

Measures relating to the land-based gambling sector

District Councils' Network response

September 2023

About the District Councils' Network

The District Councils' Network (DCN) is a cross-party network of 168 district and unitary councils. We are a special interest group of the Local Government Association, providing a single voice for all district services.

DCN member councils deliver a wide range of local government services to over 21 million people – 38% of England's population. They cover 60% of the country by area. DCN councils are home to 38% of England's businesses and 33% of national Gross Domestic Product.

They deliver visible frontline services that matter to every single business in their local areas. All our member councils are licensing authorities. The regulation of local gambling establishments is crucial in order to ensure that local high streets remain vibrant and serve local communities.

Executive Summary

1. DCN supports efforts to update the regulation of the land-based gambling sector. With regards to the specific impact of these proposals, we would refer you to submissions from our member councils who are able to reflect how changes would affect their local communities.
2. District councils are extremely concerned about the risk of gambling-related harms. Councils currently do not have the powers required to effectively manage the gambling premises in our communities, or to mitigate gambling-related harm.
3. As the House of Lords' report, 'Gambling Harm— Time for Action' report highlighted, "one third of a million [people] are problem gamblers. On average, one problem gambler commits suicide every day... for each problem gambler, six other people, a total of two million, are harmed by the breakup of families, crime, loss of employment, loss of homes and, ultimately, loss of life".
4. We know that betting shops can have a negative impact on the vitality of high streets and how our residents use these public spaces. Our councils also have ongoing concerns about increased anti-social behaviour and crime associated with clustering in one locality.
5. We would echo the LGA's call for additional powers for councillors to restrict new gambling premises where there are already clusters of these premises or where for other reasons. For example, in areas where there are treatment centres, schools or because of community opposition – it may not be appropriate to open a gambling venue.
6. The planning and licensing systems are the ideal place to make an assessment about where it is appropriate to introduce new premises. However, the statutory 'aim to permit' gambling contained in current legislation prevents councils from acting to assess what is an appropriate location for these premises,

Machine allowance for arcades and bingo halls

7. DCN member councils welcomed the reduction in the maximum stake of B2 machines to £2 in 2019. We are concerned that the proposals to liberalise the 80/20 ratio of Category C/D machines to Category B machines gaming machines in arcades and bingo halls to 50/50 are likely to increase the number of category B machines (maximum stake £2), compared to Category C/D machines (maximum stake £1). This would be a retrograde step and risks increasing gambling related harms by allowing people to lose more money, more quickly.

Cashless payments on gaming machines

8. We are concerned that proposals to allow users to cashless payments for stakes will mean there are now too few restrictions on how users gamble.
9. We would therefore support robust safeguards and cooldown periods, alongside measures proposed like such a maximum transaction value of £20 and the requirement to present a valid debit card with PIN verification. This would ensure that where residents choose to gamble using cashless payments, they can do so within fair limits.

Review of licensing authority fees

10. We welcome steps to review of licensing fees. Our view is that this is an important step towards ensuring that licensing authorities are properly funded for the costs incurred in regulating these premises and tackling any social harm. Any increase must be implemented no later than November 2023. This would ensure that councils can factor these changes into their budget setting process for 2024/25.
11. However, while we welcome any uplift, we remain concerned that these proposals will not allow council services retain their spending power. Between 2008-9 and the end of the last financial year, the OBR's predicted that CPI will have increased councils' costs by at least 42.4%. Therefore, the current proposals to increase existing fees by a maximum of 30% fall short of maintaining councils' spending power.
12. Whilst our preference would be for councils to set fees locally according to their local costs – we would recommend that DCMS should increase fees by a minimum of 40%. We would also encourage the department to commit to link this maximum by CPI at the beginning of each financial year. This would be in line with the recent decision from DLUHC to link planning fees to inflation in the future. This would ensure local licensing services will retain their ability to robustly regulate and inspect these services.
13. As a matter of principle, councils should not be subsidising licensing services for the benefit of the gambling industry, and the subsequent enforcement activity which may be required to support local communities.
14. Our member councils have worked hard to ensure these vital licensing services are resilient in the face of a significant loss in central-government funded spending power. The government-funded share of districts' spending power will have decreased in real terms by an average of 24.5% between 2013/14 and the end of 2023/24.
15. Therefore, we strongly believe councils should be able to increase their fees by up to 40% as part of their normal budget-setting process. This would ensure these fees would be better aligned with all other fees and charges which have increased with inflation continuously since 2007 when gambling fees were last set.