

Once in a generation reform can't be gambled with



By Charlotte Meller, The Gambling Business Group

Charlotte Meller looks at the detail behind the Government's White Paper and analyses the implications for Local Authorities and the landbased gambling entertainment industry.

The White Paper on gambling reform was finally published at the end of April – is it what your members were hoping for?

On balance I think it is: of the 15 key changes that Gambling Business Group (GBG) members asked for from the Government's review of the Gambling Act 2005, 12 were included in the White Paper. The GBG is fully supportive of the introduction of a Gambling Ombudsman that is genuinely independent of all components of the industry, is funded from the current Licence Fee regime, and whose activities and evidence can be used to inform future gambling legislation and regulation.

A core aim of the GBG is to improve on the social responsibility obligations that the gambling industry delivers in order to better protect the vulnerable - as a consequence we welcome the proposals around Age Limits – the industry already voluntarily operates Think 25 even though the LCCP requirement is for Think 21. We also agree that 'cash-out' slot style Category D machines should only be played by over 18's - again our members have been doing this on a voluntary basis since 2021.

The statutory levy is an area where the detail is key and we are pleased that the APPG on Gambling Related Harm agrees that it needs to be a smart levy, taking the differences in

overheads into account for different gambling sub-sectors.

Any calculations relating to contributions to Research Education and Treatment should be made after costs are taken out to ensure the proposal is equitable.

GBG members would like to see a formal obligation placed on those responsible for commissioning these increased funds, to include independent evaluation and audit of spending to ascertain whether it has been spent responsibly and effectively.

Why is the White paper so important to the industry?

Our goal is to improve the land-based gambling industry and consumer environment for all, with social responsibility at the heart of everything that we do.

Even though the title of the White paper 'Gambling reform for the digital age' suggests that the 2005 Act needs overhauling due to the growth in online gambling the land-based sector has also changed massively in those 18-years and so changes are needed in order for our members to continue to meet consumer needs and to put social responsibility first.

Gambling legislation must have the flexibility to be updated in

line with technological advances, digitisation and consumer trends - so we welcome the proposal for sandbox testing/ planned pilots for concepts under certain conditions, with the close involvement of the Gambling Commission.

With technology advancing so quickly it is important that regulations can adapt and respond to changes in order to provide the maximum protection to the vulnerable including minors and those who wish to self-exclude.

The current legislation prohibits the use of Debit Cards for gaming machine play when the rest of society has largely moved away from cash transactions in favour of digital or cashless payments. – so it was good to see the inclusion of a commitment to explore options for cashless payments providing the appropriate player protections are in place

The language used by the Secretary of State was quite sympathetic towards the land-based sector why do you think that was the case: has the narrative changed?

I think the narrative has at least shifted: the language was much more empathetic and understanding of a sector which has a strong track-record for delivering safer gambling, which has the highest 'know your customer' undertakings and which fulfils a key role in communities throughout the country. High Street operators took a massive financial hit during COVID at a time when people could still play on line. Many players who migrated online have not returned with the result that many premises have been forced to close. Rising business

costs, interest rates and rampant inflation have created a perfect storm and I believe that the Government recognises that the machine sector faces an extremely challenging future. It should also be noted that because the price of machine play is set by law it's not possible to pass on additional costs to consumers.

Can you outline the next stages and when can we expect to see changes in regulations?

There is a huge volume of work to be done some of which will be led by the DCMS and some by the Gambling Commission involving a mix of primary legislative changes, secondary regulations as well as the Licence conditions and Codes of practice LCCP which is in the Commission's gift to change. The Government's mantra of 'when Parliamentary time allows' is a concern given the dwindling number of weeks before the next general election.

We are expecting a number of consultations from DCMS and the Gambling Commission to start appearing from summer 2023 with more scheduled for the autumn.

Clearly, we do not want land-based changes to lose out to online which account for a large proportion of the proposals . There are a lot of unanswered questions. For example, even after consultation when will changes be implemented – do we have to wait for all the consultations to be completed? DCMS has suggested they want changes in place by summer 2024 but the Commission has indicated a 3-year timetable which includes evaluation.

How will any potential changes impact Local Authorities? Local Authority (LA) responsibilities under GA05 only extend to the land-based sector but elected members will no doubt welcome the tightening of rules around the online sector, an area where they don't have any control.

The land-based changes will mean more work for LAs – whether its updating information in Statements of Policies (SoP), information on their websites, considering whether a CIA is appropriate, and also potentially some training on inspections as there will be changes to look out for when undertaking visits for example the 80/20 rule moving to a 50/50 ratio and cash pay out slot style Cat Ds changing to over 18s only and LAs will welcome the proposal to review the premises fee cap: fees have not changed since 2007 and LAs will need to update information on payment systems and websites.

The DCMS want LAs to make greater use of their Statement of Policy and do to more inspection and enforcement work. We have already been engaging with local regulators to facilitate visits/training in our members' venues most recently with the Met Police in a London Adult Gaming Centre and LAs in Motorway Service Areas and we are keen to extend that offer to other LAs.

DCMS believe the existing powers available to LAs is broad



– however they have introduced the concept of CIAs – which will be familiar from the Licensing Act 2003. DCMS is not removing the 'aim to permit' premise which means that LAs will need to familiarise themselves with the guidance and approach to these once they are introduced.

What do you think the impact will be on local communities?

I don't think the look and feel of the high street will change significantly – the more pronounced changes will be seen in the online space.

Changing the levy from voluntary to mandatory should mean more money going into Research Education and Treatment which should provide easier access to gambling support and treatment services.

There will be a new Avenue for consumers to raise complaints through the proposed independent Ombudsman. The industry has been challenged to put this in place by next summer – with Government keen to keep the option to regulate on this. There will be significant changes to regulations covering marketing of gambling including a safer gambling proposal which will mean consumers seeing new and consistent educational information both online and on the high street.

What was missing from the White Paper?

From an industry perspective there is no provision for a regular review of stake and prize levels on gaming machines, the last review which ironically is referred to as the Triennial actually took place over a decade ago.

There were no changes impacting the pub sector as DCMS was not minded to increase the threshold at which local authorities need to individually authorise the number of Category C and D gaming machines in alcohol licensed premises. – primarily due to the low pass rates of age verification testing. From a LA perspective there was some desire to see the inclusion of a public health objective. Some wanted the 'aim to permit' principle removed enabling them to refuse new gambling premises. CIAs are proposed instead to complement existing LA powers.

How is the Gambling Business Group engaging with government at this vital stage?

We are engaging with DCMS at the highest levels including the Ministerial Round Tables and contributing evidence-based arguments throughout the consultation process. GBG chairs the Gambling Expert Group which includes representatives from Government, Gambling Commission, the LGA, NALEO and IOL as well as other trade associations. As well as submissions to the CMS Select Committee inquiry and the Gambling Related Harm APPG inquiry and we hosted DCMS at our summer Board Meeting.