

# CHESHIRE EAST COUNCIL

## Cabinet

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| <b>Date of Meeting:</b>  | 9 <sup>th</sup> December 2014   |
| <b>Report of:</b>        | Steph Cordon, Head of Communities   |
| <b>Subject/Title:</b>    | Putting our Residents First by Tackling Problem Gambling                              |
| <b>Portfolio Holder:</b> | Councillors David Brown, Strategic Outcomes and Les Gilbert, Localism and Enforcement |

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### 1. Report Summary

- 1.1. Cheshire East Council as a Residents First Council has already led the way in banning access to payday loan websites from Council computers. Therefore, we now want to go further and tackle problem gambling.
- 1.2. We know that the impact of gambling, particularly problem gambling can have a huge detrimental impact on individuals, their families and communities. Problem gambling is defined as gambling to a degree that disrupts or damages personal, family or recreational pursuits.
- 1.3. Although, we continue along with our partners in health and the voluntary, community and faith sector to provide and signpost to support services for residents whose gambling habits can be defined as problematic. We need to do as much as we can to reduce the likelihood of being able to gamble excessively in the first place.
- 1.4. Therefore we commit to the following actions which we feel could make a real difference to people in Cheshire East:
  - access to online gambling websites will be blocked from Council public computers in libraries and any other Council computers used by residents.
  - back a national campaign with 90 other Councils to ask the Government to reduce the stakes on Fixed Odds Betting Terminals (FOBT) from £100 to £2 per spin.
- 1.5. Fixed Odds Betting Terminals (FOBT) are a type of electronic gaming machine on which players can bet on the outcomes of various simulated games and events (such as roulette, blackjack and bingo). The odds offered are fixed from game to game and B2 machines allow £100 to be bet every 20 seconds. The single game that accounts for around 70% of all revenue on B2 FOBTs is roulette. The digital version played on an FOBT is up to 5 times faster than the equivalent live game. There are now more than 33,400 FOBTs

offering casino content on high streets in England and Wales. One machine alone can see £18,000 gambled in an hour, far exceeding the level of other gaming machines found in bingo halls and arcades.

## **2.0 Recommendations**

- 2.1 A policy be introduced to block access to gambling websites through public PCs in libraries and other Council buildings.
- 2.2 Cabinet agree to endorse the national campaign to get Fixed Odds Betting Terminals (FOBT) stakes reduced from £100 to £2 per spin.

## **3.0 Reasons for Recommendations**

- 3.1 This policy will enable the Council to take further action to protect people from falling into debt and other issues through accessing online gambling sites. This follows on from the successful trailblazing action by Cheshire East Council of blocking of payday loan websites.
- 3.2 The national campaign if successful will enable Cheshire East to proactively tackle the issue of FOTBs and support our ambition to keep our towns vibrant and attractive for residents and responsible businesses.

## **4.0 Wards Affected**

- 4.1 All wards.

## **5.0 Local Ward Members**

- 5.1 Not applicable.

## **6.0 Policy Implications**

- 6.1 The National Campaign is requesting a change under the Sustainable Communities Act. The Sustainable Communities Act became law in 2007 and set up a new process of governance where councils can drive central government action and policy to '*assist councils in promoting the sustainability of local communities*'. Within a year of the submission a final decision must be made by government. The philosophy is to allow councils to be more accountable to their electorate, not central government. The SCA is a useful mechanism to enable dialogue between local authorities and the government, giving local authorities the power to determine the action and assistance government gives them. It is truly localist and encourages cross party and national collaboration allowing councils to make joint proposals. It also allows for residents involvement through the consultation process.

## **7.0 Implications for Rural Communities**

- 7.1 This will support those in rural communities who may be affected by problem gambling. Access to support information will be provided in rural community venues.

## **8.0 Financial Implications**

- 8.1 There will be no financial implications as a result of this policy. As mentioned in paragraph 11.1.2, there is software already in place that will enable the required changes to be made within existing budgets.

## **9.0 Legal Implications**

- 9.1 There are no legal implications to be considered at this stage.

## **10.0 Risk Management**

- 10.1 There is minimal risk associated with the introduction of this policy and backing of a national campaign. It could be considered an opportunity to improve the reputation of the Council by taking positive action to protect residents.

