

**The Clustering of Betting Shops in Haringey  
Scrutiny Panel  
Wednesday 10<sup>th</sup> November 2010**

**Report Title:** The Clustering of Betting Shops in Haringey

**Report authorised by:** Cllr David Winskill, Chair of the Scrutiny Review of Clustering of Betting Shops

**Contact Officers:** Martin Bradford, Overview & Scrutiny, 0208 489 6950

Wards(s) affected: **ALL**

Report for: **Non Key**

**1. Purpose of the report (that is, the decision required)**

- 1.1 This is an information report for members of the scrutiny review panel investigating the clustering of betting shops in Haringey.

**2. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 2.1 *Priorities:* to create a *Better Haringey:* cleaner, greener and safer
- 2.2 Sustainable Community Strategy 2007 – 2016 with *People at the heart of change* where Haringey will:
- have an environmentally sustainable future
  - have economic vitality and prosperity shared by all
  - be safer for all

**3. Recommendations**

- 3.1 That this report be considered in order to inform and facilitate the scrutiny panel in gathering evidence from stakeholders attending the planned review meeting (to be held at 3pm on Wednesday 10<sup>th</sup> November 2010).

**4. Reason for recommendation(s) N/A**

**5. Other options considered N/A**

## **6. Chief Financial Officer Comments**

6.1 The costs of preparing this report have been met from within existing budgets.

## **7. Head of Legal Services Comments**

7.1 The legal aspects are outlined in the body of this report.

## **8. Head of Procurement Comments** N/A

## **9. Consultation**

9.1 As part of the scrutiny review process key stakeholders have been invited to an evidence gathering session (to be held on 10<sup>th</sup> November 2010). Contributors at this session will include local licensing and planning officers, the Gambling Commission, betting shop operators, Metropolitan Police and GamCare.

9.2 Local residents, community groups, residents associations and local businesses have been invited to attend a separate evidence gathering session (also to be held on the 10<sup>th</sup> November) to enable them to describe how the clustering of betting shops may impact on local areas and on local communities.

9.3 The panel will also undertake a site visit to where betting shops are clustered. It is hoped that the visit will offer the panel an opportunity to talk to staff and users of local betting shops and possibly to neighbouring traders.

9.4 Officers from licensing, planning and legal services departments in Haringey Council have been consulted in the development of this report.

## **10. Service Financial Comments**

10.1 This review will be carried out within the current resources of the Overview and Scrutiny Service.

10.2 Any financial implications resulting from the recommendations of the review will be assessed within the final report.

## **11. Use of appendices /Tables and photographs**

11.1 These are outlined in the main body of the report.

## **12. Equalities and community cohesion**

12.1 Through discussions with stakeholders and consultation with local residents, the evidence gathering event planned for the 10<sup>th</sup> November will provide an opportunity to assess whether the clustering of betting shops disproportionately affects communities in Haringey (with particular reference to the nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation).

12.2 Any evidence that the clustering of betting shops impacts disproportionately on any communities in Haringey will be highlighted in the final review report, and, in consultation with the Equalities Department, develop appropriate recommendations for action.

**13. Local Government (Access to Information) Act 1985**

- Statement of Gambling Policy (Haringey Council, 2007)
- References to sourced information are included within the body of the report

## **1. Introduction**

- 1.1 There has been widespread concern among both councillors and local residents about the clustering of betting shops in Haringey. It is perceived that the liberalisation of gambling laws, as enacted through the Gambling Act 2005, has allowed for the clustering of betting shops which may be having an adverse impact on the communities and areas in which they are clustered.
- 1.2 This issue was discussed at Full Council on 19<sup>th</sup> July 2010. Whilst councillors did not have any moral objections to gambling per se, concerns were raised that the character and amenity of an area may be affected where betting shops clustered. Specifically, councillors were concerned that the concentration of betting shops in a local area:
- may not reflect the needs or expectations of local people
  - may limit the choice and retail appeal of a local area to local residents
  - may impact on the future sustainability of local communities.
- 1.3 Members of the Overview & Scrutiny Committee have agreed to conduct an investigation into the clustering of betting shops in Haringey. Through talking to relevant stakeholders, local residents and other community representatives, it is hoped that a review will help to collect evidence on the clustering of betting shops and the impact that this may have in the community. Evidence will primarily be gathered through a consultation and evidence gathering session planned for Wednesday 10<sup>th</sup> November 2010.
- 1.4 It is hoped that the scrutiny review will raise awareness of the licensing framework for gambling premises and help to find solutions to any problems identified with the clustering of betting shops during the review process. The panel will produce a report of the evidence gathered and record it's the conclusions and recommendations reached on this issue. This report will be submitted to Overview & Scrutiny Committee for approval before its recommendations are considered by Cabinet.
- 1.5 The following report aims to provide background information to the scrutiny review panel to support the scrutiny review process.

## **2.0 The scope of the scrutiny review**

- 2.1 The review panel intends to complete a scrutiny review to address the following overarching questions:
- Has the concentration of betting shops increased in the borough since the Gambling Act 2005 came in to force, and if so, has this adversely affected local communities?
  - If communities are adversely affected, are there any local solutions to these problems?
- 2.2 The scrutiny review will specifically focus on betting-shops in Haringey. The scrutiny review will not concern itself with on-line gambling or other local forms of gambling (such as bingo or gaming centres).

- 2.3 The scrutiny review will aim to address the following objectives:
- to raise awareness of the licensing and planning framework surrounding the regulation of betting shop premises in Haringey
  - to establish whether the Gambling Act 2005 has precipitated a rise in gambling premises licensed in Haringey
  - to assess the spatial distribution of licensed gambling premises across Haringey and the degree to which these are clustered
  - to collect and collate evidence from local stakeholders on the impact of the clustering of betting shops within local communities
  - to assess how other Local Authorities are dealing with this issue
  - should any adverse affects/impacts of the clustering of betting shops be identified within the review, to assess ways in which these could be addressed
  - to identify ways in which the findings and conclusions of this review should be communicated and disseminated to a) local communities b) national and local decision makers.

