



BY EMAIL ONLY
Licensing Section
Stevenage Borough Council

Please ask for: Richard Taylor
Direct Tel: 01482 590216
Email: rjt@gosschalks.co.uk
Our ref: RJT / MJM / 097505.00005
#GS2470900
Your ref:
Date: 14 March 2019

Dear Sir/Madam,

Re: Gambling Act 2005 Policy Statement Consultation

We act for the Association of British Bookmakers (ABB) and have received instructions to respond on behalf of our client to the current consultation on the Council's review of its gambling policy statement.

The Association of British Bookmakers (ABB) represents over 80% of the high street betting market. Its members include large national operators such as William Hill, GVC (Ladbrokes Coral), and Paddy Power Betfair, as well as almost 100 smaller independent bookmakers.

Please see below for the ABB's response to the Council's current consultation on the draft gambling policy statement.

This response starts by setting out the ABB's approach in areas relevant to the local authority's regulation of betting shop premises, and its commitment to working with local authorities in partnership. The response finishes by highlighting matters within the policy statement which the ABB feels may need to be addressed.

Betting shops have been part of the British high street for over 50 years and ensuring a dialogue with the communities they serve is vital. For the vast majority, betting is an enjoyable leisure activity which generates income, employment and tax revenue for the economy.

The ABB recognises the importance of the gambling policy statement in focusing on the local environment and welcomes the informed approach this will enable operators to take with regard to the requirements for local area risk assessments. It is important, however, that the gambling policy statement maintains the "aim to permit" structure and does not import additional requirements from other licensing regimes such as Licensing Act 2003 for example by requiring operators to suggest premises licence conditions or to impose requirements beyond those required by statute or the LCCP simply because it may be felt to be desirable or to address a perceived need.

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 September 2018) was 8406. This is reducing every year and has fallen from a figure of 9137 in March 2014. This decline is expected to continue. Ladbrokes Coral and William Hill have forecast significant shop closures in the months ahead following several smaller operators who have already closed shops or gone out of business entirely
- the overall number of betting office operators is similarly declining. In September 2018 there were 210 operators licensed for the activity of non-remote general betting. This constitutes a reduction of more than 10% since March 2017
- 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.
- A maximum stake of £2 is shortly to be 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 (0.6%) and possibly falling.

Working in partnership with local authorities

The ABB 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.

Primary Authority Partnerships in place between the ABB and local authorities

All major operators, and the ABB on behalf of independent members, have also established Primary Authority Partnerships with local authorities. These partnerships help provide a consistent approach to regulation by local authorities, within the areas covered by the partnership; such as age-verification or health and safety. We believe this level of consistency is beneficial both for local authorities and for operators.

Local area risk assessments

Since April 2016, when new LCCP provisions came into force, operators have been required to complete local area risk assessments identifying any risks posed to the licensing objectives and how these would be mitigated. Licensees must take into account relevant matters identified in the licensing authority's statement of licensing policy, and any local area profile, in their risk assessment. These must be reviewed where there are significant local changes or changes to the premises, or when applying for a variation to or for a new premises licence.

The ABB fully supports the implementation of risk assessments which will take into account risks presented in the local area, such as exposure to vulnerable groups and crime. The requirements build on measures the industry had already introduced through the ABB Responsible Gambling Code to better identify problem gamblers and to encourage all customers to gamble responsibly. This includes training for shop staff on how to intervene and direct problem gamblers to support services, as well as new rules on advertising including banning gaming machine advertising in shop windows, and the introduction of Player Awareness Systems which use technology to track account based gaming machine customers' player history data to allow earlier intervention with any customers whose data displays known 'markers of harm'.

Best practice

The ABB is committed to working pro-actively with local authorities to help drive the development of best practice with regard to local area risk assessments, both through responses to consultations such as this and directly with local authorities. Both the ABB and its members are open and willing to engage with any local authority with questions or concerns relating to the risk assessment process, and would encourage them to make contact.

The ABB would be concerned should any local authority seek to prescribe the form of an operator's risk assessment. This would not be in line with better regulation principles. Operators must remain free to shape their risk assessment in whichever way best meets their operational processes.

