



GOSCHALKS  
SOLICITORS

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Licensing Office  
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Our ref: RJT / LHF / 097505.00004  
#GS1312023  
Your ref:  
Date: 31 March 2017

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, 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.

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 for example, with regard, to the new requirements for local area risk assessments and ensuring the right structures are in place in shops that are appropriate for that area.

Whilst it is important that the gambling policy statement fully reflects the local area, the ABB is also keen to ensure that the statutory requirements placed on operators and local authorities under the Gambling Act 2005 remain clear; this includes mandatory conditions (for instance, relating to Think 21 policies) and the aim to permit structure. Any duplication or obscuring of these within new processes would be detrimental to the gambling licensing regime. The ABB also

believes it is important that the key protections already offered for communities, and clear process (including putting the public on notice) for objections to premises licence applications, continue to be recognised under the new regime.

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 numbers as at 31 Mar 2016 were 8,709 - a decline of over 400 since March 2014, when there were 9,137 recorded.
- recent 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.
- 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.

### **LGA – ABB Betting Partnership Framework**

In January 2015 the ABB signed a partnership agreement with the Local Government Association (LGA), developed over a period of months by a specially formed Betting Commission consisting of councillors and betting shop firms, which established a framework designed to encourage more joint working between councils and the industry.

Launching the document Cllr Tony Page, LGA Licensing spokesman, said it demonstrated the *"desire on both sides to increase joint-working in order to try and use existing powers to tackle local concerns, whatever they might be."*

The framework builds on earlier examples of joint working between councils and the industry, for example the Medway Responsible Gambling Partnership which was launched by Medway Council and the ABB in December 2014. The first of its kind in Britain, the voluntary agreement led the way in trialing multi-operator self-exclusion. Lessons learned from this trial paved the way for the national multi-operator self-exclusion scheme now in place across the country. By phoning a free phone number (0800 294 2060) a customer who is concerned they are developing a problem with their gambling can exclude themselves from betting shops close to where they live, work and

socialise. The ABB is working with local authorities to help raise awareness of the scheme, which is widely promoted within betting shops.

The national scheme was first trialed in Glasgow in partnership with Glasgow City Council. Cllr Paul Rooney, Glasgow's City Treasurer and Chairman of a cross-party Sounding Board on gambling, described the project as *"breaking new ground in terms of the industry sharing information, both between operators and, crucially, with their regulator."*

### **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.

For instance, Primary Authority Partnerships between Milton Keynes Council and Reading Council and their respective partners, Ladbrokes and Paddy Power Betfair, led to the first Primary Authority inspection plans for gambling coming into effect in January 2015. By creating largely uniform plans, and requiring enforcing officers to inform the relevant Primary Authority before conducting a proactive test-purchase, and provide feedback afterwards, the plans have been able to bring consistency to proactive test-purchasing whilst allowing the Primary Authorities to help the businesses prevent underage gambling on their premises.

### **Local area risk assessments**

Since April 2016, under new Gambling Commission LCCP provisions, 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 new requirements build on measures the industry has 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.

Westminster Council is one local authority which entered into early dialogue with the industry, leading to the development of and consultation on draft guidance on the risk assessment process, which the ABB and our members contributed to. Most recently one operator, Coral, has been working closely with the Council ahead of it issuing its final version of the guidance, which we welcome.

The final guidance includes a recommended template for the local area risk assessment which we would point to as a good example of what should be expected to be covered in an operator's risk assessment. It is not feasible for national operators to submit bespoke risk assessments to each of the c.350 local authorities they each deal with, and all operators have been working to ensure that their templates can meet the requirements set out by all individual local authorities.

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 staking over £50 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

### **Other concerns**

Where a local area profile is produced by the licensing authority, this be made clearly available within the body of the licensing policy statement, where it will be easily accessible by the operator and also available for consultation whenever the policy statement is reviewed.

### **Considerations specific to the Gambling Act 2005 Statement of Principles 2017-2020**

Overall, the ABB welcomes the light touch and non-prescriptive nature of the policy. The ABB particularly welcomes the acknowledgment that legal gambling in a fair and open way with suitable protections contributes much to the growth of the local economy and offers an important role for employment.

We respectfully submit that paragraph 11.27 should be redrafted. This indicates that *“If the plans submitted at the time of the application for a premises licence are changed in any material respect during the fitting out of the premises after the grant of the licence then the applicant will be in breach of the licence.”* This may be the case if the premises are open and trading but, as the policy acknowledges, it is possible to make an application for premises which are not yet ready to open. In the context of a betting office licence, a premises licence that had been granted would only be breached if the operator provided facilities for betting where the layout of the premises did not accord with the plan attaching to the premises licence. We respectfully submit that this paragraph should be redrafted to reflect this.

