

Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures – Local Government Association response

January 2018



About the Local Government Association (LGA)

- The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government.
- We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

Key messages

- The LGA commends the Government's decision to substantially reduce the current £100 maximum stake for B2 gaming machines. Government should reduce stakes to £2 to bring them into line with the maximum stakes on other high street gaming machines and reduce the harm caused by the machines.
- The LGA also supports the decision to maintain the majority of other machine stakes and prizes at their current level, as well as the decision not to amend maximum machine numbers and the machine-table ratio in casinos.
- We believe that Government should move now to introduce a mandatory levy on the gambling industry to fund research, education and treatment.
- We are disappointed that the consultation does not propose measures that are likely to reduce the volume of gambling advertising, particularly where it is seen by children, for example the advertising of sports betting during live sport. It is not clear what impact a public information campaign on responsible gambling will have when offset against the volume of gambling advertising.
- We urge Government to commit to reviewing the issue of gambling advertising and online gambling again within two years, to follow up on emerging evidence and the research cited in this consultation. The long term impacts of the normalisation of gambling through advertising and through the wider availability of online gambling and smartphones are not yet clear, and we do not believe that this is an issue that can be left for consideration at a future triennial review held by convention rather than requirement.
- We do not agree with the Government's assessment that councils have the tools they need to restrict the clustering of betting shop premises in local places, and will continue to call for stronger powers on this issue.

Submission

Detailed response to specific questions

Q1. Do you agree that the maximum stake of £100 on B2 machines should be reduced, and if yes what alternative maximum stake do you support?

- The LGA supports the reduction of maximum FOBT stakes, and is calling for the maximum stake to be reduced to £2.
- The maximum stakes on gaming machines which are freely available on high streets should be just a couple of pounds, as with other gaming machines. When the next highest stake on a gaming machine is £5, and those machines are playable only in more closely regulated casinos, it is clear that there needs to be a substantial reduction. If necessary, the spin speeds of different machines could also be reviewed to ensure that there is parity across different types of machine.
- The alternative options put forward in the consultation – of £20, £30 and £50 - would be likely to have less impact in reducing the size of losses incurred on B2 machines or in protecting problem gamblers. The consultation document itself notes that more than 40% of players staking at £20 or more are problem gamblers. A maximum B2 stake as high as £20 will therefore fail to provide sufficient protection for these gamblers.
- It is right that Government should seek to understand and consider the impact of reducing stakes on the betting shop industry and wider economy. However, we note that the research undertaken by the CEBR highlights that this impact is unlikely to be as damaging as has been suggested.
- While the betting shop industry may be harmed by reducing stakes to £2, there is a fundamental need to offset that against the harm that FOBTs are already causing to individuals and the communities around them. Copied below is a summary of the problems experienced by an FOBT addict, which outlines the devastation high stakes machines can cause.

X already had a pathological gambling problem when FOBTs were introduced to betting shops in the early 2000s. As a regular player of fruit machines and roulette in casinos, X was particularly attracted to FOBTs, which mixed the elements of machines and roulette in easily accessible high street premises. X consequently gravitated to FOBTs and found them immediately problematic; throughout a long period as a problem gambler, X has gambled on a range of products but spent the majority of his time on FOBTs. X highlighted the ability to switch between many different games on FOBTs as something that encourages continued periods of play.

As a result of his gambling addiction, X gambled away all the money that he had, and found himself homeless, destitute and living in shelters and hostels. While homeless, he developed an alcohol problem but the treatment he received for this helped him to better understand the nature of his gambling problem.

It has taken X more than ten years, several relapses and lots of treatment to reach a point where he has almost entirely stopped gambling; although he has had a couple of relapses during periods of stress in his life when he resorted to binge gambling. He has received substantial support from his charity run accommodation, GP and therapist. Talking about his experience, X reflects that he has gambled away everything he had, and is still feeling the long term effects of that today.

“Gambling has dramatically impacted every facet of my being and of course my

capacity to work has been severely and dramatically affected. Persistent gambling losses over decades has had a major influence on my wellbeing at work resulting in feeling depressed and suicidal, coupled with loss of confidence, self-worth and esteem, resulting in me behaving in ways at work which lead to absenteeism because I'm unable to cope. Eventually I leave or get sacked. I have had close to 2 dozen jobs."

- As the IPPR have previously set out, the costs of these addictions do not fall solely on the individuals concerned, but also on the state, in terms of health costs, welfare and employment costs, housing costs and criminal justice costs.
- It is therefore time to take the steps open to us to reduce this harm, and reduce stakes to £2.

Q2-8. Do you agree with the proposals to maintain the status quo on category B1, B3, B4, C and D gaming machines, and to increase the stake and prize for prize gaming?

- The LGA agrees with the proposal to maintain the status quo on other categories of gaming machines, and to amend prize gaming stakes and prizes.

Q9. Do you agree with the proposal to maintain the status quo on allocations for casinos, arcades and pubs?

