

Annex D - Review of Gaming Machines and Social Responsibility - Submission template

Name:

Organisation: London Borough of Enfield

For all respondents:

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.

Response:

- 1.1 According to industry statistics published by the Gambling Commission for 2013 to 2016¹, the Gross Gambling Yield (GGY) in Great Britain totalled £13.6bn. Gaming machines have increased their percentage share of betting GGY relative to over-the counter GGY; currently representing 52.7% of the total. The overall number of gaming machines across the industry remained consistent (at 167,839), with a continued increase in machine GGY in all sectors and in most machine categories except for B4 and D. Betting shops continue to generate the highest machines GGY at £1.7bn. **Across all sectors, Fixed Odds Betting Terminals (B2 machines) have generated £1.7bn, and is a significant and increasing asset representing the highest category for GGY.**
- 1.2 We believe that there should be a reduction in the maximum stakes on Fixed Odds Betting Terminals (Category B2) from £100 to £2 and reduce the maximum of £500 for prizes in on-street betting premises.
- 1.3 As discussed in the consultation paper, Fixed Odds Betting Terminals offer the highest maximum stake of any gaming machine in GB, are mostly located in betting shops and the mix of high stakes and natural game volatility mean that players can lose or win significant amounts of money in a short space of time. Evaluation has shown that despite measures introduced to ensure there must be staff intervention or use of accounts for machines over £50 stakes, stakes above £50 dropped, but there was an increase in stakes between £40- £50.

¹ <http://www.gamblingcommission.gov.uk/pdf/Gambling-industry-statistics-April-2013-to-March-2016.pdf>

- 1.4 The consultation paper (at paragraph 1.19) states that there is some evidence to suggest higher stake sizes can increase the risk of gambling-related harm through spending more money or time than intended.
- 1.5 We remain particularly concerned about the impact of gaming machines in areas of deprivation. Our views are in line with the evidence proposed in the 'Reduce the Stake' campaign by the London Borough of Newham. On a local level, it is clear that there are strong similarities between LB Newham and Enfield, for example, in the numbers of betting shops and location in the most deprived wards.
- Enfield has 79 licensed betting premises
 - 20% (16/79) are located in the three most deprived wards (Edmonton Green, Upper and Lower Edmonton) and these three wards are amongst the 10% of most deprived wards nationally
 - In 2014, Enfield was one of the 7 highest boroughs for the total number of criminal damage offences at betting shops
 - In 2014, 12% of all criminal damage reports in Enfield occurred at betting shops, and 61% of betting shops became repeat locations for crime.
- 1.6 Each betting shop can have up to four Category B2 machines. The Tables below show evidence of the levels of crime and disorder and criminal damage reports to gaming machines in Enfield's betting shops. 71% of the criminal damage crime reports relate to damage to gaming machines or their screens, and a further 16% relate to damage to windows and doors of the betting shop. In a significant proportion of the criminal damage reports it is specifically mentioned that the customer was angry or lost their temper due to losing their money, and where the amount was mentioned it ranged from £200 to £2,500. The type of gaming machine was not always mentioned in the crime report, but there are a number of crime reports which specifically mention customers losing their money and causing damage to Fixed Odds Betting Terminals. We are aware that betting shops can be anxious about reporting such crimes for fear of the impact on their licence, so these figures may be an under representation of the crime statistics.
- 1.7 As the way crime reports are recorded differ from that used in 2014, Tables 1 and 2 have been produced so that the data across all the years was collected in exactly the same way, and any discrepancies can be discarded. Table 1 shows an increase in criminal damage at betting shops, and Table 2 shows that criminal damage as a proportion of all criminal damage offences have been increasing since 2013.

Table 1:

Year	Count of Criminal Damage offences at betting shops	Count of ASB CAD Calls at betting shops	Count of ASB CAD Calls at betting shops (Nuisance)	Count of ASB CAD Calls at betting shops (Personal)	Count of ASB CAD Calls at betting shops (Environmental)	TOTAL
2013	47	174	26	2	0	249
2014	54	99	81	12	1	247
2015	85	87	80	5	1	258
2016 (Jan to August)	45	59	51	2	1	158
Total	231	419	238	21	3	912

Table 2:

Year	Count of Criminal Damage offences at betting shops	Count of Criminal Damage offences in Enfield (excl. to Motor Vehicle)	Percentage of reports attributed to betting shops
2013	47	1090	4.3%
2014	54	1175	4.6%
2015	85	1225	6.9%
2016 so far (Jan to August)	45	811	5.5%
Total	231	4301	

