

SUSTAINABLE COMMUNITIES ACT SUBMISSION

EMBARGOED until 00.01 Friday 28th November

This joint submission under the Sustainable Communities Act to **reduce the stakes on category B2 Fixed Odds Betting Terminals (FOBTs) in on-street¹ betting outlets from £100 to £2 per spin** has the support of 31 of the London Boroughs (appendix A) and London Councils. The submission also has cross-party support from a further 62 councils across the country (appendix B) making this the largest ever submission under the Act.

1. Describe what the problem is

The Gambling Act 2005 created a permissive licensing regime leaving local authorities hamstrung in their ability to deal with the issue of betting shop clustering and in turn, allowed four high stake FOBT machines to be permitted per on-street betting outlet.

The proliferation of on-street betting outlets is an issue of grave concern to many councils across the country and their local residents due to the impact on the vitality of high streets and the increased anti-social behaviour associated with clustering in one locality. Clustering of such outlets negatively impacts high streets or town centres by reducing local economic growth and the level of retail customers. A concentration of non-retail uses does little for an area's vitality, employment opportunities or community wellbeing. This proposal aims to ensure that communities across the country are pro-business where residents enjoy a safe environment².

Landman Economics estimates that for every £1billion lost on FOBTs as many as 20,000 jobs are lost in the wider consumer economy whilst only 7,000 are created in the betting industry. This net reduction of 13,000 jobs for every £1bn lost is due to FOBTs being non-labour intensive and having comparatively fewer economic multipliers³.

Between January 2010 and December 2012, according to figures collected for the London Assembly's review that looked at empty shops on London's high streets⁴, there was a 13% increase in betting shops in London. This report (published March 2013) identified this proliferation of betting shops as a major factor negatively affecting the viability of London's high streets. Notably, there

¹ By 'on-street' we are referring to FOBTs outside the regulated environment of a casino. This would therefore include betting shops located on high streets, town centres, local shopping parades or other commercial environments.

² The Gambling Commission's premises register (2008 - 2010 and 2014), finds that amongst the 261 areas for which there is consistent data there has been a 12% increase in the number of betting shops that are in the most deprived areas. Over a third of betting shops – 36% - are in the fifth most deprived areas.

³ <http://fairergambling.org/wp-content/uploads/2012/11/The-Economic-Impact-of-Fixed-Odds-Betting-Terminals.pdf>

⁴ http://www.london.gov.uk/sites/default/files/FINAL_Economy%20Committee_empty%20shops%20report.pdf

are more than twice as many betting shops in the poorest 55 boroughs compared with the most affluent 115, which are equivalent by population.⁵

There is significant crime and anti-social behaviour associated with betting shops. 9,308 customer incidents related to gambling activity in betting shops required police assistance in 2013/14 in England, an average call out of 179 times per week to bookmakers (Appendix C). Additionally, police data demonstrates that in Newham, police officers are called to an incident of crime or ASB related to a betting shop every day.⁶

Each betting outlet can provide up to four B2 category FOBT machines which offer casino style content including games such as roulette at up to £100 a spin, which can be wagered every 20 seconds. There is a correlation between increased clustering and the presence of B2 machines as it is in response to this high cap that bookmakers have opened multiple premises in clusters to facilitate more machines as a fixed margin product guarantees bookmakers a return. There are now more than 33,400 FOBTs offering casino content on high streets in England and Wales.⁷ FOBTs have become a significant part of betting shop business operations which has led to their proliferation and licenses being moved from tertiary locations to clusters. Machine gaming has become the primary purpose and activity of many betting shops. Until the stakes are lowered on these machines from £100 to £2, clustering of betting shops will not be addressed.

2. Describe clearly/briefly (in one line) what you see is the barrier that you want us to remove

The maximum £100 stake on B2 machines should be changed to £2 to prevent the clustering of betting shops and this does not require new legislation as the Gambling Act 2005 already acknowledges the potential for FOBTs to cause harm.

3. Describe what you have done so far to resolve your issue/barrier (for example who have you consulted with and what response have you received)

The powers available to local authorities are extremely limited. In February 2014 a Sustainable Communities Act was submitted to bring about tighter planning controls for betting shops. This separate planning use clause if enacted would mean betting shops are no longer classified as financial services along with banks, but still would not tackle the issue of existing clustering.

