

LGA Betting Commission update

Purpose

To update members on the work of the LGA's Betting Commission, and to seek their input on next steps.

Summary

Since the March meeting of the Board approved the creation of an LGA task and finish group on betting shops, the Betting Commission has met twice and government has announced changes to planning and licensing controls on gambling.

Recommendation

The Board is asked to note progress on the Betting Commission and to provide a steer on the proposed approaches set out in paragraphs 20-28.

Action

Officers to progress as directed.

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LGA Betting Commission update

Background

1. At its meeting in March, the Board approved the establishment of a task and finish group focusing on concerns relating to betting shop clustering and Fixed Odds Betting Terminals (FOBTs). Since then, Councillor Page as licensing champion has chaired two meetings of the Betting Commission, membership of which is listed at Annex A of this document. The work of the Commission has attracted significant interest among LGA members, as well as the press.
2. Alongside this, Councillor Page and officers have continued to meet with groups who are interested in the work of the Commission but who are not directly involved in it. Additionally, at the end of April, government announced various proposed changes to planning and licensing controls that are intended to help councils address clustering and increase FOBT player protection.

First meeting of the Betting Commission: April 2014

3. The first meeting of the Betting Commission, in early April, provided an opportunity for a full and frank discussion of the issues relating to betting shop clustering and FOBTs. The meeting clarified that concerns are focused on two related but separate issues: betting shop clustering, and the potential harm to *communities* (such as littering and anti-social behaviour, or negative perceptions of the high street); and FOBTs, and the harm caused to *individuals* through problem gambling.
4. The meeting also established broad agreement among members of the Commission that the fundamental tension is the discrepancy between the objective of the Gambling Act 2005, which has a statutory 'aim to permit' gambling, and a general public perception that accepts the right to gamble but believes it should be restricted.
5. However, it was clear that industry is not in agreement as to whether restrictions on new premises were desirable or not. While the four largest firms do not anticipate a significant future change in numbers, and some have expressed support for a demand / cumulative impact test, Paddy Power's business model, reflecting its status as a smaller newcomer to the market, is about opening further premises and competing with existing betting shops. The firm believes that competition, via clustering, is good for consumers, and indicated it might raise a legal challenge, on the grounds of competition law, if changes to the current system were introduced.
6. Finally, the meeting heard about examples of good practice engagement / agreements between councils and betting shops (including Ealing's Betwatch and Lewisham's Deptford High St Charter), although it was also noted that some councils have struggled to achieve meaningful engagement with the industry. It was agreed that following the meeting the LGA would undertake further work to understand where and why local engagement had been successful.

Recent Government announcement on betting shops and gambling

7. At the end of April, government announced a series of measures aimed at addressing concerns about betting shop clustering and FOBTs. Government chose not to adopt some of the tougher measures that they were considering (for example, giving councils the power to limit the number of FOBTs in a premise). Instead, key proposals include:
 - 7.1 A CLG consultation on proposals to change planning use classes so that betting shops and payday loan shops are contained in a separate use class, with other types of premise moved into a much wider use class. Therefore, planning permission will be required where a new betting shop represents a change of use.
 - 7.2 The requirement for new premises licence applications to demonstrate how betting shops will meet social responsibility requirements in relation to local circumstances.
 - 7.3 A new range of player protection measures that 'end unsupervised high stakes play', but there will be no reduction in the current maximum £100 stake. Customers wishing to stake more than £50 on FOBTs will need to pay over the counter in cash or use account based play, which track and monitor play.
 - 7.4 A range of work on gambling advertising including the implementation of a Think-25 initiative (as distinct from Think-21) in line with other age-restricted products.
8. The LGA welcomed the announcement as an acknowledgement of council and community concerns about betting shop clustering and FOBTs, and believes that they are a step in the right direction. Although they certainly do not give councils all the powers we have proposed, they will provide some scope for councils to take a tougher approach on clustering and FOBTs. However, to do so, councils will need to collect evidence about their concerns, think about how to apply licence conditions, and ensure that they are overseeing how effectively betting shops are applying player protection safeguards.

