

The Highland Licensing Board

Meeting – 5 December 2017

Agenda Item	7
Report No	HLB/131/17

Response to UK Government consultation on proposals for changes to gaming machines and social responsibility measures

Report by the Depute Clerk to the Licensing Board

Summary

This report invites the Board to (A) approve the draft consultation response as set out at Appendix B in relation to the UK Government's proposals for changes to gaming machines and social responsibility measures and (B) raise any other relevant issues, supported by evidence, that should be included as part of this consultation that has not already been covered.

1. Background

- 1.1 On 24 October 2016, the UK Government launched a review of gaming machines and social responsibility measures.
- 1.2 The UK Government's objective in initiating this review was to ensure they had the right balance between a sector that can grow and contribute to the economy and one that is socially responsible and doing all it should to protect consumers and communities.
- 1.3 The call for evidence sought evidence-based proposals on:
 - Maximum stakes and prizes for all categories of gaming machines permitted under the Gambling Act 2005
 - Allocations of gaming machines permitted in all licensed premises under the Gambling Act 2005
 - Social responsibility measures for the industry as a whole to minimise the risk of gambling-related harm, including but not limited to gaming machines.
- 1.4 Responses were received from the gambling industry, Local Authorities, parliamentarians, faith groups, charities, members of the public and think-tanks/academics. Copies of these submissions are published on the gov.uk website.

1.5 As a result, the UK Government is now bringing forward their main proposals for public consultation which are set out below:

- Regulatory changes to the maximum stake for B2 gaming machines (currently £100), looking at options between £50 and £2, in order to reduce the potential for large session losses and therefore potentially harmful impacts on players and their wider communities.
- Despite the industry proposing increases to the remaining stakes and prizes, permitted numbers and allocations across other categories of machine (B1, B3, B3A, B4, C and D gaming machines), the UK Government proposes retention of the current regulatory environment to better protect players from potential harm than the industry's proposed increases.
- Corresponding increased social responsibility measures across gaming machines that enable high rates of loss, on player protections in the online sector, on a package of measures on gambling advertising and on current arrangements for the delivery of research, education and treatment. The UK Government wants to see the industry, regulator and charities continue to drive the social responsibility agenda, to ensure that all is being done to protect players without the need for further Government intervention, and ensure that those in trouble can access the treatment and support they need.

1.6 A full copy of the consultation paper can be found at:

<https://www.gov.uk/government/consultations/consultation-on-proposals-for-changes-to-gaming-machines-and-social-responsibility-measures>

1.7 A copy of the Gaming Machine Summary setting out the current machine categories, maximum stakes and prizes and the premises for which the machines are allowed in is set out at Appendix A to this report.

Recommendation

The Board is invited to (A) approve the draft consultation response as set out at Appendix B in relation to the UK Government's proposals for changes to gaming machines and social responsibility measures and (B) raise any other relevant issues, supported by evidence that should be included as part of this consultation that has not already been covered.

In considering the draft consultation response to Question 1 (reduction in the maximum stake for category B2 machines), the Board may choose to specifically support the lower maximum stake proposed (£2), rather than the range of lower stakes (between £2 and £50) identified in the options put forward by the UK Government.

Date: 13 November 2017

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Background Papers: Department for Digital, Culture Media & Sport – Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures (October 2017)

Appendix A : Gaming machine summary

Appendix B: Draft consultation response

Appendix A: Gaming Machine Summary

Machine category	Maximum stake	Maximum prize	Allowed premises
B1	£5	£10,000 (£20,000 linked progressive jackpot on a premises basis)	Casinos
B2	£100	£500	Betting premises and tracks occupied by pool betting and all of the above
B3	£2	£500	Bingo premises, Adult Gaming Centre and all of the above
B3A	£2	£500	Members' club, commercial club or Miners' welfare institute only
B4	£2	£400	Members' club or Miners' welfare club, commercial club and all of the above.
C	£1	£100	Family Entertainment Centre, Qualifying alcohol licensed premises and all of the above.
D (money prize)	10p	£5	Travelling fairs, unlicensed (permit) Family Entertainment Centre and all of the above
D non-money prize (other than crane grab machine)	30p	£8	All of the above
D non-money prize (crane grab machine)	£1	£50	All of the above
D combined money and non-money prize (other than coin pusher or penny falls machines)	10p	£8 (of which no more than £5 may be a money prize)	All of the above
D combined money and non-money prize (coin pusher or penny falls machine)	20p	£20 (of which no more than £10 may be a money prize)	All of the above

APPENDIX B – DRAFT CONSULTATION RESPONSE

Q1. Do you agree that the maximum stake of £100 on B2 machines (FOBTs) should be reduced? If yes, what alternative maximum stake for B2 machines (FOBTs) do you support?

Yes. The Highland Licensing Board supports a reduction to a maximum stake between £2 and £50 but does not comment specifically as to what the exact amount should be.

Q2. Do you agree with the government's proposals to maintain the status quo on category B1?

Yes

Q3. Do you agree with the government's proposals to maintain the status quo on category B3?

Yes

Q4. Do you agree with the government's proposals to maintain the status quo on category B3A?

Yes

Q5. Do you agree with the government's proposals to maintain the status quo on category B4?

Yes

Q6. Do you agree with the government's proposals to maintain the status quo on category C?

Yes

Q7. Do you agree with the government's proposals to maintain the status quo on category D?

Yes

Q8. Do you agree with the government's proposals to increase the stake and prize for prize gaming, in line with industry proposals?

Yes, given that the proposed stake and prize increases are moderate and the lower risk identified with these activities.

Q9. Do you agree with the government's proposals to maintain the status quo on allocations for casinos, arcades and pubs?

Yes

Q10. Do you agree with the government's proposals to bar contactless payments as a direct form of payment to gaming machines?

Yes

Q.11 Do you support this package of measures to improve player protection measures on gaming machines?

Yes

Q.12 Do you support this package of measures to improve player protection measures for the online sector?

Yes

Q.13 Do you support this package of measures to address concerns about gambling advertising?

Yes

Q.14 Do you agree the Government should consider alternative options including a mandatory levy if industry does not provide adequate funding for RET?

Yes

Q.15 Do you agree with our assessment of the current powers available to local authorities

No, the Highland Licensing Board does not agree with the UK Government's assessment. Neither the UK Government nor the Gambling Commission appears to understand the extreme difficulty that local authorities and licensing boards have in identifying, as a question of fact, sufficient causal link between the grant of a new betting premises licence in a specific location and detriment to the licensing objectives, to give grounds on which to refuse a particular application. The ability to produce local area profiles does not remove or even lessen this difficulty.

Q16. Are there any other relevant issues, supported by evidence, that you would like to raise as part of this consultation but that has not been covered by questions 1-15?