

Gambling issues - update

Purpose of report

For information.

Summary

This paper introduces a presentation by Leeds City Council on their recent research into problem gambling and financial inclusion, and updates the Board on both the Government's review of gaming machines and social responsibility and the LGA's planned activities in this area.

Recommendation

That the Safer and Stronger Communities Board members note the activities outlined in this paper.

Action

Officers to take forward as directed.

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Gambling issues – update paper

Background

1. At the meeting in June, the Board discussed a paper on [strengthening local approaches to tackling problem gambling](#). Following the discussion, the Board requested a presentation by Leeds City Council on their recent project on problem gambling. Officers from the council's Financial Inclusion Team Joanna Rowlands (Senior Policy Development Manager) and Dave Roberts (Financial Inclusion Manager) will therefore be attending the Board to provide an overview of their work. This paper therefore provides a short introduction to the work.
2. This paper also updates the Board on the recent Government announcement on the next stage of its review of gaming machines and social responsibility measures.
3. Finally, the paper also updates the Board on our planned activity in the coming months relating to gambling issues

Issues

4. Leeds City Council research into local problem gambling

- 4.1. In March this year, Leeds City Council published the findings of a research project into problem gambling. The research was commissioned by the council's financial inclusion team and involved a review of national and local data and evidence on problem gambling, detailed discussions with gamblers and operators in Leeds and assessing the support services available to problem gamblers in the city.
- 4.2. The project concluded that the gambling market and gambling patterns in Leeds reflect those in other large metropolitan areas. Notably, it concluded that gambling behaviour and problem gambling are not equally distributed across England, with problem gambling rates higher for those living in more northern areas (or London), major urban areas, urban areas which are more densely populated, English Metropolitan boroughs, London boroughs, and wards classified as industrial, traditional manufacturing, prosperous and multi-cultural.
- 4.3. The researchers estimated that problem gambling rates in Leeds, at 1.8 per cent, are broadly twice the national average of 0.9 per cent. Rates of at risk gambling appeared to be consistent, at 5-6 per cent.
- 4.4. The research found that there was a variety of services and suppliers able to provide some advice and guidance to those at risk of gambling related harm, including the single supplier of specialist gambling services commissioned by GambleAware, generic advisory services, and specialist addiction and recovery services. It concluded that the specialist service was operating in almost total isolation from advice and other addiction services, despite the fact that many problem and at risk

gamblers have other addiction issues (typically alcohol, tobacco or drugs, and referred to as 'co-morbidity') and were accessing other services related to these issues. Typically, there was a lack of screening or assessment in other services to be able to identify gambling issues, and a lack of connectivity between the different services.

- 4.5. The research found that where services were engaged with problem gamblers, support tended to be centred on the first issue presented or on issues related to their gambling behaviour (e.g., debt, family, health issues) rather than gambling itself; and that dedicated support for problem and at risk gambling in Leeds was seen to lag behind the comprehensive and integrated approach taken in the city to address other addiction issues, poverty and homelessness.
- 4.6. The researchers made a series of recommendations in response to the findings, specifically to enhance data collection, including around first contact assessment; improve co-operation across agencies, including early identification and referrals, and raising awareness, among both agencies and professionals and those at risk. It was also suggested that some of the suggested actions could be supported as pilot approaches by GambleAware.
- 4.7. Recent feedback from officers in Leeds suggests that the project has been very positively received as having highlighted the issue of problem gambling. Meetings are now taking place between relevant third sector agencies; a publicity campaign has encouraged self-referrals by problem gamblers, and frontline staff have been provided with training to help them identify potential problem gambling issues.

5. Government review of gaming machines and social responsibility

- 5.1. On 31 October, the Government made a much anticipated announcement on its review of gaming machines and social responsibility measures in gambling. As the Board will recall, the review - which is effectively the triennial review of gaming machine stakes and prizes but with a wider area of focus - was launched in Autumn 2016. The LGA responded to the review's call for evidence, and Cllr Allen met with Minister Tracey Crouch MP in January 2017. The next stage of the review is a consultation on a series of options. This is in line with the process for previous triennial reviews.
- 5.2. The key points from the [consultation document](#) are summarised in the following paragraphs. In summary, while there is positive news from the consultation in that Fixed Odds Betting Terminal (FOBT) stakes are set to be at least halved, the range of stake options being consulted on remains very wide and there is more work to be done to lobby for the lowest stake of £2. Outside the issue of stakes, the Government's approach at this stage appears to be to require further progress on voluntary and industry led initiatives on online gambling and research, education and

treatment, while tasking the Gambling Commission to look into some specific areas and update the licence conditions and codes of practice for operators accordingly.

5.3. Machine stakes and prizes

- 5.3.1. The Government is proposing to reduce maximum FOBT stakes to either £2; £20; £30 or £50; it looks set to reject proposals for small increases in maximum stakes on other machines and for industry proposals to increase casino machine numbers and ratios.

