

The Consultation on proposals for changes to gaming machines and social responsibility measures.

I want to have my say on gambling. What do I do?

This government consultation was launched, with a lot of publicity, on 31st October 2017.

All responses must be in by midday on 23rd January 2018.

There are two ways you can respond.

One is to complete the government's online survey, which is a simple SurveyMonkey tool allowing only yes/no answers to the 15 questions (there is no opportunity to add extra points, as in Q 16 in the full document).

The online survey is at <https://surveymonkey.co.uk/r/3XGGFP7>

As many people as possible are encouraged to fill in this straightforward questionnaire. The notes in this document may help you in this.

Evidence can also be submitted by email to gamblingreviewconsultation2017@culture.gov.uk . The DCMS says 'By evidence, we are not seeking opinions, but published research, data or supporting analysis'.

Note that information about your local situation, or any other information you have, including case studies, is definitely 'data'. Do not be discouraged from sending in relevant material, including clearly reasoned views.

Copies of all responses will be published after the closing date on www.gov.uk/culture .

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Fixed-Odds Betting Terminals (also called B2 machines) - maximum stake.

This is the big-ticket item in the Consultation. If you answer no other Question in the survey, please answer this one.

In February 2017, the General Synod of the Church of England gave unanimous support to reducing the maximum stake for B2 machines from £100 to £2. The debate can be found at <https://www.churchofengland.org/media/3956294/general-synod-february-2017-w-index.pdf> - on p.232.¹

Would £2 hit jobs and the economy?

- Much of the objection to a £2 limit, including the response from the Association of British Bookmakers, has focussed on the survival of betting shops – 3000 closures have been predicted. There has been a big increase in the number of B2 machines since the 2005 Gambling Act², and these have probably propped up many shops. Having a maximum of 4 FOBTs per shop has certainly contributed to keeping up the number of shops; about half the profits of betting shops come from FOBTs.
- Has this been a healthy consolidation of businesses enriching the quality and diversity of the high street economy? The Treasury is said to worry about the loss of tax take from FOBTs. That was once argued about tobacco. What does the Treasury fear? That those now staking up to £100 at a time will not spend that on anything else? That the worrying levels of personal debt might decrease?
- As the government says, ‘there are still large numbers of higher-staking machines in accessible locations, often in more deprived areas, where it is possible to lose a large amount of money very quickly’³.
- Local Authorities are very keen on jobs and footfall in their high streets. The Local Government Association, and 93 local authorities individually, have called for a £2 maximum.

Will a £2 maximum stake on FOBTs make everything OK?

- No one claims it will. But it will reduce harm hugely.
- The industry, and some bodies funded by the industry, will say that it’s all very complex, and other factors like spin speed, return to player ratio and player protection measures have to be weighed alongside stake size.

None of that alters the fact - high stakes on high streets are just dangerous. If B2 stakes are brought down to a level with other machines, then we can all get on with finding ways to reduce risk across the whole range of machines

¹ Papers for the debate are at <https://www.churchofengland.org/media/3863446/gs-2054a-fixed-odds-betting-terminals.pdf> and <https://www.churchofengland.org/media/3863459/gs-2054b-fixed-odds-betting-terminals-a-note-from-the-secretary-general.pdf>

² 24,500 in 2006/7, 34,484 in 2016. The Gross Gambling Yield from FOBTs rose from £1.05 billion in 2008/9 to over £1.8 billion in 2015/16 - a 72% increase. On 2016 figures FOBTs are about a fifth of all machines, but 2/3 of total GGY is from FOBTs.

³ Consultation document, p.10

So what are the 4 options in the Consultation?

1) £50.

No one is arguing for a £50 limit. It is almost a 'no-change' option. The Responsible Gambling Strategy Board, has itself said that £50 'is already the effective limit for many players'⁴. This is partly because a recent change made it necessary to check in with staff before staking over £50 in a session. A result was an increase in bets between £40 and £50.

2) £30 and

3) £20

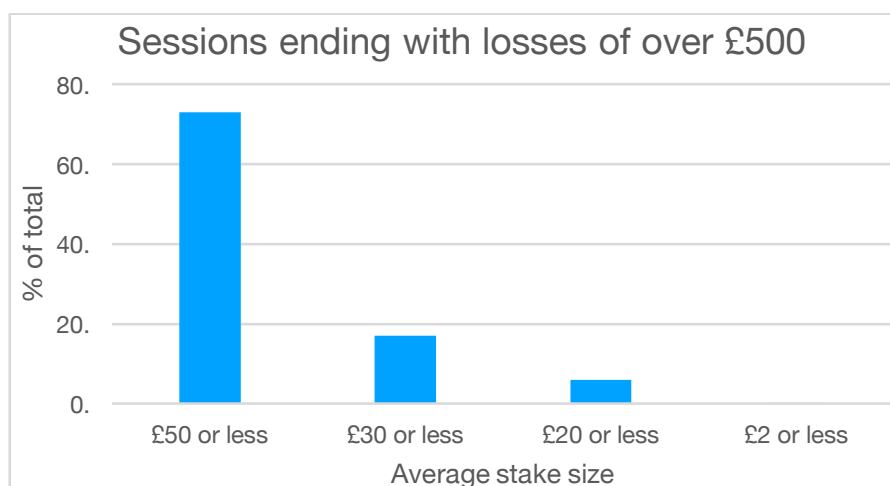
There are no logical arguments for either of these figures, nor for how to choose between them. Perhaps £30 was put in just so that the £20 limit would seem to be in the lower half of the options. On the government's figures, at or above a £30 stake, 42% of gamblers were identified as problem gamblers and 42% were at risk of harm. At or above £20, 42% – the same figure- were identified as problem gamblers and 44% were at risk of harm⁵.