Table 3: Breakdown of offences reported in Enfield's betting shops

Crime type	October 2014 to September 2015	October 2015 to September 2016	% Change
Burglary	0	5	n/a
Non-dwelling	0	5	n/a
Criminal Damage	47	60	27.7%
Criminal Damage under £500	30	26	-13.3%
Criminal Damage over £499	17	34	100.0%
Drugs	1	1	0.0%
Possession cannabis	1	1	0.0%
Robbery	14	23	64.3%
Commercial robbery	12	21	75.0%
Personal robbery	2	2	0.0%
Theft	17	12	-29.4%
Other theft	16	11	-31.3%
Theft from person	1	1	0.0%
Violence against the Person	22	21	-4.5%
Assault with Injury	5	2	-60.0%
Grievous Bodily Harm	1	2	100.0%
Common Assault	13	15	15.4%
Harassment	3	2	-33.3%
Other	11	18	63.6%
Breach CBO	0	2	n/a
Dyed money	0	4	n/a
Public order s4	7	8	14.3%
Racial threats	1	1	0.0%
Crime related incident	3	3	0.0%
Total	112	140	25.0%

- 1.8 Table 3 above shows recent figures relating to the breakdown of offences reported in Enfield's betting shops where B2 (FOBT) machines are located. The overall outcome shows that there is a 25% increase in crime this year to date compared to last year, in particular for criminal damage.
- 1.9 Question 1 does not only relate B2 (FOBT) machines at betting shops, however, we have little evidence to suggest links between crime and disorder with bingo or adult gaming centres for example. In order to make a suitable comparison, please refer to Table 4 below. You will note there are only 7 offences reported in the last 24 months, which is a significant difference to the offences reported from betting shops.

Table 4: Breakdown of offences in Bingo & Adult Gaming Centres in Enfield

Crime type	October 2014 to September 2015	October 2015 to September 2016
Criminal Damage	2	1
Criminal Damage under £500	2	
Criminal Damage over £499		1
Violence against the Person	0	1
Common Assault	0	1
Theft	1	1
Other theft	1	1
Other	0	1
Total	3	4

- 1.10 Taking all the above into account, we strongly advocate a reduction in the maximum stakes and prizes for B2 (FOBT) gaming machines. Also, given that there is an increasing amount of profit being made from B2 machines rather than traditional bets, and where betting shops are in areas with poverty levels higher than the national average (like Enfield), the Gambling Act should give local authorities greater ability to refuse or review licences, or control the number of B2 machines, where individual betting shops are associated with high levels of crime or ASB.
- 1.10 However, we are also concerned that the consequences of reducing the stakes could force customers to seek the same prizes by illegal means. This in turn would require greater surveillance and policing by local authorities/Gambling Commission.

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.

Response:

- 2.1 As a result of concerns and reports about criminal damage and ASB, Enfield's Licensing Enforcement team with the Police launched 'BetWatch Enfield' during 2013 to work in partnership with betting shops to reduce crime and anti-social behaviour in and around betting shops. The industry supported the intervention and networking, and the regular meetings are well attended by managers both at a local level as well as head office.
- 2.2 At these BetWatch meetings, the industry report that self-exclusion schemes are regularly implemented. However there is no requirement to report this to the local authority and therefore no evidence of its actual use is available to

us. If this information were reported to the local authority it might be possible to assess the effectiveness of this measure.

- 2.3 Area managers have also advised that staff training has been escalated to ensure early intervention in order to protect customers who are running the risk of significant financial loss. Officers carrying out licence inspections will check compliance with conditions, which includes staff training records. The licence conditions however, are not specific to improving player protection. Therefore our only evidence is based on analysing any improvements in crimes reported at any one particular premises. Overall, the increase in criminal damage and other offences (as discussed in paragraph 1.5 and as per Table 3 above) show that generally the current interventions for gaming machines in betting shops are not wholly effective in protecting players.
- 2.4 We are aware that GamCare's annual report (2013-2014)² showed that there had been a 34% increase in the number of inbound calls made to their Help Line from 'problem gamblers'. Amongst telephone callers seeking counselling, the second highest gambling activity disclosed was Fixed Odds Betting Terminals FOBT/Roulette Machines (30%) (Betting being the highest at 31%). The top location for gambling was disclosed as being Betting Shops (43%).

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

Response:

- 3.1 The Government should consider introducing stricter or separate application processes for siting machines on a premises, particularly B2 machines (if the current maximum stakes/prizes remain static), rather than premises licences providing automatic entitlement.
- 3.2 The Government should consider allowing the Licensing Authority and Responsible Authorities to take each premises on its own merit, and be able to impose conditions relating to the number of machines and other stipulations, on application or through a review.
- 3.3 The Council remains concerned about the proliferation and concentration of betting shops. We have included a policy on this matter in our adopted Development Management Document, Policy DMD33 "Managing the Impact of Betting Shops". This policy seeks to control the negative aspect associated with betting shops. Clustering of uses will be prevented to ensure there is no harm to the viability and vitality of centres or harm

² http://www.gamcare.org.uk/sites/default/files/file_attach/Statistics%20Briefing%20Paper.pdf

caused by anti-social behaviour. However, there is nothing in the policy about FOBT.

