

TONBRIDGE & MALLING BOROUGH COUNCIL

LICENSING & APPEALS COMMITTEE

28 November 2017

Report of the Director of Central Services and Monitoring Officer

Part 1- Public

Matters for Information

1 CONSULTATION ON FIXED BETTING TERMINALS (FOBT'S)

1.1 Executive Overview

1.1.1 In 2016 the Government launched a review of gaming machines and social responsibility measures which began with a call for evidence.

1.1.2 The Government's objective in initiating this review was to ensure we have the right balance between a sector that can grow and contribute to the economy, while also ensuring it is socially responsible and doing all it should to protect consumers and communities, including those who are just about managing.

1.1.3 On 31 October, the Government published a consultation that covers proposals relating to:

- Maximum stakes and prizes for all categories of gaming machines permitted under the Gambling Act 2005;
- Allocations of gaming machines permitted in all licensed premises under the Gambling Act 2005;
- Social responsibility measures for the industry as a whole to minimise the risk of gambling-related harm, including on gambling advertising, online gambling, gaming machines and research, education and treatment (RET).

1.1.4 This consultation seeks views on the Government's proposals related to gaming machines and social responsibility measures.

1.2 Background

1.2.1 Tonbridge & Malling Borough Council (TMBC) has issued ten licences for Betting Shops to the following premises:

Trading name	Address
Betfred	1A High Street, Tonbridge
Betfred	20/22 Holborough Road, Snodland
Coral	28 High Street, Snodland
Coral	Unit 2/3 Adjacent Henry Simmonds Public House, Wrotham Road, Borough Green
Betfred	9 And 13 Martin Square, Larkfield
Metrobet	15 York Parade, Shipbourne Road, Tonbridge
Coral	First Floor, 79 High Street, West Malling
Betfred	85/87 High Street, Tonbridge
Ladbrokes	2/3 Quarry Hill Road, Tonbridge
William Hill	92A High Street, Tonbridge

1.2.2 The number of Betting Shops within TMBC has been stable at 10 for many years.

1.2.3 Tonbridge & Malling Borough Council Licensing Team have not received any complaints about any of the Betting Shops.

1.2.4 TMBC has one Adult Gaming Centre

Trading name	Address
Mr P's Classic Amusements Limited	Unit 1, 75 High Street, Tonbridge

1.2.5 The Economic Regeneration Officer has kindly undertaken some research as follows:

- In 2016, the gambling industry as a whole contributed around £3.2bn to UK GDP, directly employed around 55,000 in betting shops and supported around 100,000 jobs in the wider economy. It also contributed £1bn in paid taxes.
- According to the Campaign for Fairer Gambling, the economic benefits (in terms of jobs) of FOBTs are pretty low – 4,500 jobs for every £1bn of FOBT spending, in comparison to £1bn of general consumer spending, which supports around 21,000 jobs. In addition, there are the economic impacts on those that use FOBTs – around 3-4% of adults in the UK use FOBT but they account for 66% of all gambling losses.

- Although the number of betting shops has not increased in recent years and the number per 1,000 population is much less than many other parts of Kent – on a quick scan, there are 8 betting shops that are located in Tonbridge & Malling (4 in Tonbridge Town Centre, 1 in each of Snodland, Martin Square, Borough Green and West Malling) - they are generally located in areas which are accessible to less affluent parts of the borough, even if they are not directly located within these areas (indeed, nationally, the growth in betting shops has been felt most acutely in poorer areas).
- As such, a limitation on FOBT spend would have a positive impact on our most vulnerable residents, without having a noticeable impact on jobs in the local economy.
- However, according to the Gambling Commission, around 32% of the market share is now in the remote sector (online) and this is a cause for concern - in a very minor sense, in terms of local jobs, but more so in terms of transferring the problem elsewhere and making it more hidden.

1.3 Consultation

- 1.3.1 The consultation can be found at the following web site link which is 62 pages in length: <https://www.gov.uk/government/consultations/consultation-on-proposals-for-changes-to-gaming-machines-and-social-responsibility-measures>

A copy of the current summary of gaming machine categories and entitlements are shown at **Annex 1**

A copy of the current summary of machine provisions by premises is shown at **Annex 2**

