

# LGA – ABB framework for local partnerships on betting shops

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**Logos (LGA, ABB)**

## **Executive summary** (two inside pages)

Licensed betting shops have been part of UK town centres for over 50 years, and are a closely regulated part of a much broader retail leisure sector. Gambling regulation is, rightly, predicated on the need to ensure a sufficient, and well regulated supply in order to deter illegal gambling activity.

Millions of people across the country enjoy gambling safely and responsibly and are entitled to a safe environment in which to undertake it. Under both licensing legislation (which aims to permit betting) and planning controls, the industry is entitled to open premises subject to complying with certain requirements. The overall number of premises has remained broadly stable in recent years and in many places, nationally branded betting shops are a valuable and welcome addition to high streets that make an important contribution to local employment and are a long standing part of the local community.

However, councils in some areas have well publicised concerns about the perceived impact of betting shop clustering, and / or the volume of high stakes gaming machines (typically referred to as FOBTs) in their areas. Concerns include the impact of clustering on high streets, the perceived risks of gambling to vulnerable individuals, particularly in deprived areas, and occasional anti-social behaviour such as littering or street drinking associated with individuals who visit some premises.

This framework, agreed by the Local Government Association (LGA) and Association of British Bookmakers (ABB) and backed by the other members of the LGA's Betting Commission (including individual councils and betting firms), is an opportunity to create a constructive new relationship between councils and industry. As part of this approach:

- councils should feel that their concerns are being listened to and acted on by industry
- industry should be assured that councils recognise their right to be on the high street and that they will exercise their regulatory and place-shaping roles in accordance with both the intention of planning and licensing legislation and the principles of better regulation.

The framework sets out mechanisms for engagement and partnership working, building on existing tools and drawing on the successful experience of a number of areas. It is intended to promote a way of working that gives councils and betting shops the opportunity to discuss and try to resolve a wide range of issues and concerns in a cooperative and open manner.

It is also deliberately intended to be about the *approach* rather than the *issues*. Local issues demand local solutions; both need to be identified locally and the approach shaped accordingly. Issues of concern will vary from place to place, but could include anything from anti-social behaviour, to clustering, problem gambling or under age sales.

We recognise that many of our different members have very different perspectives on the issues of clustering and high stakes gaming machines, in particular. Local areas may not always be able to resolve these differences, and our organisations may continue to seek different legislative solutions to them, including through our separate contributions to a range of current and forthcoming Government and Gambling Commission consultations.

But crucially, this framework is a public commitment to seek to overcome the negativity that has become associated with betting shops and ensure constructive dialogue across all parties, based on shared evidence relating to local issues and concerns. In future, local issues should not remain unresolved due to a lack of dialogue and engagement on either side, as has happened in the past.

Councils and betting firms both want vibrant and safe high streets, with the betting industry playing its role as a responsible industry alongside other local businesses. Betting shop staff want to feel that their work is a valued part of the community. We believe that this framework can help to contribute to that, and will therefore be of benefit to councillors, local communities, betting shop users and staff.

Signatories:

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LGA Licensing Champion  
Chair LGA Betting Commission

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## **Background**

### **Gambling in the twenty first century**

Gambling in the twenty first century takes many forms, ranging from traditional 'over the counter' betting in betting shops, to games of skill or chance on machines, and online or phone gambling. In betting shops and arcades, people can bet on gaming machines with a range of different stakes and prizes. Similarly, bingo halls and casinos offer a further venue for gambling.

Under the Gambling Act 2005, councils have a regulatory responsibility for licensing and overseeing gambling premises in their areas, including betting shops, arcades, bingo premises and casinos as well as race tracks. They do not have responsibility for online or overseas gambling. As part of their public health role, councils may also be involved in commissioning services that address gambling addictions.

