

Fixed Odds Betting Terminals (FOBTs)

Response to Government Review (02.12.2016)

Introduction

According to data on the Campaign for Fairer Gambling (CFG) website, the following sums of money have been spent within the Royal Borough of Greenwich in betting shops:

Cash inserted into FOBTs	£54,622,757
Amount gambled	£293,670,732
Amount lost	£13,655,689

There are 56 premises within the Borough. This compares with 82 in the London Borough of Newham, 63 in the London Borough of Lewisham and 48 in the London Borough of Bromley.

Between August 2014 and July 2015 (current data available), there were 67 crimes reported within the Royal Borough which were associated with betting shops. 34% of the crimes occurred within Woolwich town centre, which has a high concentration of betting shops, i.e., 10 within a small geographical area. In terms of the timing of these crimes, the data shows that the crimes occurred between 14:00 and 18:00 hours, times when families and children will be in the vicinity of the betting shops given local transport infrastructure. It is therefore the case that less crime occurred after 20:00 than did during the day in these premises.

Answers to the following questions in the call for evidence are provided below.

Q1. What, if any, changes in maximum stakes and/or prizes across the different categories of gaming machines support the Government's objective set out in this document? Please provide evidence to support this position.

Greenwich supports the position of the Campaign for Fairer Gambling and the London Borough of Newham, who are calling for the maximum stake on FOBTs to be reduced to £2 spin in order to bring FOBTs in line with other gaming machines in the UK. This is justifiable on the basis that it would only impact on machines in high street locations and not impact upon machines within casinos. In 2014, the Royal Borough supported Newham's Sustainable Communities Act (SCA) proposal to reduce the maximum stakes on betting shop B2 gaming machines (FOBTs) from £100 to £2.

Q2. To what extent have industry measures on gaming machines mitigated harm or improved player protections and mitigated harm to consumers and communities? Please provide evidence to support this position.

No data available to comment.

Q3. What other factors should Government be considering to ensure the correct balance in gaming machine regulation? Please provide evidence to support this position.

No data available to comment.

Q4. What, if any, changes in the number and location of current gaming machine allocations support the Government's objective set out in this document? Please provide evidence to support this position.

The Royal Borough calls on the Government to make changes to allow Local Authorities to consider both the level of deprivation in geographical areas surrounding a premises subject to a new application (for a premises), or application for a change in the number or category of betting terminals, as well as the density/clustering of other betting shops nearby. This is in the interests of ensuring that Authorities can ensure high streets provide a diverse, and therefore sustainable, offer to consumers, as well as managing the wider impacts arising from the clustering of such premises.

Within Greenwich, out of our 56 gambling venues, 25 fall within the higher areas of deprivation (45%). This is set against a background of hardship: 23% of the Greenwich population are estimated to live in the most deprived LSOAs in England (Lower-layer Super Output Areas) as shown in Figure 1 below. We believe this situation is unhealthy for our Borough and would like to take steps to protect against any further undesirable changes.