### 3. The Gambling Act 2005

- 3.1 The Gambling Act 2005 was introduced to reflect the widespread changes that have occurred throughout the gambling industry and in recognition of the need to modernise and update a regulatory framework which had been in force for nearly 40 years. The centrepiece of this legislation was the creation of the Gambling Commission, a new independent regulator for all gambling activities in the UK.
- 3.2 The Gambling Commission is required to regulate gambling in the interests of the public and is responsible for the regulation of bookmakers, casinos, bingo clubs, lottery operators, arcade operators and remote gambling operators. In regulating all gambling operators, the Commission is required to adhere to the three key gambling objectives:
- to keep crime out of gambling
  - ensure that gambling is conducted fairly and openly
  - to protect children and vulnerable people from being harmed or exploited.
- 3.3 The Gambling Act 2005 established a tripartite system of regulation involving the government, the Gambling Commission and the Licensing Authority (the Local Authority). The regulatory framework for the gambling industry is underpinned by the issuing of three types of license; operating licenses, personal licenses and premises licenses. The type of license, purpose and the issuing authority are described in the table below:

<b>License Type</b>	<b>Issuer</b>	<b>Purpose</b>
Operating License	Gambling Commission	That operators comply with principle gambling objectives
Personal License	Gambling Commission	Certain senior individuals to require a license within some operators
Premises License	Licensing Authority	Applications considered where gambling premises are located

### 4.0 The role of the Gambling Commission

- 4.1 The Gambling Commission issues operating licenses to prospective gambling providers. A gambling operator wishing to open a gambling establishment in any locality will first need to obtain an operating license. The Gambling Commission will assess prospective operators to ensure that it has appropriate governance procedures and is compliant with the overriding aims of the legislation (as in 3.2). Successful applicants may then apply for a premises license from the Licensing Authority where it wishes to conduct its gambling activities.
- 4.2 Through providing information, guidance and support to Licensing Authorities the Gambling Commission aims to ensure that there is a consistent national standard of licensing. The Gambling Commission has extensive powers and may impose a range of restrictions on individual licensees. The Commission can enter premises, impose unlimited fines and ultimately withdraw licenses. The Commission also has powers to investigate and prosecute illegal gambling.

## **5.0 The role of the Licensing Authority (Local Authority)**

### Statement of Gambling Policy

- 5.1 The Gambling Act 2005 requires each Licensing Authority to produce a Statement of Gambling Policy for its locality. This policy is underpinned by the three gambling principles (as set out in 3.2) and is intended to show how the Licensing Authority will exercise its functions and the principles it intends to apply. The Licensing Authority must demonstrate that it has consulted local stakeholders in the development of the local gambling policy.
- 5.2 Whilst all Licensing Authorities are required to produce a local gambling policy, there is in effect little local variation, as the content of such policies are tightly prescribed by the regulations issued with the Act.

### Premises License

- 5.3 The main role of the Licensing Authority is to consider applications for premises licenses from gambling operators intending to conduct gambling activities in the locality. The Licensing Authority is required to approve premises licences for all gambling activities in the locality including:
- bingo
  - betting shops
  - adult gaming centres (high stakes electronic gaming)
  - family gaming centres (lower stakes electronic gaming)
  - casinos
  - racecourses and dog tracks.
- 5.4 In considering an application for a premises license, there are a number of license conditions which the Local Authority can consider, these are known as mandatory, default and discretionary conditions of the license. Mandatory and default conditions are prescribed by the Gambling Act.<sup>1</sup> Mandatory conditions cannot be

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<sup>1</sup> An example of mandatory conditions might be: a Prominent Notice prohibiting under 19's at every entrance, Summary of license to be displayed in a prominent place. Default conditions relate to times for gambling i.e. for betting shops 7a.m.-10p.m.

varied by the Licensing Authority but default conditions can be altered or removed by the Licensing Authority.

- 5.5 The Licensing Authority does have limited powers to vary the conditions of the premises license under the discretionary guidance. Such variations may include the opening hours or security arrangements for the proposed gambling establishment. Once again, the conditions that the Licensing Authority can set within individual licenses are tightly prescribed by the Gambling Commission and cannot contravene guidance issued through the regulator. In summary, the Licensing Authority can only set conditions for a premises license where:
- they are relevant to make the building safe
  - are directly related to the premises
  - are fair and reasonable and relate to the scale of the premises
  - reasonable in all other aspects.
- 5.6 It is of critical importance to note that the Gambling Act clearly specifies that the Licensing Authority shall aim to permit applications for a premises license so long as this conforms to relevant Codes of Practice, in accordance with any relevant guidance issued by the Gambling Commission, reasonably consistent with the licensing objectives and lastly in accordance with the policy statement published by the Licensing Authority. In this context, so long as the applicant can demonstrate that the license does not contravene the codes of practice and is reasonably consistent with the 3 gambling objectives (crime and disorder, fair and open gambling & protection of children and vulnerable adults) there is limited scope for the Licensing Authority to reject the application.
- 5.7 Prior to the Gambling Act 2005, the approval of local gambling licences was exercised by the Local Magistrates Court. Within this previous system there was more local discretion in considering license applications, in particular, Magistrates could apply a 'demand test', where licenses could be withheld if it was considered that there were too many gambling premises to meet anticipated demand in a particular area. There is no such provision in the Gambling Act 2005.

#### Enforcement

- 5.8 Enforcement of the Gambling Act and associated regulations and licenses is shared between the Gambling Commission, the Licensing Authority and the police. The Licensing Authority is specifically expected to monitor and enforce the conditions of premises licences. To this end, an annual inspection of gambling operators in the area is undertaken to ensure that they are compliant with the terms of their premises licences. The inspection may assess a range of factors including:
- Ensuring that there is no change to the specified floor plan
  - Is compliant in terms of the number and location of gaming machines
  - Ensuring that self exclusion forms barring problem gamblers are prominently displayed
  - Contact information from agencies providing support for problem gamblers is also prominently displayed.

#### Greater local participation in licensing decisions

- 5.9 By making the Local Authority the Licensing Authority instead of the Magistrates Court, the Gambling Act 2005 intended to give local people a greater say in local licensing decisions. As the business of the Licensing Authority is managed through the existing Licensing structures of the Local Authority, it was anticipated that greater local participation and greater local scrutiny of gambling license applications would be achieved through:
- licensing and Planning Committee meetings being held in public
  - elected representatives being able to sit on licensing committees
  - elected representatives being able to make representations about a license without being asked by a resident to do so.
- 5.10 When the Licensing Authority is considering a premises license from a gambling operator, the Gambling Act specifies that representations may be made from a variety of local stakeholders including responsible authorities (e.g. Local Authority, police, planning, fire authorities), a person resident close to the prospective gambling premises, local business interests or representatives of any of the preceding groups (such as lawyers, Councillors or other community representatives). However, representations from any of the above parties can only be made if they are relevant to the three overarching gambling objectives; that it is fair and open, does not generate crime & disorder and ensures the protection of vulnerable adults and children (as specified in 3.2.).
- 5.11 In order to influence gambling license decisions, local representations must produce sufficient evidence to be able to demonstrate how the granting of a specific premises license will affect the overarching gambling principles. That is, how will the granting of one specific license impact on, for example, crime and disorder in that locality?
- 5.12 All appeals against decisions made by the Licensing Authorities in England and Wales are made to the Magistrates Court.