Consultation - Summary of Questions

Question	Notes	Response
<p>Q1. Do you agree that the maximum stake of £100 on B2 machines (FOBTs) should be reduced?</p> <p>If yes, what alternative maximum stake for B2 machines (FOBTs) do you support?</p>	<p>Allowed premises for B2 are Betting premises and tracks occupied by pool betting and Casinos</p> <p>Current Maximum stake - £100 Current Maximum prize - £500</p>	
<p>Q2. Do you agree with the government's proposals to maintain the status quo on category B1?</p>	<p>Allowed premises for B1 are Casinos</p> <p>Current Maximum stake - £5 Current Maximum prize - £10,000 (£20,000 linked progressive jackpot on a premises basis)</p>	
<p>Q3. Do you agree with the government's proposals to maintain the status quo on category B3?</p>	<p>Allowed premises for B3 are Bingo premises, Adult Gaming Centre and all of the above (Q1 and Q2)</p> <p>Current Maximum stake - £2 Current Maximum prize - £500</p>	
<p>Q4. Do you agree with the government's proposals to maintain the status quo on category B3A?</p>	<p>Allowed premises for B3A are Members' club, commercial club or Miners' welfare institute only</p> <p>Current Maximum stake - £2 Current Maximum prize - £500</p>	
<p>Q5. Do you agree with the government's proposals to maintain the status quo on category B4?</p>	<p>Allowed premises for B4 are Members' club or Miners' welfare club, commercial club and all of the above (Q1 – Q4)</p>	

Question	Notes	Response
	<p>Current Maximum stake - £2 Current Maximum prize - £400</p>	
<p>Q6.Do you agree with the government's proposals to maintain the status quo on category C?</p>	<p>Allowed premises for C Family Entertainment Centre, Qualifying alcohol licensed premises and all of the above (Q1 – Q5).</p> <p>Current Maximum stake - £1 Current Maximum prize - £100</p>	
<p>Q7.Do you agree with the government's proposals to maintain the status quo on category D?</p>	<p>Allowed premises for D all of the above (Q1 – Q6). See Annex 1 for type of Cat D machine</p>	
<p>Q8. Do you agree with the government's proposals to increase the stake and prize for prize gaming, in line with industry proposals?</p>	<p>Note 3.24 from consultation We are content that industry proposals to increase stake from £1 to £2 and prizes from £70 to £100 (£1,000 aggregate) on prize gaming are in keeping with the objective of this review and that these activities are low risk. We therefore propose to take these changes forward.</p>	

Question	Notes	Response
	<p>However, while the current use of prize gaming does not pose significant risks, we will ask the Gambling Commission to alert us to any developments which would change this assessment.</p>	
<p>Q9. Do you agree with the government's proposals to maintain the status quo on allocations for casinos, arcades and pubs?</p>	<p>Note 4.18 from consultation The Government notes that this proposal was only submitted by one pub chain and was not supported by the trade body representing the pub industry. It also notes that the Gambling Act 2005 allows pubs two category C or D gaming machines as of right and that Local Authorities (LAs) can permit an increase in this number if it deems appropriate. In addition, the Government notes that pubs are ambient gambling establishments and therefore lack both dedicated staff for the gambling function and more thorough social responsibility codes as there are with premises that are permitted more gaming machines. The Government is therefore minded to retain the status quo with local authorities determining the appropriate number of machines in pubs beyond two.</p> <p>Note 4.20 from consultation While government recognises the case for innovation in the sector, there are concerns around the introduction of a new category of machine on the high street in light of potential changes to B2 machines. We would want to evaluate the impact of other changes outlined in this document before considering further changes to gaming machine regulation. We would also seek to explore in more detail how this machine would function and any corresponding player</p>	

Question	Notes	Response
	protection measures. We are therefore not minded to agree to this request for a new category of higher stakes machine at this time.	
<p>Q10. Do you agree with the government's proposals to bar contactless payments as a direct form of payment to gaming machines?</p>	<p>Note 4.22 from consultation Current legislation prevents the use of credit or debit cards as a means of direct payment for gaming machines and so the introduction of contactless payments would be a significant shift from the current regulatory framework. The rationale for not allowing the use of credit and debit cards as a means of direct payment to gaming machines is to give players more control over their play which may result from uninterrupted play generated by the use of cards as opposed to cash.³⁹ It remains the Government's view that the use of credit or debit cards as a direct form of payment to gaming machines would be a backward step in the protection of vulnerable players and it does not intend to progress this proposal.</p>	
<p>Q.11 Do you support this package of measures to improve player protection measures on gaming machines?</p>	<p>Notes from consultation</p> <p>5.7 - As part of the work that industry is taking forward under the objectives of the National Responsible Gambling strategy, we would therefore like to see industry trial and evaluate additional measures on B1, B2 and B3 gaming machines to improve player protections and to create parity across category B gaming machines, the majority of which are in highly accessible locations.</p> <p>5.8 - As previously referenced, we think there is particular merit in the introduction of the following measures across B1, B2</p>	

