

**Appendix A: Consultation response received regarding the Gambling Statement of Principles**

Response Number	Comments received	Response
I	<p><b>Re: Gambling Act 2005 Policy Statement Consultation</b></p> <p>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.</p> <p><b><u>The Betting and Gaming Council</u></b></p> <p>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.</p> <p>The BGC has four principle objectives. These are to –</p> <ul style="list-style-type: none"> <li>• <b>create a culture of safer gambling throughout the betting and gaming sector, with particular focus on young people and those who are vulnerable</b></li> <li>• <b>ensure future changes to the regulatory regime are considered, proportionate and balanced</b></li> </ul>	Thank you for your response to the consultation.

- **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. These figures do not take into account the COVID 19 period which betting offices saw a further 374 betting offices close.

- 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

	<p>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.</p> <p>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.</p> <p>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.</p> <p>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%.</p> <p>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</p>	<p>The LCCP ordinary code does reference anyone 'under 21', however this does not preclude Plymouth City Council from having a policy which recommends a 'Challenge 25' policy and this has been in place since 2019. This is not imposing unnecessary burdens on the industry. There will be significant geographical variations which require local responses and the Betting and Gaming Council (BGC) members will not readily know of the local variations (although they should reflect this in their local risk assessments). 'Challenge 25' is not an additional condition, it is an expectation that operators will adopt this like the majority of other licensed trades.</p>
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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 draft Gambling Act 2005 statement of licensing policy**

We note that only minor changes are intended to the Statement of Licensing Policy. Some of the comments below, therefore, relate to paragraphs within the Statement of Licensing Policy that have been unchanged for the last three years.

Paragraph 13 of Part A starts with a paragraph which purports to give a definition of “harmful gambling”. It would assist if the Statement of Policy could be clear of the origins of this definition.

Similarly, paragraph 13.2 refers to “evidence” that certain groups are more vulnerable to problem gambling. Once again, the provenance for this statement should be made clear.

This definition was taken from page 4 of the [‘Tacking Gambling Related Harm: A Whole Council Approach’](#) and the document has been updated to include the source of this definition.

The source has also been referred to in this paragraph to make this clear.

