Appendix 1

GOSSCHALKS

BY EMAIL AND POST
Licensing Department
Sunderland City Council
Jack Crawford House
Commercial Road
SUNDERLAND SR2 8QR

Please ask for: Richard Taylor
Direct Tel: 01482 590216
Email: rjt@gosschalks.co.uk
Our ref: RJT / MJM / 123267.00001 #GS3942802
Your ref:
Date: 23 June 2021

Dear Sirs,

Re: Gambling Act 2005 Policy Statement Consultation

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 new 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 principle objectives. These are to –

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

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

Betting and gaming is an incredibly important part of the UK leisure and hospitality industry, employing over 70,000 people, including 50,000 in betting, 13,000 in casinos and 10,000 people directly employed online. The betting and gaming industry contributes £8.7 billion Gross Value Added to the UK economy & contributes £3.2 billion to HM Treasury. In addition, casinos contribute over £120 million to the tourism economy each year.

Gosschalks is the trading name of Gosschalks LLP, a Limited Liability Partnership registered in England and Wales with number OC431300. Our registered office is at Queen's Gardens, Hull, HU1 3DZ. We use the term "Partner" to refer to a member of the LLP or an employee or consultant who is a lawyer or with equivalent standing and qualifications. A list of the members of Gosschalks LLP is available for inspection at the above address.

Gosschalks LLP is authorised and regulated by the Solicitors' Regulation Authority under number 670570.

Lexcel Legal Practice Quality Mark Law Society Accredited

Betting and gaming is widely enjoyed in the UK. Around 30 million people participate in some sort of gambling, whether that is on the National Lottery, placing a bet in betting shops, playing in casinos or at bingo. The overwhelming majority of these people do so safely without reporting any problems. 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 the number of betting offices (as of March 2020) was 7681. This is reducing every year and has fallen from a figure of 9137 in March 2014. These figures do not take into account the COVID 19 period which betting offices saw a further 374 betting offices close.
- 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 tells us that problem gambling rates in the UK are stable and possibly falling.

Problem Gambling

Problem gambling rates are static or possibly falling. The reported rate of 'problem gambling' (according to either the DSM-IV or the PGSI) was 0.8% of the adult population in 2015, in 2016 it was 0.7% and in 2018 it was 0.5% of the adult population.

This is termed statistically stable but is encouraging that we might finally be seeing a reduction in problem gambling due to the raft of measures that have been put in place recently both by the industry, the Gambling Commission and the Government – from a ban on credit cards, restrictions to VIP accounts, new age and identity verification measures and voluntary restrictions on advertising. These rates have remained broadly the same since the introduction of the Gambling Act 2005.

Whilst one problem gambler is too many, both the Government and regulator both say there is no evidence that problem gambling has increased in recent years.

During the Covid-19 period of lockdown, both the Gambling Commission and Government have acknowledged that problem gambling levels have not increased.

In June 2020, the BGC's five largest members committed to increasing the amount they spend on research, education and treatment (RET) services from 0.1 per cent to 0.25 per cent of their annual revenue in 2020, 0.5 per cent in 2021, 0.75 per cent in 2022 and 1 per cent in 2023. The five operators confirmed they will provide £100 million to GambleAware charity to improve treatment services for problem gamblers.

Gosschalks is the trading name of Gosschalks LLP, a Limited Liability Partnership registered in England and Wales with number OC431300. Our registered office is at Queen's Gardens, Hull, HU1 3DZ. We use the term "Partner" to refer to a member of the LLP or an employee or consultant who is a lawyer or with equivalent standing and qualifications. A list of the members of Gosschalks LLP is available for inspection at the above address.

Gosschalks LLP is authorised and regulated by the Solicitors' Regulation Authority under number 670570.

Lexcel Legal Practice Quality Mark Law Society Accredited

Rates of 'problem gambling' in the UK are low by international standards – compared to France (1.3%), Germany (1.2%), Sweden (2.2%) and Italy (1.27%).

The BGC supported the creation of the new NHS gambling treatment clinics who have promised 22 clinics, 3 of which are open now. We are pleased that the NHS have committed to work to increase the number of clinics in the UK in addition to existing serviced delivered by Gordon Moody Association and GamCare's 120 treatment centres located throughout the UK.

