



Minutes of Meeting

Second Round of Inquiry Sessions of the Fixed Odds Betting Terminals All Party Parliamentary Group Inquiry “Fixed Odds Betting Terminals – Assessing the Impact”

Date: Tuesday 21st November 2017

Time: 11.30am

Location: Committee Room 14

Chair: Carolyn Harris MP

Minutes taken by: Holly Ramsey, Interel UK

Evidence Heard From:

Councillor Morris Bright, Local Government Association

Sir Robin Wales, Mayor of Newham

Edward Davies, Centre for Social Justice

Public Meeting – Session 1, 11:30am – 12:00pm

- **Carolyn Harris MP (Chair)** began the first evidence session of the APPG by welcoming and thanking witnesses **Sir Robin Wales** and **Councillor Morris Bright**, and members of the public for attending.
- **Carolyn Harris** set out the format for the meeting and explained that the APPG is holding these sessions to supplement its previous report to the Government's consultation on proposals for changes to Gaming Machines and Social Responsibility Measures. The intention of this session was to hear from Local Government representatives on the impact of the B2 machines in the communities they represent.
- **Sir Robin Wales** was asked by the Chair to describe the impacts of B2 machines in his borough. He responded saying:
 - Issues surrounding problem gambling have become much more visible.
 - The number of betting shops need to be reduced significantly because £20million has been lost from Newham. If that money was being spent locally then it would generate tax revenues for the Government.
 - Newham is the most individually indebted place in the country and there is a wave hitting Newham of people losing money on FOBTs.
 - As a Council they have been giving loans out to help support people.
 - Sir Robin Wales said Newham's agenda is to 'take back the high streets,' and by reducing the stake, the number of betting shops in Newham will reduce. He added Newham Council are not anti-gambling.
 - He mentioned that the LGA have done a great job in getting some planning changes, but it was unfortunately too late as the damage has already been done to the high streets.
- **Councillor Morris Bright** introduced himself as representing the Local Government Association as Vice-Chair of the Safer and Stronger Communities Board which has been doing a considerable amount of work into problem gambling. The LGA represents nearly 350 Councils in England and 22 in Wales. The LGA has lobbied successive governments over clustering of betting shops because many member authorities have serious concerns. He added that FOBTs are unregulated and inappropriate for high streets. This stands in comparison to casino's which are highly regulated.
- **Carolyn Harris** asked both representatives what their thoughts were on an appropriate stake. **Sir Robin Wales** said that only a £2 stake would help towards tackling the issues caused by FOBTs and there should be no compromise. He said a £2 stake would show brave leadership.

- **Councillor Morris Bright** said the LGA would prefer a £2 stake and that the speed of spin should also be looked at.
- The **Chair** then asked the witnesses if they could talk about crime associated with betting shops and FOBTs.
- **Sir Robin Wales** said that police are called out 1.2 times a day to deal with anti-social behaviour taking place inside or outside betting shops in Newham. He said this is using up valuable police time when they should be dealing with more serious issues such as gang and acid attacks. There is no real security in betting shops and 90% of his residents do not want this behaviour to continue and therefore don't want to see betting shops in the high streets because of the anti-social behaviour it attracts.
- **Councillor Morris Bright** was asked about money laundering. He noted he had not come across it as a prominent issue for the LGA. He said that what is more important is what residents are seeing on high streets and what is happening to families who are affected by people who have run into debt from the machines. This then has a knock on effect on a number of services that Council's provide. It is important for the Government and local authorities to listen to what residents want – they are seeing anti-social behaviour and family breakdown associated with the machines and want something done about it.
- **Sir Robin Wales** said that the £20 million lost in his borough last year on FOBTs was a huge amount lost for a poor area. He said problem gambling is an addiction Councils should be concerned about for its residents. As a society, we try to discourage other addictions so why are we encouraging gambling addictions he said. He also said that the knock on effect of problem gambling in terms of families is tragic and there is enough evidence that shows this. People will change their behaviour if the stake is reduced.
- **Councillor Morris Bright** acknowledged that a £2 stake is not going to cure problem gambling but it is a step in the right direction. There has been action to help alcohol and drug addicts – for example you cannot buy more than 2 packets of paracetamols because it is deemed dangerous so why don't we act when it comes to gambling addicts.
- **Carolyn Harris** then asked if they thought enough work was being done to link problem gambling with public health arguments. **Councillor Morris Bright** said that more should be done and the LGA are keen to produce a targeted piece of work focussing on Newham as a case study to clearly evidence the problems associated with FOBTs – the evidence is there due to police call outs and from the amount of debt some individuals are in. But more needs to be done on health impacts and Newham could be a useful case study in this area.

