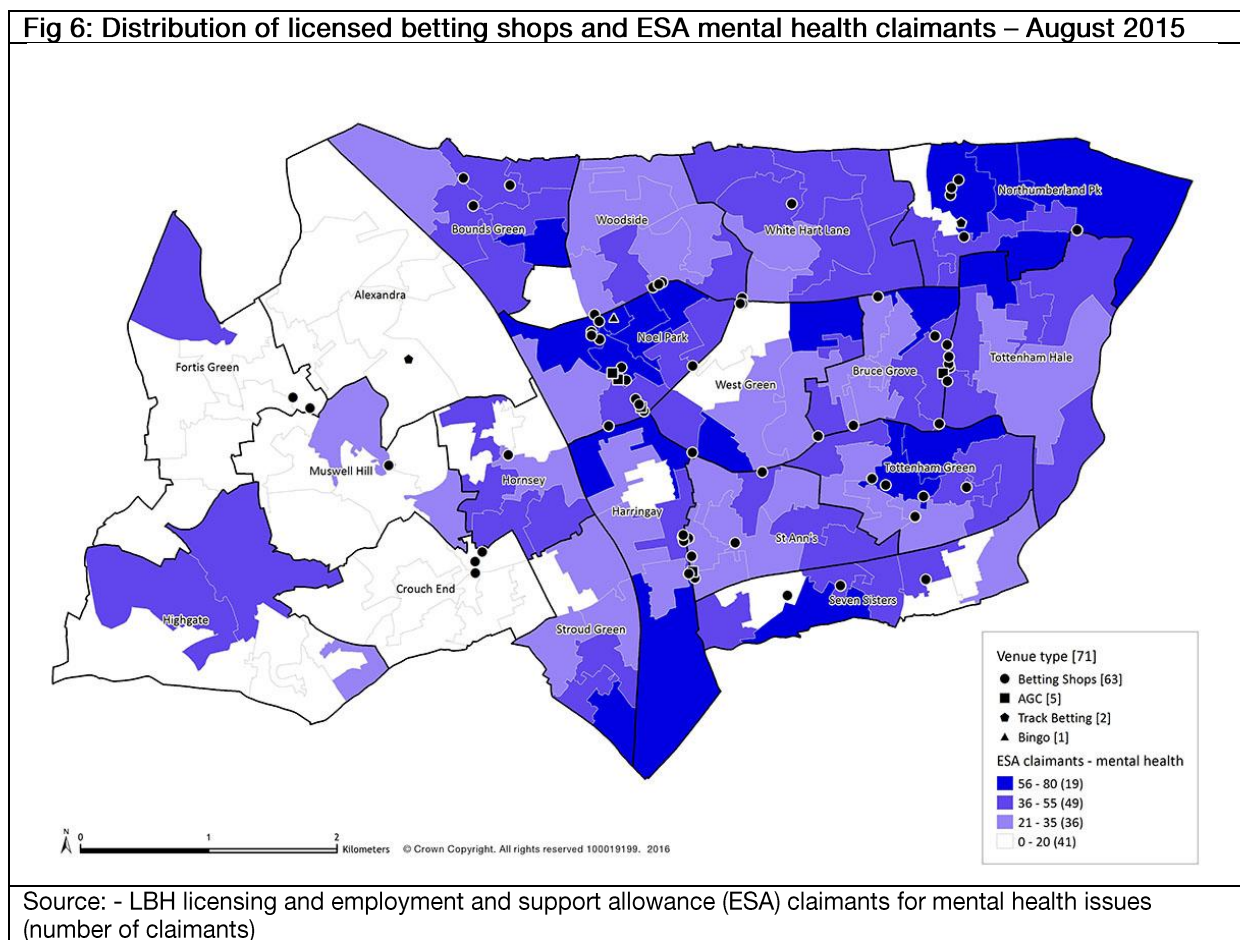
