Stake Limits on Fixed Odds Betting Terminals

For consideration by: Neighbourhood Services and Community Involvement Scrutiny Commission

Date: 24 January 2018

Lead director: John Leach

Useful information

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Reason for urgency:

This report is submitted as an urgent item, as the information on the consultation was not available when the agenda was prepared and the deadline for comments is before the next meeting of the Commission. In view of the Commission's previous support of the proposals outlined below, it is considered appropriate that the Commission be given the opportunity to respond to this consultation.

1. Purpose of report

1.1 To advise the Scrutiny Commission on Government consultations in respect of changing limits on Fixed Odds Betting Terminals (FOBTs) and to make recommendations.

2. Report

Fixed odds betting terminals

2.1 The government is consulting on a range of measures relating to gambling issues. The consultations are being run by the Department for Digital, Culture, Media and Sport (DCMS).

2.2 This issue was investigated in a review by the Neighbourhoods Services and Community Involvement Scrutiny Commission which reported in March 2016.

2.3 Government consultations started in October 2016 and the DCMS response to the consultation was published in October 2017. That response contained a number of options for limiting the stake on Fixed Odds Betting Terminals (FOBTs) (also known as B2 machines). A link to the proposals is contained here.

2.4 A key issue raised by the DCMS consultation was the size of the maximum permissible stake, which is currently £100. This was also considered by the NSCI review, which concluded that the size of the stake, as well as a failure of the betting industry to provide a robust enough protection for vulnerable customers, had a disproportionately great impact on a range of communities.

2.5 In response to 275 submissions (including the NSCI review, which was published as part of those submissions), DCMS has proposed a number of options for reducing the £100 stake limit.

2.6 These are as follows:

- Option 1 – maximum stake reduced to £50 on all B2 content
- Option 2 – maximum stake reduced to £30 on all B2 content
- Option 3 – maximum stake reduced to £20 on B2 non-slots and £2 on B2 slots
- Option 4 – maximum stake reduced to £2 on all B2 content.

2.7 The DCMS proposals included an impact assessment for each of these options.

It acknowledges that there was widespread support for a reduction in the stake on B2 machines to £2.

2.8 This support came from the Local Government Association, local authorities, campaign groups, charities and faith groups. These respondents focused on the disparity between the maximum stake on B2s and other gaming machines in accessible locations. They argued that the £100 stake was linked to gambling-related harm, wider harm to communities and anti-social behaviour.

2.9 This was reflected in evidence provided to the NSCI review and in the recommendations to the Executive, which included a call to limit stakes to £2 for users of FOBTs. That reflected and reinforced Leicester City Council's own view, and that of the Local Government Association[1].

Social responsibility and gambling

2.10 The DCMS review also considered some of the wider social and economic impacts of gambling, and made a number of further observations. In particular it looked at social responsibility measures introduced by the gambling industry since 2013.

2.11 The Government wants the industry to trial and evaluate further measures on B1, B2 and B3 machines[2] to improve player protection and create parity across category B machines. Areas to be looked at include:

- Voluntary time and spend limits and "hard stops" when limits are met
- Mandatory alerts when certain time and spend benchmarks are reached
- Prohibiting mixed play between B2 and B3 machines
- The use of algorithms to identify problematic play on gaming machines

2.12 If sufficient progress is not made, the Government and the Gambling Commission will consider whether additional requirements should be placed on licence holders.

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[1] This position was set out in the Executive response the NSCI scrutiny recommendations on 22nd March 2017 (page 62 of the agenda) http://www.cabinet.leicester.gov.uk:8071/documents/g7526/Public%20reports%20pack%20Wednesday%2022-Mar-2017%2017.30%20Neighbourhood%20Services%20and%20Community%20Involvement%20.pdf?T=10

[2] B1 machines have a £5 stake limit; B3 machines have a £2 maximum stake.

3. Recommendations

3.1 Members are recommended to:

1. Respond to the DCMS review by reiterating the Council's support for the £2 maximum stake limit for B2 machines;

2. Request the Executive to support this response, thereby reiterating its previous support for this position;

3. Inform the Local Government Association and local MPs of this position; and

4. Maintain under review the DCMS actions relating to gambling and social responsibility, with a future report to scrutiny if appropriate.

4. Financial, Legal and other implications

Financial implications

None in the context of this report

Legal implications

None in the context of this report

Climate Change and Carbon Reduction implications

None in the context of this report

Equalities implications

None in the context of this report

5. Supporting information / appendices

5.1 Links to supporting reports and documents are contained in the main body of the report.

6. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

7. Is this a "key decision"?

No