The BGC welcomes the Gambling Commission's National Strategy was a way of accelerating progress on responsible gambling and tackling problem gambling. Our members are fully committed to meeting this challenge and are working tirelessly to deliver new responsible gambling initiatives including technology that tackles problem gambling and supporting a statutory levy and increased funding for problem gambling clinics.
Underage participating by those aged 11-16 in any gambling activity has declined from 22% to 11% over the past decade; here, 'gambling activity' mainly relates to personal betting (e.g. playing cards with friends) and legal play of lotteries (e.g. participating with consent of parents / guardians). BGC members have a zero tolerance to those under the age of 18 attempting to use their products.

Working in partnership with local authorities

The BGC 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.

Differentiation between Licensing Act 2003 and Gambling Act 2005 applications

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

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

It should continue to be the case that additional conditions in Gambling Act 2005 premises licence applications 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 and submitted to the Gambling Commission, shows that ID challenge rates are consistently around 85%.

When reviewing draft statements of principles in the past, we have 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 BGC 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

Considerations specific to the draft Statement of Principles updated 15/04/2021

On behalf of the BGC, we welcome the light touch approach to the draft Statement of Principles, in particular, the early acknowledgement of the "aim to permit" principle within Part A.

A number of the references to the Gambling Commission Guidance will need to be changed. For example, the draft Statement of Principles indicates that the Gambling Commission Guidance refers to the access provisions for each premises type at paragraph 7.21 of the Gambling Commission Guidance whereas these are now to be found at paragraph 7.23.

Paragraph 1.9 of part B refers to location of premises and refers to the possibility of a specific policy with regard to areas where gambling premises should not be located. Thereafter, paragraph 1.9 appears to create a rebuttable presumption of refusal akin to a Licensing Act 2003 cumulative impact area. These references should be removed. Location will always be relevant in the context of whether a particular proposal is consistent with the licensing objectives. The potential policy referred to in the existing paragraph however is likely to be unlawful and is certainly contrary to the Section 153 "aim to permit" principle and therefore references to it and the rebuttable presumption which creates an onus on the applicant overcoming concerns should be removed.

The references to planning permission in paragraph 1.12 of part B contain an extract from paragraph 7.58 of the Gambling Commissions Guidance. This guidance has been updated with the wording to paragraph 7.58 changed.

Paragraph 6.1 of Part B refers to betting machines and the ability of the Licensing Authority to limit the number of betting machines an operator wants to offer in a betting office. This paragraph would be assisted if a clear distinction was to be made between betting machines (where the Licensing Authority can restrict numbers) and gaming machines where there is no such restriction. Section 172(8) Gambling Act 2005 authorises the holder of a betting premises licence to make available for use up to four gaming machines of category B, C or D.

Gosschalks is the trading name of Gosschalks LLP, a Limited Liability Partnership registered in England and Wales with number OC431300. Our registered office is at Queen's Gardens, Hull, HU1 3DZ. We use the term "Partner" to refer to a member of the LLP or an employee or consultant who is a lawyer or with equivalent standing and qualifications. A list of the members of Gosschalks LLP is available for inspection at the above address.

Gosschalks LLP is authorised and regulated by the Solicitors' Regulation Authority under number 670570.

Lexcel Legal Practice Quality Mark Law Society Accredited

Conclusion

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

Queens Gardens, Hull, HU1 3DZ T 01482 324252 F 0870 600 5984 W www.gosschalks.co.uk DX 11902 – Hull

Gosschalks is the trading name of Gosschalks LLP, a Limited Liability Partnership registered in England and Wales with number OC431300.
Our registered office is at Queen's Gardens, Hull, HU1 3DZ. We use the term "Partner" to refer to a member of the LLP or an employee or consultant who is a lawyer or with equivalent standing and qualifications. A list of the members of Gosschalks LLP is available for inspection at the above address.

Gosschalks LLP is authorised and regulated by the Solicitors' Regulation Authority under number 670570.

Lexcel Legal Practice Quality Mark Law Society Accredited