## **6.0 The role of planning and Use Class Orders for betting shops**

- 6.1 The current Unitary Development Plan policy, TCR3 (Protection of Shopping Frontages), sets out the criteria for determining planning applications for a change of use from retail to non retail. The emerging Core Strategy and the first draft Development Management Development Plan Document (DM DPD) have similar policies seeking to limit the number of non-retail uses in order to protect the viability and vitality of the Town and District centres in the borough. As part of the DM DPD process, the planning policy team is working on policy options and interventions, within the national planning framework, on betting shop clusters in Haringey's town centres. The emerging policy on this will be produced for the next round of consultation on the DM DPD.
- 6.2 Betting shops fall within Use Class A2 (Financial and Professional Services)<sup>2</sup> of the Town and Country Planning (Use Classes) Order 1987 (as amended). Planning permission **is** required to turn any retail or other unit into a betting shop, but planning permission is **not** required for any change in use within Class A2 (e.g. for

<sup>2</sup> Financial Services – Banks, Building Societies and Bureau de Change. Professional Services (not Health or Medical Services) – Estate Agents & Employment Agencies, Other Services – Betting Shops.



an estate agent or a bank to become a betting shop). Neither is planning permission required to turn any unit into a betting shop (or other A2 use) from Classes A3, A4 and A5. The table below summarises this position.

From	To
A2 (professional and financial services) when premises have a display window at ground level	A1 (shop)
A3 (restaurants and cafes)	A1 or A2
A4 (drinking establishments)	A1 or A2 or A3
A5 (hot food takeaways)	A1 or A2 or A3

Table 1: permitted development rights within the Use Class Order

- 6.3 Since 2000, 17 planning applications for betting shops have been received by Development Management; 11 of which have been granted planning permission, 5 have been refused and 1 withdrawn. Three applications have been the subject of appeals, of which one appeal was upheld. It must be borne in mind that Development Management will not receive a planning application for any proposed betting shops **where a change of use requiring planning permission is not involved** (see table above). Licensing's figures will accurately reflect the units that have become betting shops i.e. where a license has been issued, irrespective of whether a planning application has been/is required for the change of use. Licensing is therefore able to provide the most up-to-date figures on the increase in the numbers of units becoming betting shops as all betting shops are required to obtain a license, but not all units will require planning permission for use as a betting shop.
- 6.4 There has been suggestion that an Article 4 Direction<sup>3</sup> could be used to control the use of betting shops, but it would be very difficult to make an Article 4 Direction Order that is specifically use class based within the General Permitted Development Order (GPDO) to control a business operation. There are a number of uses that fall within Class A2 that would be acceptable in the primary and secondary shopping areas of the town and district centres to ensure that the planning policies enhance the viability and vitality of these centres around the borough. Current shop units that fall within Use Class A2 can freely operate as a betting shop and this cannot be controlled by any Article 4 Direction. Where an A2 use is acceptable within the Town and District centre and is in compliance with the planning policy and planning permission is granted, other operations that fall within the use class cannot be controlled by condition as permission is granted for the class of use and not the business operation. Article 4 Directions are area based and the purpose of the Direction is to remove 'permitted development rights' of a property and bring it under planning control. Following Article 4 Direction, development that had been permitted would now require permission.
- 6.5 The use of an Article 4 Direction to control the use of premises for a betting shop use would be costly and difficult. It would require an Article 4 Direction Order to be made for each Town and District centre and a boundary would need to be defined. However, the boundary of the Town and District centres in the borough does not

<sup>3</sup> A power available under the 1995 General Development Order allowing the Council, in certain instances, to restrict permitted development rights.

always include all of the shops within the local area, and some units will sit outside of the boundary.

6.6 Government guidance on Article 4 Direction is set out in circular 9/95 'General Development Order Consolidation 1995' and states that:

*“permitted development rights have been endorsed by Parliament and consequently should not be withdrawn locally without compelling reasons. Generally...permitted development rights should be withdrawn only in exceptional circumstances”.*

6.7 The Circular makes clear that there is a high threshold to reach before the Secretary of State will consider that an Article 4 Direction is justified, and the current legislation is framed to be permissive. Any body of evidence gathered to support an Article 4 Direction which sought to control the proliferation of betting shops would need to be robust and conclusive in terms of any harm resulting as a consequence of this proliferation.

6.8 An alternative would be to lobby central government to make betting shops 'sui generis'<sup>4</sup>, that is, sitting within a use class of their own so that planning permission is **always** required for a change of use unless the shop unit is already a betting shop and the change is just to the provider of the service.

## 7.0 Gambling and betting shops – a national perspective

### What is gambling?

7.1 Gambling can be defined as *'the wagering of money or something of material value on an event with an uncertain outcome with the primary intent of winning additional money and/or material goods'*. Gambling can take many forms and operate through a variety of mediums. The following table outlines the main forms of gambling and the nature of the activities involved.

	<b>Definition</b>	<b>Example</b>	<b>Medium</b>
<b>Gaming</b>	Stakes on a game of chance	Casino games	Casinos, internet.
<b>Betting</b>	Stakes on a race, outcome or event	Sports results	On course, bookmakers, internet, telephone,
<b>Lottery</b>	Allocation of prizes on basis of chance	National Lottery Local Lotteries	Retail outlets, internet, tele. & other venues.

### Prevalence of gambling

7.2 The most recent prevalence data (2007) indicated that in excess of 2/3 (68%) of the adult population undertook some form of gambling activity in the previous 12 months.<sup>5</sup> If those who solely gamble on the National Lottery are excluded however, then just 48% of the adult population participated in some form of gambling in the past 12 months.<sup>6</sup> Current trend data would appear to indicate a

<sup>4</sup> A use which does not fall into any of the categories defined within the Town and Country Planning (Use Classes) Order 1987.