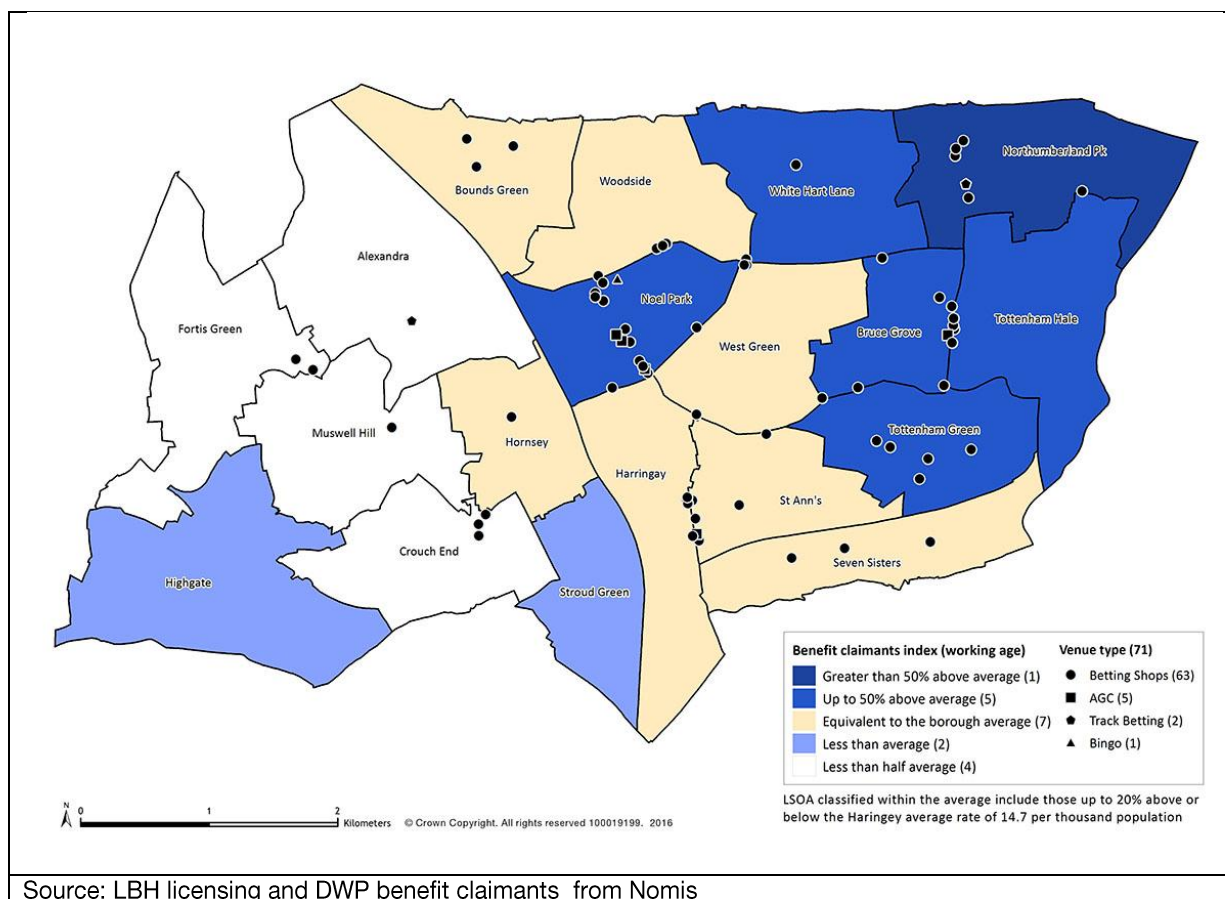