5.4. Social responsibility measures

- 5.4.1. The Government argues that industry has further work to do on social responsibility measures such as take up of time and spend limits, the use of mandatory alerts and hard stop measures when limits are met. The Gambling Commission has been asked to provide further advice on the costs and benefits of tracking play on B1, B2 and B3 machines, to help identify problematic play.

5.5. Online gambling

- 5.5.1. The Board meeting in June indicated concern about the increase in online gambling; the consultation notes that this was reflected in responses to the review's call for evidence. However, there are no headline grabbing new measures proposed at this stage, with further GambleAware research on harm minimisation in the online gambling space due in 2019. Instead, the Government expects the Gambling Commission to keep the area under review and tackle failures in social responsibility (as happened with the recent £7.8 million fine levied on online firm 888 for failures in its handling of vulnerable customers), and update its Licence Conditions and Codes of Practice for online operators. Operators are expected to accelerate work around multi-operator self-exclusion scheme, and standardise their approaches around identifying harm and intervening at the best practice level. A Competition and Market Authority review into unfair practices in online gaming is ongoing.

5.6. Advertising

- 5.6.1. The consultation cites evidence suggesting that advertising has a relatively small impact on problem gambling, but notes that the Commission has been asked to look at the impact of advertising on vulnerable groups and that GambleAware has commissioned research into the effects of marketing and advertising on children.
- 5.6.2. There will be further work by the Advertising Standards Authority (ASA) and Committee for Advertising Practice (BCAP) on guidance on social media

marketing and targeting advertising and on gambling promotions such as 'urgent calls to action', i.e. time limited offers which may pose greater risks for problem gamblers. The Commission has been tasked to work with social media companies and GambleAware on helping users to set preferences that limit their exposure to online adverts.

- 5.6.3. The centrepiece of the advertising proposals is the announcement of a two year, multi-million responsible gambling advertising campaign, to be developed by GambleAware and broadcasters and funded by industry.

5.7. Research, education and treatment (RET)

- 5.7.1. On research, education and treatment the Government lays down a warning that it will consult on whether to introduce a mandatory industry levy on RET if the industry does not provide adequate funding for this; currently, against a Responsible Gambling Strategy Board target of £10 million voluntary donations, just £8 million is raised from industry to support RET. The consultation therefore calls on the Gambling Commission, Responsible Gambling Strategy Board and GambleAware to work with industry to build and improve current arrangements.

5.8. LGA proposals for stronger powers on betting shops

- 5.8.1. The consultation also notes the LGA's proposal to give councils greater controls of betting shop clustering, through the creation of a statutory cumulative impact approach similar to the power recently introduced to the Licensing Act. The consultation rejects this idea, arguing that licensing authorities already have the power to refuse new premises licences based on their local plans, statements of principles and assessment of local risk; it cites Westminster council's refusal of an additional betting shop on a street with an existing cluster of premises as an example that this can be done.
- 5.8.2. We believe that this overstates the powers that councils have, and although the Westminster decision is an encouraging development, we note that this was not appealed through legal channels. We will continue to call for licensing authorities to have greater controls to limit licensed premises in their town centres and high streets. However, we will also be encouraging authorities to do more to develop the highly localised approaches that Westminster have successfully adopted.
- 5.9. The consultation seeks views on the proposals outlined, and closes on 23 January 2017; the LGA will be submitting a response and encouraging member councils to do so. The Board's views on particular aspects of the consultation would be welcome, including:

5.9.1. Would the Board support a call for a mandatory RET levy to be introduced on the industry, in light of previous shortfalls in contributions by the gambling industry?

5.9.2. Are the Board satisfied with the Government's proposals on gambling advertising? Should the LGA seek a commitment that the issue will be revisited following the publication of GambleAware's research on advertising and children?

5.10. Officers are in discussion with Newham council about aligning activities to continue to promote the £2 maximum stake as the best outcome, and are exploring the possibility of commissioning research in support of this.

6. LGA activities on gambling

6.1. Alongside our work on the current review, the Board will recall that the meeting in June approved the development of a new guide for councils on the issue of problem gambling, building on the Leeds research and support available from GambleAware. We are hoping that with additional capacity in the team from December, we will be able to begin work on this shortly.

6.2. The discussion at the Board meeting in June also noted the Board's concern that some licensing authorities are not making full use of the tools available to them. Since the meeting, the Chair of the Board has co-signed a Gambling Commission letter to authorities which do not appear to have an up to date statement of principles (policy) for gambling licensing. All licensing authorities are required by law to update their statements by January 2019, and we expect to work with the Commission to encourage councils to do this.

6.3. As part of this process, officers have been working with the Gambling Commission to highlight awareness of the materials the Commission has developed to support authorities in this area, and to update our handbook on gambling licensing.

Implications for Wales

7. Gambling is a reserved matter, and the materials being developed will be available to both English and Welsh councils.

Financial Implications

8. This work will be carried out within existing budgets.

Next steps

9. Officers to take forward the activities outlined above, subject to members' comments.