

## **Threshold Setting Gambling Management Tools**

### **Gambling Commission**

**RPC rating: validated**

The assessment is now fit for purpose as a result of the department's response to the RPC's initial review notice. As first submitted, the assessment was not fit for purpose.

#### **Description of proposal**

The proposal amends the social responsibility provisions of its Licence Conditions and Codes of Practice for gambling operators. Alterations introduced a requirement for betting licensees based in physical premises (as opposed to online) to include pre-commitment software on electronic gambling machines.

Pre-commitment tools are used to ensure that players decide before gambling how much time they are prepared to spend on a machine or how much money they wish to spend. Pre-commitment software, when installed on a machine, would trigger a reminder to players when they reach their set time or spending limit and alert staff electronically.

#### **Impacts of proposal**

Based on industry statistics, the regulator anticipates that 299 operators are affected by the change. However, based on data from the Association of British Bookmakers, the regulator notes that 240 operators had voluntarily installed pre-commitment software before the change.

The regulator anticipates that one professional from all 299 operators will review the written amendment. Using ONS figures for an updated hourly wage rate of a professional, the submission estimates familiarisation costs will be negligible across all businesses.

Training materials will need to be amended as a result of the Transitional costs associated with licence changes. The regulator expected this to require half an hour of a regional manager's time. At an adjusted hourly wage rate of £35.25, the regulator calculates this to be a one-off cost of £5,300 across all 299 licence holders.

The regulator also anticipates a negligible, permissive cost associated with updating display materials.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero. This is a qualifying regulatory provision that will score under the 2015-17 Business Impact Target.

### Quality of submission

As initially submitted for RPC scrutiny, the assessment was not considered fit for purpose as it did not consider the cost of updating and rolling out software, or the cost of producing new shop materials. The Gambling Commission has since explained that software companies can absorb the costs of rolling out updates into their usual practices, and that the costs of changes to software have already been incurred, at the point where ABB members voluntarily adopted controls. The regulator now also explains that the provisions around display materials are permissive.

The submission would be improved by calculating the compliance costs for only those businesses which will have to alter their practices to comply with the regulation, rather than the entire business population. However, as this does not materially affect the estimated cost, the RPC can verify that the EANDCB rounds to zero. Given that the large majority of premises already comply voluntarily, the submission would also benefit from a clearer statement of the rationale for imposing a regulatory requirement on the remainder and a more thorough assessment of the societal benefits of doing so.

### Departmental assessment

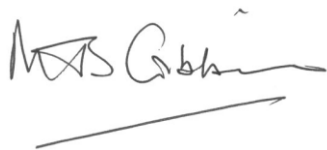
Classification	Qualifying regulatory provision (IN)
Equivalent annual net direct cost to business (EANDCB)	Zero
Business net present value	Zero

### RPC assessment

Classification	Under the framework rules for the 2015-17 parliament: Qualifying Regulatory Provision (IN)
EANCB – RPC validated	Zero
Business Impact Target (BIT) Score	Zero

Opinion: EANDCB validation IA  
Origin: domestic  
RPC reference number: RPC17-DCMS-GC-3766  
Date of implementation: 8<sup>th</sup> May 2015

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**Michael Gibbons CBE, Chairman**