

Review of Gaming Machines and Social Responsibility Measures

Response to Consultation



This is the response to the Government's consultation from Leeds City Council, licensing authority for the Leeds district.

Q1. Do you agree that the maximum stake of £100 on B2 machines (FOBTs) should be reduced? If yes, what alternative maximum stake for B2 machines (FOBTs) do you support?

As stated in our submission to the call for evidence the Council is supportive of a reduction to the maximum stake on B2 machines. This is because the Council is concerned about the link between gaming machines and problem gambling. Research undertaken for the Council by Leeds Beckett University in 2016 found that problem gambling rates in Leeds and areas like Leeds are likely to be double the national average, meaning that there are potentially 10,000 problem gamblers (18 years and above) in the city. The research also confirmed that whilst problem gambling can affect anyone at any time certain groups are more vulnerable including those living in areas of greatest deprivation and those economically inactive and/or on constrained incomes. In terms of the concentration of betting shops, Leeds is like many other areas in that there is a concentration of these premises on high streets in areas of greatest income deprivation. This together with the likely high rates of problem gambling reinforces our view that greater restrictions are welcome.

In terms of the levels at which the maximum stake should be set it is evident from the options set out in the consultation that the most responsible approach which would best protect vulnerable people would be option 4 reducing the maximum stake to £2. Even at this level 19% of players are identified as problem gamblers and 49% at risk, however this is significantly lower than the other three options with maximum stakes of between £20- £50, where between 42-46% of players are problem gamblers and 41-44% at risk. In addition, the Industry must be more consistent and pro-active around promotion of pre-set cash or time limits, as well as prompts/alerts for those playing electronic machines. Evidence shows that only 43% of gamblers are aware of self-exclusion or gambling management tools (Gambling Commission, 2017 "Gambling Participation in 2016: behaviour, awareness and attitudes") which backs up our previous argument.

We do however wish to make it clear that although we are wholly supportive of restrictions to the maximum stake on B2 machines, that this alone will not reduce problem gambling. The focus of FOBTs should not distract us from the evidence that found other types of gambling such as spread betting, betting exchanges and poker were far more prevalent among problem gamblers (**NatCen Social Research | Gambling behaviour in Great Britain** in 2015) We would urge government to review the practices of all sectors, in particular the online sector considering its exponential year-on-year growth whereas playing on machines in bookmakers has remained stable (Gambling Commission 2017). Government is also urged to take a more rigorous approach to advertising – see question 13.

In addition to the above we would like the Government to exercise caution. The stakes and prizes for Category B3 machines are already set to £2/£500 but with a faster speed of play (every 2.5 seconds). A player on a B3 category machine can still pend £48 a minute gambling on these machines. Although they are likely to see a reasonable rate of return, this is a significant amount for players at risk who may play for several hours.

Q2. Do you agree with the government's proposals to maintain the status quo on category B1?

No comment

Q3. Do you agree with the government's proposals to maintain the status quo on category B3?

As stated in Q1, should the stakes and prizes for B2 machines be changed, B3 machines should be reviewed to ensure that this doesn't become the new standard category for betting shops. As stated in your consultation document, the speed of play for B3 machines is 2.5 seconds, whereas the speed of play for B2 machines is 20 seconds and is already available on all machines in betting shops.

Q4. Do you agree with the government's proposals to maintain the status quo on category B3A?

No comment

Q5. Do you agree with the government's proposals to maintain the status quo on category B4?

No comment

Q6. Do you agree with the government's proposals to maintain the status quo on category C?

The Government should give consideration to the process of exercising the automatic entitlement to 2 Category C machines in alcohol licensed premises. At present this entitlement is exercised by making an application to the licensing authority which comes at a cost to both the licensed premises and the licensing authority. If changes are being made, this automatic entitlement should be available to all alcohol licensed premises with the option to review and to remove the entitlement if there are genuine issues at the premises related to the misuse of the gaming machines. This would be preferable to the current bureaucratic process.

However the Council would not support an increase in stakes or prizes for Category C machines. These machines are primarily found on alcohol led premises and the combination of gambling and alcohol should be considered carefully.

Q7. Do you agree with the government's proposals to maintain the status quo on category D?

No comment

Q8. Do you agree with the government's proposals to increase the stake and prize for prize gaming, in line with industry proposals?

Any increase in stakes and prizes is concerning. The Government should take into consideration the innovative approach the gambling industry takes with innovation always happening faster than regulation.

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

We agree with the government's proposal to maintain the status quo on allocations for casinos, arcades and pubs. As an authority which has issued a large casino licence under the Gambling Act 2005 it is important for the viability of that casino, and the financial and social benefits it brings to Leeds to maintain the status quo and to not increase any entitlements for converted casinos.

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

We agree with the government's proposal on contactless payments. It is important to ensure that players have control and space and time to think about how much they are spending. Contactless payment would reduce this capacity along with eroding further interaction with staff, so the government's proposal to bar contactless payment as a direct form of payment to gaming machines is welcomed.

Q.11 Do you support this package of measures to improve player protection measures on gaming machines?