The 2005 Act was a radical overhaul of the previous legislative framework for gambling, removing the old 'demand test' under which firms had to prove there was demand for new premises, and replacing it with a statutory 'aim to permit.' Premises licences must be issued to anyone holding an operators licence issued by the national regulator, the Gambling Commission, providing that the operator can demonstrate that it will comply with the three gambling licensing objectives set out in the Gambling Act 2005:

- preventing gambling from being a source of crime and disorder; from being associated with crime and disorder or being used to support crime
- ensuring gambling is conducted in a fair and open way
- preventing children or other vulnerable people from being harmed or exploited by gambling.

Although overall numbers of shops have remained stable since 2005, at around 9,000, in many places the location of premises has changed. The removal of the demand test (which prevented shops opening close to each other), alongside empty premises becoming available during the recession, has led to betting shops increasingly being located close to each other and on main high streets in towns.

Some councils have concerns about 'clusters' of betting shops on high streets, and specifically whether a lack of retail diversity has a detrimental impact on economic activity on high streets. This is a concern that extends beyond betting shops and applies equally to clusters of any type of premise. However, in relation to betting shops, it has been compounded by a perception that such clusters are associated with individuals exhibiting anti-social behaviour such as littering and street drinking, and by concern over increasing use of high stakes gaming machines, or 'FOBTs'. Premises licences entitle betting shops to house up to four gaming machines, and the perceived proliferation of these machines has prompted concern about losses by people who cannot afford them, particularly in less affluent areas.

### **LGA-industry Betting Commission**

Concern among councils and some sections of the industry about both clustering and use of gaming machines prompted the LGA to set up a Betting Commission in early 2014, bringing together both sectors to look at these issues and whether there was any consensus about how to resolve them.

The work of the Betting Commission took place alongside the Gambling Commission's work to build on the existing social responsibility protections that

gambling operators must provide<sup>1</sup>. The Gambling Commission's work reflected heightened public concern about gambling, but also the changes to gambling habits since the Act was originally introduced, with advances in technology and changes in consumer preference offering new opportunities to target gambling-related harm while not unduly constraining safe leisure gambling.

Since the launch of the Betting Commission, Government has launched a consultation on changes to planning rules that would require new betting shops to apply for planning permission, announced new licensing requirements on social responsibility measures across all gambling sectors applicable to bookmakers and consulted on a framework for gambling advertising. Detailed research into high stakes gaming machines is ongoing, with a first wave of research due to report in October 2014.

It has not proved possible within the Betting Commission to reach an agreed position on clustering issues. This partly reflects the fact that there are differing views within the industry; while some companies would support restrictions on further openings, other operators' business models rely on challenging larger brands. As importantly, there are also legitimate concerns about whether an agreement intended to restrict further openings (and by definition competition) would run counter to the Competition Act.

However there is very clearly an appetite on both sides to support local joint working that helps address specific local issues and concerns. There is a similarity between councils' role in relation to premises licensing for both alcohol and betting shops. But while local schemes bringing together the alcohol trade with councils and the police are common place – for example, through local Pubwatch schemes, Best Bar None or the Purple Flag scheme – there has been relatively little similar activity in relation to betting shops. In part, this is a reflection of the smaller contribution that betting shops make to anti-social behaviour, and particularly violent behaviour. But where such an approach *has* been developed in relation to betting shops, often supported by the ABB, there has often been a demonstrable impact on the issues being addressed.

With concerns about the impact of betting shops becoming more prominent, it is clear that there is scope for a similar approach bringing together betting shop and industry area managers with council licensing and community safety teams, and the police, to address local concerns.

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<sup>1</sup> Ref: Gambling Commission 2014 consultations on the Licensing Conditions and Codes of Practice and Guidance to Licensing Authorities.

## Joint statement from the LGA and ABB

The objective of this statement is to outline a framework for partnership working between councils and betting shops. Effective local gambling regulation is likely to depend on the ability of the industry and business to work in partnership. Too often the engagement between local businesses and local councils is conducted adversarially, and this can result in poor outcomes for all concerned: gamblers, communities and businesses. The signatories to this framework are committed to changing for the better the way that local engagement happens.