<sup>5</sup> Gambling Prevalence Survey 2007

<sup>6</sup> Gambling Prevalence Survey 2007

decline in gambling activity in the UK in the period 1999-2007.<sup>7</sup> The British Gambling Prevalence Survey is conducted every three years; data collection has taken place in 2010 and will be released in 2011.

- 7.3 The most popular form of gambling in the UK is the National Lottery in which over ½ (57%) of the adult population participate.<sup>8</sup> Scratchcards (20%) and horseracing (17%) are the next most popular form of gambling activity.<sup>9</sup> The data also shows the emergence of new forms of gambling such as spread betting (where potential winnings are linked to accuracy of wager) and Betting Exchanges (where wagers are laid through a betting intermediary). A table depicting the prevalence of different gambling activities in the UK is given below.

National Lottery	57%	Private betting	10%
Scratchcards	20%	Bingo	7%
Horseracing	17%	Dog racing	5%
Slot machine	14%	On line	3%
Other lotteries	1%	Spread Betting	1%
		Betting Exchanges	1%

#### Key gambling data

- 7.4 Whilst the prevalence of gambling in the adult population may have gone down since 1999, the amount of money that has been staked has grown significantly in the past 5 years. Total UK gambling stakes have risen from £53billion in 2001-2 to £91 billion in 2005-6.<sup>5</sup> The gambling industry is a significant contributor to the UK economy employing over 120,000 people and contributing £1.4 billion to the exchequer each year<sup>11</sup>; equivalent to 1% of all government revenues.<sup>12</sup>

<b>Financial Year</b>	<b>Total Stake</b>
2001-02	52,561
2002-03	63,394
2003-04	77,916
2004-05	92,496
2005-06	91,516

- 7.5 Betting shops were first legalised in the UK in 1961. Historically, there were many more betting shops in the UK than there are at present; in the early 1980's there were estimated to be approximately 15,000 betting shops. With consolidation among gambling operators however, it is estimated that currently there are approximately 8,800 betting shops in the UK.

<sup>7</sup> Gambling Prevalence Survey 2007

<sup>8</sup> Gambling Prevalence Survey 2007

<sup>9</sup> Gambling Prevalence Survey 2007

<sup>10</sup> Gambling Prevalence Survey 2007

<sup>11</sup> Preventing UK Gambling Harm, Responsibility in Gambling Trust, 2007

<sup>12</sup> Department of Culture Media & Sport, Gambling Data 2008

<sup>13</sup> HMRC bulletins, Gaming Board, Gambling Commission Annual Reports, DCMS estimates.

7.6 There has been some media speculation that the establishment of highly profitable Fixed Odds Betting Terminals (FOBT) in betting shops has arrested the decline of betting shops: in 2001, when the first FOBTs were installed in betting shops nationally, there were 39 new planning applications for licensed bookmaker premises, in 2002 the figure rose to 98, in 2003 it was 196 and 2004 there were 340 applications were made.<sup>14, 15, 16</sup> Under current regulations, 4 FOBT's are permitted in each betting shop. As of December 2008, it was estimated that there were 27,500 FOBTs in the UK.<sup>17</sup>

## 8.0 Betting shops in Haringey

8.1 Local data indicates that as of August 2010, there were 66 betting shops in Haringey. Licensing data would appear to indicate that the majority (70%) of these betting shops were operated by two major gambling operators.

Operator	Units	Operator	Units
Ladbrokes	27	Elite	1
William Hill	20	Jennings	1
Betfred	4	Metrobet	1
Coral	4	Thames	1
PaddyPower	4	Totesport	1
Betterbet	2	<b>Total</b>	<b>66</b>
Jennings	1		

8.2 There has been some speculation that since the Gambling Act 2005 came into force, there has been an increase in the number of betting shops locally. Local licensing data however would suggest that there has not been an increase in the number of betting shops in Haringey since the Gambling Act came into force: whilst 10 new betting shop licenses have been granted 12 have been surrendered. This could indicate that some market adjustment has been taking place since the Gambling Act has come into force.

### The distribution of betting shops across Haringey

8.3 Appendix A demonstrates the distribution of betting shops across Haringey. This would appear to indicate that the location of betting shops is not evenly distributed across the borough:

- a majority (85%) are located in the east of the borough
- major betting operators have the majority of units in the east of the borough:
  - Ladbrokes 22 of 27 units in the east of the borough
  - William Hill 19 of 20 units in the east of the borough

8.4 Closer analysis of the location of betting shops (Appendix A) would appear to suggest that there are number of localities where these are clustered in the borough, these include:

- Wood Green (High Road/ Lordship Lane)

<sup>14</sup> Betting shop gaming machines cause concern Daily Telegraph 4<sup>th</sup> March 2005

<sup>15</sup> Cost of UK's Gambling Habit The Guardian 29<sup>th</sup> September 2007

<sup>16</sup> Ladbrokes Biggest Earner the Guardian 17<sup>th</sup> August 2008

<sup>17</sup> Gambling Commission, Industry Statistics 2008/9

- Harringay (Green Lanes/ St Ann's Road)
- Tottenham Green (West Green Road/High Road)
- Bruce Grove (High Road)

- 8.5 There are wide variations in the number of betting shops located in each local authority ward in Haringey (Appendix B). This data is summarised below:
- the average number of betting shops per LA ward in Haringey is 3.4.
  - Noel Park has the highest number of betting shops (n=11)
  - two wards do not have any betting shops (Alexandra and Stroud Green)
- 8.6 Analysis of the location of betting shops in Haringey by social deprivation has been undertaken (Appendix C). This demonstrates that 28 out of 65 (43%) of betting shops in Haringey are located in super output areas which are among most socially deprived (top 10%) in England.
- 8.7 Using licensing data collected from eight neighbouring local authorities comparisons have been made in terms of the number of licensed betting shops in operation (Appendix D) and the adult population per betting shop (Appendix E). Analysis of this data demonstrates that:
- Islington (n=80) and Newham (n=80) have the highest number of betting shops whilst Waltham Forest (n=61) has the lowest
  - The highest concentration of betting shops per adult population is in Islington (2,020 adults per betting office) and the lowest being in Enfield (with 3,210 adults per betting office).
  - Haringey is mid range in both these assessments: there being 66 betting offices in the borough, and, 2,740 adults per betting office.