Question	Notes	Response
	<p>and B3 gaming machines based on stake and prize levels available and what we know about the way in which these machines are played, and would like to see industry work with the Gambling Commission on these issues. If there is insufficient progress in this space, we and the Gambling Commission will consider whether additional requirements need to be placed on affected licence holders:</p> <p>5.8.1. Evidence suggests that voluntary time and spend limit setting is more effective than compulsory limits in terms of players keeping to the limits that they set, but that take up has been negligible in regards to existing measures on B2s. We would like to see further work done to encourage take up on existing measures (on B2 gaming machines) and work done on the introduction of these measures on B1 and B3 gaming machines. ‘Hard stops’ when limits are met, i.e. the ending of sessions, should also be considered as an accompanying measure;</p> <p>5.8.2. Mandatory alerts when certain time and spend benchmarks are reached. Evidence suggests that these can be effective at improving player control but must be trialled and evaluated routinely to ensure effectiveness with players;</p> <p>5.8.3. Prohibiting mixed play between B2 and B3 (only applies in practice to gaming machines in betting shops). Industry data obtained by the Gambling Commission as part 44 of the call for evidence highlighted that session losses were high on sessions that contained mixed play. We think this measure will improve player control by making it more apparent to players when they are transitioning between different</p>	

Question	Notes	Response
	<p>content on a single terminal; and</p> <p>5.8.4. The utilisation of algorithms to identify problematic play on gaming machines. Although there is a long way to go to utilise the wealth of data available on gaming machines, we believe that this measure has the potential to be an effective intervention tool for those most at risk.</p> <p>5.9. In addition, we have asked the Gambling Commission to advise us on the costs and benefits of introducing a form of tracked play on B1, B2 and B3 gaming machines. By tracked play, we do not necessarily mean that players would be required to provide verified personal information about themselves to their gambling operators. It could be a process by which players would register and be given some way of tracking their play (e.g. a number, a QR code) without providing this information. An approach like this would address player concerns about sharing personal data with gambling operators, but still provide data to better understand harm and the effectiveness of interventions.</p> <p>We note that there are significant potential benefits to this measure, including improved data about gaming machine play and therefore enhanced ability to target interventions, prevent underage and self-excluded players from gambling, and to evaluate the impact of interventions. We would also welcome views from industry and others about this measure, including potential costings and process and timing of implementation. Finally, we would like to see industry establish a process with the RGSB, GambleAware</p>	

Question	Notes	Response
	and the Gambling Commission in which data on how gaming machines are played is routinely shared, for the purposes of monitoring, evaluation and research.	
<p>Q.12 Do you support this package of measures to improve player protection measures for the online sector?</p>	<p>Government position for consultation</p> <p>5.32. While we welcome the positive industry led initiatives outlined above, we also note concerns expressed by the Gambling Commission that the pace of change by the industry to enhance the measures currently in place to protect consumers and promote responsible gambling has not been fast enough.</p> <p>5.33. We expect the industry to accelerate its work wherever possible. In particular, we expect industry to:</p> <ul style="list-style-type: none"> ● Ensure that implementation of the new multi-operator online self-exclusion scheme is completed at the earliest opportunity. Industry must promote awareness of the scheme, and other responsible gambling tools that are available, so that more customers who would benefit from them use them. And there should be an evaluation of this scheme (GAMSTOP) to ensure it is delivering the benefits we want to see for those who want to self-exclude; ● Act on the findings of GambleAware’s existing research into harm minimisation in the online sector and trial a range of harm minimisation measures to strengthen their responsible gambling policies and processes; ● Evaluate the action they take and share outcomes among industry, to raise standards across the sector; ● Respond constructively to the interim findings from the next phase of GambleAware’s research into harm minimisation in the online sector, expected later this year, and adopt any findings which could strengthen 	

Question	Notes	Response
	<p>existing responsible gambling policies;</p> <ul style="list-style-type: none"> • Commit to adopt in full the final findings of the next phase of GambleAware’s research, expected to be completed in 2019. <p>5.34. We want to see a robust and consistent approach to harm minimisation and the prevention of gambling-related harm across the industry. We do not believe it is acceptable for operators to wait for the final outcome of the research to improve their processes when significant findings have already been published by GambleAware. While evidence of the most effective methods of identifying gambling-related harm and providing effective interventions continues to build, we consider that operators should look to adopt a more risk-based approach to their responsible gambling policies. The Government, and the Gambling Commission, will be paying close attention to industry progress in this area and will act accordingly.</p> <p>5.35. The Government welcomes and supports the Gambling Commission’s work on driving up standards across the online industry to address the risk of harm. It is essential that the regulatory action taken by the Commission results in better approaches to harm minimisation.</p> <p>5.36. The Gambling Commission has made clear it will consider restricting the use of bonus and promotional offers if operators cannot appropriately manage the risks presented by such offers. The Government is also concerned about the prevalence of free bet offers and fully supports the Commission’s stance in this area. We will continue to monitor closely</p>	