Second meeting of the Betting Commission, June 2014

9. The second meeting of the Betting Commission provided an opportunity for the group to discuss the government announcement on gambling. DCMS officials clarified that the changes would be implemented from October onwards, with the changes relating to FOBT machines implemented first.
10. The industry raised concern that some councils will seek to use a new planning power to introduce a blanket ban on new betting shops, and warned that they would challenge councils taking planning decision on political, moral or arbitrary grounds. Both CLG and the LGA acknowledged the need for planning decisions to be taken on planning grounds: the LGA felt that councils would utilise the flexibility to amend existing planning policies to deal with the issue. It was noted that the practical impact of the change might be small, with few applications for change of use likely to be required given existing patterns of premises.
11. The meeting heard an interesting presentation from the Assistant Secretary General of the trade union representing betting shop workers, Community. John Park said that staff feel a real sense of pride at working in betting shops, but want to see them regain their status as being a valued part of the community. Feedback from staff suggests that anti-social behaviour is fuelled by FOBTs, and there is concern among members about

safety, late night opening and the use of single staffing in premises. The union is keen to have a constructive dialogue with the industry in the context of ongoing debate about betting shops and FOBTs, and recognises the interaction between recent changes in the industry and current levels of employment.

12. Finally, the meeting discussed local engagement, and why this had been successful in some places but not others. Broadly, it was felt that where there had been specific local issues that needed to be addressed (e.g., anti-social behaviour, or nuisance linked to betting shops), and where local engagement had been backed by senior figures within the industry (principally the ABB, but also area managers in individual firms), partners from councils, the police and businesses had agreed approaches that had helped to resolve the issues.
13. There was broad support across for the Commission for trying to develop a set of principles to help shape local level engagement between councils and betting shops. There was recognition that in some places, issues had been left unaddressed, and industry had not been strong enough at escalating issues to a more senior level. Addressing these issues could help improve relationships between councils and the industry. The LGA will work on this with the ABB and others in advance of the next meeting.
14. Finally, there was support from the Commission for the LGA's proposal to update the Gambling Act handbook last produced by LACORS in 2010.

Other meetings

15. In May, Councillor Page met with both the Campaign for Fairer Gambling and the industry funded Responsible Gambling Trust.
16. The CFG are working with a number of councils to launch a Sustainable Communities Act application to reduce FOBT stakes to a maximum of £2.
17. The RGT outlined how the £7m industry funding provided to the body is spent on research into problem gambling and treatment for this condition. The majority of this funding is spent on treatment, which the RGT advised is not often recognised by the NHS, despite the fact that gambling additions tend to be associated with other additions, such as tobacco or alcohol.
18. Treatment services are provided through a national helpline (Gamcare) and counselling services, and for more severe cases at the National Problem Gambling Clinic. The RGT is keen to spend more of its funding on preventative services, and is looking at how to link its work with other agencies dealing with issues such as debt and alcoholism. There is likely to be scope to make links with councils' public health work, and LGA officers will be meeting with officials from Public Health England who are focusing on problem gambling later this summer.

Moving to a conclusion

19. It is expected that the next meeting of the Betting Commission (likely to take place towards the end of September) will be the final meeting of the Commission. We hope that at that meeting we will be able to agree with industry some principles for local

engagement, and a mechanism on the industry side for councils to raise concerns at a senior, national level if they do not believe they are achieving the appropriate level of engagement at a local / area manager level.

