



Report of Chief Officer Elections and Regulatory

Report to Licensing Committee

Date: 26th January 2021

Subject: Review of the Gambling Act 2005 – Call for Evidence

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- On 8th December 2020 Nigel Huddleston, Minister for Sport, Tourism and Heritage announced an intention to review the Gambling Act 2005.
- A Call for Evidence has been issued with a closing date of 31st March 2021. The full document can be accessed on the web:
<https://www.gov.uk/government/publications/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence>
- A response will be coordinated by Entertainment Licensing on behalf of the Council and officers are seeking input from Licensing Committee members.

2. Best Council Plan implications (see the [latest version of the Best Council Plan](#))

- The licensing regime contributes to Best City Priorities 2019/20:
 - Culture
 - Safe, Strong communities
- Inclusive Growth

3. Resource implications

- No resource implications for the licensing authority are identified.

Recommendations

- a) For Licensing Committee to consider the best way to provide steer and feedback with regard to the Call for Evidence regarding the review of the Gambling Act 2005 via:
 - a. Working group,
 - b. Individual responses by email to the Call for Evidence,
 - c. Feedback on draft response prepared by officers, or
 - d. A combination of these options.

1. Purpose of this report

- 1.1 The purpose of this report is to present the Government's Call for Evidence on the review of the Gambling Act 2005 and to provide options regarding steer and feedback.

2. Background information

- 2.1 The Gambling Act 2005 sets out how gambling in Great Britain is regulated. It came fully into force in September 2007, and covers arcades, betting, bingo, casinos, gaming machines, society lotteries, and remote gambling (including online gambling). It also created and set the functions and objectives of the Gambling Commission as the principal regulator. In 2014, it was amended to cover all online gambling companies who offer gambling to customers in Great Britain, wherever they are based. Gambling is reserved across Great Britain but devolved in Northern Ireland.
- 2.2 The government wants all those who choose to gamble in Great Britain to be able to do so in a safe way. The sector should have up to date legislation and protections, with a strong regulator with the powers and resources needed to oversee a responsible industry that offers customer choice, protects players, provides employment, and contributes to the economy.
- 2.3 The government is reviewing the Gambling Act (2005) to ensure our regulatory framework can protect children and vulnerable people, prevent gambling related crime, and keep gambling fair and open in the digital age. The full document can be accessed via the web: <https://www.gov.uk/government/publications/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence>. A summary of the questions is provided at Appendix 1.
- 2.4 Through this Review, the government's objectives are to:
 - Examine whether changes are needed to the system of gambling regulation in Great Britain to reflect changes to the gambling landscape since 2005, particularly due to technological advances
 - Ensure there is an appropriate balance between consumer freedoms and choice on the one hand, and prevention of harm to vulnerable groups and wider communities on the other

- Make sure customers are suitably protected whenever and wherever they are gambling, and that there is an equitable approach to the regulation of the online and the land based industries.

2.5 The Review will be led by Ministers at the Department for Digital, Culture, Media & Sport, with engagement from across government, the Gambling Commission, the industry, health and charitable sector, those with lived experience of gambling harm, and other stakeholders.

2.6 After this initial 16 week call for evidence, the government will assess the evidence presented, alongside other data, with the aim of setting out conclusions and any proposals for reform in a white paper next year.

2.7 Wider work related to gambling will continue alongside this Review. The Gambling Commission will progress its ongoing work to make gambling safer through regulation. DHSC will continue to work collaboratively with NHSE and GambleAware to improve and expand availability and access to treatment for problem gambling. This will be supported by forthcoming increases in funding and evidence reviews by the National Institute for Health Research and Public Health England (PHE). PHE's existing health protection role will be transferred to the new National Institute for Health Protection in 2021 and work on health improvement will continue with support from existing PHE expertise.

3. Main issues

3.1 The opportunity to provide information, evidence and experiences in relation to existing legislation is rare, and it is customary for the Council to compile a response.

3.2 In relation to previous gambling related consultation, for example with the Gambling Commission, officers from Entertainment Licensing, Financial Inclusion and Public Health have coordinated such a response which has been approved by Licensing Committee, either at a committee meeting or via email if timescales necessitate it.