	<p>Paragraph 14 (test purchasing) should simply be removed. This requires the results of any underage testing to be shared with licensing, trading standards or the Police. It is not clear with whom it is intended these results be shared with but in any event this paragraph should be deleted as the sharing of such information duplicates SR Code Provision 3.27 which requires operators to provide results of test purchasing to the Gambling Commission. The Gambling Commission is best placed to review any figures and determine the efficacy of policies and procedures operated or indeed the training of staff.</p>	<p>As with other parts of the policy, we cannot see the issue with repeating this responsibility in this paragraph to remind operators of their duties to share with Trading Standards Officers, Licensing Officers or Police Officers. These results should be available to view on the premises during inspections and the operators should be aware of the results and be able to demonstrate that the local area risk assessments have been reviewed as a result. Unfortunately, during inspections this has not shown to be the case and therefore it is important that we emphasise our expectations in our policy.</p> <p>The requirement to report Test Purchasing results to the Gambling Commission also only applies to larger operators. Given the number of independent arcades in Plymouth, this provision should remain in the policy.</p> <p>Inspections will be driven by emerging risk - one of these could of course be a Test Purchase failure identified between inspections.</p> <p>The outcome of the Gambling Review is also very likely to place more responsibility for regulating gambling in local premises with Licensing Authorities. The preface to the recently updated GLA clearly states that LAs will be expected to take the lead on local gambling regulation.</p> <p>Given that the Gambling Commission will be focusing on operators and issues of national significance (and principally on-line gambling), it is important that Local Authorities receive details of any Test Purchasing exercises carried out not least from a safeguarding and wider Public Health perspective.</p> <p>The Gambling Commission also expects that Local Authorities notify any emerging risks to them.</p>
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	<p>Paragraph 1.20 of Part B is headed “Location”. The second paragraph within this section should be deleted as this refers to the possibility of a policy relating to locations where gambling premises should not be located. The existence of any policy is likely to be unlawful, is certainly contrary to the “aim to permit” principal and the establishment of a rebuttable presumption of refusal has echos of Licensing Act 2003 cumulative impact policies.</p> <p>Thereafter, there is the suggestion that there are “sensitive” areas. This is highly subjective and ignores the fact that licensed betting offices, and indeed many other gambling premises have always been situated either in high street locations or in areas of dense population. Such premises</p>	<p>Paragraph 14 has been updated to state:</p> <p>(Page 13) 14.1 The results of any under-age testing that is carried out on the Gambling Premises should be shared with Licensing <b>Officers</b>, Trading Standards <b>Officers</b> or the Police, <b>during inspections/visits</b> and used to review the local area risk assessment <b>(as outlined in the Social Responsibility Code 3.27)</b>.</p> <p>The section you are referring to states ‘The Council will have regard to any further guidance as regards areas where gambling premises should not be located although the existence of any policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome’.</p> <p>The paragraph has been updated to:</p> <p>‘The Council will have regard to any further guidance as regards areas where gambling premises should not be located <b>and any objections received under the licensing objectives</b>. Although the existence of any policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome’</p>
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	<p>have, therefore, always been in areas of high population/footfall where there are children. Notwithstanding this, there is very little evidence to show that the proximity of licensed betting offices/gambling establishments poses any harm to school children or other young people passing by.</p> <p>The suggestion that the Licensing Authority could impose restrictions on advertising is already covered by SR and OC provisions contained within the LCCP and the Licensing Authority should not trespass into this area.</p> <p>Paragraph 1.25 deals with the Licensing Authority's approach to the imposition of gambling conditions. This section should be clear that the mandatory and default conditions that attach to all Gambling Act 2005 premises licences are designed to be and are usually sufficient to ensure operation that is reasonably consistent with the licensing objectives. The Statement of Policy should be clear that additional conditions will only be imposed where there is clear evidence of a need to supplement those mandatory and default conditions.</p> <p>The suggestion that an applicant should make his/her own suggestions with regard to additional conditions with reference to the model pool should be removed as there is no provision within the mechanics of a Gambling Act 2005 premises licence application to "offer" conditions, unlike with Licensing Act 2003 conditions.</p>	<p>There are a number of parts of the policy that refers to the guidance and this is not unusual and reinforces the message. These factors have been included in the local area profile so that they are not subjective, but factual information based on the most up to date data.</p> <p>The following has been added at the start of 1.25 :</p> <p>Under Section 153 of the Gambling Act 2005, the aim is to permit the use of premises for gambling. The 'aim to permit' framework provides wide scope for licensing authorities to impose conditions on a premises licence, reject, review or revoke premises licences where there is an inherent conflict with the relevant codes of practice, relevant guidance issued by the Commission, the licensing objectives or the licensing authorities own policy statement. Licence conditions are one method by which it is possible to mitigate risks associated with a particular premises (<u>Gambling Commission Guidance to Licensing Authorities 1.25 – 1.30</u>).</p> <p>Section 1.29 refers to open engagement – and states: 'However, licensing authorities may also wish to have proactive engagement with local operators to mitigate risks to the licensing objectives. Such engagement can facilitate an open and constructive partnership which, in turn, can improve compliance and reduce regulatory costs. Engagement with operators should be prompted by justifiable concerns or in pursuit of the principles set out under s.153'.</p>
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	<p>Paragraph 12 (local area gambling risk assessment) takes up five pages of the Statement of Policy. This is overly prescriptive and needs only to reflect the SR code provision that licensees must assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises and have policies, procedures and control measures to mitigate those risks.</p> <p>This section within the draft policy contains a number of references to matters that cannot be relevant to any assessment of risk to the licensing objectives posed by the provision of gambling facilities. These should be removed and the draft Statement of Policy will benefit from this simplification.</p> <p><b><u>Conclusion</u></b></p> <p>On behalf of the BGC, we thank you for the opportunity to comment on your draft statement of principles and hope that</p>	<p>Whilst there is no similar provision for operators to 'offer up conditions' as would be the case under the Licensing Act 2003, there may be cases where effective engagement with an operator results in them agreeing to additional conditions (for example additional door staff).</p> <p>The paragraph does not require amending and it indicates a willingness to positively engage in an effective working partnership which you have referred to within your response letter.</p> <p>The majority of this section was introduced in 2019. The reason for the detail provided in this section was due to the issues found during inspections and local area risk assessments were either not being completed or were generic and not locally focused. Since this has been made more prescriptive, improvements have been found during inspections. Therefore, this will remain in the policy to ensure the improved standard of the local risk assessments are maintained. It is vital that each Local Authority clearly sets out its expectations in respect of Local Risk Assessments in their policies and the LCCP (Social responsibility Code 10) requires that an operator takes into account their Local Authority Statement of Principles.</p>
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	<p>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.</p>	
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