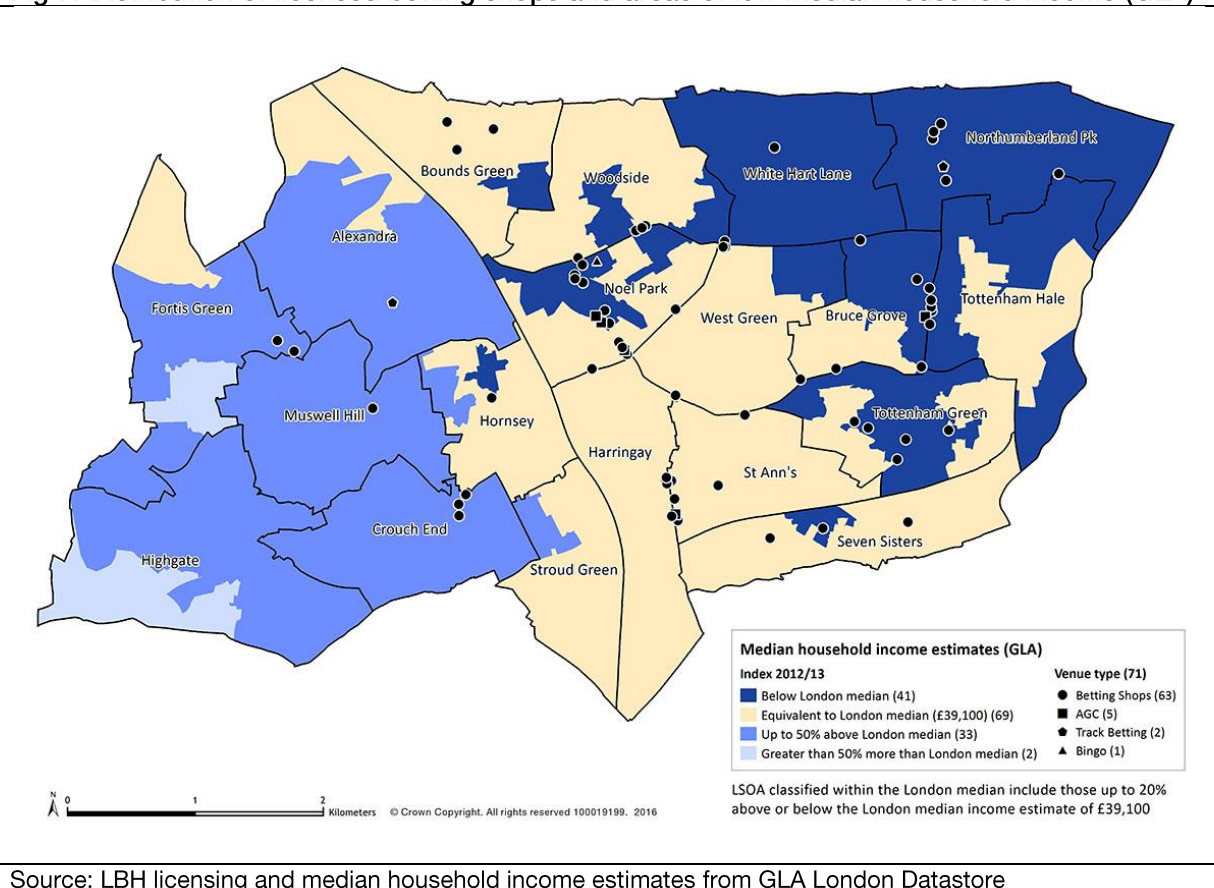


