

By Email Only  
Licensing Section  
Newcastle Under Lyme Council

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**Date:** 17/09/2024

Dear Newcastle Under Lyme Council,

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

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 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.

The BGC has four objectives. These are to:

1. create a culture of safer gambling throughout the betting and gaming sector, with a particular focus on young people and those who are vulnerable.
2. ensure future changes to the regulatory regime are considered, proportionate and balanced.
3. become respected as valuable, responsible, and engaged members of the communities in which its members operate.
4. safeguard and empower the customer as the key to a thriving UK betting and gaming industry.

BGC members support 110,000 jobs, generate £4.2 billion in taxes and contribute £7.1 billion to the economy in GVA (Gross Value Added), according to a report by EY in 2022.

Betting shops alone also support 42,000 jobs on the UK's hard-pressed high streets, contributing £800 million a year in tax to the Treasury and another £60m in business rates to local councils. Further, according to ESA Retail report 89% of betting shop customers go on to spend money in other high street establishments, further cementing the important role of betting shops in the local economy.

BGC members also support the UK's hospitality, tourism and leisure industry through our casinos – there are currently 116 across the UK. Overall, we are a major component of world leading British technology, where our members have founded tech powerhouses in many cities throughout the UK.

Betting is a hugely popular British leisure activity. Each month, around 22.5 million adults in the UK have a bet - whether it's buying a lottery ticket, having a game of bingo, visiting a casino, playing online or having a wager on football, horseracing and other sports - and the overwhelming majority do so perfectly safely and responsibly.

BGC members are proud to support UK sport, from the grassroots to the elite level. The industry contributes around £350 million to racing in levy, media, and sponsorship rights each year, £40 million to the EFL (English Football League), and £12.5 million to snooker, darts, and rugby league.

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**

Any consideration of gambling licensing at the local level should also be considered within the broader context.

The raft of measures recently put in place 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 (see further details on problem gambling rates below).

In addition, a range of further measures will be implemented imminently following the Government's White Paper, published in April 2023. These include: financial risk checks for those at risk of gambling harm, changes to the way operators market to their customers, changes to online game design which will remove certain features, the introduction of a mandatory levy for research, prevention and treatment (RPT) activities, an Ombudsman to adjudicate on customer redress and the introduction of mandatory stake limits on online slots, bringing the maximum stakes online in line with land based casinos.

It should also be noted that:

- 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 2023) was 5,995. This is reducing yearly and has fallen by 28% since March 2019 – equating to 2,309 betting shop closures in just four years.
- 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 show that problem gambling rates in the UK are stable.

## **Problem Gambling**

A point often lost in the debate about the future of gambling regulation is that problem gambling rates in the UK are low by international comparison.

The most recent “Gold standard” NHS (National Health Service) Health Survey found that problem gambling rates among adults are 0.4 per cent – the rate was 0.5 per cent in 2018. In comparison to other European countries, problem gambling rates in the UK are low. The problem gambling rate is 2.4 per cent in Italy, 1.4 per cent in Norway, and 1.3 per cent in France.

Both the Gambling Commission and the Government have acknowledged that problem gambling levels have not increased. However, one problem gambler is one too many, and we are working hard to improve standards further across the regulated betting and gaming industry.

In June 2020, the BGC’s largest members committed to increasing the amount they spend on RPT (Research, Prevention and Treatment) services from 0.1 per cent to 1 per cent in 2023. This was expected to raise £100 million but they have gone further and will have donated £110 million by 2024.

In the White Paper, the Government committed to introducing a statutory RPT (Research, Prevention and Treatment) levy, which would apply to all gambling licensees (excluding the national lottery). This levy is expected to raise £100m annually by 2026/2027.

The BGC also funds the £10 million Young People’s Gambling Harm Prevention Programme, delivered by leading charities YGAM and GamCare. As of March last year (2023), it has educated over 3 million children.

## **Advertising and Sponsorship**

All betting advertising and sponsorship must comply with strict guidelines, and safer gambling messaging must be regularly and prominently displayed.

The Government has previously stated that there is “no causal link” between exposure to advertising and the development of problem gambling, as stated in a response by then Minister of State at DCMS, in June 2021. The Gambling Review White Paper, in relation to advertising, restated that there was “little evidence” of a causal link with gambling harms or the development of gambling disorder.

The Seventh Industry Code for Socially Responsible Advertising, adopted by all BGC members, adds a number of further protections in particular for young people. New measures include ensuring that all social media ads must target consumers aged 25 and over unless the website proves they can be precisely targeted at over-18s. In addition to raising advertising standards for young people, this

code, which came into force on 1 December 2023, extended the previous commitment that 20% of TV and radio advertising is devoted to safer gambling messaging to digital media advertising.

Under the ‘whistle-to-whistle’ ban, ads cannot be shown from five minutes before a live sporting event until five minutes after it ends, before the 9 p.m. watershed. Research by Enders Analysis found that in its first 12 months in operation, the ban reduced the number of TV betting adverts seen by children by 97% at that time. Overall, the number of gambling adverts viewed by young people also fell by 70% over the entire duration of live sports programmes. At the same time, the ban also reduced the number of views of betting ads by 1.7 billion during its first five months in operation.