4) £2.

This is in fact the only figure for which there is a reasoned argument. It is the maximum stake for all other high street machines. OK, some have higher speeds of play than FOBTs, but a £2 maximum would reset the whole system to where the 2005 Act meant it to be: a series of steps, starting with shops where any adult can walk in, with the least risky games, and moving up to less accessible venues with more security, support and control.

Compare the impact when B1 stake size was raised from £2 to £5 in casinos. The impact study said '...all this suggests that the relative share of industry revenue derived from groups where harm is most concentrated has increased following the uplift in maximum stakes and prizes'⁶.

The figures in this chart are taken from the DCMS consultation document, citing the Gambling Commission. You can't see the bar for £2 because it's 0.001%.



⁴ RGSB, Advice to the DCMES consultation, January 2017

⁵ Consultation document, p.14f

⁶ Responsible Gambling Trust evaluation, December 2015

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Guide to the Questions in the Consultation

Q1. Do you agree that the maximum stake of £100 on B2 machines (FOBTs) should be reduced? If yes, what alternative maximum stake for B2 machines (FOBTs) do you support?

This is the key question. If you answer no other, answer this and send it in.

- Q2. Do you agree with the government's proposal to maintain the status quo on category B1?
Q3. Do you agree with the government's proposal to maintain the status quo on category B3?
Q4. Do you agree with the government's proposal to maintain the status quo on category B3A?
Q5. Do you agree with the government's proposal to maintain the status quo on category B4?
Q6. Do you agree with the government's proposal to maintain the status quo on category C?
Q7. Do you agree with the government's proposal to maintain the status quo on category D?⁷

In each case (except 3A and 4) a part of the industry has asked for an increase. The government thinks it is far better to bring in the B2 change, and give time for the effect of that to work through and be assessed, before making countervailing stake increases elsewhere in the system.

Q8. Do you agree with the government's proposals to increase the stake and prize for prize gaming, in line with industry proposals?

Prize bingo is waning in popularity and is mainly found in amusement arcades in seaside resorts. It is relatively small beer, but given the level of deprivation in many seaside towns, one can ask why the government is making an exception with no positive reasons given in the consultation document.

Q9. Do you agree with the government's proposals to maintain the status quo on allocations for casinos, arcades and pubs?

Same as Q2-7. The various industry proposals are to increase availability of machines and introduce new machines. The government applies the same reasons for caution as for Qs 2-7.

Q10. Do you agree with the government's proposals to bar contactless payments as a direct form of payment to gaming machines?

This is important. Credit and debit cards cannot now be used for gambling machines at all. To introduce contactless would, as the government says, be 'a backward step in the protection of vulnerable players'. (All sectors except bookmakers asked for this change)

Q.11 Do you support this package of measures to improve player protection measures on gaming machines?

Q.12 Do you support this package of measures to improve player protection measures for the online sector?

Q.13 Do you support this package of measures to address concerns about gambling advertising?

⁷ B1 are casino machines with a 'progressive jackpot'. B3 are arcade games, and the fastest-growing type of machine. B3A and 4 are club-only. C are traditional fruit machines. D are the most accessible machines like crane grabs and coin pushers.

These are very important, but complex areas with complex packages being proposed. Further guidance will be issued on these Questions in due course.

Q.14 Do you agree the Government should consider alternative options including a mandatory levy if industry does not provide adequate funding for RET?

This is important. The Church of England has long argued for a levy for research, education and training (RET). The industry, especially certain parts of it, has consistently lagged in the voluntary contributions on which the work of bodies like GambleAware, GamCare and other treatment providers depend, as well as research projects. A levy will not only spread the load fairly and raise a realistic amount, but it will reduce the inevitable influence which industry funding has on those funded, however thorough may be the measures taken to reduce direct bias.

Q.15 Do you agree with our assessment of the current powers available to local authorities

This is a key area, and the Church of England has pressed, especially in the House of Lords, for greater powers for local authorities. The consultation document says unconvincingly that powers are already sufficient. The fact is that they have not proved so, partly because the industry can afford processes of legal challenge which LAs cannot afford to defend. Many do want local authorities to have increased powers, including Cumulative Impact Assessments. These exist for alcohol licensing, and the LGA plus a considerable number of LAs are in favour of them.

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?

One possible theme is the 'aim to permit' in the 2005 Act, which is based on the presupposition that gambling is a positive element of social and economic life, to be encouraged unless there is specific evidence to the contrary in a particular case. Without taking any sort of absolutist position against gambling per se, some might want to question this positive principle. Although cumulative impact assessments would help, the presumption in favour of granting a licence ties the hands of local authorities, for example, and prevents them from responding effectively to the needs of their own people. Further information will be provided on this.

Martin Kettle, MPA, 2nd Nov 2017