Question	Notes	Response
	<p>developments in this area and keep the need for further intervention under review.</p> <p>5.37. While gambling on virtual games on gaming machines is subject to stakes and prize limits, there are currently no limits placed on virtual games offered by online operators. The Responsible Gambling Strategy Board (RGSB) provided advice to the Gambling Commission in relation to the Government's call for evidence and commented that the justification for this could only be that, when compared to operators of gambling premises based in Great Britain, online operators have better (account based) data to monitor play and intervene where harm is identified. We agree with the RGSB that it is vital that the online sector capitalises on the data it holds and demonstrates it is actively supporting its customers and helping to manage the risk of harm from gambling. We are clear that the risk of harm should not be affected by whether individuals are gambling online or in land-based venues.</p> <p>5.38. As such, the Government acknowledges that the Commission has a broad range of powers to regulate and respond to changes in this sector. We want to see the Commission exercise the full breadth of the powers available to it to manage the risks arising from the rapid growth of the online sector. Wherever Gambling Commission identifies specific risks to the licensing objectives we expect it to take prompt action to ensure that young and vulnerable people are protected from gambling-related harm. If the Commission's powers prove insufficient to manage any new or emerging issue or risks, then the</p>	

Question	Notes	Response
	<p>Government will consider putting in place additional legislative controls.</p> <p>5.39. As part of the Gambling Commission's commitment to raise standards across all gambling sectors it is currently undertaking a wide-ranging review of the online sector. The Commission is examining data, market trends, consumer participation and action by online operators on social responsibility and crime. This will build the evidence base over the next year and inform any future action in relation to online gambling.</p>	
<p>Q.13 Do you support this package of measures to address concerns about gambling advertising?</p>	<p>Governments position starts at page 45 to 50</p>	
<p>Q.14 Do you agree the Government should consider alternative options including a mandatory levy if industry does not provide adequate funding for RET?</p>	<p>Government position for consultation</p> <p>5.105. Going forward, we support GambleAware's ambition to open more clinics regionally, and to connect them to the existing GambleAware-funded network of treatment services; in particular, the initiative currently under development with Leeds City Council to establish a Northern NHS Gambling Clinic that would provide treatment to cities across the region. We encourage further engagement with relevant authorities in England, Scotland and Wales that have an interest in investing in the sort of initiative being developed in Leeds.</p> <p>5.106. We also welcome the progress that has been made to bolster the current voluntary arrangements, including the work that has been done to cost the short term work of delivering the RGSB's National Responsible Gambling Strategy, providing</p>	

Question	Notes	Response
	<p>GambleAware with targets for 2017/18 and 2018/19. 5.107. The industry must step up and fulfil their duties under these new targets. We would also like to see more work done to understand the longer term funding requirements for RET, particularly around treatment. For example, if treatment were to reach a materially greater proportion of problem gamblers, and if prevention efforts were increased to pre-empt gambling-related harm more generally, then the funding requirement could be much greater. The voluntary arrangements must be ready to scale up as and when required.</p> <p>5.108. We will continue to work closely with the Gambling Commission, RGSB and GambleAware to monitor the progress made against objectives set out in both the RGSB's and GambleAware's strategies and on the issues set out above. We want to see all gambling operators engaging fully with the objectives set out in these strategies as well as the published funding targets. If there is insufficient support for the fundraising targets set by the RGSB, or related concerns about the ability of the current system to deliver the RGSB's strategy, the Government will consider alternative options, including the introduction of a mandatory levy.</p>	
<p>Q.15 Do you agree with our assessment of the current powers available to local authorities?</p>	<p>Government position for consultation</p> <p>6.4. The LGA, alongside a number of LAs, suggested that the introduction of local CIAs for gambling premises may be an effective tool in preventing further clustering, specifically of betting shops. We are keen to support LAs (in England and Wales) and Licensing Boards (in</p>	

