



Association of British Bookmakers- Response to Petition PE1439

The Association of British Bookmakers (ABB) is the leading trade association for the UK's high street bookmakers and represents the majority of 950 Scottish betting shops among the 8,700 betting shops in the UK, including independent businesses such as George Muir Bookmakers (Dumfriesshire), Deeside Bookmakers (Aberdeenshire), Mortons Bookmakers (Glasgow) and Carrick Bookmakers (Ayrshire), and Gala Coral, Ladbrokes, and William Hill. Betting is a popular British pastime with 8 million people visiting our shops every year. The industry employs around 5,000 people in Scotland and a further 40,000 jobs in other parts of the UK. Bookmakers pay £1 billion in taxes, far more than any other comparable retail businesses. Further information about the ABB can be found at www.abb.uk.com

Executive Summary

- We do not support the proposal to introduce new planning powers to give local authorities the power to refuse permission for betting shops on grounds of overprovision.
- Betting shops are already one of the most regulated retailer outlets on the High Street and Scottish local authorities already have powers to refuse licences based on evidence of risk to vulnerable groups, such as people with gambling problems.
- We do not believe there is an over-provision or proliferation of betting shops in Scottish high streets and communities, and we note the petitioner's acknowledgement of the lack of evidence to support the claims made in the petition.
- We reject any suggestion there is a correlation between the alleged prevalence of betting shops and high levels of deprivation and poverty. Like any other retailer on the high street bookmakers choose locations based on factors such as customer demand, footfall, running costs and competitive presence.
- Levels of deprivation in communities should not be given additional weighting in any consideration of permission for premises, and should only be taken into account as one of a range of factors in the consideration of a planning application.
- We reject any suggestion of a correlation or any direct links between betting shops and cheque cashing/pay day loan type shops. These are two entirely separate businesses subject to different regulatory regimes. To put them together in this petition is unfair and confusing.

The context of Betting Shops and Gambling in Scotland

There are currently around 950 betting shops in Scotland and this number of shops has remained stable for 10 years. There has been no significant increase since 2000. It is therefore difficult for us to understand the claim of overprovision. Today's betting shops are an important part of the retail mix

on high streets generating more town centre footfall than other similar sized outlets apart from post offices and pharmacies.

Betting shops in Scotland contribute £352 million to the economy and pay £110 million in tax. They also pay non-Domestic Rates, generate employment for local tradespeople with refurbishments, help support town centres and high streets and contribute to Scotland's Business Improvement Districts. The estimated investment contribution of all bookmakers in Scotland is over £175m. Bookmakers in Scotland employ around 5,000 people, more than anywhere else in the UK excluding London and North West England. Our Scottish workforce includes almost 3,000 women (more than 55%) and nearly 1,150 workers aged 18-24 (nearly 25%) and is therefore an important employer helping women and young people to enter the workplace¹. For every £1 of GVA generated by the betting shop industry, an additional £0.61 of GVA is generated in the wider economy through indirect and induced impacts. And between 87% and 99% per cent of the economic benefits stay local, generating economic activity in those communities².

Betting shops account for less than 4% of the UK's 240,000 retail units. To put this into context, this representation is 22% less than bank branches, 25% less than charity shops and 60% less than fast food outlets³. High street vacancy rates stand at 15% and betting shops fill a small number of these premises, generating footfall, paying business rates and creating jobs.

Gambling activity data

Data from the Office of National Statistics Family Spending Survey 2011 highlights the average weekly spend per household across the regions within Great Britain. The national average spend per week on all gambling products (including National Lottery) is £3.30, a minor increase from its 2007 figure of £3.26. Weekly spend on gambling as a proportion of total household income in Scotland is 0.9%, the same as the East of England and lower than the South East (1.2%) and North East (1.1%) of England⁴.

It is also important to note that the majority of gambling activity does not take place in a betting shop. According to regulatory figures in the year to March 2011/2012 58.1% of 4,000 UK adults surveyed said they had participated in at least one form of gambling in the previous four weeks. The most popular gambling activity was National Lottery tickets (47.0% of respondents), followed by National Lottery scratch cards (11.6%) and tickets for society or other good cause lotteries (10.5%). Betting on horse races (4.6%), gambling on fruit or gaming machines in casinos, arcades, bingo halls and betting shops (3.5%), buying bingo cards or tickets at a bingo hall (3.2%) and private betting with family, friends or colleagues (3.2%) were the next most popular activities⁵.