## **9.0 Haringey Licensing Action**

### Licensing Appeals

- 9.1 Haringey received applications for three new gambling premises in Harringay Green Lanes in the early stages of the Gambling Act coming into force (two applications for betting shops and one application for an Adult Gaming Centre). These applications received a number of representations from local residents, police and ward councillors. The applications were subsequently refused by the Licensing Committee.
- 9.2 The reasons the Licensing Committee gave for rejecting the applications was based on the weight of evidence submitted by local residents about the applications not being in accordance with the first licensing objective relating to gambling not being a source of crime and disorder and the third licensing objective relating to the protection of children and vulnerable persons. Relevant to this was the proximity of the premises to a clinic for young people with mental health problems and to other mental health service provision. Further, the applications were rejected because of the association of gambling in this locality with crime and disorder. In addition, there was evidence of a concentration of housing of multiple occupation and vulnerable ethnic minority residents who would be at risk of over exposure to gambling. The Committee did not see how any conditions that could be imposed would overcome these objections.

9.3 All three operators appealed the decision to the Magistrates Court. The Licensing Authority defended its decision and provided evidence from local residents, a local GP, the Director of Public Health and local police officers. The magistrates upheld the appeal and ruled that Haringey's Licensing Authority had acted unreasonably. The Magistrates cited that in reaching their decision they had regard to section 153 of the Act, which states that we should "aim to permit".

#### Lobbying Central Government

9.4 The Cabinet Member for Neighbourhoods has lobbied both the Government and the Local Government Association for a change to the Gambling Act and associated guidance.

9.5 On the 19<sup>th</sup> August 2008 the Cabinet Member wrote to the then Secretary of State for Culture Media and Sport, the Rt., Hon., Andy Burnham MP, expressing concern that local authorities have no effective controls to limit the number of gambling premises opening in their boroughs. In the letter, the Cabinet member reflected on the experiences of Haringey and a Counsel opinion that in effect, no new application could be refused.

9.6 Initially the response from the Department of Culture Media and Sport (DCMS) was that it was too early to make changes, but further lobbying through the Local Government Association resulted in an announcement on the 2 December 2008 by the then Prime Minister that he would ensure that "local communities and their authorities have sufficient **powers to prevent the clustering of betting shops** in areas where this is a problem." This commitment was subsequently confirmed as a Government priority in the Queen's Speech. It was understood that there would be an early review of the powers available to local authorities and a published report of the findings and proposals. To date no report has been published.

9.7 In February 2010, the Cabinet Member wrote again, this time to Rt., Hon., Ben Bradshaw MP the then Secretary of State for Culture Media and Sport, seeking confirmation of whether the review of powers to deal with the clustering of betting shops had been undertaken, and the date by which the findings would be published.

9.8 Officers also supplied submissions to the Head of Regulation at DCMS to support the need for change in the legislation and guidance, and for DCMS to sponsor a study into the impact of betting shops. A detailed specification for this study was also provided. Although DCMS accepted no guidance had been issued they did identify that they believed Local Planning Authorities could effectively use Article 4 Directions to control problems.

9.9 In July 2010 the Leader of the Council and the Cabinet Member wrote again, this time to the Rt., Hon., Jeremy Hunt MP, Secretary of State at DCMS. In this letter they sought an explanation of the Government's position, provided an explanation for why Article 4 Directions are an inappropriate power for dealing with the clustering of betting shops, and highlighted the increasing concern that betting shops are linked to crime and low level disorder.

- 9.10 In response the John Penrose MP, Minister for Tourism and Heritage wrote to confirm that he believed that Article 4 Directions under the Town and Country Planning Act are appropriate where there is a “real or specific threat”. He further confirmed that there was a discussion being undertaken on how guidance could be improved so that where there is a link between crime and disorder and specific premises, action could be taken.
- 9.11 In addition to the above Assistant Director of Enforcement established a problem solving group involving the police, Community Safety, Lead Officer for Licensing and Director of Public Health. This group looked specifically at the evidence of impact from betting shops. This group concluded that there is evidence that betting shops in Haringey are associated with reported crime; that gaming machines (FOBTs) are strongly linked to reported and actual criminal damage and that there is some evidence of children accessing shops. A fifth of reports at betting shops relate to disorder, however, by comparison a single popular fast food restaurant may achieve the same number of reports as all betting shops in the borough over a similar period. There is a variation in the relative volume of crime reports raised that seem to be linked to the different reporting policies of different betting shops (operators). The tasks agreed were to:
- complete further study on underage sales – Trading Standards/Licensing
  - task truancy patrols on potential locations
  - lobby for improved powers to control location/numbers of FOBTs
  - maintain CCTV tasking of hot spot locations.

## **10.0 Betting shops and other local authorities**

- 10.1 Concerns around the clustering of betting shops are not confined to Haringey, as the Local Government Association has lobbied central government to reintroduce the power of the Licensing Authority to restrict licenses in geographical areas.<sup>18</sup> In addition, a number of Local Authorities in London areas have sought to address this concern. The following summarises some objectives and outcomes of these investigations/ reviews.

### London Borough of Hackney

- 10.2 A scrutiny commission conducted a review of betting shops in Hackney.<sup>19</sup> The review found that there were 64 betting shops in Hackney; in comparing this figure across other local authorities it was the 8<sup>th</sup> highest in terms of absolute number of betting shops and third highest per capita. Concerns were raised within the review which suggested that betting shops were clustered in areas of high social deprivation (one locality has 8 betting shops and another 5) and that there were limited powers within the local licensing and planning framework to restrict such concentrations of betting shops.
- 10.3 The review recognised it was important for the authority to continue to gather local data and conduct further research in this issue to support policy aspirations in this area. In addition, the review recommended that:

<sup>18</sup> <http://www.lga.gov.uk/lga/core/page.do?pagelid=1083651>

<sup>19</sup> Scrutiny inquiry on ‘The Concentration of Betting Shops in Hackney’ Hackney Council, July 2009

- That the council in seek additional powers under the Sustainable Communities Act 2007 to better control one type of retail premises (such as betting shops) from dominating the character of a street.
- That the Council continue to lobby central government to create a separate planning “use class” for betting shops.