## **11.0 Background and Options**

### **11.1 Banning Access to Online Gambling Websites from Council Public Computers**

- 11.1.1 Some local authorities have begun to take action against gambling websites by blocking access from public computers in its libraries. Dundee City Council is one such example. In Cheshire East, the Citizens Advice Bureau is starting to see the impact of gambling on its communities with people presenting with gambling debts. National research has also demonstrated that admitting to gambling addiction still has a stigma attached to it and people are reluctant to present with this as the issue. Cheshire East Council in line with its early intervention and resident first approach are keen to protect residents from problem gambling wherever possible and believe that preventing access to online gambling on Council public PCs is a positive step.
- 11.1.2 The public are able to access the internet through public PCs in Cheshire East libraries using the People's Network. The software that manages access to the internet through these PCs enables the Council to filter access to specified websites, typically because they contain illegal, obscene or pornographic material. The software also uses dynamic content analysis to screen the actual content, context and construction of web pages, so that objectionable, hidden and malicious material can be accurately identified and blocked, ensuring safer surfing, in particular for young people. This software would enable the Council to block access to gambling websites.

11.1.3 This policy will apply to PCs for public use in all Council buildings wherever practically possible.

11.2 Backing National Campaign to Reduce Stakes on Fixed Odds Betting Terminals (FOBT) from £100 to £2 per spin.

11.2.1 The Gambling Act 2005 created a licensing regime which has left local authorities somewhat limited in their ability to deal with the issue of betting shop clustering and in turn, allowed four high stake FOBT machines to be permitted per on-street betting outlet. The proliferation of on-street betting outlets is an issue of grave concern to many councils across the country and their local residents due to the impact on the vitality of high streets and the increased anti-social behaviour associated with clustering in one locality.

11.2.2 Clustering of such outlets negatively impacts high streets or town centres by reducing local economic growth and the level of retail customers. A concentration of non-retail uses does little for an area's vitality, employment opportunities or community wellbeing. This proposal aims to ensure that communities across the country are pro-business where residents enjoy a safe environment.

11.2.3 Each betting outlet can provide up to four B2 category FOBT machines which offer casino style content including games such as roulette, poker and black jack at up to £100 a spin, which can be wagered every 20 seconds. There is a correlation between increased clustering and the presence of B2 machines as it is in response to this high cap that bookmakers have opened multiple premises in clusters to facilitate more machines as a fixed margin product guarantees bookmakers a return.

11.2.4 FOBTs have become a significant part of betting shop business operations which has led to their proliferation and licenses being moved from tertiary locations to clusters. Machine gaming has become the primary purpose and activity of many betting shops. Until the stakes are lowered on these machines from £100 to £2, clustering of betting shops will not be addressed.

11.2.5 As stated above, the powers available to local authorities are extremely limited. In February 2014 a Sustainable Communities Act was submitted to bring about tighter planning controls for betting shops. This separate planning use clause if enacted would mean betting shops are no longer classified as financial services along with banks, but still would not tackle the issue of existing clustering.

11.2.6 There are several councils who have looked into using Article 4 planning powers to address the proliferation of betting shops in their areas. However, these directions take a considerable amount of time and can lead to significant legal challenges, putting further pressure

on local authority budgets. The experience of Newham who have spearheaded this national campaign as well as other local authorities, has shown that the Planning Inspectorate overturn every betting shop application legitimately rejected by the Council.

- 11.2.7 A representative poll of adults in England and Wales conducted by Ipsos Mori found that 70 per cent of people believed that the maximum bet on FOBTs of £100 is too much. Sixty three per cent of respondents agreed that 'local councils should be able to control the number of betting shops within their own borough, district or county.
- 11.2.8 Cheshire East Council believes that the maximum stakes on category B2 FOBT machines in on-street premises should be lowered from £100 to £2. This is a measure the Government can enact within existing parameters of the Gambling Act 2005 as the legislation acknowledges the potential for FOBTs to cause harm. Therefore no primary legislation is needed. This would bring B2s in line with other gaming machines available in the UK.
- 11.2.9 FOBTs in regulated environments – such as those in bingo halls, amusement arcades and adult gaming centres – have previously been capped at £2 per spin, to protect the player and to limit losses. The B2 category machine allows bets of up to £100 per spin, every 20 seconds, on casino-style games.
- 11.2.10 The clustering of betting shops is blighting high streets and preventing local authorities from strategically improving those areas, incentivising local growth and attracting retail customers. Police data also shows there is significant crime and anti-social behaviour associated with betting shops.
- 11.2.11 It is important to note that this campaign is not anti-gambling, rather it aims to ensure that high stakes gambling occurs in safe, regulated environments not in locations such as town centres or high streets. The proposal aims to bring B2s in line with other gaming machines available in the UK in easily accessible locations. The campaign acknowledges that the regulated environment of a casino is an appropriate place for high stake gambling and instead focuses upon improving communities and town centres.

## **12.0 Access to Information**

- 12.1 The background papers relating to this report can be inspected by contacting the report writer:

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