

22 January 2018

I email to submit accompanying evidence for my responses to the Gambling Review Consultation. In each case, the question number which the evidence corresponds to is given below:

Question 1

The current stake should be reduced to bring it more closely in line with other widely available gaming machines. The current maximum stake of £100 is fifty times higher than that of most other machines. The next highest stake permissible on a gaming machine is £5 on B1 machines. Then, three types of gaming machines have maximum stake of £2 (B3, B3A and B4) and all others vary between maximum stakes of 10p and £1. By an enormous scale, this makes B2 machines an anomaly, and it is very clear that their stake needs to be reduced too.

In 2015/16 there were over 230,000 incidences of users losing over £1,000 in a single session on B2 machines and there are many other problems associated with stakes which are so high.

Question 10

Many different sets of research findings over the last few years have indicated that problem gamblers can be better served by promoting greater self-awareness, allowing users to be better informed and allowing for pauses for thought which help people to stay in control. These strategies have been variously endorsed by the Gambling Commission, GambleAware, the Senet Group and the Machines Research Oversight Panel.

As the most immediate form of payment, contactless payment clearly removes all the safeguards mentioned above and can, in this sense, potentially be very damaging.

Question 12

Self-exclusion has proven in particular to be an effective measure of reducing the instances of problem gambling on the high street, so an extension of this approach to the online sector should be applauded. I am worried by reports, however, that self-exclusion is not being properly enforced, and that some people who have requested self-exclusion are not in fact being excluded.

Question 13

All these suggestions are laudable, but in addition, it is important to introduce measures which limit the amount of gambling advertising per se and ideally require that a certain proportion of advertising space in gambling shop windows should be dedicated to responsible gambling messages. I support these measures, but believe that they could go further still.

Question 14

Yes. The funding of the research bodies which effectively hold the industry to account at the moment should not be left to sink or swim on voluntary donations. At the moment, this function is largely carried out by GambleAware which receives no public funding and relies on contributions from operators who profit from gambling in Great Britain.

Not only does this leave the status of this 'regulatory body' precarious, but it also creates a potential conflict of interests, of which the Government must remain mindful.

Question 15

My own local authority area of Newham is one of those which is in favour of Cumulative Impact Assessments and I support them in this.

In Newham, the local authority's hands are tied. The Planning Inspectorate has overturned all change of use planning applications for betting shops which have been rejected by the local authority since 2008. On one occasion, I supported the Council in a court hearing when operators appealed against a refusal; the compelling evidence provided by me and others about the harm being caused by FOBTs was summarily dismissed by the Judge.

Even though there are now limits to the numbers of betting shops, this does not address existing problems. I share the Council's concerns about clustering: more and more betting shops springing up in a single small area. I welcome measures to try and prevent this situation from getting worse (for example, by preventing new betting shops locating in areas where there are already 3 units of the same use within a 400m radius) this does nothing to address the existing problem of clustering.

In High Street North, East Ham, in my constituency, there are 12 betting shops. They blight the decent shops. In a local consultation by Ipsos Mori, 99% of residents thought there are too many betting shops in the borough, and 84% of residents agreed that the amount that can be bet on FOBTs should be reduced.

The gambling shops are bad for the local economy because they take up space on the High Street which could otherwise be occupied by decent shops. They would make the High Street more attractive to families employ more people than betting shops.

I note the economic analysis showing that FOBTs extract resources from deprived areas. Over ten years, the total annual wage bill in areas where FOBTs are established is estimated to be reduced by around £700m and net tax receipts will be around £120 million per year less due to the expansion of FOBTs. It is estimated that for every £1bn lost on FOBTs as many as 20,000 jobs are lost in the wider consumer economy whilst only 7,000 are created in the betting industry. This net reduction of 13,000 jobs for every £1bn lost is said to be due to FOBTs being non-labour intensive and having comparatively fewer economic multipliers(*Howard Reed, The Economic Impact of Fixed Odds Betting Terminals: 2015 update, Landman Economics, 2015; and Howard Reed, The Economic Impact of Fixed Odds Betting Terminals, Landman Economics, 2013*).

There is also a link between proximity to betting shops and rates of crime and deprivation. A 2015 Responsible Gambling Trust report stated that 'areas close to betting shops tend towards higher levels of crime events... resident deprivation [and] unemployment'. Police data shows that for 2015-16 the number of calls received by Newham police for offences linked to betting shops in the borough was an average of 1.2 calls per day.

Local authorities like mine must be given more powers to tackle this scourge.

Question 16

I believe that the case for a stake reduction on FOBTs to £2 is now overwhelming. The effects of these machines are rapid but devastating.

Problem gambling affects 430,000 people in the UK annually. Aside from being ruinous to the individual, it also incurs a huge cost to the Government. An estimated £1.5bn per year is spent on social welfare linked to this problem. The Centre for Economic and Business Research (or CEBR) notes that the main beneficiaries of a reduction to a £2 stake would be those from deprived areas or on lower incomes in areas like mine. In fact there are twice as many betting shops in the poorest 55 boroughs of the UK: Newham included.

There is widespread and cross-party support for a reduction in FOBT stakes. This is not a partisan issue and I have worked closely with colleagues from across Parliament – particularly Carolyn Harris, chair of the APPG on FOBTs - on trying to affect a change in the law on this matter. The call for reducing FOBT stakes has come from 93 local authorities including my own, academics, community groups, public and mental health organisations, the Church of England (including the Archbishop of Canterbury) and even the bookmaker Paddy Power.

Problem gambling on FOBTs has been linked to mental health problems and particularly increased rates of young, male suicide. The CEBR has stated that it believes the impact of a stake reduction to £2 on the finances of bookmakers is exaggerated. The Centre's model projects that industry losses from a £2 stake could be up to 47% lower than the figure suggested by the Government's initial impact assessment.

Now is the time for the Government to act and reduce all FOBT stakes to a maximum of £2.

Yours faithfully,

Stephen Timms MP