



Newham London

Newham's Sustainable Communities Act proposal and betting shop campaign

The London Borough of Newham is proposing to submit a proposal under the Sustainable Communities Act to reduce the maximum bet per spin on Fixed-Odds Betting Terminals (FOBTs) in on-street betting shops from £100 to £2.

Sustainable Communities Act (SCA)

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'. The philosophy behind the SCA is localist in nature and seeks to reduce the centrally imposed duties on councils and to allow councils to be more accountable to their electorate. The Government has a duty to try to reach agreement with councils, via the LGA 'selector' within a year of the application. For a submission to be successful, broad support from local authorities across the country is crucial.

Background to the campaign

The proliferation of high street betting outlets in Newham is an issue of grave concern to the council and local residents due to the impact on the vitality of high streets and the increased anti-social behaviour and crime associated with clustering in one locality. Councils are currently hamstrung in their ability to deal with the issue of high street clustering as the Gambling Act 2005 created a permissive licensing regime, removing any control from local government.

The Government have decided to consider the impact of FOBT gaming through researching potential harm and is due to report in autumn 2014. In the meantime Ministers have published player protection measures and are consulting on giving betting outlets a separate planning use clause.

Fixed-Odds Betting Terminals (FOBTs) and clustering

Newham has one of the highest number of betting shops of any London borough with 86 currently in operation. Each betting outlet can provide four FOBT machines which offer casino style content including games such as roulette at up to £100 a spin, which can be wagered every 20 seconds. It is in response to the cap that bookmakers have opened multiple premises in clusters to facilitate more machines as a fixed margin product guarantees bookmakers a return. As a result, FOBTs have become a significant part of their business operations which has led to betting shops proliferating on high streets and licenses being moved from tertiary locations to clusters.

There are now more than 33,400 FOBTs offering casino content on high streets¹ illustrating this is a nation-wide issue. There are also more than twice as many betting shops in the poorest 55 boroughs compared with the most affluent 115, which are equivalent by population.

It is for this reason that Newham is proposing to make a SCA submission to reduce the maximum bet per spin on FOBTs from £100 to £2. Gambling machines in easily accessible locations – such as those in bingo halls, amusement arcades and adult gaming centres – are capped at £2 per spin, to protect the player and to limit losses and this proposal would bring them into line with other machines in the UK. The below table illustrates how B2 machine stakes compare with other gaming machines:

Machine Category	Maximum stake (from January 2014)
A	Unlimited
B1	£5
B2	£100
B3	£2
B3A	£2
B4	£2
C	£1
D (money prize)	10p
D (non-money prize other than crane grab machine)	30p
D non-money prize (crane grab machine)	£1
D combined money and non-money prize (other than coin pusher or penny falls machines)	10p
D combined money and non-money prize (coin pusher or penny falls machine)	20p

This SCA will only impact gaming machines in high street locations and not impact casino machines. It is also a measure the Government can enact within the existing parameters of the Gambling Act, as the legislation acknowledges the potential for FOBTs to cause harm.

Newham will be bringing a report before Cabinet in September to submit a proposal in late autumn. The Government will need to respond within a year, which will fall before the start of the Government's triennial review into stakes and prizes of gaming machines, providing an excellent opportunity for change to be enacted.

Data mapping

Newham Council's research, using the Gambling Commission's premises register between 2008 to 2010 and 2014, finds that amongst the 261 areas for which there is consistent data there has been a 12% increase in the number of betting shops that are in the most deprived areas. Over a third of betting shops – 36% - are in the fifth most deprived areas. Newham would be happy to share a map with you if there has been a significant change in your area.

Thank you for your support for this Sustainable Communities Act submission.

Through joint, collaborative working we can tackle this issue and for further information please contact
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¹<http://www.gamblingcommission.gov.uk/docs/Industry%20statistics%20-%20April%202008%20to%20March%202013%20-%20word.docx>