Paragraph 13 deals with premises licence conditions. There are also references to the ability to impose conditions in paragraph 12. Paragraph 13 should be expanded to indicate that the mandatory and default conditions will usually be sufficient to ensure that premises operate in a manner that is reasonably consistent with the licensing objectives. Both paragraphs 12 and 13 should be clear that additional conditions will only be imposed where there is clear evidence of a risk to the licensing objectives that requires that the mandatory and default conditions be supplemented. As stated earlier in this response, it is important that the evidential basis for the imposition of additional conditions is clearly established within the draft statement of principles.

Similarly, paragraph 1.8 should include a reference to evidence. This paragraph should be redrafted to indicate that the licensing authority can impose conditions on a premises licence, reject, review or revoke a premises licence where there is evidence of a potential conflict with the relevant codes of practice, relevant guidance issued by the Commission, the licensing objectives or the licensing authority’s own statement of licensing policy.

## 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, as set out, the ABB and its members already do this successfully in partnership with local authorities now. This includes through 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**



# Hampshire Constabulary

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Station : **Licensing & Alcohol Harm Reduction Team**      Area : **P&N / Strategic Partnerships**

Department : **Licensing & Alcohol Harm Reduction Team**      Date : **04 May 2017**

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Subject : **Police response to consultation on statement of licensing policy (Gambling)**

FAO: Superintendent Will Schofield (District Commander, Portsmouth)  
Chief Inspector James Pegler (Deputy District Commander, Portsmouth)  
Chief Inspector Patrick Holdaway (Strategic Partnerships, P&N)

This is a police response to consultation by Portsmouth City Council on its' statement of licensing policy with regards to the principles they propose to apply in exercising their functions under the Gambling Act 2005.

Hampshire Constabulary recognise the 'Guidance to licensing authorities 5<sup>th</sup> edition, September 2015 (*Parts 17, 18 & 19 updated Sept 2016*)' which promotes partnership working and shared regulation between the Gambling Commission, Local Authority and other regulatory authorities

The Hampshire Constabulary are committed to supporting the licensing objectives linked to gambling legislation, these being;

***Objective 1: Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.***

***Objective 2: Ensuring that gambling is conducted in a fair and open way.***

***Objective 3: Protecting children and other vulnerable persons from being harmed or exploited by gambling***

The Force Licensing & Alcohol Harm Reduction team will be the primary conduit from Hampshire Constabulary. They will support the needs of the policing district whether this is on consultation on applications, compliance and enforcement activity around gambling matters, including test purchase operations.

Portsmouth district has a mixed use city centre surrounded by a densely populated residential areas. Operationally this imposes significant demands upon emergency services and the wider partnership.

The city enjoys a diverse mix of establishments with some gaming elements, there are in excess of 330 venues with some form of gambling license whether as a primary or ancillary function to varying extents.



The range of venues covers casinos, betting shops, pubs, clubs, charity associations, school and sporting societies, cinema, charities, amusement arcades, bingo halls. The list is not exhaustive, likewise this covers an equally diverse range of gaming activities,

The demands of policing **specifically** around establishments linked to gaming are considerably less frequent, compared to venues linked to the day and night time economies

The key signal crime types linked to venues with gambling licences are theft and fraud offences. There are also low level ASB, criminal damage, assault and public orders offences often linked to alcohol consumption. There are very rare, infrequent robberies predominantly linked to a lone offender or a series across geographical districts.

The Record Management System (RMS) is used by Hampshire Constabulary to record all occurrences whether crime or non-crime, this creates a unique record for each location address. Those addresses that are form part of a chain of companies (such as betting shops) are also further linked, this under an umbrella called a 'business organisation'. The purpose is to maximise the ability to analyse trends and patterns of crime and disorder, linked to those venues

The sheer volume and differing complexity of gambling venues (casinos down to simple gaming machines in pubs/ clubs) means that any meaningful analysis would require a disproportionate amount of time to extract and analyse this data set of in excess of 330 venues with some form of gambling license

An analysis conducted of RMS data relating to a cross section of gambling venues of all size and complexity confirmed the hypothesis that 'visible' crime and disorder levels linked to gambling venues are extremely low. The trends show that other factors such as alcohol and illegal substances are inevitably linked to those low proportions of crime and disorder, likewise the temporal and geographical trends confirm commission times tend to be in the Night Time Economy and within NTE related venues

Hampshire Constabulary note that at this time, the draft PCC statement of licensing policy under 10.7 does NOT propose to develop a Local Area Profile. The lack of crime data linked to gambling venues tends to confirm this is not necessary or proportionate at present, if crime and disorder levels (linked to venues with gambling licences) increase the police have the ability to devise and provide crime data sets to contribute to this process

The new Social Responsibility (SR) code [*under the Gambling Commission's Licence Conditions and Codes of Practice (LCCP) revised and published February 2015*] requires all premises licensees to 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.