Question	Notes	Response
	<p>Scotland) in their management of gambling at a local level, but we believe that their objectives can be achieved using existing powers. Specifically, LAs can already set out the same assessment of the risk in a given location under their licensing statement of policy. The Gambling Commission advise that the implementation of this tool varies from one LA to another, but where it is used effectively and updated regularly, for example in Westminster Council, it can be an effective tool at rejecting licence applications or imposing conditions on new licences, as would be the case with the introduction of CIAs. We encourage LAs to continue to work closely with the Gambling Commission to ensure the effective deployment of the existing tools at their disposal.</p> <p>6.5. In addition, where an increase in the number of betting shops is considered to be a local issue, having an up-to-date, relevant local plan policy in place will support the local planning authority in the determination of any applications for planning permission. The National Planning Policy Framework provides the framework within which local planning authorities and their communities can produce their own distinctive local plan which reflects the specific needs and priorities of their area.</p>	
<p>Q16. Are there any other relevant issues, supported by evidence, that you would like to raise as part of this consultation but that has not been covered by questions 1-15?</p>		

1.4 Legal Implications

- 1.4.1 This is an opportunity for TMBC to submit their views for consideration in determining future legislation.

1.5 Financial and Value for Money Considerations

- 1.5.1 None identified

1.6 Risk Assessment

- 1.6.1 None identified

Background :

Consultation paper on Gaming Machines and Social Responsibility Measures.
Gambling Act 2005 – TMBC Policy

contact: Anthony Garnett
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Adrian Stanfield
Director of Central Services and Monitoring Officer

Annex 1

Summary of gaming machine categories and entitlements

Category of machine	Maximum stake	Maximum prize
A	Unlimited – No category A gaming machines are currently permitted	
B1	£5	£10,000*
B2	£100	£500
B3A	£2	£500
B3	£2	£500
B4	£2	£400
C	£1	£100
D - non-money prize	30p	£8
D – non-money prize (crane grab machine only)	£1	£50
D (money prize)	10p	£5
D - combined money and non-money prize	10p	£8 (of which no more than £5 may be a money prize)
D - combined money and non-money prize (coin pusher or penny falls machines only)	20p	£20 (of which no more than £10 may be a money prize)

Annex 2

Summary of machine provisions by premises

Premises type	Machine category							
	A	B1	B2	B3	B4	C	D	
Large casino (machine/table ratio of 5-1 up to maximum)		Maximum of 150 machines Any combination of machines in categories B to D (except B3A machines), within the total limit of 150 (subject to machine/table ratio)						
Small casino (machine/table ratio of 2-1 up to maximum)		Maximum of 80 machines Any combination of machines in categories B to D (except B3A machines), within the total limit of 80 (subject to machine/table ratio)						
Pre-2005 Act casino (no machine/table ratio)		Maximum of 20 machines categories B to D (except B3A machines), or any number of C or D machines instead						
Betting premises and tracks occupied by pool betting		Maximum of 4 machines categories B2 to D (except B3A machines)						
Bingo premises ¹					Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4	No limit on category C or D machines		
Adult gaming centre ²					Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4	No limit on category C or D machines		
Licensed Family entertainment centre)							No limit on category C or D machines	
Family entertainment centre (with permit) ³						No limit on category D machines		
Clubs or miners' welfare institute (with permits) ⁴				Maximum of 3 machines in categories B3A or B4 to D*				

Premises type	Machine category						
	A	B1	B2	B3	B4	C	D
Qualifying alcohol-licensed premises						1 or 2 machines of category C or D automatic upon notification	
Qualifying alcohol-licensed premises (with licensed premises gaming machine permit)						Number of category C-D machines as specified on permit	
Travelling fair							No limit on category D machines
	A	B1	B2	B3	B4	C	D
<p>1- Bingo premises licence are entitled to make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines on the premises. Where a premises licence was granted before 13 July 2011, they are entitled to make available eight¹⁰⁷ category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. Category B machines at bingo premises are restricted to sub-category B3 and B4 machines, but not B3A machines.</p> <p>2 Adult gaming centres are entitled to make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises and any number of category C or D machines. Where a premises licence was granted before 13 July 2011, they are entitled to make available four category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. Category B machines at adult gaming centres are restricted to sub-category B3 and B4 machines, but not B3A machines.</p> <p>3. Only premises that are wholly or mainly used for making gaming machines available may hold an unlicensed FEC gaming machine permit or an FEC premises licence. Category C machines may only be sited within licensed FEC's and where an FEC permit is in force. They must be in a separate area to ensure the segregation and supervision of machines that may only be played by adults. There is no power for the licensing authority to set a limit on the number of machines under the FEC permit.</p> <p>4. Members' clubs and miners' welfare institutes with a club gaming permit or with a club machine permit, are entitled to site a total of three machines in categories B3A to D but only one B3A machine can be sited as part of this entitlement.</p> <p>5 Commercial clubs with club machine or gaming permits are entitled to a total of three machines in categories B4 to D.</p>							