The ABB has also shared recommendations of best practice with its smaller independent members, who although they deal with fewer different local authorities, have less resource to devote to developing their approach to the new assessments. In this way we hope to encourage a consistent application of the new rules by operators which will benefit both them and local authorities.

Concerns around increases in the regulatory burden on operators

The ABB is concerned to ensure that any changes in the licensing regime at a local level are implemented in a proportionate manner. This would include if any local authority were to set out overly onerous requirements on operators to review their local risk assessments with unnecessary frequency, as this could be damaging. As set out in the LCCP a review should only be required in response to significant local or premises change. In the ABB's view this should be where evidence can be provided to demonstrate that the change could impact the premises' ability to operate consistently with the three licensing objectives.

Any increase in the regulatory burden would severely impact ABB members at a time when overall shop numbers are in decline, and operators are continuing to absorb the impacts of significant recent regulatory change. This includes the increase to 25% of Machine Games Duty, limits to stakes on gaming machines, and planning use class changes which require all new betting shops in England to apply for planning permission.

Employing additional licence conditions

It should continue to be the case that additional conditions 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 the ABB, and submitted to the Gambling Commission, shows that ID challenge rates are consistently around 85%. The ABB has 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 ABB 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 Principles 2019-2022

The heading to part B is “Promotion of the licensing objectives” and paragraph B1.2 beneath it indicates that “...the applicant will provide evidence to demonstrate that in operating the premises they will promote this licensing objective.” The references to promotion/promote the licensing objectives should be amended. Whilst it is a fundamental principle of Licensing Act 2003 applications that applicants promote the licensing objectives, the requirement under Gambling Act 2005 is that applications and the operation of licensed premises are “reasonably consistent” with the licensing objectives.

Paragraph B 3.6 refers to “sensitive areas where young/or vulnerable persons may be present”. It is accepted that these areas may be considered sensitive but from the perspective of betting offices, this potential sensitivity needs to be viewed in context. Betting Offices have, for the last 50 years, operated in densely populated areas and areas of high footfall. Consequently betting offices have always been situated in areas where children are present and for the purposes of paragraph B 3.6, there would need to be evidence of risk to the licensing objectives if the Licensing Authority was to consider imposing restrictions on advertising. This is of course already covered by the LCCP and it is therefore highly unlikely that any restrictions would need to be considered. In the circumstances paragraph B 3.6 should be re-drafted.

Paragraph C 1.3 refers to the mandatory and default conditions. This paragraph would be assisted by a reference to paragraph C 9.1 which makes it clear that the mandatory and default conditions are intended to be sufficient to ensure the good operation of premises and it is unlikely, therefore that additional conditions will need to be considered.

Paragraph C 5.10 contains a list of bullet points that the Licensing Authority recommend be considered by applicants when conducting a risk assessment. This list of bullet points needs to be re-drafted as it contains references to matters that have no relevance to any assessment of risk to the licensing objectives. For example, the proximity of other licensed premises, gambling outlets, banks, post offices, refreshment and entertainment type facilities has no bearing on any assessment of risk to the licensing objectives. Issues of known problems in the area, street drinking and antisocial behaviour are issues of nuisance and therefore cannot be considered and “gaming trends that reflect benefit payments” cannot be relevant unless the Licensing Authority has pre-determined that those in receipt of benefits are automatically vulnerable or likely to commit crime as a result of gambling. We are certain that this pre-determination has not taken place and accordingly, this list of bullet points should be re-drafted.

We welcome the repeated statements that additional premises licence conditions will be considered only where there is clear evidence of a risk to the licensing objectives in the circumstances of a particular case.

Conclusion

The ABB and its members are committed to working closely with both the Gambling Commission and local authorities to continually drive up standards in regulatory compliance in support of the three licensing objectives: to keep crime out of gambling, ensure that gambling is conducted in a fair and open way, and to protect the vulnerable. Indeed, the ABB and its members already do this successfully in partnership with

local authorities through the adoption of the ABB Responsible Gambling Code, which is mandatory for all members, and the Safe Bet Alliance (SBA), which sets voluntary standards across the industry to make shops safer for customers and staff. We would encourage local authorities to engage with us as we continue to develop both these codes of practice, which are in direct support of the licensing objectives, as well as our processes around local area risk assessments.

Yours faithfully,

GOSSCHALKS