

Gambling Reform APPG Session

Expansion of Category B3 Machines and Adult Gaming Centres (AGCs)

Date: 10th December 2024

Time: 10:00am-11:30am

Location: Room R, Portcullis House

Chair: Sir Iain Duncan Smith MP

Minutes: Max Strangleman-Sykes, DGA Group

Members Present:

- Sir Iain Duncan Smith MP (Chair)
- Shockat Adam MP
- Georgia Gould MP
- Sammy Wilson MP

External Guests:

- Councillor Jumbo Chan, Brent Council
- Matt Zarb-Cousin, Clean Up Gambling
- Dr Matt Gaskell, NHS Northern Gambling Services
- Councillor Matt Kelcher, Brent Council
- Councillor Mili Patel, Brent Council
- Jackie Olden, Lived Experience
- Professor Heather Wardle, University of Glasgow
- Henrietta Bowden Jones, National Advisor on Gambling Harms
- Katherine Morgan, DGA Group
- Allaster Gair, DGA Group
- Lewis Klein, DGA Group
- Ffion Price, DGA Group

Gambling Reform APPG Minutes:

Sir Iain Duncan Smith MP: Sir Iain welcomed all attendees and introduced the session on Adult Gaming Centres (AGCs), the expansion of category B3 machines and the corresponding gambling harm.

Matt Zarb Cousin: Narrating PowerPoint slides, Mr Zarb-Cousin described the proliferation of AGCs (7) on, or in close proximity to Brent high street. He outlined the proliferation of AGCs. He explained that AGCs are acquiring licenses from betting shops and bingo halls, converting them into high street premises while technically classifying some as bingo halls. To bypass restrictions on the number of B3 machines

allowed, operators are using iPads classified as "machines" to inflate their machine-to-floor-space ratios. These iPads are often not accessible, or do not work. He highlighted the Gambling Commission's not properly testing or regulating these machines, leaving significant enforcement gaps. Concerns were raised about the community impact and the need for tighter oversight.

Mr Zarb-Cousin continued, stating the reason for AGCs proliferation being due to the lucrative nature of B3 machines and the content being addictive and engaging. He further described how the sector has offered a way for customers to stake more than the maximum of £2 a spin, by way of a roulette board, that is not in the spirit of the regulations and legislation.

Iain Duncan Smith MP: Sir Iain thanked Mr Zarb-Cousin for his contribution and asked Councillor Milli Patel to proceed by speaking next.

Councillor Mili Patel: Councillor Milli Patel referenced an independent report titled *A Fairer Future: Ending Poverty in Brent*, which highlighted Harlesden as an area with a high concentration of deprivation. Councillor Patel explained that the pandemic worsened conditions, and currently a quarter of residents live below the poverty line. Households in debt to the Council owe an average of £3,084. Harlesden's community already supports initiatives like food and aid programs but remains targeted by adult businesses, especially gambling companies, despite strong local opposition. With seven gambling sites in a small area of the high street, she outlined that Harlesden has been labelled the "Las Vegas of the UK," underscoring the detrimental impact on residents and the community.

Councillor Jumbo Chan: Councillor Jumbo Chan highlighted the strong support from Brent residents for gambling reform campaigns, emphasising the widespread disapproval of the proliferation of betting shops and Adult Gaming Centres (AGCs) in the area. He noted that councillors have "lost count" of the numerous times they have supported residents and local businesses with complaints about these establishments.

During recent discussions with local businesses seeking to expand, some reported being told by landlords with vacant properties that they were "only considering gambling sites" as tenants. Councillor Chan also shared concerns raised by the local police, who have consistently opposed the opening of further gaming centres due to the anti-social behaviour they often attract. As an example, he pointed out that benches outside AGCs, originally intended for elderly and disabled populations, had to be removed after becoming a "magnet for anti-social behaviour". He concluded by noting that all major political parties on Brent Council unanimously passed a motion opposing the spread of gambling sites in the area and followed this with a formal letter to the government requesting greater support and stronger powers for local authorities to tackle the issue effectively.

Councillor Matt Kelcher: Councillor Matt Kelcher began by outlining how opposition to AGC's is prevalent. On 'Small Business Saturday', councillors heard frequent

complaints from across the high street and were strongly supportive of the council taking action and wanting further powers for local authorities to clamp down on the proliferation of AGC's.

Councillor Kelcher then introduced the '6-point Plan for Change' Brent Council have developed, aimed at providing local councils with greater powers to curb the proliferation of AGCs. The plan reflects over a decade of experience within the Council in tackling gambling-related challenges and aims to give local authorities the tools they need to better address these issues.

Sir Iain Duncan Smith MP: Thanked Councillor Kelcher and asked how far back this has been an issue in Brent.

Councillor Mili Patel: Responded by outlining that since 2018 betting shops have increased substantially and the council has taken issue with their proliferation, particularly since the pandemic.

Sir Iain Duncan Smith MP: Thanked Councillor Patel and invited Jackie Olden to speak next.

Jackie Olden: Jackie Olden recounted her experience of AGCs encouraging employees to play 100 spins every day, leading to harmful consequences for her family. Her mother, who worked in a bookmaker's shop, developed a gambling addiction because of these policies. Despite taking preventative measures to curb her gambling, over an 18-month period she spent approximately £30,000. Even while undergoing radiotherapy and known to be a gambling addict, a 24-hour AGC allowed Jackie's mother to gamble for 16 hours straight, losing £2,000 in the process.