There are several councils who have looked into using Article 4 planning powers to address the proliferation of betting shops in their areas. However, these directions take a considerable amount of time and can lead to

⁵ <http://www.stopthefobts.org/wp-content/uploads/2014/03/National-media-pack.zip>

⁶ Newham police data, 2012-2014

⁷ <http://www.gamblingcommission.gov.uk/docs/Industry%20statistics%20-%20April%202008%20to%20March%202013%20-%20word.docx>

significant legal challenges, putting further pressure on local authority budgets.

The experience of Newham, as well as other local authorities, has shown that the Planning Inspectorate overturn every betting shop application legitimately rejected by the Council.

Councils have led the way in challenging inappropriate licensing applications through the courts and Newham Council has been successful in proving that primary activity can be taken into consideration when making licensing decisions. However this action does not help the council tackle existing clustering and the balance between machine gaming and traditional over the counter betting.

A representative poll of adults in England and Wales conducted by Ipsos Mori found that 70 per cent of people believed that the maximum bet on FOBTs of £100 is too much. Sixty three per cent of respondents agreed that 'local councils should be able to control the number of betting shops within their own borough, district or county' (Appendix D).

Ninty-nine per cent of residents who responded to the local consultation in Newham thought there are too many betting shops in the borough, while one per cent thought the number was about right. Eighty-four per cent of residents who responded agreed that the amount that can be bet on FOBTs should be reduced. Five per cent disagreed and 11 per cent neither agreed nor disagreed (Appendix E).

4. What do you think could be done to resolve the barrier?

We think that the maximum stakes on category B2 FOBT machines in on-street premises should be lowered from £100 to £2. This is a measure the Government can enact within existing parameters of the Gambling Act 2005 as the legislation acknowledges the potential for FOBTs to cause harm. Therefore no primary legislation is needed.

This would bring B2s in line with other gaming machines available in the UK in easily accessible locations (see table below). FOBTs in regulated environments – such as those in bingo halls, amusement arcades and adult gaming centres – have previously been capped at £2 per spin, to protect the player and to limit losses.

Machine Category	Maximum stake (from January 2014)
A (only permitted in casinos)	Unlimited
B1 (only permitted in casinos)	£5
B2	£100
B3	£2
B3A	£2
B4	£2

C	£1
D (money prize)	10p
D (non-money prize other than crane grab machine)	30p
D non-money prize (crane grab machine)	£1
D combined money and non-money prize (other than coin pusher or penny falls machines)	10p
D combined money and non-money prize (coin pusher or penny falls machine)	20p

Appendices

Appendix A – Supporters, London (31).

Barking
 Barnet
 Bexley
 Brent
 Bromley
 Camden
 Croydon
 Ealing
 Enfield
 Greenwich
 Hackney
 Hammersmith and Fulham
 Haringey
 Harrow
 Havering
 Hillingdon
 Hounslow
 Islington
 Kensington and Chelsea
 Kingston
 Lambeth
 Lewisham
 Merton
 Newham
 Redbridge
 Richmond
 Southwark
 Sutton
 Tower Hamlets
 Waltham Forest
 Wandsworth

Appendix B – Supporters, national (62).

Amber Valley
 Ashford
 Barnsley
 Birmingham

Blackpool
Bolton
Bournemouth
Bradford
Brighton and Hove
Bristol
Burnley
Canterbury
Cheshire East
Cheshire West and Chester
Colchester
Coventry
Crawley
Derby City Council
Dudley
Durham
East Staffordshire
Exeter City Council
Fareham
Gravesham
Herefordshire
Hyndburn
Ipswich
Knowsley
Lancaster
Leeds
Leicester City Council
Liverpool
Luton
Manchester
Middlesbrough
Newcastle
Newcastle-under-Lyme
North Tyneside
Northumberland
Norwich
Nottingham City Council
Oadby and Wigston
Oldham
Peterborough
Plymouth City Council
Preston
Reading
Rochdale
Rossendale
Sandwell
Sefton
Selby
Southampton
Stockton on Tees

Stoke-on-Trent
Sunderland
Swansea
Torbay
Wakefield
Warrington
Windsor and Maidenhead
Wolverhampton

Appendix C – ASB evidence: Gambling Commission FOI answer.