Historical context

Off-course betting was introduced in the 1960s to solve the problem of illegal gambling. Early legislation restricted the way in which a betting office could be managed and presented. Over the

¹ Centre for Economic and Business Research: The contribution of betting shops to the UK economy (June 2012)

² Centre for Economic and Business Research: The contribution of betting shops to the UK economy (June 2012)

³ Gerald Eve LLP: Planning research into the location of Betting Offices (June 2012)

⁴ [Office of National Statistics Family Spending Survey 2011](#)

⁵ [Gambling Commission - Industry statistics 2009 - 2012](#)

ensuing decades, the UK Parliament accepted these restrictions were misplaced in a modern regulatory environment, and a process of liberalisation occurred. In return, our industry submitted itself to increased regulation. The 2005 Gambling Act empowered the Gambling Commission to conduct a vigorous suitability investigation on every bookmaker.

The 2005 Act also introduced the ability of betting shops to open near existing shops. Like any other retailer, key factors such as the number of potential customers entering the area, high customer demand for its products, competitor presence and costs of running an outlet help operators decide where to open new shops, which will tend to be in areas with greater concentrations of population and potential customers. These business criteria will continue to drive decision making process behind the location of betting shops. Deprivation is not a factor bookmakers take into account when locating new shops. Today betting shops are one of the most regulated retail outlets under one of the key principles of the Gambling Act 2005: to permit gambling as long as the operation of the premises is reasonably consistent with the Licensing Objectives.

Highly-Regulated Responsible Businesses

Betting Shops are one of the most regulated retail units on the high street. Operators require a licence from the Gambling Commission and every new betting shop application must be approved by the local Licensing Board. Scottish local authorities already have sufficient powers to shape their town centres. We note that the Scottish Parliament Information Centre briefing advised the Committee that Licensing Boards to have powers to refuse a licence on the basis of evidence of specific disorder, or risk to children and vulnerable groups such as people with gambling problems. A licence will not be granted if it can be proved that a betting shop would cause crime or have a negative impact on young and vulnerable people, as that is inconsistent with the Licensing Objectives. But the key word here is evidence. A moral objection to gambling is not enough. And since the Act came into effect, the ABB is not aware of the revocation of any licenses.

The industry works closely with local councils, key organisations including the police, residents and businesses wherever possible to ensure any specific concerns are properly addressed. For example, the industry has already made a strong commitment to the safety of betting shop staff in Scotland. The Safe Bet Alliance (voluntary industry standard on betting shop safety and security) was launched in Scotland in 2010 following engagement with stakeholders such as the Strathclyde Police, Community Union, the Scottish Business Crime Centre and the Scottish Centre for Healthy Working Lives.

Levels of problem gambling for the whole gambling sector in the UK remain low when compared to international standards. Only 0.6 – 0.9% of those who gamble in the UK are classified as problem gamblers. Nevertheless, the gambling industry recognises its responsibility in this area and therefore voluntarily contributes to support the research, education and treatment of problem gambling, contributing more than £5 million last year alone. Shop staff are fully trained to recognise potential problem gambling behaviour, and they also assist in self-exclusion programmes, where a customer who believes they are developing a problem can bar themselves from a betting shop.

Petition points

In his evidence to the Petitions Committee the petitioner claimed betting shops are taking advantage of low rents as a result of the recession. There is no evidence to support this claim and it overlooks the fact that Non-Domestic Rates have not fallen in line with the recession. He told the Committee his concern was Fixed Odds Betting Terminals but this petition does not represent a proportionate or appropriate response to that issue which is a matter reserved to the UK Government. The petitioner did not present any evidence to support his claims linking betting shops and payday loans, and we can confirm that no ABB member also owns or has a financial interest in payday loans or cheque cashing companies.

Conclusion

We appreciate that not everyone likes gambling but we reject any suggestion there is a correlation between the alleged prevalence of betting shops and high levels of deprivation and poverty and do not believe further regulation is required to protect vulnerable people from gambling. Betting shops should keep their existing permitted development rights. Our industry contributes £1 billion in tax and provides around 45,000 jobs in the UK, which equates to nearly 1 in 10 jobs in the UK leisure industry. Recent research by the Centre for Economic and Business Research (Cebr) found that more planning regulation would significantly impact on the industry's ability to pay tax, provide jobs and support communities. At a time when the high street is struggling, we believe the Scottish Government should continue to do all it can to support the businesses which continue to invest in high streets and support growth in local economies.