Jackie highlighted how difficult operators make it to file complaints about such situations. Jackie explained how she turned to her local councillor and her MP, Andrew Gwynne, who raised the issue with the Gambling Commission. However, the Commission ultimately declined to take further action. Jackie emphasised that her mother's case is far from an isolated incident and has spoken to many others who have experienced similar predicaments.

Sir Iain Duncan Smith MP: Thanked Jackie Olden and invited Professor Heather Wardle to speak next.

Professor Heather Wardle: Professor Wardle described the current regulatory system as heavily stacked against local authorities, drawing on her extensive research and experience as an expert witness in court cases. She explains that without the leverage of potential court action, local authorities lack the tools to impose conditions on the granting of AGC licenses.

She continued, outlining that electronic gaming machines (EGMs) have been identified as some of the highest-risk gambling products on the market. Professor Wardle explained that longitudinal data from Great Britain shows that young adults aged 18-24 are 1.4 times more likely to develop gambling problems if they play these machines

compared to those who don't. Furthermore, a meta-analysis of 104 studies highlights that electronic gaming machines rank as the second strongest driver of problematic gambling behaviours.

Professor Wardle also questioned the ethics of supporting the land-based gambling sector at the expense of stricter regulation on online gambling, arguing that no clear precedent or examples exist to justify this approach. She underscored the financial incentives for operators, citing data showing that in 2011 each B3 machine in an AGC generated approximately £11,000 in revenue annually. By 2024, this figure had soared to £32,000 reflecting the operators' drive to maximise profits by exploiting regulatory loopholes, as previously noted during the session.

Sir Iain Duncan Smith MP: Thanked Professor Heather Wardle and invited Dr Matt Gaskell to speak next.

Dr Matt Gaskell: Dr. Matt Gaskell began referencing the government's policy statement on "supporting the land-based sector" during "challenging times." He argued that this approach is directly contrary to the best interests of public health.

Dr. Gaskell shared that neither he nor his clinic has encountered cases where individuals betting on B3 machines have received any meaningful interaction or intervention from staff or operators, even when displaying clear signs of problematic behaviour and making unaffordable losses over extended periods. He criticised the self-exclusion scheme as wholly inadequate, noting that vulnerable individuals and patients often lose their entire benefit payments in a single gambling session.

He further highlighted alarming data showing that 2.3% of sessions on B3 machines result in customer losses of £200 or more. For many of his patients, these losses are completely unsustainable, leaving them in severe financial distress.

Sir Iain Duncan Smith: Asked whether data is available on whether gambling losses affect areas and people of lower incomes and higher deprivation. He further inquired on the demographic data of AGC usage.

Dr Matt Gaskell: Replied and referred Sir Iain to *Patterns of Play* data, where losses affect areas of higher deprivation more. Those who can least afford the losses often bear the brunt of them.

Matt Zarb-Cousin: Added that his recent experience has been seeing a significant number of women in such venues, despite gambling usually being associated with men.

Professor Heather Wardle: Further added that high density machines zones are disproportionately in areas of higher deprivation. National survey data shows that whilst areas of deprivation generally are less likely to gamble, those who do are far more likely to experience problem gambling.

Matt Zarb Cousin: Continued by stressing the spirit of the legislation must be respected and the £2 maximum stake limit has been circumvented by the industry.

At this stage, those present engaged in a wider discussion concerning the role of local authorities, AGC's and B3 machines.

Professor Heather Wardle, Brent Councillors and Matt Zarb-Cousin: Discussed how very limited resources are available for local authorities to regulate AGC proliferation.

Councillor Jumbo Chan and Councillor Matt Kelcher: Describe that if councillors miss one application AGC's will 'get in'. Operators have the time, resources and patience to circumvent local efforts.

Henrietta Bowden Jones: Asked about the process for the Gambling Commission dealing with harm to communities.

Councillor Mili Patel: Responded by outlining how a gambling ombudsmen is yet to be established despite being proposed in 2023, as it is against the BGC's interest to do so.

Professor Heather Wardle: Added that a licensing task force for a number of local authorities, instead of one licensing officer per authority, might be better long-term solution for sharing resources.

Dr Matt Gaskell: Stated that slots have the highest addiction rates and reiterated how harmful the machines are.

Sir Iain Duncan Smith MP: Returned to AGC's not intervening over extended periods of play mentioned earlier in the session. Dr Matt Gaskell and Councillor Matt Kelcher added to the previous points made, stating that the opposite of intervention occurs. They both reference stories where AGC's provided food and drink for regular players and reserved players favourite machines.

Matt Zarb-Cousin, Matt Kelcher and Henrietta Bowden Jones: Discussed the effect of AGC proliferation on local employment, where gambling is not a labour-intensive industry and therefore other businesses are better for local economies. Matt Kelcher references a shoe shop in Brent that closed that had formerly employed 4-6 people was replaced with an AGC that had just one employee.

Sir Iain Duncan Smith MP: Thanked all attendees for their contributions and stated that the APPG will look to follow up with government to ensure that these points are considered in future gambling policy and legislation.

SESSION CONCLUDES