The right approach will always need to be determined locally, depending on existing relationships and what the issues are. But this framework outlines some principles for joint working, based on the current regulatory framework for gambling, a better regulation approach of being risk-based and partnership led, and a commitment from the LGA and ABB to improving engagement between local government and the betting industry.

Councils and betting shops may look to implement this approach if there are particular concerns about specific local issues linked to betting shops. Equally, this approach could be used to facilitate closer relationships and improve local oversight of gambling activity more generally.

### Principles

#### Commitment to engage

At the heart of this framework is a commitment to engage. This commitment arose from concerns about both clustering and high stakes gaming machines. The betting industry is keen to overcome negative perceptions and be seen as a welcome addition to the high street through working with councils on a cooperative and evidence-led voluntary basis to overcome local issues. As part of its code for responsible gambling, the industry is committed to providing a responsible, safe and enjoyable leisure experience on the high street. Similarly, under licensing law, both individual betting shops and councils have a role in ensuring the three licensing objectives are met. **Both the LGA and ABB believe that engagement and partnership working between councils and betting shops can provide a platform for doing so.**

At a strategic level, the commitment to engage means that:

- as councils develop their regulatory approach through gambling Statements of Policy, planning policies and broader local plans, they should engage with and inform the gambling industry and business community more widely. On a day to day level, where a council believes there are specific issues linked to betting shops, the appropriate first route to dealing with them will be to engage locally with the shops and firms concerned to address them collaboratively.
- For industry, gambling businesses will recognise councils' rights to carry out their functions to deliver their published policies. On a day to day level, betting shop managers and local areas managers should be responsive to such approaches and actively work in partnership with councils; in some cases, they may choose to initiate this type of approach themselves.

Alongside this framework, the Gambling Commission is developing its 2015 statutory Guidance to Licensing Authorities. It intends to take many of the principles set out in this framework and establish them in that guidance, with a view to partnership

becoming the default mode of engagement between local councils and businesses. This will be enhanced further by proposals to require gambling businesses to carry out local risk assessments and share them with licensing authorities if asked, which may help to pre-empt some of the issues that partnership working tries to address.

### **Involving a wide range of parties**

Effective local engagement and partnership working could include a range of local partners as well as council teams and industry representatives. Relevant partners in local joint working are likely to include:

- ward councillors
- council licensing teams
- council community safety teams
- police licensing and community officers
- betting shop managers
- betting shop area managers

It could also include:

- town centre managers
- representatives of the wider business community
- citizen's Advice Bureau
- local addiction charities
- public health professionals
- Gambling Commission

### **Evidence base and clear objectives**

Joint working between councils and industry should be based upon an agreed evidence base and clear objectives: all partners in a local agreement should be clear about the specific issues to be addressed and how these have been measured and identified. It is expected that prior to approaching industry, councils will have collated evidence of the issues they are seeking to address, and will be willing to share this data with industry; conversely, firms may be willing to share their own relevant data. Relevant data will vary from case to case, but could include recorded instances of anti-social behaviour, concerns raised by residents, test purchasing results, police reports and data held by individual firms about issues reported by staff or internal mystery shopping results. Pooling relevant information will enable councils, firms and their partners to agree a shared evidence base and clear objectives for the engagement.

### **Monitoring**

Following on from this, there should be clear processes in place for jointly monitoring the impact of the partnership approach. This will involve continued and regular data collection to track changes to the original evidence base, and joint reviews of the evidence to assess progress against agreed objectives. More broadly, this will enable local government and the industry to develop an understanding of where partnership working has been successful, and how this can be replicated in other areas.

### **Mechanisms**

There are different approaches that local areas can take for partnership working. Some areas have successfully used focused task and finish groups to address specific issues while others are at the beginning of this process. Other areas have created Betwatch schemes bringing together betting shops with councils and other

local partners on an ongoing basis to tackle relevant issues and establish a pattern of joint working.