Fig 6 shows the distribution of licensed betting shops overlaid by the number of employment and support analysis claimants for mental health in Haringey in August 2015².

Some overlap is seen in areas with the highest count of claimants³ (56 or greater) and clustered locations of licensed betting shops, particularly pockets in Noel Park and Northumberland Park; almost a quarter (24%, n=17) of licensed betting shops are found in these areas of which there are 19. Alternatively only 10 licensed betting shops (14%) are found in areas with the lowest number of claimants (20 or less) that make up 41 in number

Research from the 2012 Responsible Gambling Strategy Board indicated that there is strong evidence that some people will present at GPs for help with a related problem such as debt, alcohol, drugs or mental health rather than an ostensible gambling problem.

Fig 7: Distribution of licensed betting shops and areas of low median household income (GLA)



Source: LBH licensing and median household income estimates from GLA London Datastore

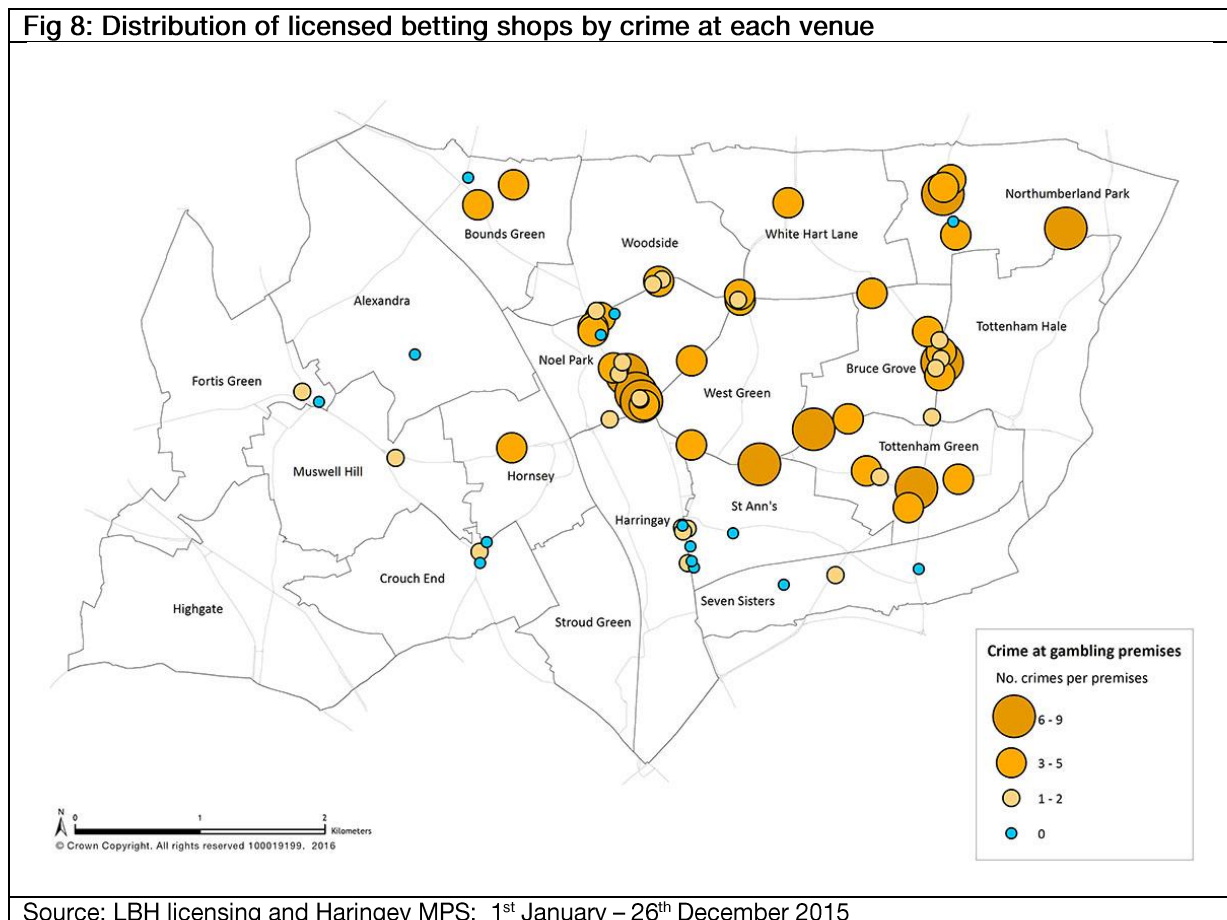
Fig 7 shows the median household income estimates for Haringey, indexed relative to the London median income of £39,100 (2012/13).

- 44% of licensed betting shops (n=31) are based in areas where Haringey's median household income is less than the London benchmark, especially in Northumberland Park, Bruce Grove/Tottenham Hale, Tottenham Green and Noel Park.

² The number of claimants has been divided into 4 classifications based in a Natural Breaks (Jenks) method

³

- These low median household income areas comprise a third (31%) of the boroughs' 145 lower super output areas⁴ (LSOA)