#### London Borough of Waltham Forest

- 10.4 Waltham Forest has also sought to address concerns around the concentration of betting shops through the borough’s Local Development Framework. The development of the replacement core strategy will provide an opportunity to improve community safety and cohesion by co-ordinating land uses:
- so as to minimise the likelihood of anti-social behaviour hot-spots
  - ensure that commercial centres provide a mix of uses that cater for all sections of the community.
- 10.5 On the proliferation of particular types of uses, Waltham Forest are considering a policy to ensure appropriate clustering of uses within town centres and local retail parades. Their policy tests will have regard to the following:
- the number of same type establishments in the immediate area,
  - the extent to which the proposed use meets an important local need (to be identified through local need surveys)
  - the potential benefits the use will provide for the wider community.
- 10.6 Waltham Forest has commissioned work on a 'High Street Life Strategy' and they are hoping that they will be able to apply threshold limits on the number of betting offices/estate agents/ take aways acceptable in a given frontage.

#### Greater London Assembly

- 10.7 The London Assembly’s Planning and Housing Committee has conducted a review in to the decline of neighbourhood shops in London.<sup>20</sup> The focus of this report is London’s ‘local’ centres, the smaller neighbourhood and local parades that provide convenient access to goods and services that are needed on a day-to-day basis, especially those that are accessible on foot, and also serve as a focus for a local neighbourhood.
- 10.8 The report noted that local centres provide a wider social and economic role and one that is central to a sustainable neighbourhood; the report notes that over 50% of the turnover of independent retailers goes back into the local community, compared to just 5% from supermarkets. The report also suggests that such local centres are important in serving the needs of the disadvantaged, socially excluded and elderly, particularly those with a lack of mobility who cannot access more distant shops.
- 10.9 But despite these benefits, the report concluded that local independent retailers are coming under sustained pressure not only from the economic downturn but also through the entry of large corporate chains into local neighbourhood centres (e.g. ‘local format’ stores such as ‘Tesco Metro’ and ‘Sainsbury’s Local’).

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<sup>20</sup> Cornered shops London's small shops and the planning system Planning and Housing Committee, Greater London Assembly, July 2010



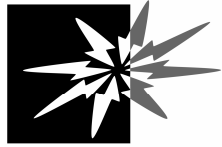
- 10.10 The report suggests that London lost more than 7,000 individual or family-owned shops in the period 2001 to 2007 and that the number of store closures has been far greater in the smaller neighbourhood centres than any other location in both percentage and volume terms. The report estimates that over the last ten years small shop numbers in these locations have fallen by more than 20 per cent.
- 10.11 In this context, the report also highlights the national and regional trend of financial institutions (banks and building societies) migrating their businesses away from local shopping centres, which presents new opportunities for betting shops. The report notes that betting shops may take over redundant financial services premises without requiring planning permission as they are in the same use class (A2 – see section 6). The report recognises the proliferation of, among other uses, betting shops within small shop units and the potential impact that these have on local shopping centres/parades within which they are situated.
- 10.12 The report calls on the Mayor to make changes to the London Plan to strengthen protection for local shops and give boroughs more power to resist or negotiate on planning applications from big corporate retailers. In addition it recommends that London boroughs have policies to:
- protect retail uses in neighbourhood parades within walking distance
  - protect small retail units from adverse impacts from new retail development
  - reflect the need for local small shops to be easily accessible via a full range of sustainable modes of transport.

## **11.0 Summary**

- 11.1 It would appear that the Licensing Authority has limited discretion in considering premises licenses from gambling operators or indeed setting conditions to those that are approved. There is also no ‘demand’ test in the legislation, which means Licensing Authorities cannot limit the number of bookmakers in a particular area. Critically, the Gambling Act 2005 specifies that the Licensing Authority must *aim to permit* premises licenses as long as they conform to three key gambling objectives (fair, crime free and protects vulnerable adults and children).
- 11.2 Whilst the Gambling Act 2005 seeks to encourage greater local participation in gambling license decisions, in effect, actual opportunities for local people and their representatives to influence these decisions are limited. The parameters of permitted representations are restricted to evidence pertaining to the three key gambling objectives (crime free, fair and open and protection of children and vulnerable adults) and the likelihood of local representatives may provide sufficient weight of evidence to suggest that these objectives are compromised is low. Critically, to influence the granting of a local betting license, local representatives must demonstrate how the granting of one additional betting shop premises license will impact on crime or disorder, will affect fair play, or impact on children or vulnerable adults.
- 11.3 Given the limitations of influencing the number and distribution of betting shops through the licensing framework (as specified in the Gambling Act), and in the absence of national legislation, other authorities have sought to address this issue through amended local planning policy and guidance. It is anticipated that such