#### **Partnership approach to protecting vulnerable people | Medway**

The Association of British Bookmakers (ABB) worked with Medway Council to agree a Voluntary Partnership Agreement relating to the promotion of responsible gambling in Medway through the Medway Responsible Gambling Partnership. The Agreement was signed in November 2014 by Medway Council, the ABB, Betfred, Coral, Ladbrokes, Paddy Power and William Hill.

Discussions between the bookmaking industry and Medway Council were started following Council concerns about problem gambling. Both parties have subsequently worked together to address these concerns.

The Partnership Agreement committed all parties to establishing a cross-operator self-exclusion pilot scheme within the Medway area; to developing a reporting of crime protocol in collaboration with the Medway Community Safety Partnership and Kent Police; and to adopting the industry voluntary code on safety and security – the ‘Safe Bet Alliance’.

The cross-operator self-exclusion pilot scheme provides the main focus of the partnership agreement and will be established in the Chatham area of Medway. Once operational all customers seeking to self-exclude will automatically enter into the pilot scheme which involves ten shops owned by three operators.

The pilot will be used as a learning exercise and test case for the proposals included in the Gambling Commission’s proposed amendments on the social responsibility provisions contained within the autumn 2014 LCCP consultation. To assist in this process all parties have committed to participating in a quarterly review process on a regular basis. The Chatham pilot scheme is due to commence on 1<sup>st</sup> December 2014 and will run for 12 months.

#### **Using Betwatch schemes to address community concerns – Ealing**

In 2010, concerns were raised by local residents and councillors about the proliferation of betting shops in Southall town centre (West London) and associated crime and disorder and antisocial behaviour. In an annual period, there were 179 allegations of crime occurred within a gambling premises named as the location of the incident across the borough of Ealing, and half of all incidents (89) recorded occurred in Southall. The area had 13 betting shops at the time and there were also four new pending applications which were all granted.

Council licensing and safer neighbourhoods teams, police licensing officers and councillors met with local betting shop area managers at the end of 2010 to highlight the concerns, including the results of underage test purchasing, which three premises had failed. Area managers were tasked to draw up action plans so as not to attract anti-social behaviour through strong management of their doors and floors, and a Challenge 21 approach was recommended.

A further meeting took place in spring 2011 to see how the action plans were progressing, following which the Southall Betwatch scheme was set up. The scheme encourages an exchange of information, with the police assisting the trade to exclude unwanted customers causing a nuisance and low level crime in the /Ban by One Ban By All scheme.’ Betwatch meetings to discuss best practice, security issues and unwanted customers were held bi-monthly and attended by police and council licensing officers and Southall bookmakers.

A problem solving tasking team was also set up to concentrate on anti-social behaviour associated with the betting shops in Southall. Bi-weekly Safer Southall meetings attended by the police and council were established. High visibility police patrols and plain clothed operations to target drink and drug use took place in the areas around the betting shops.

The impact of this partnership approach was that in 2012 crime within gambling presses

decreased by more than 50 per cent on 2011 levels, alongside a significant reduction in public order offences and criminal damage incidents. Additionally, further underage test purchases took place in 2012 with no failures reported.

### **Business in the community – Lewisham**

In 2012, Lewisham Council's Neighbourhood Community Safety Team worked with local bookmakers as part of a broader approach to reduce anti-social behaviour on Deptford High Street. The wider approach included the development of the Deptford High Street Charter, under which local businesses were encouraged to sign up to a commitment of working with the Council and Police to improve the safety and environment of the High Street and the surrounding area.

Local residents had raised concerns with the council about the anti-social behaviour (including drug dealing) in and around the bookmakers on Deptford High Street. On a raid in May 2012, police found a number of individuals in one bookmaker who had class A and B drugs in their possession.