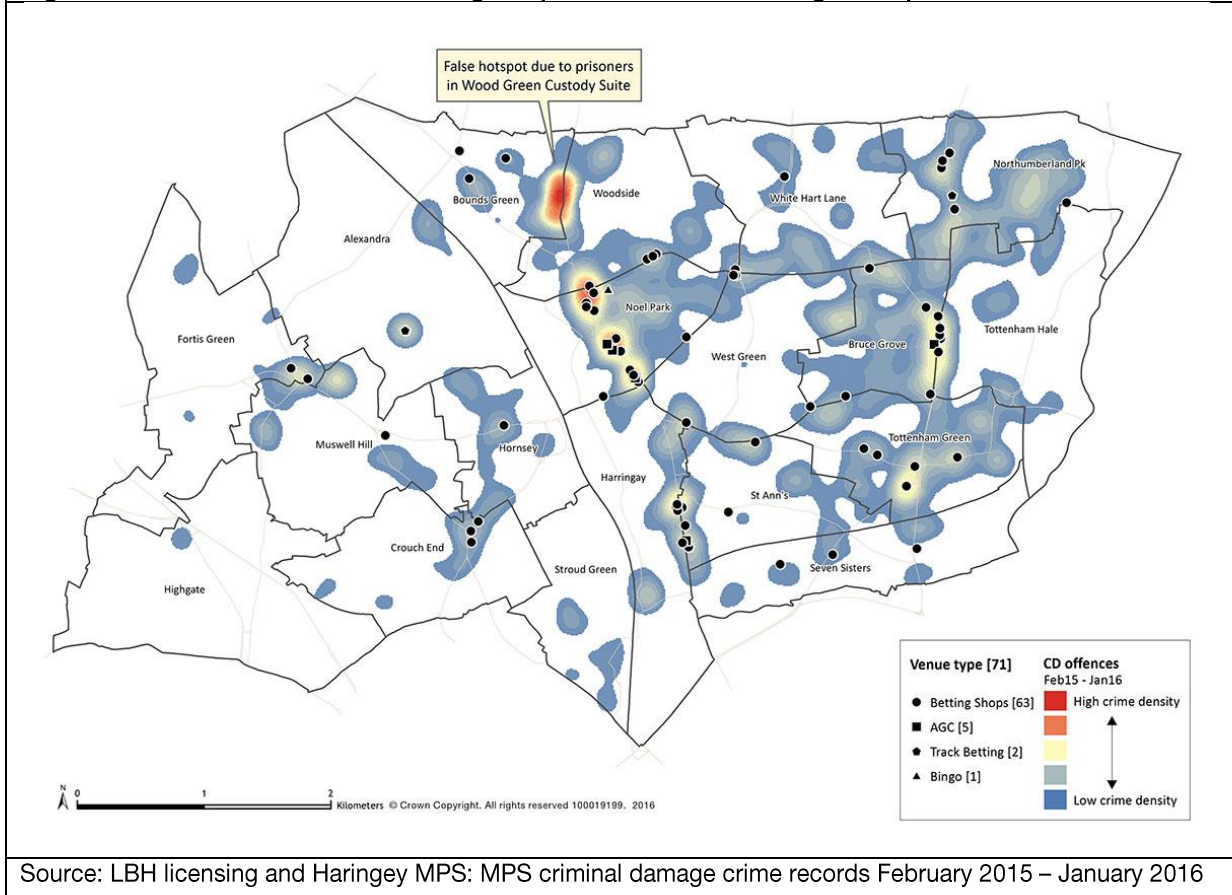
Criminal damage is by far the most common offence experienced in licensed betting shops in Haringey, accounting for 40% of recorded offences. Violence against the person (VAP) is ranked second highest (16%), driven by common assault and racially aggravated harassment. Commercial robbery is the third most common offence representing 14%.

Fig 8 shows the three main clusters at Noel Park (2) and Bruce Grove experience higher levels of crime, but not significantly so i.e. the 22 licensed betting shops that comprise these clusters, make up just under a third (31%) of all licensed betting shops but account for nearly 40% of all crime at licensed betting shops.

⁴ Super Output Areas are geography for the collection and publication of small area statistics. They are used on the Neighbourhood Statistics site and across National Statistics. There are currently two layers of SOA, Lower Layer Super Output Area (LSOA) and Middle Layer Super Output Area (MSOA). The SOA layers form a hierarchy based on aggregations of Output Areas (OAs). Lower Layer SOAs were first built using 2001 Census data from groups of Output Areas (typically four to six) and have been updated following the 2011 Census. They have an average of roughly 1,500 residents and 650 households. Measures of proximity (to give a reasonably compact shape) and social homogeneity (to encourage areas of similar social background) are also included. There are 145 LSOA in Haringey.

In mapping the risks around gambling premises and their impact in the local community we have looked at the location of betting shops in relation to crimes generated per betting shop over a one year period. The map below shows betting shops in the East of the borough were more susceptible to crime than in the West of the borough. It shows a high concentration of crime along the High Road N22 from Duckets Common to Lordship Lane due to the anti social behaviour that takes place in the main town centre in the borough.

