

GOSSCHALKS

BY EMAIL ONLY
LICENSING SECTION
BRADFORD COUNCIL

Please ask for: Richard Taylor
Direct Tel: 01482 590216
Email: rjt@gosschalks.co.uk
Our ref: RJT / M JM / 123267.00001
#GS4186119
Your ref:
Date: 04 November 2021

Dear Sirs,

Re: Gambling Act 2005 Policy Statement Consultation

We act for the Betting and Gaming Council (BGC) and are instructed to respond on behalf of the BGC to your consultation on the review of your Gambling Act 2005 Statement of Principles.

The Betting and Gaming Council

The Betting and Gaming Council (BGC) was created in 2019 as the new standards body for the UK's regulated betting and gaming industry. This includes betting shops, online betting and gaming businesses, bingo and casinos. Its mission is to champion industry standards in betting and gaming to ensure an enjoyable, fair and safe betting and gaming experience for all of its members' customers.

BGC members support 119,000 jobs and account for £4.5 billion to the Treasury annually in tax. Recent study also showed that BGC members contributed around £7.7 billion in gross value added to the UK economy in 2019.

The gambling industry is integral to the survival of sport. Betting companies spend over £40 million a year on the English Football League (EFL) and its clubs. Horse racing, an industry estimated to be worth £3.5 billion a year to the UK economy and which generates 85,000 jobs receives over £350 million per annum through the Horse Racing Industry Levy, media rights and sponsorship. Darts and Snooker receive in excess of £10 million per annum which represents 90 % of all sponsorship revenue.

The BGC has four principal objectives. These are to –

- **create a culture of safer gambling throughout the betting and gaming sector, with particular focus on young people and those who are vulnerable**
- **ensure future changes to the regulatory regime are considered, proportionate and balanced**

- **become respected as valuable, responsible and engaged members of the communities in which its members operate**
- **safeguard and empower the customer as the key to a thriving UK betting and gaming industry**

Before we comment on your draft policy document, it is important that the backdrop against which the comments are made is established.

Betting and Gaming in the UK

Betting and gaming is an incredibly important part of the UK leisure and hospitality industry, employing over 70,000 people, including 50,000 in betting, 13,000 in casinos and 10,000 people directly employed online. The betting and gaming industry contributes £8.7 billion Gross Value Added to the UK economy & contributes £3.2 billion to HM Treasury. In addition, casinos contribute over £120 million to the tourism economy each year.

Betting and gaming is widely enjoyed in the UK. Around 30 million people participate in some sort of gambling, whether that is on the National Lottery, placing a bet in betting shops, playing in casinos or at bingo. The overwhelming majority of these people do so safely without reporting any problems.

Any consideration of gambling licensing at the local level should also be considered within the wider context.

- the overall number of betting shops is in decline. The latest Gambling Commission industry statistics show that the number of betting offices (as of March 2020) was 7681. This is reducing every year and has fallen from a figure of 9137 in March 2014. Covid 19 had a devastating effect on the betting industry. The number of betting offices in June 2020 was down to 6461.
- planning law changes introduced in April 2015 have increased the ability of licensing authorities to review applications for new premises, as all new betting shops must now apply for planning permission.
- In April 2019 a maximum stake of £2 was applied to the operation of fixed odds betting terminals
- successive prevalence surveys and health surveys tells us that problem gambling rates in the UK are stable and possibly falling.

Problem Gambling

Problem gambling rates are static or possibly falling. The reported rate of 'problem gambling' (according to either the DSM-IV or the PGSI) was 0.8% of the adult population in 2015, in 2016 it was 0.7% and in 2018 it was 0.5% of the adult population.

This is termed statistically stable but is encouraging that we might finally be seeing a reduction in problem gambling due to the raft of measures that have been put in place recently both by the

industry, the Gambling Commission and the Government – from a ban on credit cards, restrictions to VIP accounts, new age and identity verification measures and voluntary restrictions on advertising. These rates have remained broadly the same since the introduction of the Gambling Act 2005.

Whilst one problem gambler is too many, both the Government and regulator both say there is no evidence that problem gambling has increased in recent years.

During the Covid-19 period of lockdown, both the Gambling Commission and Government have acknowledged that problem gambling levels have not increased.