As a result of this, Lewisham's Neighbourhood Community Safety Service worked with both the Association of British Bookmakers (ABB) and individual bookmakers with premises on the high street throughout 2012. All were keen to address the issues within and outside the premises, as well as improving the reputation of bookmakers on the high street. Paddy Power agreed to sign up to the Deptford High Street Charter, as well as the Gold Membership of Lewisham Borough Businesses Against Crime (LBBAC). The ABB also proposed these schemes to their other members on the High Street, including Coral and Ladbrokes, to ensure that there is consistency between the bookmakers, and many of these have now signed up to the Deptford High Street Charter.

Alongside this, individual bookmakers made changes to their premises in order to address the problems of anti-social behaviour in and around their premises, including installing external CCTV and signs highlighting that the area is under surveillance; making amendments to remove places where street drinkers would often congregate, setting up new CCTV systems within stores which is regularly monitored; introducing banning orders against some problem individuals, and changing management and staff.

This work resulted in a reduction of incidents in and around the bookmakers, increased reassurance and confidence of residents that effective action was being taken and laid the path for improved information sharing between bookmakers and local authorities in Lewisham. The Council and Police continue to work with the bookmakers on the High Street and in 2014 set up a Bet Watch scheme to provide further support to bookmakers and to give them a forum to communicate with each other to resolve concerns. This work has been rolled out to other areas of the borough such as Catford and Lewisham.

Additionally, most of the largest operators have signed primary authority agreements, following the scheme's extension to betting premises: existing agreements cover age restricted sales and other themes including health, safety and welfare. Lead councils are responsible for providing quality assurance for inspection regimes and operating practices, and can therefore be used as a point of reference in relation to these issues. If concerns are raised about the operation of a premise run by an operator with a primary authority agreement, the council can contact the primary authority to see if the premise is being run according to their approved plan. This is also a useful alternative mechanism to feedback general concerns about a particular operator is, as the primary authority will have regular contact at senior levels with the operator. Equally, if an operator believes that other councils are not acting in accordance with the overall plan agreed with the lead primary authority, they are entitled to raise this as a concern.

Finally, the industry believes that business led forums such as Business Crime Reduction Partnerships or – more broadly – Business Improvement Districts offer a further opportunity for betting firms to play a more active role in their local communities.

### **Escalation and complaints**

It is intended that this agreement will encourage and facilitate engagement and partnership working between councils and betting shops. All the major five bookmakers in England, covering 95 per cent of the betting shop market, are committed to this agreement, which will be notified to both area and betting shop managers. Similarly, the LGA will be making its own members aware of the agreement.

Councils have a range of powers and possible tools available to them under the 2005 Gambling Act<sup>2</sup> and it is accepted by all parties that these tools may be invoked if a council believes there are persistent problems with specific betting shops. However, it is expected that it will be good practice to work jointly with businesses to seek to resolve issues in the first instance and that a joint approach might also be expected to reduce the possibility of an operator challenging a council's decision.

Where councils feel they are struggling to engage local premises or individual firms in local partnership working, this can be raised with the ABB for them to review and liaise with the individual firms concerned as appropriate.

### **Maintaining this framework**

We intend this framework to develop iteratively, so that as different areas implement different approaches, a set of evidence is collected about measures that have been tried and how successful they have been. This will enable other places to benefit from the learning from these approaches.

### **Contact details**

#### **Association of British Bookmakers**

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#### **Local Government Association**

020 7664 3000  
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<sup>2</sup> These include refusing to award or attaching conditions to premise licences at the initial application stage, undertaking reviews of premises licence if something goes wrong, attaching additional conditions retrospectively and even revoking licences.

## **About us**

### **LGA**

The 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 that 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.

### **ABB**

The Association of British Bookmakers is the leading trade association for betting shop operators on the UK's high streets. We aim to help create and sustain conditions in which socially responsible betting shop operators can compete and prosper.

The ABB's members include four of the five biggest UK betting shop operators, along with around 100 operators of family owned independent medium-sized and small estates and single shops. Together, our members operate 80 per cent of the betting shop market.