3.3 However, the government has provided a 16 week consultation and this is a wide ranging scope, with particular regard to:

- The protection of online gamblers, including rules to minimise the risks associated with online products themselves, and the use of technology to support harm prevention
- The positive and negative impacts of the advertising and marketing of gambling products and brands
- The effectiveness of our regulatory system, including the Gambling Commission's powers and resources to regulate and keep pace with the licensed market and tackle unlicensed operators, and funding flows from the industry to the regulator
- The availability and suitability of redress arrangements for individual customers who feel they have been treated unfairly by gambling operators

- Children's access to Category D slot machines, the effectiveness of age controls, protections for young adults, and the age limit for society lotteries (currently available to 16 and 17 year olds)
- The outcome of changes to the land based sector introduced in the Gambling Act 2005, particularly for casinos, and whether they are still appropriate in a digital age

- 3.4 There is the opportunity for interested Members to have more involvement in the Call for Evidence response. This could be via working directly with officers, through a working group, and providing a response to the consultation questions which can be incorporated, or simply through providing comment to an officer produced response.
- 3.5 If Members decide a working group is the way forward, this would be held remotely and would involve specialists from Financial Inclusion and Public Health.
- 3.6 Alternatively, officers, working with Financial Inclusion and Public health, could provide a draft response for comment and a final version to be approved by Licensing Committee.
- 3.7 Consideration should be given to the timescales, the workload Members are currently faced with as well as the practicalities.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation on this report has taken place with senior officers, and legal services during the report clearance process.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 There are no implications for equality, diversity, cohesion or integration in relation to this report.

4.3 Council policies and the Best Council Plan

- 4.3.1 The licensing regime contributes to Best City Priorities 2019/20:
- Culture
 - Safe, Strong communities
 - Inclusive Growth

Climate Emergency

- 4.3.1 There are no implications for the climate emergency in relation to this report.

4.4 Resources, procurement and value for money

- 4.4.1 There are no implications on resources, procurement or value for money in relation to this report.

4.5 Legal implications, access to information, and call-in

4.5.1 There are no legal implications in relation to this report. As this report relates to a Government consultation there are no implications in relation to access to information or call-in.

4.6 Risk management

4.6.1 Members have the option of not responding to this consultation, which is low risk.

5. Conclusions

5.1 On 8th December 2020 Nigel Huddleston, Minister for Sport, Tourism and Heritage announced an intention to review the Gambling Act 2005. A Call for Evidence has been issued with a closing date of 31st March 2021. A response will be coordinated by Entertainment Licensing on behalf of the Council and officers are seeking input from Licensing Committee members. Licensing Committee has been asked to consider the best way to provide steer and feedback with regard to the Call for Evidence regarding the review of the Gambling Act 2005.

6. Recommendations

6.1 For Licensing Committee to consider the best way to provide steer and feedback with regard to the Call for Evidence regarding the review of the Gambling Act 2005 via:

- Working group,
- Individual responses by email to the Call for Evidence,
- Feedback on draft response prepared by officers, or
- A combination of these options.

7. Background documents¹

7.1 None

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Call for evidence question recap

Online protections - players and products

Q1: What evidence is there on the effectiveness of the existing online protections in preventing gambling harm?

Q2: What evidence is there for or against the imposition of greater controls on online product design? This includes (but is not limited to) stake, speed, and prize limits or pre-release testing.

Q3: What evidence is there for or against the imposition of greater controls on online gambling accounts, including but not limited to deposit, loss, and spend limits?

Q4: What is the evidence on whether any such limits should be on a universal basis or targeted at individuals based on affordability or other considerations?

Q5: Is there evidence on how the consumer data collected by operators could be better deployed and used to support the government's objectives?

Q6: How are online gambling losses split across the player cohort? For instance what percentage of GGY do the top and bottom 10% of spenders account for, and how does this vary by product?

Q7: What evidence is there from behavioural science or other fields that the protections which operators must already offer, such as player-set spend limits, could be made more effective in preventing harm?

Q8: Is there evidence that so called 'white label' arrangements pose a particular risk to consumers in Great Britain?

Q9: What evidence, if any, is there to suggest that new and emerging technologies, delivery and payment methods such as blockchain and crypto currencies could pose a particular risk to gambling consumers?

Q10: Is there any additional evidence in this area the government should consider?