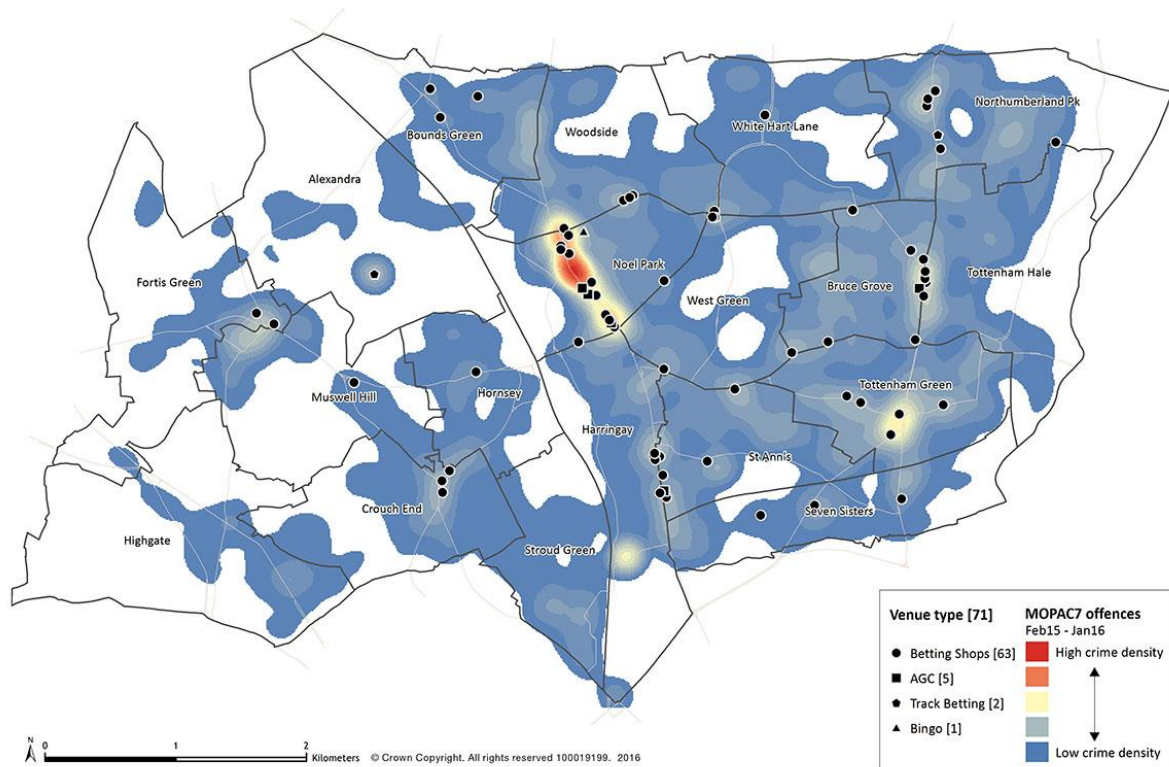
Fig 9: Distribution of licensed betting shops and criminal damage hotspots



Source: LBH licensing and Haringey MPS: MPS criminal damage crime records February 2015 – January 2016

The association between criminal damage in and around licensed betting shops is clearly seen in Fig 9, especially in Noel Park, Bruce Grove, Tottenham Green and Green Lanes (Harringay). Twelve percent of all criminal damage offences across the borough occur within a 50 meter radius of licensed betting shop and 124 criminal damage offences occurred within 10 meters of licensed betting shops.