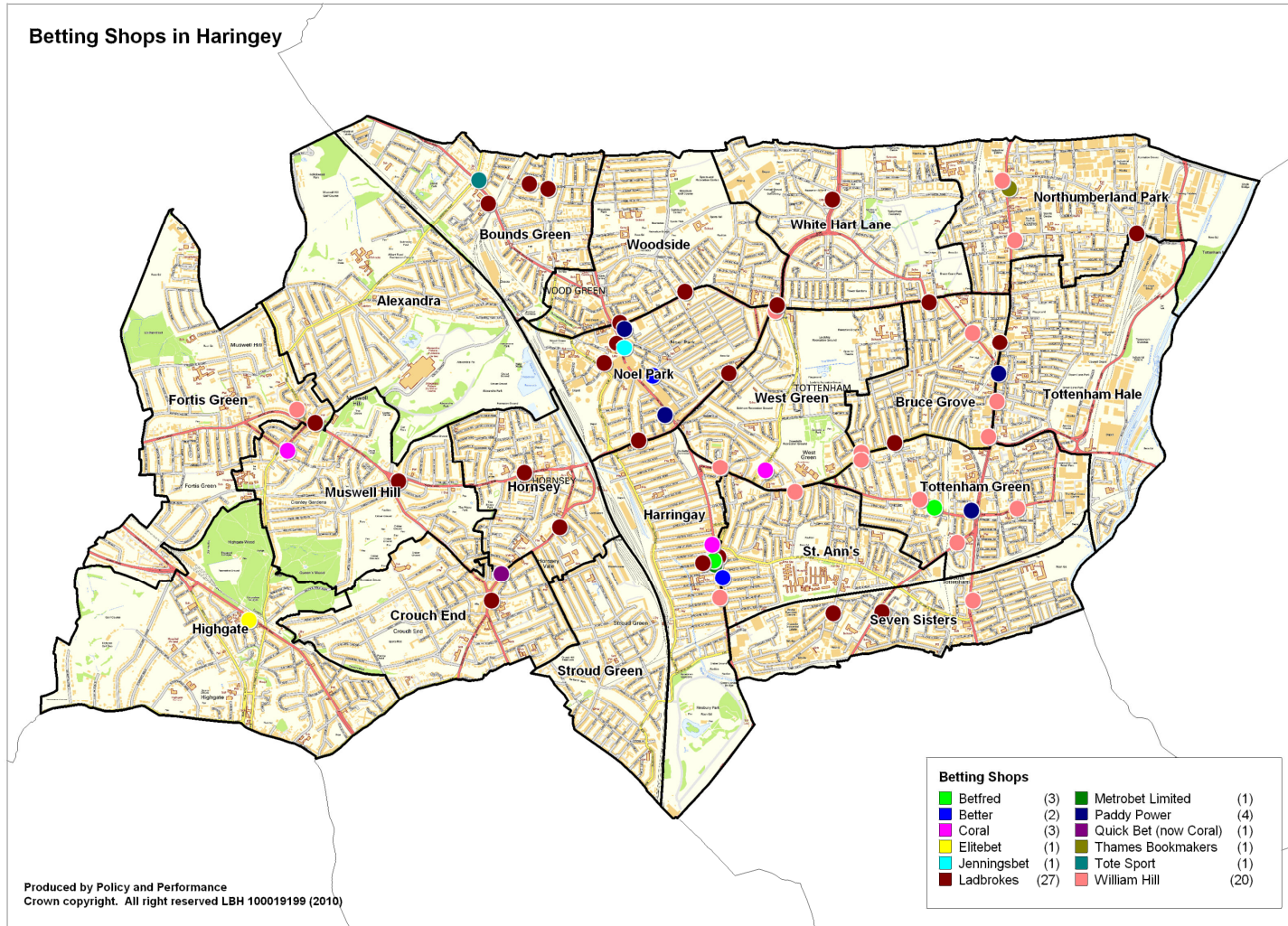
amendments may strengthen the local authority position in being able to influence the shape and character of retail in local neighbourhood centres. It is noted however that local authorities are in the early stages of developing such new planning guidance, and that as yet, these remain untested.

- 11.4 The adoption of any planning policy to further control or limit the proliferation of betting shops within the borough **must** be based on and supported by appropriate research and evidence that demonstrate the planning justification for applying such a control.
- 11.5 Evidence from other authorities would suggest that it is important for local authorities to collect data and other information on betting shops to help develop a local evidence base. Currently there is little evidence to assess what impact the clustering of betting shops may have within the community or the wider implications of the Gambling Act 2005 has had within Haringey in general. It is therefore apparent that the Licensing Authority will need to develop local intelligence, data and monitoring information to guide and inform the position that the Council may wish to take upon this issue in respect of licensing and planning policy.
- 11.6 As has been noted in this report, in addition to the Council, a number of other Local Authorities and regional organisations have or are in the process of lobbying for change in this area (for example, the London Assembly's Planning and Housing Committee, the Local Government Association). This could, in the longer term, possibly lead to both national and regional changes in the licensing and planning framework.



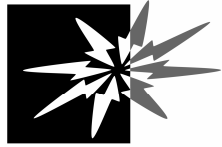
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### Appendix A – The location of betting shops across Haringey.



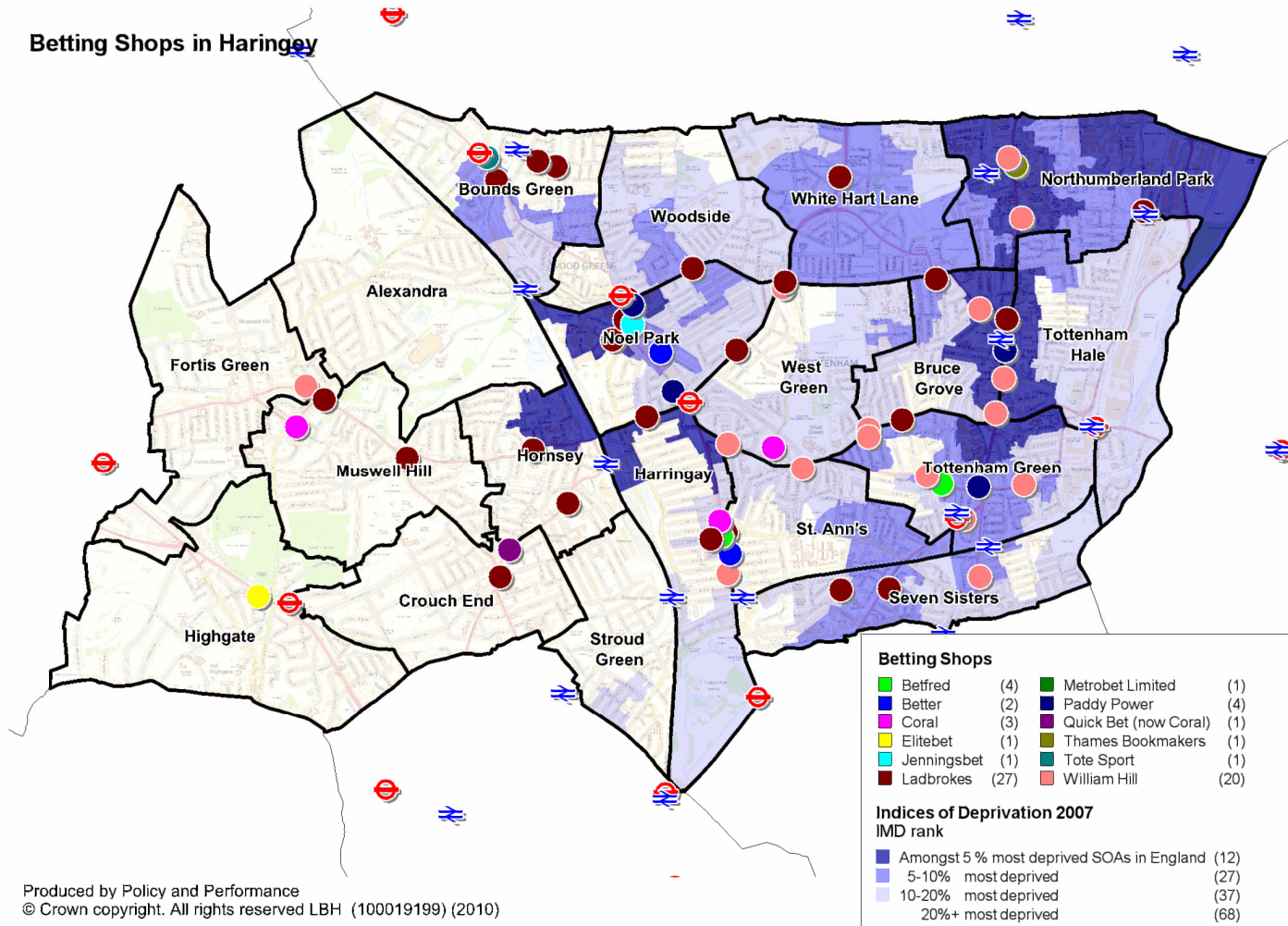
## Appendix B – Number of Betting shops by Local Authority Ward