Advertising, sponsorship and branding

Q11: What are the benefits or harms caused by allowing licensed gambling operators to advertise?

Q12: What, if any, is the evidence on the effectiveness of mandatory safer gambling messages in adverts in preventing harm?

Q13: What evidence is there on the harms or benefits of licensed operators being able to make promotional offers, such as free spins, bonuses and hospitality, either within or separately to VIP schemes?

Q14: What is the positive or negative impact of gambling sponsorship arrangements across sports, esports and other areas?

Q15: Is there any additional evidence in this area the government should consider, including in relation to particularly vulnerable groups?

Gambling Commission's powers and resources

Q16: What, if any, evidence is there to suggest that there is currently a significant black market for gambling in Great Britain, or that there is a risk of one emerging?

Q17: What evidence, if any, is there on the ease with which consumers can access black market gambling websites in Great Britain?

Q18: How easy is it for consumers to tell that they are using an unlicensed illegal operator?

Q19: Is there evidence on whether the Gambling Commission has sufficient investigation, enforcement and sanctioning powers to effect change in operator behaviour and raise standards?

Q20: If existing powers are considered to be sufficient, is there scope for them to be used differently or more effectively?

Q21: What evidence is there on the potential benefits of changing the fee system to give the Gambling Commission more flexibility to adjust its fees, or potentially create financial incentives to compliance for operators?

Q22: What are the barriers to high quality research to inform regulation or policy making, and how can these be overcome? What evidence is there that a different model to the current system might improve outcomes?

Q23: Is there evidence from other jurisdictions or regulators on the most effective system for recouping the regulatory and societal costs of gambling from operators, for instance through taxes, licence fees or statutory levies?

Q24: Is there any additional evidence in this area the government should consider?

Consumer Redress

Q25: Is there evidence of a need to change redress arrangements in the gambling sector?

Q26: If so, are there redress arrangements in other sectors or internationally which could provide a suitable model for the gambling sector?

Q27: Individual redress is often equated with financial compensation for gambling losses. However, there may be risks associated with providing financial lump sums to problem and recovering gamblers, or risks of creating a sense that gambling can be 'risk free'. Are there other such considerations the government should weigh in considering possible changes to redress arrangements?

Q28: Is there any additional evidence in this area the government should consider?

Age limits and verification

Q29: What evidence is there on the effectiveness of current measures to prevent illegal underage gambling in land based venues and online?

Q30: Is there evidence of best practice, for instance from other jurisdictions, in how to prevent illegal underage gambling?

Q31: What, if any, evidence is there on the number of 16 and 17 year olds participating in society lotteries?

Q32: What, if any, evidence is there to show an association between legal youth engagement in society lotteries and problem gambling (as children or adults)?

Q33: Is there comparative evidence to support society lotteries and the National Lottery having different minimum ages to play?

Q34: What are the advantages and disadvantages of category D slot machine style gaming machines being legally accessible to children?

Q35: Is there evidence on how the characteristics of category D slot machine style gaming machines (for instance whether they pay out in cash or tickets) factor into their association with harm in childhood or later life?

Q36: What, if any, is the evidence that extra protections are needed for the youngest adults (for instance those aged between 18 and 25)?

Q37: What evidence is there on the type of protections which might be most effective for this age group?

Q38: Is there any additional evidence in this area the government should consider?

Land based gambling

Q39: What, if any, changes in the rules on land based gambling would support the government's objectives as set out in the document? Please provide evidence to support this position, for instance how changes have worked in other countries.

Q40: What evidence is there on potential benefits or harms of permitting cashless payment for land based gambling?

Q41: Is there evidence that changes to machine allocations and/ or machine to table ratios in casinos to allow them to have more machines would support the government's objectives?

Q42: What is the evidence that the new types of casino created by the 2005 Act meet (or could meet) their objectives for the sector; supporting economic regeneration, tourism and growth while reducing risks of harm?

Q43: Is there evidence on whether licensing and local authorities have enough powers to fulfil their responsibilities in respect of premises licenses?

Q44: Is there evidence that we should moderately increase the threshold at which local authorities need to individually authorise the number of category D and C gaming machines in alcohol licensed premises?

Q45: Is there any additional evidence in this area the government should consider?