In June 2020, the BGC's five largest members committed to increasing the amount they spend on research, education and treatment (RET) services from 0.1 per cent to 0.25 per cent of their annual revenue in 2020, 0.5 per cent in 2021, 0.75 per cent in 2022 and 1 per cent in 2023. The five operators confirmed they will provide £100 million to GambleAware charity to improve treatment services for problem gamblers.

Rates of 'problem gambling' in the UK are low by international standards – compared to France (1.3%), Germany (1.2%), Sweden (2.2%) and Italy (1.27%).

The BGC supported the creation of the new NHS gambling treatment clinics who have promised 22 clinics, 3 of which are open now. We are pleased that the NHS have committed to work to increase the number of clinics in the UK in addition to existing serviced delivered by Gordon Moody Association and GamCare's 120 treatment centres located throughout the UK.

The BGC welcomes the Gambling Commission's National Strategy was a way of accelerating progress on responsible gambling and tackling problem gambling. Our members are fully committed to meeting this challenge and are working tirelessly to deliver new responsible gambling initiatives including technology that tackles problem gambling and supporting a statutory levy and increased funding for problem gambling clinics.

Underage participating by those aged 11-16 in any gambling activity has declined from 22% to 11% over the past decade; here, 'gambling activity' mainly relates to personal betting (e.g. playing cards with friends) and legal play of lotteries (e.g. participating with consent of parents / guardians). BGC members have a zero tolerance to those under the age of 18 attempting to use their products.

Working in partnership with local authorities

The BGC is fully committed to ensuring constructive working relationships exist between betting operators and licensing authorities, and that where problems may arise that they can be dealt with in partnership. The exchange of clear information between councils and betting operators is a key part of this and the opportunity to respond to this consultation is welcomed.

Differentiation between Licensing Act 2003 and Gambling Act 2005 applications

When considering applications for premises licences, it is important that a clear distinction is made between the regimes, processes and procedures established by Gambling Act 2005 and its

regulations and those that are usually more familiar to licensing authorities – the regimes, processes and procedures relating to Licensing Act 2003.

Whilst Licensing Act 2003 applications require applicants to specify steps to be taken to promote the licensing objectives, those steps being then converted into premises licence conditions, there is no such requirement in Gambling Act 2005 applications where the LCCP provide a comprehensive package of conditions for all types of premises licence.

It should continue to be the case that additional conditions in Gambling Act 2005 premises licence applications are only imposed in exceptional circumstances where there are clear reasons for doing so. There are already mandatory and default conditions attached to any premises licence which will ensure operation that is consistent with the licensing objectives. In the vast majority of cases, these will not need to be supplemented by additional conditions.

The LCCP require that premises operate an age verification policy. The industry operates a policy called “Think 21”. This policy is successful in preventing under-age gambling. Independent test purchasing carried out by operators and submitted to the Gambling Commission, shows that ID challenge rates are consistently around 85%.

When reviewing draft statements of principles in the past, we have seen statements of principles requiring the operation of Challenge 25. Unless there is clear evidence of a need to deviate from the industry standard then conditions requiring an alternative age verification policy should not be imposed.

The BGC is concerned that the imposition of additional licensing conditions could become commonplace if there are no clear requirements in the revised licensing policy statement as to the need for evidence. If additional licence conditions are more commonly applied this would increase variation across licensing authorities and create uncertainty amongst operators as to licensing requirements, over complicating the licensing process both for operators and local authorities

Considerations specific to the Gambling Act 2005 statement of licensing principles for the Bradford District 2022 to 2025

On behalf of the BGC we welcome the positive approach to the licensing and regulation of gambling and the acknowledgement that well-regulated entertainment has an important role in promoting the vitality and viability of the area.

Paragraph 7.9 refers to rates of problem gambling tending to be less than 1%. Figures published by the Gambling Commission last week showed that the rate of problem gambling for the year to September 2021 was 0.3% (down from 0.6% the previous year) and also that the rate of those gamblers classed as being at ‘moderate risk’ of harm fell from 1.2 per cent to 0.7 per cent in the same time frame. It is important that the draft statement of principles uses the most up to date figures and this paragraph should be amended accordingly.

