

Licensing: From the Operator's Viewpoint

Adam Hodges:

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ADAM HODGES CEO GAME NATION

Game Nation are one of the top three operators of gaming lounges in the UK with a statement of intent to lead the way in setting new standards for adult entertainment on the high street. Members of the highly regarded Gambling Business Group, which represents the major stakeholders in land based retail gaming, Game Nation has a 360 degree perspective on the operation of venues from the delivery of top quality entertainment to the customer, all the way to applying licensing obligations and objectives - and in all cases, over and beyond the call of duty. CEO **Adam Hodges** talks to Coinslot about the relationship between high street gaming businesses and their local authorities, and most importantly, the vital role of maintaining constant engagement and constant appraisal of the licensing process.

Coinslot: The licensing procedure can be a tough journey for many gaming and gambling businesses. Game Nation has experienced both the highs and lows of the process. How do you view the licensing system from an applicant's perspective?

Adam Hodges: I think we have to start from the premise that the licensing system, by its very nature, is always going to be a complicated task.

And from my own observations, as a national operator, whilst it ticks many of the boxes, I believe the process could definitely benefit from a more consistent procedure.

As you say, we have experienced both ends of the spectrum, so we're able to identify inconsistencies quite quickly and it does impact significantly on our business when some individual local authorities deal with matters differently to others - it creates unnecessary delays and makes the process more challenging.

On the positive side, there are simple solutions to many of the issues we encounter, especially the minor administration matters. Issues such as change of head office, rebranding to a new trading name - much of this and other simple issues could all be dealt with electronically. That would be a major improvement for both the applicants and local authority departments and would help speed the process up.

But it's also important to recognise that there is a lot of good quality around the LAs. We've been very fortunate to have worked with some really efficient authorities who deal with emails and phone calls very



promptly. One case in point is Southampton where we operate four sites.

Coinslot: There have been a number of odd refusals for gambling businesses recently, one of note being an extended hours application declined over drug dealing fears. Given that particular national operator, and indeed the town where the application went in, many would argue that it would be tough to find any credible evidence at all to support the objection. What impact does this have on an operator's business in terms of delay and costs of an appeal?

Adam Hodges: The rigour and standards set at late night/24h operations is immense; it's at such a high standard that any drug dealing risks would be negligible and staff are trained to identify these risks.

We have a locked door policy, locked toilets (and toilet/washroom design), and we are rolling out high-definition CCTV (including sound recording) across our business. If anything, the presence of a professional operator would deter drug dealers from the area.

Given the investment that AGC operators put into their operations - which runs into several hundreds of thousands of pounds per site - the idea that drug dealing or any misbehaviour is prevalent in the near vicinity is something we would be determined to eradicate.

As far as licensing is concerned, rejections on grounds like the one you mention, the impact on the business can be fundamental to its success. The delays can lead to

ongoing costs with no income, an inability to plan and engage contractors to provide improvements, and with respect to appeals, unnecessary costs and a significant investment in management time for all operators.

And when we assess this impact, we have to look at the overall operation; that delay will impact our local employees, our local service suppliers and our neighbouring businesses. These applications are not just about the venue - it's about the staff, the business suppliers, the local economy and major investment in the community.

Coinslot: It will always be the case that some council members will be less inclined towards gambling operations, more likely on moral grounds. On a practical level however, it's a different story. During a Met Police tour of one of Game Nation's venues, the force's party were full of praise for your security measures. What safety and community based initiatives do your operations have in place to protect their customers?

Adam Hodges: Yes, we were very pleased with the Met Police response. And in fact, it's the same response when local MPs visit our venues and also our competitors' operations.

It has to be said that our security and community activity surprises everyone except our customers and ourselves. Many people seem to overlook the fact that gambling is one of the most rigorously regulated sectors in the British economy. And for land-based operations on our high streets, that regulation is double - not just as a gambling



operator, but also as a normal business interacting face to face with its customers.

If we don't meet the criteria of the Gambling Commission and our local authorities, we can't operate. The fact that we do and we are re-reinforces the point of how much emphasis we place on customer safety and community engagement.

I think most councillors would be surprised at the vast range of measures we apply to protect our customers - from health and safety to affordability; high quality CCTV to gambling compliance training; identifying customers susceptible to harm to the national walk safe campaign; and age verification through to evaluating player patterns.

It cannot be said that AGC operators on the high street fall short on their commitment to social responsibility measures - and that work is reinforced by trade bodies like the Gambling Business Group who are constantly supporting our efforts in this area and liaising with the regulator and DCMS on the development of new initiatives.

Coinslot: As you've pointed out, the gaming and gambling industry is one of the most regulated in the UK. It's governed by the strictest legislation, regulated by the most powerful regulatory authority, and guided by a raft of local authority rules. Would you say that this tightly controlled governance provides significant credibility to your business and actually delivers confidence in your practices and business philosophy?

Adam Hodges: In theory, the strict legislation should provide reassurances and confidence, however, as with many issues where some people have strong opinions, it is often the minority with the loudest voice who have impact and influence.

What I would say though, is our experience from a planning perspective is that the application of various legislation and policies may not always be as consistent as one could reasonably expect, both in respect of gambling establishments versus other high street establishments, or indeed across local authorities.

That is an area I would be delighted to explore with the Institute of Licensing - I think businesses like Game Nation have a lot to contribute to the licensing debate and our input could help move the process forward in a more consistent and dynamic direction.

Coinslot: Finally, away from governance and into the development of the towns you operate in. What kind of investment is required from Game Nation when it makes that decision to open in a new town and refurbish premises; employ local people; train staff; implement all compliance and SR guidelines; and run marketing campaigns to drive footfall through the high street?

Adam Hodges: Following Covid, many building costs have increased significantly, and combined with the cost of machines, security and safety systems, an

Closing the licensing divide

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investment of half a million pounds in a new site is not unusual.

You also need to remember that opening the doors to a new site on day one does not guarantee income, and ongoing investment in marketing and advertising is required to stimulate awareness.

Like any other high street outlet, growth will take time. The key is our teams; we're proud of our people and spend time and effort training them thoroughly on all aspects of our business, customer service, operations, and importantly, our social responsibility requirements.

Getting the customers through the door is one thing, but if you can't deliver a great experience then you'll struggle to get them back. A well trained and well managed team can make all the difference.

I've been in the gambling industry for over 35 years and I've seen many positive changes. I am proud to be running a business that's growing and bringing fun and employment to the high street, and one that operates to the highest standards, which as you said earlier in one of your questions, is in an industry which is one of the most regulated in the UK, is governed by the strictest legislation, regulated by the most powerful regulatory authority and guided by a raft of local authority rules.

We have a strong and resilient framework, now we need to refine it. More consistency, more technology and most important, more dialogue between our business and our local authorities.