- **Carolyn Harris** said she would like to understand the social and public health implications of problem gambling such as the impacts of FOBTs on food poverty and homelessness. There is also a further issue when it comes to prison sentences for crimes associated with gambling addictions as there is no treatment in prisons for gambling addicts, in contrast to help for alcohol and drug addicts. She also said there is a clear need for gambling addictions to be recognised as a health issue, in the same way as alcohol and drug addictions are.
- **Councillor Morris Bright** said that problem gamblers costs health services £260 million a year – from health impacts to job losses, and local authorities deal with more than someone coming out of a betting shop angry about losing money. Councils are dealing with people losing their homes and getting into serious debt and family abuse.
- **Sir Robin Wales** said that the failure to properly address this type of addiction represents a wider attitude towards mental health. He said there is a mental health epidemic in this country and there is little research into it and a lack of tools to tackle the problem.
- **Carolyn Harris** noted that she believes there is more work and research to be done into money laundering issues associated with the machines.
- Both witnesses then announced their respective authorities planned to put in separate submissions to the consultation.
- **Councillor Morris Bright** said that the country is playing catch up when it comes to impacts on technology as it is only years later that we start to see the impacts of new technology. There appears to be no check-ups or impact assessments years after certain technologies are introduced to see whether they could be contributing towards health issues. **Sir Robin Wales** also added there should have been checks after two years of any unintended consequences of the machines.
- **Carolyn Harris** asked why do the witnesses think that the Government hasn't acted to reduce the harm that has been caused by FOBTs and **Sir Robin Wales** responded by saying it is to do with a lack of courage, but added that at least those who introduced FOBTs have now admitted it was a mistake. It still would have been better to have checked the consequences of the machines being introduced years ago.
- **Councillor Morris Bright** concluded saying that he hopes there will be a mandatory levy on the industry to help with health impacts. And **Sir Robin Wales** said that taking action on FOBTs is becoming a moral issue and the Government needs to decide what is morally right.

Public Meeting – Session 2, 12:00pm – 12:25pm

- **Carolyn Harris MP (Chair)** began the second evidence session by welcoming and thanking witness **Edwards Davies** from the Centre of Social Justice for attending.
- **Carolyn Harris** set out the format for the meeting and explained that the intention of this session was to hear from leading think tanks who have published new reports on the impacts of FOBTs. Carolyn also put on record that the Institute of Economic Affairs and Respublica were invited and it is hoped that they will be giving evidence at the next session.
- **Edward Davies** was asked to explain why the CSJ became involved in the debate around FOBTs and problem gambling. He answered by saying:
 - The work of the CSJ is to put social justice at the heart of British Politics and within the five pathways they have been focussing on, gambling has come into everything they do and it can no longer be ignored.
 - They have found that problem gambling associated with FOBTs has come into their work on families (in debt and addiction) and criminal justice (public disorder). The CSJ didn't intend to become involved in the debate but it could not be avoided in the work that they do.
 - FOBTs have a uniquely damaging effect on the cohort of people the CSJ deals with - the bottom 20% - and the CSJ have seen that where there is social disadvantage, there are FOBTs.
 - Edward Davies also raised a worry that we have created a culture where gambling has become normalised and gambling advertising to children is becoming a serious issue.
- **Carolyn Harris** then asked what the Government can do and Edward Davies responded by saying that he understands there is a lot the Government can't do. But they can clearly do something to stop the damage FOBTs are causing. There is an opportunity with this consultation so the Government should take it.
- **Carolyn Harris** asked if the debate is a social issue.
- **Edward Davies** responded saying that the only reason the CSJ have come into the debate is because the damage FOBTs are causing is certainly a social issue. It is a social issue because of the debt people are getting into as a result of the machines, which can lead to family breakdown and violence in the home.

- Furthermore, he said that gambling companies are opening betting shops in areas of high unemployment. There are four times more betting shops in the poorest areas – we are seeing the actual targeting of deprivation. Companies are trying to make problems worse for people to profit, and evidence of targeting cannot be denied.
- **Edward Davies** then reiterated the CSJ's commitment to a £2 stake. The CSJ have also already put in their own submission to the Government's consultation.
- **Edward Davies** concluded by talking about debt and the economy saying that the CSJ have been struck by how much FOBTs are affecting these issues. He said that the Government needs to decide what kind of country the UK wants to be when it comes to social justice – either promote an economy off the poor, or change. He said that the Landman Report evidenced that FOBTs are taking money away from the economy and Edward Davies said that you cannot build an economy off the back of people who cannot afford it.
- With regards to money being lost to the exchequer if a £2 stake was proposed, **Edwards Davies** suggested that this money could be raised elsewhere through the gambling industry, via duty rise on online gambling.

Conclusions

- **Carolyn Harris** concluded the session by thanking those who had attended and welcomed them to submit written submissions of their own to the Government's consultation on Gaming Machines and Social Responsibility Measures.

Next meeting

- The next meeting of the group will be on the 13th December, and will seek to hear from a wider range of witnesses on the debate, which will help shape the APPG's submission to the consultation.

Meeting concluded at 12.25

External Guests

Ronnie Whittington (DCMS)
Eleanor Campion (DCMS)
Derek Webb (Campaign for Fairer Gambling)
Matt Zarb-Cousin (Campaign for Fairer Gambling)
Tosin Adedayo, Interel UK (Secretariat)
Holly Ramsey, Interel UK (Secretariat)
Michael McLaughlin, Interel UK (Secretariat)
Christine Thompson, Interel UK (Secretariat)



Rebecca Johnson (LGA)
Theo Antoniou – (Newham Council)
Sam Hunt, (Newham Council)
Representative of Stuart McDonald MP