Paragraph 7.10 refers to research undertaken which is (presumably) included within the statement of principles for context. We accept that context is important but where figures are given or where statements are made, these must be correct, and the full background must be given.

This paragraph recognises that young people are less likely to gamble generally but those that do so are more likely to experience difficulties with their behaviour (Wardle 2015). As far as minority ethnic groups are concerned, paragraph 7.10 indicates simply that *“there is evidence that individuals from Asian or Black backgrounds are more vulnerable to gambling problems”*. Again, this is taken from the Wardell research in 2015. This statement needs to have the same context as that given for young people above. The research (Wardell 2015) states, *“where both adults and children of Asian backgrounds were far less likely to gambling than their white British counterparts yet those that did were more likely to experience problems.”*

This paragraph also refers to an academic report (Wardell 2015) which looked at the distribution of machines and licensed betting offices. The paragraph that refers to this should be removed from the draft statement of principles. This research was conducted when the maximum stake for fixed odds betting terminals was £100. This maximum stake was reduced to £2 in 2019 and by the time the statement of principles comes into force, it will be almost 3 years since that reduction in minimum stake. Accordingly, any research conducted more than 6 years ago is of questionable relevance as there have been significant changes since that research was undertaken.

Paragraph 9 explains the requirement for operators to undertake local risk assessments. Paragraph 9.5 contains a bullet point lists of factors that the Licensing Authority recommends be taken into account by operators when undertaking local risk assessments. These lists need to be re-drafted to remove any bullet points that refer to matters that cannot be relevant to any assessment of risk to the licensing objectives.

For example, the first list of bullet points (the local area) refers to *“known problems in the area such as problems arising from street drinkers, youths participating in antisocial behaviour, drug dealing activity etc.”* None of these issues are relevant to any assessment of whether gambling will be a source of or associated with crime and disorder and therefore this bullet point should be removed.

Similarly, in the final list of bullet points, there are references to *“areas that are prone to issues of youths participating in antisocial behaviour, including activities such as graffiti, tagging, underage drinking etc”* and *“gaming trends that may coincide with days for financial payments such as paydays or benefit payments.”* These two bullet points should be removed. The first bullet point refers to issues of low level anti-social behaviour and nuisance which have no bearing on any assessment of risk to the licensing objectives. The second bullet point can only be relevant if the Licensing Authority’s view is that any person in receipt of benefits or indeed paid employment is to be considered automatically vulnerable. This cannot be the case.

Paragraph 26 explains the Licensing Authority’s approach to the imposition of conditions on premises licences. We welcome the acknowledgement that the mandatory and default conditions are usually sufficient to ensure that premises are operated in accordance with the licensing objectives.

Paragraph 26.2, however, should be re-drafted, this indicates that *“the Licensing Authority will also expect the licence applicant to offer their own suggestions as to ways in which the licensing objectives can be met effectively.”* This should be redrafted to avoid any confusion with Licensing Act 2003. Within Licensing Act 2003, applicants are required to explain measures to be undertaken to promote the licensing objectives. These measures are contained within the operating schedule and are then converted into conditions. There is no similar requirement within Gambling Act 2005 applications. Licensees/applicants are not expected to “suggest” their own conditions. Instead, this is dealt with through the risk assessment which is a requirement of SR Code Provision 10. The code provision requires that licensees/applicants conduct a local area risk assessment and specify policies, procedures and mitigation measures to address identified risks. That risk assessment should be submitted alongside a premises licence application.

It is important that these policies, procedures and mitigation measures are dealt with via the risk assessment rather than by way of licence conditions as the risk assessment is a dynamic document and (in accordance with SR Code Provision 10.1.2) must be reviewed if there is a significant change in local circumstances. As risks change or new risks are identified, the policies, procedures, and mitigation measures to address those identified risks may be changed very quickly. However, if the mitigation measures are the subject of premises licence conditions, then an application for variation of the premises licence will be required to change these conditions. This could delay any change and would cause unnecessary expense and administration for both operators and Licensing Authority.

Conclusion

On behalf of the BGC, we thank you for the opportunity to comment on your draft statement of principles and hope that these comments above are useful. The BGC will work with you to ensure that its members’ operation of its premises will operate in accordance with the licensing objectives.

Yours faithfully,



GOSSCHALKS LLP