



LICENSING COMMITTEE REPORT

Report Title	Betting Shops and Fixed Odds Betting Terminals
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AGENDA STATUS: PUBLIC

**Committee Meeting Date: 17th June
2014**

Policy Document: No

**Directorate: Customers and
Communities**

1. Purpose

1.1 To update the Licensing Committee in relation to the situation locally and advise of national developments in relation to Betting Shops and Fixed Odds Betting Terminals

2. Recommendations

2.1 That the Committee utilise new legislation and support the Licensing service in the continuance of its monitoring, enforcement and regulatory functions (Option 3.)

3. Issues and Choices

3.1 Report Background

3.1.1 Following concerns expressed by the Licensing Committee regarding Fixed Odds Betting Terminals (FOBT's) an initial report was submitted on December 10th 2013. That report gave a general overview of the position relating to FOBT's and the Committee requested a further report be submitted looking at the situation in Northampton and what the Committee could do to change what was seen as a detrimental risk to vulnerable persons gambling behaviour.

3.2 Issues

- 3.2.1 At that stage, there were no clear avenues available to the Committee to reduce the number of FOBT's, or to insist upon a reduction of the stake or prize and the only courses of action were to begin to implement the lengthy and problematic process of introducing a bye law or to lobby central government to relook at the issue of regulation. The latter was unlikely at that time as the government had just decided to allow Betting Operators to promote self-regulation rather than regulation from the centre.
- 3.2.2 .All the major chain betting shops in Northampton have FOBT's. These machines can be programmed to allow users to play different types of gambling games. We cannot assess the amount of money that is spent locally through them but it is estimated that approximately 80% of revenue taken at betting establishments is via these machines. Some figures were produced at a Liverpool Council meeting relating to how much was being spent in that locality but it has been confirmed by the Gambling Commission that those figures was an estimate and it is not possible to work out the amount spent without access to the premises accounts.
- 3.2.3 Without the ability to obtain figures, and a lack of powers to affect the use of these machines it has been necessary to look at other ways of affecting and ensuring betting establishments are implementing their own guidance in relation to self-regulation and operating standards. We therefore decided to undertake a test purchase operation in Northampton Town Centre in conjunction with the Gambling Commission utilising two 17 year old police cadets. The aim of the operation was to see whether these young persons would be able to enter and use FOBT's.

3.2.4 Test Purchase Operation

- 3.2.5 On 24th April 2014 between 10:30am and 11:45am 5 betting shops operated by the 5 major betting companies were targeted in the Town Centre. At this stage we are not naming the company's pending any legal action that may be taken following the follow up operation.

3.2.6

Premises	Detail	Result
Premises A	Young persons entered the premises. Member of staff immediately saw them and approached them asking for ID. They hadn't any and were told to leave	Pass
Premises B	Young persons entered the premises, walked directly in front of the counter in clear sight of member of staff and played on a machine. They remained in the premises for a few minutes before leaving. No challenge	Fail
Premises C	Young persons entered the premises and stayed in the vision of member of staff for a while before going to a machine and playing on it. Member of staff then approached them asked for ID. They hadn't any. Member of staff refunded their money and asked them to leave.	Fail
Premises D	Young persons entered the premises and stayed at information Boards in clear view of a member of staff. Staff	Tentative Pass

	saw them but continued counting money and dealing with a customer. Young persons started to move toward a machine but were then challenged and asked to leave	
Premises E	Young persons entered the premises, made their way through the premises within clear range of a member of staff at the counter. They made their way to a machine and played on it. They then walked back through the middle of the premises and left. No challenge	Fail

3.2.7 It should be noted that two officers had entered each premises prior to the young persons and risk assessed the premises. They remained in the premises as observers until the young persons left. The two police cadets performed admirably and their manager has been written to commending their actions.

3.2.8 Whilst Section 47 of the Gambling Act states that a person commits an offence even if they permit a child or young person entering a premises where a betting premises licence has effect it is virtually impossible to prevent a young person from entering unless a member of staff is permanently 'on the door' but we do expect staff to be alert to persons entering and make an immediate challenge.

3.2.9 Section 46 of that Act states that a person commits an offence if they invite or permit a child or young person to gamble

3.2.10 All of the premises have been written to with the results of the operation. We have had responses and they have taken the results of the operation very seriously. In some instances investigations had led to the dismissal and/or retraining of staff.