The venues are also required to share these risk assessments with the Local Authority, however, there is no statutory requirement for licensees to share their risk assessments with responsible authorities (Police) or interested parties. Hampshire Constabulary welcome the draft PCC statement of licensing policy under 10.5 where it states;





*“responsible businesses will wish to assist licensing authorities and responsible authorities as far as possible in their consideration of applications by making relevant information available as part of their applications”*

Hampshire Constabulary recognise and support measures to reduce the vulnerability of those adults in venues with gambling licences

*The Commission does not seek to define ‘vulnerable persons’ but it does, for regulatory purposes, assume that this group includes people who gamble more than they want to, people who gamble beyond their means and people who may not be able to make informed or balanced decisions about gambling due to, for example, mental health, a learning disability or substance misuse relating to alcohol or drugs*

This Hampshire Constabulary recognise the ‘hidden’ risks of gambling and its’ link to crime and disorder, it fully supports the necessity for these to be mitigated in the risk assessment of any venue with a gambling licence

There are other ‘hidden’ risks factors that need to be considered by the local authority in their statement of licensing policy relating to gambling. There is an unknown 'invisible' crime impact linked to;

- Individuals addicted to gambling who commit crime to fund their habit
- Individuals whose gambling addiction is a factor to familial crime, vulnerability, financial hardship or relationship breakdown
- Individuals / Organised Crime Groups using gambling establishments for money laundering purposes
- Irresponsible gambling associated with FOBT (Fixed Odds Betting terminals) as they allow higher initial stakes with less regulation
- Online betting and associated regulatory difficulties
- Age verification issues. TP ops can help, less effective with online gambling sites

Hampshire Constabulary recognise these ‘hidden’ risks are difficult to quantify and also places adverse impact on other public and voluntary services. Hampshire Constabulary is committed to supporting the Gambling Commission, Local Authority and other regulatory authorities in partnership working to mitigate these risks and work to the licensing objectives

Submitted for your consideration



Dated 04/05/2017  
Inspector 2841 Justin Roberts  
Force Licensing Inspector  
Licensing & Alcohol Harm Reduction Team

**From:** leslie Immassociates.com  
**Sent:** 19 January 2016 10:05  
**Subject:** Attention Licensing Department -Review of the local authorities

Dear Sirs

I am a licensing lawyer and a member of the International Master of Gambling Law representing a number of operators and stakeholders concerned with social welfare in the gaming sector. In the context of the review of the local authorities ( "The Authority) statement of licensing policy ( the Licensing Policy ) I make the following observations and recommendations with respect to the negative impact and regulation of £100 a spin gaming machines . I recommend that the Authority consider the following **1.**That the Licensing Policy should include a statement that The Authority is concerned at the potential effects of excessive use of Fixed Odds Betting Terminals (FOBTs) by customers who may be least able to afford to lose cash, coupled with the speed and ease with which they can gamble compared with other forms of gambling. The Authority therefore supports any campaign to materially reduce the stake on FOBTs. There should be a consistent policy regarding the stake and prizes which can be available in adult gaming premises on the high street .

**2.** Specifies that interested parties referred to under S.158 of the Act in the opinion of the licensing authority includes those individuals and organisations concerned with or involved with social welfare, addiction, poverty, public health, poverty and protection of the vulnerable which individuals and organisations will be deemed to represent those who live sufficiently close to the premises to be likely to be affected by the authorised activities.

**3.** The Licensing Policy specifies that, while each application or review will be decided on its merits, it is likely to take into account when considering applications for premises licences, permits and other permissions, and when determining whether to review a licence the licensing authority's local area profile. In particular, with respect to the local area profile that those with permanent or temporary financial deprivation within the local area and may be least able to afford to lose cash are vulnerable and likely to be harmed potential effects of excessive use of Fixed Odds Betting Terminals (FOBTs) because of the maximum £100 stake coupled with the speed and ease with which they can gamble compared with other forms of gambling.

**4.** The Licensing Policy acknowledges that while s.172(10) of the Act provides that conditions may not relate to gaming machine categories, numbers, or method of operation, conditions should be imposed upon the player rather than the machine so that those playing category B2 machines should not be permitted to wager more than £2 per spin ( or such other level to which the FOBT stake level is reduced as referred to in paragraph 1 above ) irrespective of the machines ability to accept a higher stake.

**5.** The Authority should consider making reference in the Licensing Policy to the local area profile, so that the local area profile, can be reviewed and updated without the need for full consultation and therefore be kept updated to reflect the latest research concerning matters which relate to the licensing objectives and in particular protection of the vulnerable and the manner in which they can be protected

**6.** The Licensing policy should require operators to report vandalism to FOBTs so the Authority can obtain a true measure of the level of crime associated with the FOBTs (addressing the issue that when machines are smashed by customers who have lost control, it is not being reported).

Kindly acknowledge receipt of this representation

Yours sincerely

Leslie MacLeod-Miller