In the financial year 2012/13, the number of Customer incidents on betting premises, directly related to gambling activity and requiring police assistance reported by operators via regulatory returns was **8,599**.

The number of reported Licensed Betting Offices as of March 2013 was **9,066**.

In the financial year 2013/14, the figure was **9,308**. However, please note that some returns are yet to be submitted so this figure is likely to change slightly (it may increase or decrease as the figure has been calculated in part on an estimation for those who have not yet submitted their regulatory returns, based on their previous submissions).

The number of reported Licensed Betting Offices as of March 2014 was **9,021**.

Review of the decision

If you are unhappy with the service you have received in relation to your Freedom of Information request and wish to make a complaint or request a review of our decision, you should write to FOI Team, Gambling Commission, 4th floor, Victoria Square House, Victoria Square, Birmingham, B2 4BP.

If you are not content with the outcome of your complaint, you may apply directly to the Information Commissioner (ICO) for a decision. Generally, the ICO cannot make a decision unless you have exhausted the complaints procedure provided by the Gambling Commission. The ICO can be contacted at: The Information Commissioners' Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

Kind regards
Andrew Turton
Information Manager

Gambling Commission
Victoria Square House
Victoria Square
Birmingham
B2 4BP

Appendix D- Ipsos MORI Poll

Ipsos MORI's poll was conducted on behalf of the London Borough of Newham to gain views from the general population of England and Wales on the impact of betting shops in local communities. The sampling strategy was based on Government Office Regions, with a representative sample of 909 adults in England and Wales aged 18+ selected. Fieldwork took place on the 1st and 2nd of November via telephone. The data has been weighted to the known profile of Great Britain using age, gender, government office region, social grade, taken a foreign holiday in the last 3 years, tenure, number of cars in the household and working status

Question: ASK HALF/SPLIT SAMPLE INTRO TEXT – VERSION A

Some betting shops have gaming machines, known as F.O.B.T.s (Fixed Odd Betting Terminals). Players can bet on the outcome of various simulated games such as Roulette, Blackjack and Bingo. The odds offered are fixed from game to game. Players can bet up to £100 every 20 seconds whereas other gaming machines on the high street are limited to £2.

ASK HALF/SPLIT SAMPLE INTRO TEXT – VERSION B

Some betting shops have gaming machines, known as F.O.B.T.s (Fixed Odd Betting Terminals). Players can bet on the outcome of various simulated games such as Roulette, Blackjack and Bingo. The odds offered are fixed from game to game. Players can bet up to £100 every 20 seconds.

ALL

Do you think the maximum bet on FOBTs of £100 is too much, too little or about the right amount?

SPLIT A= 70% say "Too Much" Base= 463 SPLIT B= 73% say "Too Much" BASE= 446

Question: Next, I will read out a pair of statements. Some people would agree with one, others with the other position. Please, indicate which of the two statements you tend to agree with.

	I agree with statement A	I agree with statement B	Can't decide	No response
A. Local councils should be able to control the number of betting shops within their own borough, district or county.				
B. Betting shops should be allowed to set up in any location so long as they operate within the law				

Base= 909

Appendix E – Local Newham consultation

The London Borough of Newham (LBN) invited residents to give their views on LBN's proposed submission under the Sustainable Communities Act via an online questionnaire advertised on the council's website and in the council's borough-wide publication, the Newham Mag. The questionnaire was live between the 24 October and the 24 November.

A total of 359 responses were received. The questionnaire was open-access, rather than strategically sampled. Therefore the results are representative of the views of residents who chose to take part in the questionnaire, but are not representative of the views of all Newham residents.

Questions

What do you think about the number of betting shops in Newham?

- There are too many
- The number is about right
- There are not enough

Do you agree or disagree that the amount that can be bet on fixed odd betting terminals in betting shops should be reduced?

- Strongly agree
- Agree
- Disagree
- Strongly Disagree
- Neither agree nor disagree