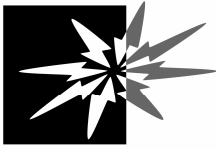




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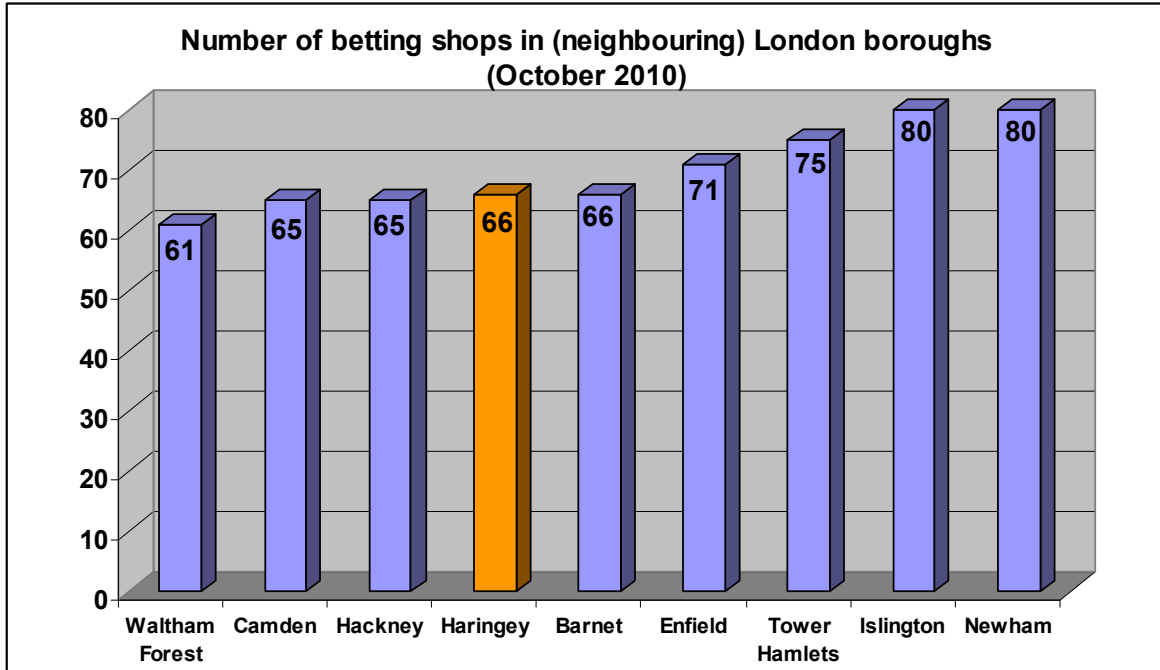
### Appendix C - Location of betting shops in Haringey by social deprivation (ward).





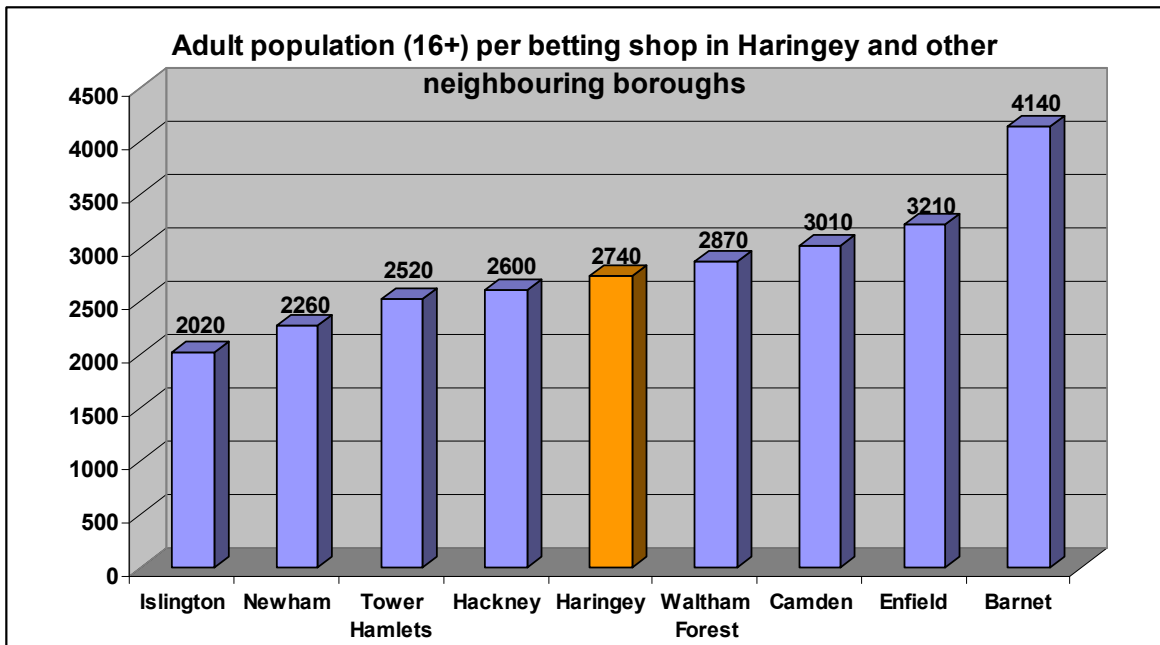
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### Appendix D – Number of betting shops in Haringey and other surrounding boroughs.



Based on data collected from borough licensing departments October 2010.

### Appendix E – Adult population (16+) per betting shop in Haringey and other surrounding boroughs.



Betting shop data based on data collected from borough licensing departments October 2010. Population data based on GLA population estimates for 2009.