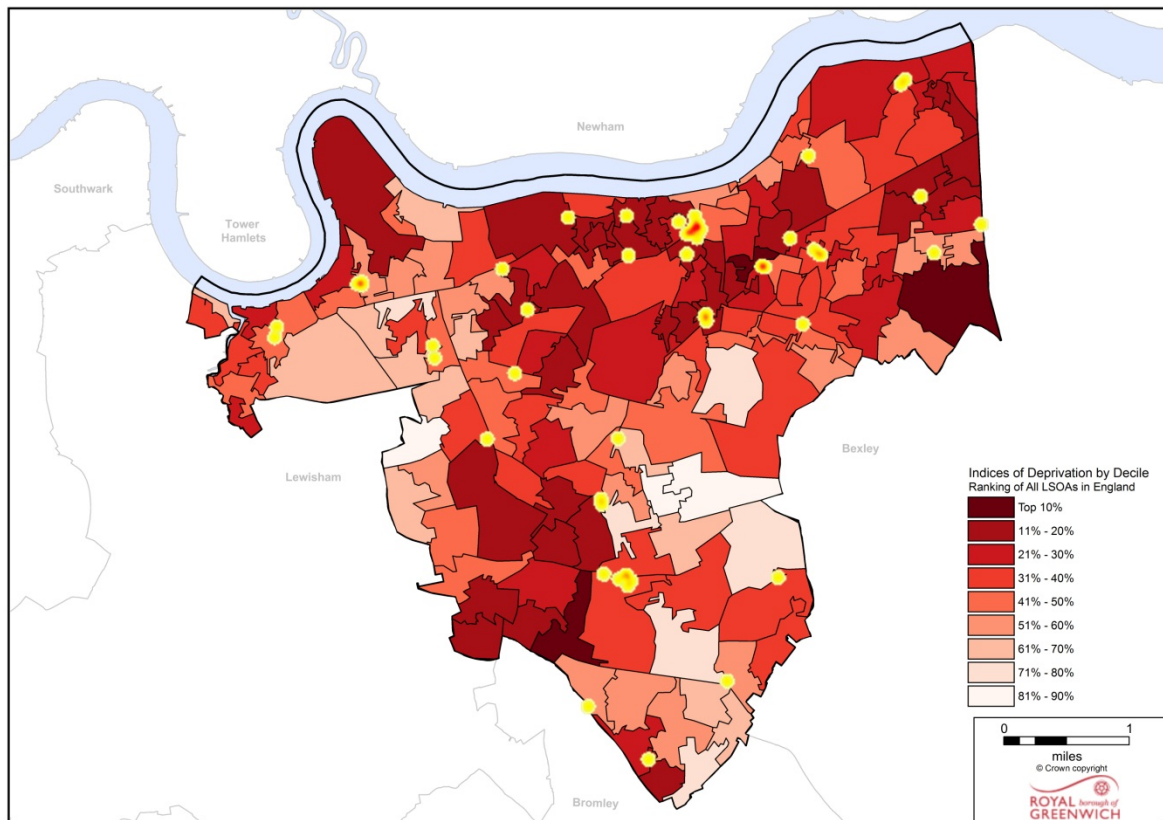


Figure 1: Location (yellow dots) of licensed gambling premises within Greenwich set against ward-based deprivation data.

Analysis by Wardle et al. (2014) has shown that the distribution of gambling machines displays a significant association with areas of socio-economic deprivation, yet these are the areas where the most vulnerable people are likely to reside i.e. where residents are on the lowest incomes, and in areas where those who can least afford to spend money on an activity which is loss making.

The Royal Borough supports the LGA's call for "Cumulative Impact Tests" (CITs) to be introduced to enable councils to reject applications for new betting shops where there are already existing clusters of shops. Such an approach would allow an Authority like Greenwich to limit the number of premises in existence within deprived wards, providing an opportunity to take steps to protect families from the social and financial impacts which can

arise when those on the lowest incomes are faced with many temptations to gamble that which they can ill afford to risk losing.

A Cumulative Impact Policy is in operation in the London Borough of Newham and has been accepted by the Planning Inspectorate. This means that small changes to areas can now be assessed cumulatively, rather than in isolation, and introduces limits to the numbers of betting shops (and other outlets) ensuring they are separated from each other in a locality. This established a precedence for the Planning Inspectorate to rule, with sufficient evidence, that other Local Authorities can also take cumulative impact into account. However, this does not apply retrospectively and therefore will not address the issue of existing clustering in particular areas. It is therefore crucial to reduce the maximum stakes on betting shop B2 gaming machines (FOBTs) from £100 to £2.

The existing legal framework under the Gambling Act 2005 leaves the Borough very little scope to deal with the issue of high street clustering as the Gambling Act 2005 created a permissive licensing regime, removing any meaningful control from local government. The Gambling Act places a legal obligation on Authorities to aim to permit licences. It is therefore clear that the role of the licensing objectives is subservient to the codes of practice and guidance issued by the Gambling Commission, and that the Council's Statement of Policy is the last on the list of priorities for consideration. Additionally, it is not possible under the Gambling Act for Authorities to reduce the numbers of B2 machines in any particular betting premises or reduce the stakes for such machines.

Councils have led the way in challenging inappropriate licensing applications through the courts and LB Newham has been successful in proving that primary activity can be taken into consideration when making licensing decisions. However, this does not effectively help control the numbers of betting shops in the borough because the ruling also stated that

providing a betting shop is able to take over the counter betting, and promotes such activity, then the percentage of over the counter betting against gaming activity is not relevant. Neither does the use of licensing conditions permit an Authority to address either clustering in deprived areas or the balance between machine gaming and traditional over the counter betting activities. This makes it even more important to reduce the stakes on FOBTs, in line with other on-street gaming machines.

Q5. What has been the impact of social responsibility measures since 2013, especially on vulnerable consumers and communities with high levels of deprivation? Please provide evidence to support this position.

No data available.

Q6. Is there anything further that should be considered to improve social responsibility measures across the industry? Please provide evidence to support this position.

No data available.

Q7. Is there any evidence on whether existing rules on gambling advertising are appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising?

No data available.

References

Local Government Association (LGA) 2015. Fixed Odds Betting Terminals.

<http://www.local.gov.uk/documents/10180/6869714/2015+03+23+LGA+Briefing+-+FOBTs.pdf/9ca968bb-d210-4b93-b124-fb05d79e59f2>

Wardle et al. (2014) 'Risky places?': mapping gambling machine density and socio-economic deprivation. *Journal of Gambling Studies* 30(1), pp. 201-212. (doi:10.1007/s10899-012-9349-2)

<http://eprints.gla.ac.uk/73285/7/73285.pdf>