3.2.11 For those that failed, as this is a first offence we have informed them that another operation will be undertaken within three months. If they fail again we will be reviewing their Licence. Any premises that tentatively passed will also be revisited.

3.2.12 **New Powers for Planning Objections**

3.2.13 Since the last report, the government have announced that a new power is to be introduced which will enable Local Authorities, which includes Licensing Authorities to make representation to planning proposals where it is considered that a cluster of betting shops is being formed. The determination will remain with the Planning Committee.

3.2.14 **Wider Betting shop/gambling Issues**

3.2.15 Whilst the Licensing Committee are rightly concerned about the presence of FOBT's and the number of Betting shops that are seen to be appearing in Northampton, research has shown that whilst 8 new Betting Premises Licences have been granted since 2007, two have been surrendered leaving only an increase of 6 Betting shops in seven years. However, they have been at prominent locations and utilise prominent advertising and signage. At the

same time we have seen a decline in the number of independent bookmakers. There is now only one in the town located in Semilong.

3.2.16 Efforts to curtail the use of FOBT's is somewhat curtailed when considering the dramatic increase in internet gambling through computers, tablets, mobile phones and such like. In this regard we have no powers to intervene.

3.2.17 Bearing in mind the issues presented above, a view that can reasonably be arrived at, is that we may well be at the hiatus in relation to the prominence of Betting Shops. With more and more betting being done remotely, less business is being done through their shops questioning the requirement to continue with the associated costs. In fact, during the Test Purchase operation, only one of the premises we considered to be busy, and that was premises A that performed the best. The remainder we considered to be quiet.

3.3 Choices (Options)

1. That the Committee continue with the options previously identified, those being to agree to implement the process of introducing a bye law, or/and

2. That the Committee decide to lobby central government to reconsider its position in relation to stakes and prizes associated with FOBT's

3. That the Committee request the Licensing Service utilise the powers they have and those that are introduced to implement a regular schedule of Test purchases at Betting shops and enforce where necessary taking each case on its merits.

4. The Committee do nothing

4. Implications (including financial implications)

4.1 Policy

4.1.1 Often, there is no requirement to develop new policies or by laws as existing powers can be sufficient if implemented effectively. A good example of this is in relation to the EMRO. Whilst it was seen by some as a tool that was necessary to promote the licensing objective 'The prevention of Crime and Disorder', we can now see that it was not necessary as over the last few months the existing legislation has been utilised to bring about the same effect that the EMRO was intended to have. I believe that this is a similar situation.

4.2 Resources and Risk

4.2.1 Existing resources are utilised from within the Licensing Budget. Police Cadets are used free of charge.

4.2.2 Operations are dynamically risk assessed

4.3 Legal

In exercising its functions in relation to Premises Licenses, the Licensing Committee must have regard to the Licensing Objectives under The Gambling Act 2005.

The licensing objectives are:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way; and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

With regard to the Test Purchases, a Review can be called in under the Objective of “Protecting Children and other vulnerable persons from being harmed and exploited by gambling.

Any Test Purchase carried out is done under strict guidance in order to ensure that all those involved have no risk of being challenged for use of the “honeypot” method, and no pressure is used to incriminate the Premises Licence Holder - *Nottingham City Council v Amin [2000] 1 WLR 1071*

The intention of the Act is that children and young persons should not be allowed to gamble, and should be prevented from entering those gambling premises which are ‘adult-only’ environments.

The Licensing Committee should be mindful of steps to be taken to prevent children from taking part in, or being in close proximity to, gambling.

When determining a premises licence or permit we will consider whether any additional measures are necessary to protect children, such as the supervision of entrances, the segregation of gambling from areas frequented by children and the supervision of gaming machines in non-adult gambling specific premises like pubs, clubs and betting tracks.

Should any Review be called, the Licensing Committee should always treat each case on its own individual merits and when considering whether specific measures are required to protect children and other vulnerable people, should balance these considerations against the overall principle of aiming to permit the use of premises for gambling.

If such a Review is called under s201 of the Act, the Licensing Committee may:

- Revoke the Licence
- Suspend the Licence for a specified period not exceeding 3 months

- Add, remove or amend a condition on the licence.

4.4 Equality

4.4.1 No Equality issues have been identified.

4.5 Consultees (Internal and External)

4.5.1 Legal

4.6 Other Implications

4.6.1 None

5. Background Papers

5.1 Gambling Act 2005

5.2 Gambling Commission – Approach to Test Purchasing, May 2011

Bill Edwards
Senior Licensing Officer
May 2014