- 3.4 Following representations by Councils including LB Enfield, a 2015 amendment to the Use Classes Order places betting offices outside of A2 (financial services), instead making them expressly 'sui generis' uses. This means that planning permission is required for all new betting shops, even if such new units are just a change of use from an A2 use (which would previously have been permitted development). Such proposals would be assessed against Policy DMD 33.
- 3.5 Planning permission is not required for the installation of a FOBT nor can we control the number of machines through the planning process (the machines do not constitute development by virtue of S55 of the T&CPA).
- 3.6 In light of this information, the Government could consider providing further restrictions in line with gaming machines, in other legal provisions other than the Gambling Act.
- 3.7 There are still limited grounds to refuse a betting shop licence under the Gambling Act, and no ability to control concentration of them like there is with a 'cumulative impact' policy for alcohol premises under the Licensing Act. The Government should therefore consider introducing cumulative impact policy provisions, which under the Gambling Act, which can make reference to gaming machines also.
- 3.8 We mentioned concerns earlier about the unintended consequences of reducing stakes/prizes of gaming machines that may create a demand for illegal machines. We have found some evidence of this in Enfield. We have recently been involved with illegal gaming machines which are found in uncontrolled environments, such as social clubs. An operation was carried out in June 2016 to tackle these illegal machines, and 19 machines were seized from predominantly social clubs but also fast food premises and mini cab offices. These operations are extremely costly and time consuming to the local authority, and therefore consider greater support, enforcement and intervention in this area is provided by the Gambling Commission.

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.

Response:

- 4.1 We strongly advocate that the Government impose a reduction in the number of machines by which a premises licence provides automatic entitlement, for example, from four B2 machines to one. This would go

some way to address the objective mentioned. However, the primary concern is the B2 machines and the excessive maximum stake.

- 4.2 Inspections we have carried out at betting offices have not raised concerns about the location of machines. The machines are generally sited in a suitable location to minimise unlawful play.
- 4.3 The Council would like to see consideration given to whether gaming machines in public houses are appropriate at all from a social responsibility perspective.

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.

Response:

- 5.1 Since the Gambling Commission's Licensing Conditions and Codes of Practice came into effect in May 2015, this strengthened the social responsibility code, namely requiring operators to supervise customers effectively on gambling premises and identify customers who are at risk of gambling related harm.
- 5.2 Furthermore, since April 2016, operators have been required to have in place:
 - Schemes to allow customers to self-exclude themselves from all operators of a similar type in the area where they live and work.
 - A range of measures with regard to marketing to ensure social responsibility that are transparent and not misleading.
 - A risk assessment for each individual premises to have been produced and held locally.
 - Policies and procedures and control measures in place to mitigate local risks to the licensing objectives.
- 5.3 LB Enfield is currently carrying out a borough-wide inspection programme at all betting shops, which includes inspection of the risk assessments. To date, 16 inspections have been completed, and all betting shops have been found to have produced a local risk assessment which is available at a local level.

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

Response:

- 6.1 Gamcare has advised Enfield of the following information, which we think is relevant to this question. Gamcare record postcode data for around 7% of HelpLine and NetLine calls each year. Between April 2013 and March 2016 they received calls from at least 312 people with an identified residential postcode within the London Borough of Enfield. If extrapolated, Gamcare have advised that this would suggest that they received calls from 4,457 people across the borough (approx. 1.4% of the total population). In addition, they were able to provide face-to-face counselling for 65 Enfield residents.
- 6.2 The betting industry should provide greater support to schemes like Gamcare so that the right services can be provided at a local level, such as increased face to face counselling for those affected by gambling related harm.
- 6.3 The comments above relating to the prevention of clustering particularly in deprived areas are also relevant to this question – see Qu 3 response. Allowing the introduction of a Cumulative Impact Policy appears to be the only tool that could make a significant difference and one that is preventative rather than reactive.

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?

Response:

- 7.1 As a local authority we have not received any complaints relating to advertising, but these would be more likely to be directed to the Advertising Standards Authority (ASA) or the Gambling Commission.
- 7.2 A recent report published by the Gambling Commission³ indicated that 450,000 children are gambling in England and Wales every week. The findings indicate that the overall rate of gambling among 11-15 year olds is around 16%. This figure compares to 5% of 11-15 year olds who have smoked and 8% who have drunk alcohol in the last week, while 6% have taken drugs in the last month. 0.4% of 12-15 year olds were classified as problem gamblers. TV advertisements for online betting facilities are regularly aired, which show betting as a fun, appealing, easy, and accessible activity. Children and vulnerable people are likely to be attracted by these advertisements which could tempt them to try

³ <http://www.gamblingcommission.gov.uk/Press/2016/New-report-indicates-450000-children-gamble-every-week.aspx>

any form of gambling, including using machines, especially where large pay-outs could be gained. In fact, the Gambling Commission report found that 75% of 11-15 year olds have seen gambling advertisements on TV and 63% have seen these on social media websites. We would support banning all betting advertising.

Q8. Any other relevant issues, supported by evidence that you would like to raise as part of this review but that has not been covered by questions 1-7?

Response:

8.1 No further comments.