

# **Local Government Association Briefing**

## **Debate on challenges facing problem gamblers**

### **House of Lords**

Thursday 23 November 2017



#### **Key messages**

- Problem gambling can impact on individuals and their families' physical, mental and emotional health and wellbeing as well as having a wider impact on society through crime and disorder.
- Councils are not anti-gambling, but the gross gambling yield from fixed odds betting terminals rose from £1.05 billion in April 2008 to £1.73 billion in March 2016. This 65 per cent increase in eight years shows that the Gambling Act has not struck the right balance between freedom for businesses to develop as they wish and the concerns and needs of local communities.
- The maximum stakes on fixed odds betting terminals (B2 gaming machines) should be reduced to £2. This is because the current maximum stake of £100 is significantly out of line with the maximum amounts that can be staked on other types of gaming machines. There is also credible evidence that these machines may be particularly addictive and therefore pose a greater risk to problem gamblers, as well as being linked to anti-social behaviour and crime in betting shops.

#### **Background**

##### **Problem gambling and the local community**

Problem gambling can impact on individuals and their families' physical, mental and emotional health and wellbeing as well as having a wider impact on society through crime and disorder.

The context of gambling has evolved significantly over the last 20 years with the launch of the national lottery, liberalisation of the Gambling Act 2005, increased presence of fixed odd betting machines in the betting shops and the substantial growth in internet based gambling. International evidence suggests that the increasing availability of gambling, particularly density of electronic gambling machines, is associated with an increase in problem gambling.<sup>i</sup>

Individuals, or their families or carers, rarely present to health or social care services with problem gambling as their main condition. Indeed problem gambling can present in a range of different ways, including physical and mental health problems as well as social care and financial issues. These will have a cumulative effect on the health and wellbeing of the wider community and society, as well as the individual themselves, and many of these challenges are the responsibility of councils to address.

##### **Local authorities' work with problem gamblers**

The LGA will shortly begin work to develop guidance for councils on signposting support for problem gamblers. Although councils are not directly responsible for providing support to those experiencing gambling addictions, councils will nevertheless come into contact with problem gamblers through their work to support people with substance addictions, as well as their work on financial inclusion, social care and housing. The new

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guidance will outline best practice on how councils on identifying where there may be problem gambling issues and signposting to the support that is available.

### **Fixed odds betting terminals (FOBTs)**

With growing evidence of failure within the gambling industry to protect those who are at risk of or already experiencing problem gambling, now is the time for the Government to act to reduce the current maximum £100 stake for B2 gaming machines, and the prevalence of these machines on local high streets.

The maximum stake should be reduced to £2. This is because the current maximum stake of £100 is significantly out of line with the maximum amounts that can be staked on other types of gaming machines, and because there is credible evidence that these machines may be particularly addictive and therefore pose a greater risk to problem gamblers, as well as being linked to anti-social behaviour and crime in betting shops.

The gross gambling yield from FOBTs rose from £1.05 billion in April 2008 to £1.73 billion in March 2016; an increase of 65 per cent. At the same time, the gross gambling yield from over the counter betting fell from £1.66 billion to £1.41 billion, a 15 per cent fall. This means that gross gambling yield from B2 gaming machines now accounts for 55 per cent of the gross gambling yield in betting shops, up from 39 per cent in 2008.<sup>ii</sup> It is clear that allowing such high stakes does not sufficiently protect consumers.

Alongside evidence of B2 machines being particularly addictive, there are numerous reports of the machines being specifically associated with violence and aggression in shops. The LGA has also gathered anecdotal evidence of reports of betting shops being increasingly targeted for crime (listed below). We would urge Government to investigate these reports and access the relevant police data, as well as ensuring it engages with the police as part of this current consultation phase of the Triennial Review into gaming machine stakes and prizes.

#### **B2 gaming machines and criminal or violent activity**

- Newham Council report that for the period 2015-16 the number of police call outs linked to betting shops was equivalent to 1.2 incidents per day.
- North East Lincolnshire Council report the following police statistics on crime linked to betting shops for the period October 2015 to September 2016. There were a total of 33 reported crimes linked to betting shops in the area: burglaries & thefts = 16, criminal damage = 11, assaults = 4, other = 2.
- Hounslow Council are aware of 48 criminal damage incidents linked to B2 machines in betting shops in the borough between November 2015 and November 2016.
- Gravesham Council reported 17 calls to the police linked to five town centre betting shops over the last twelve months (as at December 2016).<sup>iii</sup>

### **The role of local authorities in regulating local gambling**

Local authorities have specific responsibilities set out in the Gambling Act 2005 in relation to the granting of licences for gambling premises. Licences are assumed to be granted unless doing so would impact to the detriment of the three licensing objectives:

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

Unlike the granting of alcohol licences, health bodies do not have the right to make representations on applications for gambling licences.

Some councils have carried out scrutiny reviews focussing on the planning and economic development aspects of casinos and betting shops in city centres and high streets. Council scrutiny can play an important role bringing together public agencies and betting companies to establish the extent to which these issues are problems in local areas.

Although the total number of betting shops in Great Britain has remained relatively stable over recent years, it is accepted that there has been a change in the location of betting shops. The combination of the removal of the demand test (which made it harder for betting shops to open near each other) and a growth in vacant high street premises linked to the recession has led to increasing 'clusters' of betting shops and a concentration of betting shops in certain, mainly urban areas. For example, Newham council saw a 29 per cent increase in betting shops between 2007 and 2013.<sup>iv</sup> In discussions between the betting shop industry and LGA in 2014, industry representatives acknowledged that bookmakers actively seek to cluster alongside other operators in order to compete with them.

Research published by the Responsible Gambling Trust in 2015 confirmed that 'areas close to betting shops tend towards higher levels of crime events, resident deprivation, unemployment'<sup>v</sup> The Gambling Act needs reforming so that councils have the power to refuse the opening of additional betting shops in areas where there are already a number of existing premises.

We would support the reintroduction of the demand test, or an equivalent cumulative impact test to enable councils to reject applications for new betting shops near existing clusters. This would mirror the approach in equivalent licensing legislation, such as the 2003 Licensing Act. Cumulative impact policies could be supported by the development of new research developed on behalf of Westminster and Manchester councils to identify areas vulnerable to gambling related harm. The Gambling Act should also have an objective to prevent public nuisance, in line with the Licensing Act 2003, given concerns about anti-social behaviour linked to betting shops.

## **LGA reports**

[LGA Budget Submission 2017](#)

[LGA Growing Places campaign and report 2017](#)

[LGA Submission to Triennial Review of Gaming Machine Stakes and Prizes](#)

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<sup>i</sup> Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines. John Storer, Max Abbott & Judith Stubbs. International Gambling Studies Volume 9, Issue 3, 2009 pages 225-244.

[www.tandfonline.com/doi/full/10.1080/14459790903257981#.UdwWeLFwYdU](http://www.tandfonline.com/doi/full/10.1080/14459790903257981#.UdwWeLFwYdU)

<sup>ii</sup> Gambling Commission statistics, November 2016

<sup>iii</sup> LGA Submission to review on Gaming Machines and Social Responsibility Measures

<https://www.local.gov.uk/sites/default/files/documents/LGA%20gambling%20review%20submission%20FINAL%20%28Dec%202016%29.pdf>

<sup>iv</sup> <https://www.newham.gov.uk/Documents/Campaigns/NewhamBettingShops.pdf>

<sup>v</sup> Responsible Gambling Trust press release <http://about.gambleaware.org/media/1095/0159-2015-02-20-with-header.pdf>