

# GOSSCHALKS

BY EMAIL ONLY  
LICENSING DEPARTMENT  
STEVENAGE BOROUGH COUNCIL

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**Our ref:** RJT / MJM / 123267.00001  
#GS4240528  
**Your ref:**  
**Date:** 08 December 2021

Dear Sirs,

## **Re: Gambling Act 2005 Statement of Licensing Principles**

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. London's casinos alone contribute over £120 million to the tourism economy each year.

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 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

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- 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 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.

This consultation comes at a time when many BGC members with land-based premises are recovering from the devastating impact of the pandemic. Premises were closed for much of 2020 and throughout much of 2021. The casino sector, for example, was closed for over half of 2020 and for over half of 2021 (to date). The pandemic has put an enormous strain on the company balance sheets of casino operators.

### **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.

Figures published by the Gambling Commission in October 2021 show that the rate of problem gambling in the year to September 2021 was 0.3%, having fallen from 0.6% the previous year. The moderate risk rate has also decreased significantly to 0.7% in the year to September 2021 compared to 1.2% in the year to September 2020.

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 raft of measures that have been put in place recently both by the industry (in terms of protecting players from gambling-related harm), the Gambling Commission and the Government (a ban on credit cards, restrictions to VIP accounts, new age and identity verification measures and voluntary restrictions on advertising) have contributed to problem gambling rates now being lower than they were at the passage of the 2005 Gambling Act.

Both the Gambling Commission and Government have acknowledged that problem gambling levels have not increased. It has reduced.

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.

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 services delivered by Gordon Moody Association and GamCare’s 120 treatment centres located throughout the UK.

The BGC also recognises the Gambling Commission’s National Strategy as a way of accelerating progress on responsible gambling and tackling problem gambling. Our members are fully committed to meeting this challenge and are working to deliver new responsible gambling initiatives including technology that tackles problem gambling and increased funding for problem gambling clinics.

### **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.

### **Working in partnership with local authorities**

The BGC is fully committed to ensuring constructive working relationships exist between betting and gaming 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 and operators is a key part of this and the opportunity to respond to this consultation is welcomed.

### **Considerations specific to the draft Statement of Principles 2022 to 2025**

Part B is headed “Promotion of the Licensing Objectives” and paragraph B 1.2 refers to the requirement that an applicant would need to demonstrate that the first licensing objective would be promoted. Any reference to “promotion” or “promote” when used in the context of an applicant’s duty should be removed. The requirement under Gambling Act 2005 is that applications are reasonably consistent with the licensing objectives. There is no duty to promote the licensing objectives on any body save for the Gambling Commission. Accordingly, these references should be amended.

Paragraph B3.9 suggests that the applicant is to propose conditions. This reference is to be amended as under Gambling Act 2005 there is no requirement (or ability within the prescribed application forms) for an applicant to suggest/propose conditions. This is fundamentally different to Licensing Act 2003 and it is important that this paragraph is re-drafted to make that clear.

All Gambling Act 2005 premises licences are subject to mandatory and default conditions which are designed to be, and usually are, sufficient to ensure operation that is reasonably consistent with the licensing objectives. This section should also be clear that additional conditions will only be imposed where there is clear evidence of a risk to the licensing objectives which is not already adequately addressed by the policies, procedures and mitigation measures described in an applicant’s risk assessment.

It is important that the measures suggested within paragraph 3.9 (policies, procedures and mitigation measures to address risks identified by the risk assessment) are dealt with via the risk assessment rather than by way of licence conditions as the risk assessment is a dynamic document which (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 those conditions. This could delay any change and would cause unnecessary expense and administration for both operators and the licensing authority.

Paragraphs B3.12 to B3.20 are new paragraphs and detail the licensing authority's expectations and requirements with regard to safeguarding. These paragraphs should be redrafted to ensure that these expectations are proportionate and relevant to what is proposed by an applicant.

Safeguarding and the protection of children and the vulnerable from harm are the responsibility of everyone in society. Applicants for licences and those operating licensed premises will have policies, procedures and mitigation measures to address any identified risk posed by the provision of gambling facilities. It cannot, however, be proportionate or effectively a condition of the grant of a licence that applicants/operators regularly patrol external areas to identify vulnerable persons, monitor persons as they leave or train all staff in any adult only premises in CSE indicators.

Paragraph C 7.10 contains a list of bullet points that the authority recommends be considered by operators when making their risk assessment. This list needs to be re-drafted as it contains matters that are not relevant to any consideration of whether an application poses a risk to the licensing objectives. For example, the final bullet point reads "*known problems in the area, street drinkers, youths participating in antisocial behaviour, drug dealing activities etc*". These are largely issues of nuisance which are not relevant to any issues of risks to the licensing objective. Furthermore, the bullet point that reads, "*gaming trends that may reflect benefit payments*" appears to assume that those in receipt of benefit are automatically vulnerable or more likely to commit crime as a result of gambling. There is no evidence to support this, and we are certain that the Licensing Authority has not made this pre-determination. Accordingly, these bullet points should be removed.

## **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**

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