We are supportive of any measures to improve player protection and agree that further work is required by the industry on social responsibilities given the low take up of existing voluntary limits to take up and spend. Evidence shows that only 43% of gamblers are aware of self-exclusion or gambling management tools (Gambling Commission, 2017 “Gambling Participation in 2016: behaviour, awareness and attitudes”). The same study found that only 34% of respondents felt that gambling was fair and could be trusted, this rating has decreased year-on-year since 2011.

Therefore significant improvement is needed regarding consistent and pro-active awareness raising of player protection measures.

Research undertaken by Leeds Beckett University in 2016 into the extent of problem gambling in Leeds included interviews with a small number of gamblers and problem gamblers. When asked about player protection measures the general consensus was that current measures were too subtle and that more obvious alerts were required. For example, notifications reminding customers how much they have spent, and clearer message around setting a voluntary limit.

Q.12 Do you support this package of measures to improve player protection measures for the online sector?

The Council is supportive of measures to improve player protections in all areas of the industry and welcomes measures that focus on the online sector. However, given the rapid growth and development of the sector over the last few years, the proposed measures and harm minimisation actions are developing at a much slower pace. Research by GambleAware into harm minimisation for online gambling isn’t due until 2019, whilst reviews by the Gambling Commission and the Competition and Markets Authority are ongoing. We would therefore ask for accelerated action on all of these areas.

We do know that only 43% of gamblers are aware of self-exclusion or gambling management tools (Gambling Commission, 2017 “Gambling Participation in 2016: behaviour, awareness and attitudes”) and that the general public’s perception of fairness and trustworthiness of the sector is getting more negative every year (only 34% of respondents felt that gambling was fair and could be trusted in the UK). This in part justifies improvement of player protection measures.

Furthermore, evidence found other types of gambling such as spread betting, betting exchanges and poker were most used among problem gamblers (**NatCen Social Research | Gambling behaviour in Great Britain** in 2015). This justifies much stronger player protection measures for online gambling as spread betting and betting exchanges are mostly accessed online.

Q.13 Do you support this package of measures to address concerns about gambling advertising?

We welcome the Government proposals in particular having identified that research evidence around the impacts of advertising, in particular on children and vulnerable people, is very limited and out of date. The most recent critical research review of gambling advertising is nearly 4 years old and, considering year-on-year growth of the online sector, a more current picture is required with some urgency. It is also paramount that this research should inform GambleAware’s commissioning of campaigns and education (and arguably treatment) going forward.

Any research should give particular consideration to the impact of social media advertising on children, young and vulnerable adults. The Gambling Commission found that young adults (18-24 year olds) are more likely to gamble because of posts and adverts on social media. 49% of this age group followed a gambling company on social media, a 12% increase compared to 2015. As this age group will contain a relatively high proportion of economically inactive/low income people, they are therefore more at risk of problem gambling.

The Advertising Standards Authority and Gambling Code of Practice do not appear to have set guidance on the distance a gambling poster or billboard can be in proximity to a vulnerable site. Gambling advertising rules are designed to ensure that marketing communications for gambling products are socially responsible, with particular regard to the need to protect children, young persons under 18 and other vulnerable persons from being harmed or exploited by advertising that features or promotes gambling. However there is no specific guidance on how close marketing materials can be in proximity to vulnerable sites.

As an example the council has created a mapping tool to assist its large casino with their marketing campaigns. The casino wanted to advertise on bus shelters across the city but needed to ensure the most deprived areas and vulnerable client groups were not targeted. In organising this mapping tool, the council created a list of potential areas that would be accessed by vulnerable groups and have asked the casino operator to consider not advertising their establishment on bus shelters that are located within 100m of these sites. On trying to agree a suitable distance, the council established the 100m distance from desktop research which revealed advertising site owners such as JC Decaux have a policy not to run gambling adverts within 50m of a school and operators such as Ladbrokes have a policy not to advertise within 100m of a school. However there is no consistent or standard distance to adhere to.

In order to protect those most vulnerable or susceptible to gambling related harm Leeds City Council took specific themes and mapped them for the casino operator to take into consideration. In order for the casino to not target their marketing campaigns to those under 18, all Universities, schools, colleges and early year centres were mapped across Leeds. Leeds City Council highlighted on the map the most deprived areas on the map. The Council also highlighted areas with the highest Jobseeker Allowance Rates and asked the casino operator to be aware of vulnerable groups within these areas.

The council defined vulnerable groups as those who access supported accommodation and food banks. The vulnerable groups also include the homeless, young people, offenders, those with mental health conditions, those recovering from drug and alcohol addictions and older people. Data on the locations of vulnerable groups is highly sensitive and cannot be mapped. Therefore bus shelters that were located within 100 metres of such locations were highlighted instead. The Casino operator was then advised to avoid bus shelters that were labelled as 'Restriction Zone Bus Shelters'.

In addition the current trend in using large illuminated display screens with bright borders above gaming machines makes them very visible on the street. This, along with cartoon imagery makes the premises attractive to children and vulnerable people. The Government should consider that it is not just formal advertising, but the way machines are presented that promotes the gambling activity to children and vulnerable people.

