

Cllr Caroline Selman

Cllr Emma Plouviez

Mayor's Office
Hackney Council Town Hall
Mare Street
London E8 1EA

Gambling, Licensing and Lotteries Team
DCMS
4th Floor
100 Parliament Street
London SW1A 2BQ

4 December 2016

Dear Sir / Madam

Review of Gaming Machines and Social Responsibility Measures – Call for Evidence

I am writing in relation to the above call for evidence (the Call for Evidence).

The London Borough of Hackney has been raising concerns about the impact of betting shops, including the proliferation of Fixed Odds Betting Terminals for a number of years. As set out in the foreword to our Gambling Policy 2016 – 2019¹, while the recent changes to planning law and adoption of social responsibility measures have been welcome, we remain of the view that more can be done, in particular regarding:

- The current stakes and prize limits for B2 gaming machines, commonly referred to as fixed odds betting terminals (FOBTs); and
- The clustering of premises of the kind that we have seen in Hackney.

We therefore welcome the fact that each of the above issues appears to be under consideration as part of the current Call for Evidence.

As acknowledged at paragraphs 1.18 and 1.22 of the Call for Evidence, much of the evidence DCMS is seeking is held by the gambling industry. However, we have used this response to provide you with information from the perspective of a local authority and to provide input on the approach that we think should be taken.

¹ <http://www.hackney.gov.uk/gambling>

If you would like to ask us any further questions regarding our response, please do not hesitate to contact [REDACTED]
[REDACTED]

Yours faithfully



Cllr Caroline Selman
Cabinet Member for Community
Safety and Enforcement



Cllr Emma Plouviez
Chair of Licensing Committee

Name: Cllr Caroline Selman, Cabinet Member for Community Safety and Enforcement, Cllr Emma Plouviez, Chair of Hackney Licensing Committee

Organisation: London Borough of Hackney (LBH)

- 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? Please provide evidence to support this position.**

LBH believes that the stakes for Fixed Odds Betting Machines (FOBTs) should be brought into line with those of other gaming machines accessible on the high street. We would therefore support a reduction of the stakes from £100 to £2.

As set out at paragraph 1.19 of the Call for Evidence, evidence published by the Responsible Gambling Trust using industry data shows that higher stake sizes can increase the risk of gambling-related harm through spending more money or time than intended.

Currently, the combination of high stakes and natural game volatility means that players can win or lose significant amounts of money in a short space of time. This needs to be considered within the context of the correlation between the location of betting shops and areas of socio-economic deprivation – i.e. the size of potential losses should be placed in context with the relative income of those targeted with these machines.

As the table at Annex A of the Call for Evidence demonstrates, the disparity between the stakes permitted for other types of machines located in betting shops (ranging from 10p - £2) is stark. However, for the reasons set out in the paragraph above, as well as the reasons set out below regarding clustering of premises, we note that it may also be worth considering ways to limit the maximum spend per hour.

The Call for Evidence document states at paragraph 1.18 that the Government believes that if current concerns are not addressed, a reduction of maximum stakes on B2 machines could be considered on a precautionary basis.

As the Responsible Gambling Strategy Board set out at paragraph 7.4, of its advice to the Gambling Commission at the time of the 2013 Triennial Review²:

*“...the essence of the precautionary principle is that if an action or policy has a **suspected risk** of causing harm, but there is no scientific agreement that it is actually causing harm, then the burden of proof that it is not harmful falls on those wishing to promote that product. If it is applicable, the precautionary principle generally **shifts the burden of proof away from the regulator having to demonstrate potential harm towards the hazard creator having to demonstrate an acceptable level of safety**.”* (emphasis added).

We welcome the Government’s approach in the current Call for Evidence of placing the onus on industry to bring forward the information necessary to make the above assessment. We would emphasise that under the proper application of the precautionary principle, in light of the risks set out above, it is for industry to be able to demonstrate that the current levels of stakes and prizes are not harmful.

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.

We note that as the Government has made clear, the onus is on industry to demonstrate that gaming machines, now that they are subject to player protections, are not harmful.

As set out above, we note that it is not sufficient for industry to demonstrate the measures have mitigated harm to consumers and communities to some degree – rather, they are required to demonstrate that they have been sufficient to reduce that harm to an acceptable level.

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

We note that the opening statement to the Call for Evidence refers to the Government being supportive of a *“healthy gambling industry that generates investment”* whilst noting the need to be *“mindful of building an industry and wider economy that works for all”*.

² RGSB advice to the Commission on the Triennial Review Consultation (June 2013) [here](#)

At paragraph 1.2, the document refers to the industry employing over 100,000 people and that in 2015 it contributed £10.3bn to the economy (0.6% of Gross Value Add)

In terms of the relative weight to be provided to the above factors in the balancing exercise described, we would note that it has been estimated that gross industry revenues from FOBTs will double in real terms over the next ten years, resulting in a gain of around 5,000 jobs for the gambling sector by 2025/26 - but a reduction of around 25,000 jobs for the economy as a whole³.

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.

There are currently 54 betting shops located in Hackney distributed as set out at Appendix 1.

Further, there is evidence in Hackney that operators are clustering their outlets on certain streets as a way of getting around the limitation on four B2 machines per premises. For example in Mare Street Hackney there are 8 betting shops within a short stretch.

We note that measures introduced in 2014 in relation to planning provide local authorities with some powers in relation to the number of new premises that can be opened. However, this does not provide a tool to mitigate harm from existing premises, which as the Government is aware, proliferated rapidly following the introduction of the Gambling Act 2005. In particular, this does not protect against existing betting shops, located in close proximity, effectively circumventing the four machine per shop restriction.

As such, we would suggest that consideration should be given to restricting the number of FOBTs not just on a per shop basis but on a "number of FOBTs within a certain radius" basis. We note that such an approach would be consistent with the rationale behind a per shop rule whilst seeking to remove a loop hole that currently allows this to be circumvented.

³ Howard Reed, The Economic Impact of Fixed Odds Betting Terminals: 2015 update, Landman Economics (2015) [here](#)

- 5. What has been the impact of social responsibility measures since 2013, especially on vulnerable consumers and communities with high levels of deprivation? Please provide evidence to support this position.**

We again note that the onus is on Industry to demonstrate that these measures have had a positive impact.

We reiterate our position that it is for industry to demonstrate that these measures have removed the relevant harm (rather than simply mitigating it as against an unacceptable base case).

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

N/A

- 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?**

N/A