BGC members also continue to abide by the stringent measures established by advertising standards watchdogs. These measures are in stark contrast to the unsafe, unregulated black market online, which has none of the safer gambling measures offered by BGC members, including strict age-verification checks. Any withdrawal of advertising would simply level the playing field with illegal operators thus providing opportunities for those operators to peel off customers from the regulated markets.

### **Differentiation between Licensing Act 2003 and Gambling Act 2005 applications**

When considering applications for premises licences, it is important to clearly distinguish between the regimes, processes, and procedures established by the Gambling Act 2005 and its regulations and those that are usually more familiar to licensing authorities—the regimes, processes, and procedures relating to the Licensing Act 2003.

Whilst Licensing Act 2003 applications require applicants to specify steps to be taken to promote the licensing objectives, which are then converted into premises licence conditions, there is no such requirement in Gambling Act 2005 applications, where the LCCP provides a comprehensive package of conditions for all types of premises licence.

It should continue to be the case that additional conditions in the Gambling Act 2005 premises licence applications are only imposed in exceptional circumstances with 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 most cases, these will not need to be supplemented by additional conditions.

The LCCP require that premises operate an age verification policy. The industry employs a policy called “Think 21”. This policy is successful in preventing underage gambling. Independent test purchasing carried out by operators and submitted to the Gambling Commission shows that ID challenge rates are consistently around 85%. Following the publication of the Gambling Commission’s response to their consultation on age verification on premises, all gambling venues will be moving to a “Think 25” policy from 30th August 2024.

Since Serve Legal began working with the gambling sector in 2009, the industry has now become the highest performing sector across all age verification testing. Across thousands of audits, there was an average pass rate of 91.4 per cent (2024 data). For casinos, there is a near perfect pass rate in the last period of 98%. When comparing Serve Legal audit data between members of the BGC

and comparative age verification audit data in the Alcohol and Lottery sector we see how the gambling sector is performing between 10-15 per cent higher every year.

It should be noted that the Executive Summary of the Gambling White Paper stated that when parliamentary time allows, the Government will align the gambling licensing system with that for alcohol by introducing new powers to conduct cumulative impact assessments.

The BGC is concerned that the imposition of additional licensing conditions could become commonplace if there are no precise requirements regarding the need for evidence in the revised licensing policy statement. If additional licence conditions are more commonly applied, this would increase variation across licensing authorities and create uncertainty amongst operators regarding licensing requirements, overcomplicating the licensing process for operators and local authorities.

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

The BGC is fully committed to ensuring constructive working relationships between betting and gaming operators and licensing authorities and that problems 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.

### **Considerations specific to the Gambling Act 2005 Statement of Licensing Principles**

Paragraph 2.2 of Part A refers to information regarding, “how the Council will promote the licensing objectives...” The reference to promoting the licensing objectives should be redrafted to avoid any confusion with Licensing Act 2003 applications. Whilst the promotion of the licensing objectives is central to Licensing Act 2003 applications and applicants are required to promote the licensing objectives under that Act, this is not the case with applications under Gambling Act 2005. Indeed the only entity upon which GA 2005 confers a duty to promote the licensing objectives is the Gambling Commission. The Licensing Authority’s duty is to aim to permit the use of premises for gambling subject to four criteria as clearly stated in paragraph 2.1 whilst applications and operations are required to be reasonably consistent with the licensing objectives.

Paragraph 4.8 contains a bullet point list of factors that the council expects to be considered when conducting a local risk assessment. The bullet point list should be redrafted as in its existing terms it refers to matters that cannot be relevant to an assessment as to whether a proposal is reasonably consistent with the licensing objectives. The references to “problems arising from street drinkers, individuals involved in areas such as ASV, drug dealing etc” should be removed. These are largely issues of nuisance (which the draft statement of principles later recognises (at paragraph 13.3) cannot be addressed by Gambling Act provisions) and even if they are issues that are more than nuisance, they are not criminal issues in any way related to the licensing objective, “Preventing Gambling from being a source of crime and disorder, being associated with crime and disorder or being used to support crime.”

Paragraphs 16.12 to 16.14 in Part B explain the council’s approach to premises licence conditions. This section would be assisted by the insertion of a clear statement that the mandatory and default conditions are intended to be, and usually are, sufficient to ensure consistency with the licensing

objectives and that additional conditions will only be considered where there is clear evidence of a risk to the licensing objectives which is not adequately addressed by the applicant's local risk assessment.

Paragraph 16.13 should be redrafted to remove the final sentence which indicates, "The Council will also expect the applicant to offer his/her own suggestions as to the way in which the licensing objectives can be met effectively." Unlike Licensing Act 2003 applications where an applicant is required to indicate the steps to be taken to promote the licensing applications, there is no such requirement under Gambling Act 2005 applications as the mandatory and default conditions coupled with the local risk assessment will detail how the remises will operate consistently with the licensing objectives. The inclusion of the final sentence in paragraph 16.13 under the heading "conditions" appears to suggest that the mitigation measures proposed by an applicant (in the risk assessment) could be converted into conditions. This is not the scheme of Gambling Act 2005.

### **Conclusion**

On behalf of the BGC, we thank you for the opportunity to comment on your draft statement of principles and hope these comments above are helpful. 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**