Q.14 Do you agree the Government should consider alternative options including a mandatory levy if industry does not provide adequate funding for RET?

The Council is supportive of a mandatory levy on the industry. Latest statistics show that the industry made £13.7bn in gross gaming yield in 2016-17 an increase of 1.8% on the previous year and yet contributions to GambleAware have remained just under £8m which is less than 0.1% of this profit. A mandatory levy would allow fairer, longer term and more sustainable approach to research, education and treatment (RET) to be adopted.

GambleAware's strategy 2016 – 2021 sets out a tiered model for service provision. The government should be looking to the industry to fund the services, interventions, training, workforce development etc. that run across these tiers. GambleAware's strategy also states that national and local government authorities "have a role to play" in providing harm minimisation and treatment services - this needs clarity in particular regarding expectations of future funding.

The consultation document describes the use of local authority commissioned specialist drug & alcohol services and also CCG commissioned IAPT but doesn't say where additional funding requirements are to come from.

We recommend that a critical appraisal should be undertaken of how RET resources are to be distributed (by Gamble Aware) to Regions, Local Authority and CCG areas *based on need*, not demand. As a Council, we welcome involvement in the commissioning process which is currently centrally led by GambleAware / Gamcare.

As research indicates, problem gambling is a hidden addiction and general awareness of the problem in society is currently low. This was evidenced in the research undertaken for Leeds City Council by Leeds Beckett University on the extent of problem gambling. The research found that not only is there a lack of support available in the city for those with a gambling problem but also that there general lack of awareness of the issue amongst existing support organisations. We know that problem gamblers are more likely to have a debt problem, have a relationship breakdown, suffer mental ill health and have a co-existing addiction. It is very likely that problem gamblers may already be accessing services commissioned by the local authorities and the NHS, but may never divulge their gambling addiction.

As a result we are undertaking work to increase awareness of problem gambling and gambling related harm through a wide spread communications campaign and through training frontline staff, not just within the Council but also health and third sector, to spot signs and symptoms of problem gambling. We believe that eventually greater awareness will lead to more people starting to discuss gambling and self-reporting any problems, seeking support and treatment and we are in discussions with GambleAware on how this demand can be met.

An increasing number of local authorities are starting to look at gambling related harm, greater engagement and discussion on the issue can only lead to an increase in demand for a range of support options, which need to be sufficiently funded by the industry.

The consultation does state that NICE, Department of Health & NHS England are considering the production of treatment guidance on gambling. We would welcome this and for this guidance to provide clarity on commissioning and funding responsibilities.

Q.15 Do you agree with our assessment of the current powers available to local authorities

From a Licensing perspective the Council would support the introduction of a cumulative impact policy style power within the Gambling Act to protect specific areas from over clustering of betting shops. Although the Government considers that Local Authorities have sufficient powers to refuse premises licence applications already, this is not our experience. Even a good local area profile in the policy does not provide enough practical information to counteract the legal might of the betting industry who often attend licensing subcommittee hearings with a QC and are prepared to fight the case through the Courts. Bearing in mind the very low number of gambling licence applications heard by a licensing subcommittee, even in a large licensing authority like Leeds, the whole process can be one sided in favour of the industry.

From a Public Health perspective, the Gambling Act does not currently strike the right balance between freedom for businesses to develop and the concerns and needs of local communities. Health has very limited influence on application and appeal decisions, no matter how strong the evidence, as health is not a licensing objective. We argue that if gambling-related harm is to be “a public health issue”, there should be a legal/legitimate basis for health considerations to be taken on board, alongside the existing licensing objectives.

With regards to local authority powers within Planning to restrict the siting of gambling premises and especially betting shops, the removal of bookmakers from the A2 use class and moving them into the Sui Generis use class does require bookmakers to apply for planning permission. Therefore local authorities have far more control over their location.

However, for there to be control there needs to be local policies. In Leeds in protected shopping frontages in the City Centre, technically, betting shops are not permitted as only A uses are supported under policy CC1. However, its rare for this policy to be used to refuse planning consent in the City Centre. Similarly with Town and Local Centres UDP Policy SF7 and SF8 support uses within A1, A2, A3 use classes (with some exceptions) within protected shopping frontages. Now that bookmakers are Sui Generis there would be no support for them in protected shopping frontages.

However, the purpose of the above policies is to protect the shopping function of centres. They are not designed to prevent the proliferation of bookmakers. Areas within town centre boundaries, but outside of protected shopping frontages have no such protection. Bookmakers are a recognised town centre use and are generally policy compliant with town centres provided they adhere to policies designed to protect amenity. Outside of town centres bookmakers are not policy compliant and have to pass a sequential test to demonstrate that there isn't a vacant unit within a town centre that could accommodate the bookies. In the 4 and a half years I can't remember a sequential test being run on a bookies, although that doesn't mean it hasn't happened. I think the point is that generally, these uses happen in designated centres. So, there are policy protections but in the main these are slightly 'accidental', and only occur in certain places. They certainly aren't universal.

Q16. Are there any other relevant issues, supported by evidence, that you would like to raise as part of this consultation but that has not been covered by questions 1-15?

No comments.

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