20. Members are invited to provide officers with any local examples of effective engagement with betting shops, or of effective engagement models with other industries that could be used as a template for a partnership framework.
21. The Board is also invited to nominate a representative to be involved in the re-development of the LGA Councillor Handbook on the Gambling Act, to provide a steer on the advice and case studies that will be of most assistance to elected members in their leadership role.
22. It is extremely unlikely that our work will provide a framework for resolving betting shop clustering and / or problem gambling linked to FOBTs. On clustering, despite the new planning powers (which councils had lobbied for), the scope for addressing existing clustering is very limited and the main option for councils appears to be to review whether there is more that they can do to manage existing premises.
23. The Board is therefore asked to provide a steer, alongside the other Boards involved, on whether the LGA should undertake further lobbying on these issues.
24. Since government looks set to create the separate use class for betting shops that many councils had called for, the obvious outstanding 'asks' are on the licensing side. The Board is asked to provide a steer on whether any single solution should be prioritised in our work, or if we should continue to lobby for a broad palette of powers and amendments that can be selected according to local need.
25. Our current asks cover:
 - 25.1 The introduction of a health objective to the Gambling Act;
 - 25.2 A legal definition of 'primary activity' – that is, that the majority of a premises bets should be placed at the counter and not via machines. The Courts have recently overruled the Gambling Commission's existing definition; and
 - 25.3 An ability for councils to introduce cumulative impact policies, where they believe that too many premises in one location are causing more problems than individual shops. This would be comparable to the power that exists for premises selling alcohol.
26. On FOBTs, Government is likely to revisit its position at the end of the year based on the outcome of extensive research into patterns of harmful player behaviour linked to FOBTs and potential interventions to address these. Additionally, local areas are beginning to develop their own evidence base on FOBTs, for example the Liverpool Public Health Observatory has just published extensive research into FOBTs and problem gambling in Liverpool.
27. However, the LGA has so far not called for specific powers limiting their use, focusing more on powers that manage premises. The board is invited to comment on whether this continues to be the right emphasis, particularly in light of the CFG campaign to reduce the stake to £2.

- 28 Independently of the Betting Commission, the LGA will work with member councils on an evidence base around issues associated with clustering and FOBTs, emphasising the need to have clear and measureable impact data specifically linked to the proliferation of betting shops and / or FOBTs, so that appropriate action can be taken.

Financial Implications

- 29 Any funds necessary to support this work will be made available from the Finance and Policy Programme Budget. Staff time on this work will be treated as a priority, but can be absorbed within the existing budget.

Annex A: LGA Betting Commission membership

Name	Organisation	Role
Cllr Tony Page	Reading BC	LGA SSCB
Cllr Ian Gillies	City of York	LGA SSCB
Cllr Anita Lower	Newcastle	LGA SSCB
Cllr Clyde Loakes	LB Waltham Forest	LGA E&HB
Cllr Flick Rea	LB Camden	LGA CTS
Cllr Nick Small	Liverpool	Councillor
Cllr Sean Woodward / Cllr Pam Bryant	Fareham	Executive Leader / Chairman of Licensing committee
Cllr Tim Mitchell (formerly Cllr Audrey Lewis)	LB Westminster	Licensing Chairman
Mark Pearson	BetFred	Director of Corporate Affairs
Mark Stebbings	BetFred	Head of Development
Andrew Lyman	William Hill	Head of Compliance and Public Affairs
Lewis Rogers	William Hill	Public Affairs Manager
Adam Smith	Paddy Power	Head of External Relations
Simon Reynolds	Coral	Compliance Director
Ciaran O'Brien	Ladbrokes	Head of Public Relations
Lee Drabwell	Ladbrokes	Operations Director
Dirk Vennix	Association British Bookmakers	Chief Executive
Matthew Hill (observer)	Gambling Commission	Director of Regulatory Risk and Analysis
Rob Burkitt (observer)	Gambling Commission	Policy Development Mgr
Richard Orpin	DCMS	Head of Domestic Gambling Policy
Alison Pritchard	DCMS	Head of Gambling and Licensing
Maria Darby	DCLG	Planning - Development Management
Heather Wardle	National centre for Social Research	Research Director Health and Wellbeing