Fig 10: Distribution of licensed betting shops and MOPAC 7 crime hotspots

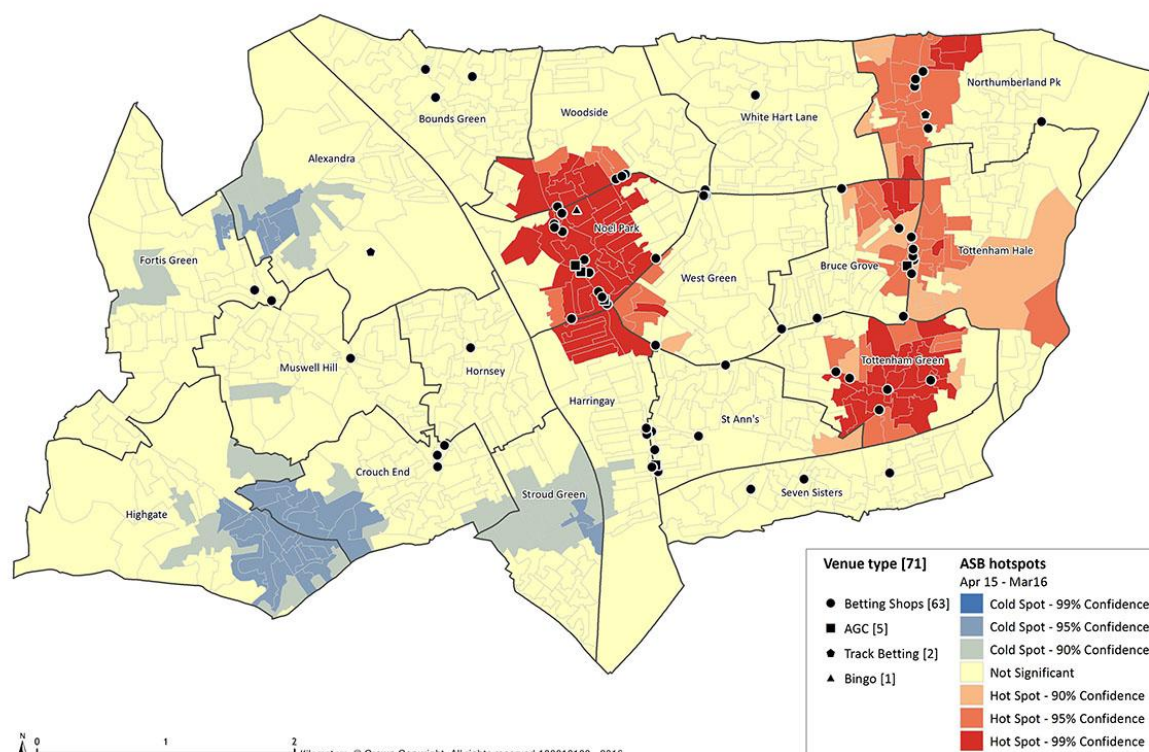


Source: LBH licensing and Haringey MPS: MPS MOPAC7 crime records February 2015 – January 2016

Similar to Fig 9, Fig 10 shows a geographical link between the wider Mayor of London office for policing and crime (MOPAC7)⁵ basket of offences and licensed betting shops. Fig 8 showed criminal damage, violence and commercial robbery as the prevailing offences types and these three offences comprise almost half (49%) of all MOPAC offences in Haringey in the 12 month total to February 2016.

⁵ MOPAC'S target for the MPS is to cut 7 key "neighbourhood" crimes by 20% by 2016. MOPAC is comprised of 7 key "neighbourhood" crimes; violence with injury, robbery, burglary, theft from a motor vehicle, theft of a motor vehicle theft from the person and criminal damage

Fig 11: Distribution of licensed betting shops and reported ASB related emergency calls to the police



Source: LBH licensing and Haringey MPS: ASB related emergenc calls to the police April 2015 – March 2016

Fig 11 illustrates clearly where ASB hotspots and coldspots exist in Haringey in the 12 months to March 2016. These clusters are based on the aggregation of census output areas⁶ (COA) containing similarly high numbers of reported incidents (red hotspots) and similarly low numbers of reported incidents (blue coldspots).

A marked geographical association is evident between licensed betting shop venues and the observed ASB hotspots along the two main High Roads covering the main town centres in Wood Green (Noel Park), Northumberland Park, Bruce Grove and Tottenham Green.

Almost half (47%, n=33) of all licensed betting shops were found to be in the hotspot areas where there is a 90% plus confidence that these ASB hotspots is not due to chance. Conversely, none of the three observed coldspots contained a single one of the 18 licensed betting shops in west of the borough.

⁶ The 2001 Census Output Areas are designed specifically for statistical purposes. They are based on data from the 2001 Census and were built from postcode units. Output Areas are used not only for Census output but also as the basis of Super Output Areas which have been introduced as stable and consistently sized areas for Neighbourhood Statistics. There are 753 COA in haringey