- The LGA agrees with the proposal to maintain the status quo on allocations for casinos, arcades and pubs.
- We note that the proposals to increase maximum machine numbers and machine-table ratios in casinos would have had a more significant effect on overall machine numbers in areas that have multiple casinos (eg, central London) than in areas where there is a single premises.
- This highlights the need for local decision making on issues such as this. Blanket changes to nationally set allocations are not an effective way to make decisions that can have different impacts in different places.

Q10. Do you agree with the proposal to bar contactless payments as a direct form of payment to gaming machines?

- We fully support a bar on using contactless card payments to play on gaming machines, in line with the bar on using credit and debit cards for direct payments on gaming machines.

Q11. Do you support this package of measures to improve player protection measures on gaming machines?

- The LGA supports the continuation of work to identify measures that can reduce harmful patterns of gambling, including consideration of the benefits of voluntary – or mandatory – time and spending limits, and hard stops when they are reached.
- We support the proposal to prohibit mixed B2 and B3 play in order to prevent higher losses from being incurred.
- We support the Gambling Commission undertaking further work around the costs and benefits of tracked play on gaming machines on high streets. Account based play has become routine through the rise of online gambling, and

Government should consider the case for introducing this in other forms of gambling, to help identify and prevent problem gambling.

Q12. Do you support this package of measures to improve player protection measures for the online sector?

- Although online gambling is outside the scope of councils' regulatory role in gambling, it is an issue that a number of LGA members have expressed concern about. We note that statistics show that gambling is the most prevalent form of risk taking behaviour among 11-15 year olds when compared to alcohol, smoking or drug taking, and believe that the combined impact of the availability of online gambling and smartphones is an issue that will need to be tracked over time.
- It is incumbent on the gambling industry to ensure that the wide availability of online gambling is offered in a fair and responsible way. Account based play offers remote operators a firm basis for identifying harmful patterns of play and losses, and therefore to step in and help address it. Recent fines levied by the Gambling Commission indicate that the remote industry is failing to fulfil its obligations in this regard.
- We support the Government's message to the industry to accelerate its work on multi-operator exclusion and the development of minimum, consistent standards across operators. Government should commit to reviewing progress in this area when the current research by GambleAware into online harm minimisation has concluded.
- We also support the use of the Gambling Commission's Licensing Conditions and Codes of Practice to establish mandatory standards in this area, and encourage the Commission to keep a close eye on the use of promotional offers which can draw people into online gambling.

An online advert by a national bookmaker on a football club website offered odds of 25-1 on a victory by the football club in a marginal local derby match. The very small print for the advert then revealed that the maximum bet was £1, but that any winnings would be paid out in the form of additional bets, rather than in cash. The advert would have been available to view by anyone looking at the website, including children.

Q13. Do you support this package of measures to address concerns about gambling advertising?

- As with online gambling, while gambling advertising is outside councils' regulatory role, the volume of gambling advertising is nevertheless an issue that a number of councils feel strongly about.
- The LGA has previously called on Government to take steps to restrict the volume of gambling advertising, particularly where it can be seen by children – for example, during televised or live sport.
- While we recognise that there has been a reduction in the number of gambling adverts impacts since 2013, the number of gambling advert impacts on children in 2016 remained almost twice as high as in 2007 (when the Gambling Act came into force), and for adults, more than three times as high.
- Set against this volume of advertising, it is hard to see how much impact an £5-7m advertising campaign aimed at promoting responsible gambling messages

is likely to have. As an example, a rotating advertising hoarding at a recent football match promoted the responsible gambling message 'when the fun stops, stop', but was immediately followed by an advert for an online gambling firm, suggesting somewhat mixed messages.

- We accept that there is a need for more evidence in this area, and welcome the fact that GambleAware has been commissioned to look into the impact of advertising on vulnerable groups and children. We also welcome the measures around advertising on social media.
- However, we have some concern that this package of measures does not go far enough, and, again, urge Government to commit to looking again at the issue of gambling advertising and sponsorship within two years.
- We also urge Government, in relation to both online gambling and online advertising, to look at ways of ensuring that technology and content providers build safeguards into their products to prevent children and young people viewing gambling advertising and accessing gambling sites and apps.

Q14. Do you agree that the Government should consider alternative options, including a mandatory levy, if industry does not provide adequate funding for RET?

- The LGA supports the introduction of a mandatory industry levy for RET, and urges Government to introduce this now, to help increase the funds available to support those experiencing harm from gambling.
- We also encourage Government to explore the feasibility of releasing funds from dormant betting accounts to support RET.

Q15. Do you agree with our assessment of the current powers available to local authorities?

- The LGA does not agree that councils have the full powers that they need to effectively manage local gambling premises.
- Whether through a cumulative impact assessment or other tool, we are seeking a legal power that in specific circumstances can act as a break on the statutory aim to permit in order to tackle existing clusters of premises. Local statements of principles are a helpful tool to manage local gambling premises, but do not provide this.
- We will continue to argue for stronger powers in this area.