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Problem gambling in Birmingham

A Rapid Assessment Report

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Executive Summary

This is a rapid assessment report on the issue of problem gambling in Birmingham based on a review of available evidence. An early draft of the report was sent for comment to key stakeholders in Birmingham City Council, the England Illegal Moneylending Team and the Gambling Commission. We have subsequently revised the report taking into account these comments, for which we are very grateful, but the report remains the authors' own work and any errors or omissions are similarly the authors' own. Key points are as follows:

- Just under half of the adult population in the UK have participated in gambling activities in the last four weeks with the National Lottery, scratch-cards and other lotteries being the most popular forms. About one in ten of the adult population have gambled online in the past year.
- Just under 1% of the population in the UK have been identified as 'problem gamblers' with a further 4% identified as being of low to moderate risk of problem gambling. While these percentages are small, this amounts to around 400,000 problem gamblers in total and a further 2 million 'at risk'.
- Certain groups are more likely to experience problems with gambling including those on lower incomes or unemployed, those from Asian/Asian British and Black British backgrounds, homeless people and prisoners.
- There is a strong correlation between problem gambling and mental health problems though the nature of the links between the two are complex.
- Those who are at risk of problem gambling are similar, in some respects, to the groups most at risk of financial exclusion.
- The socio-economic profile of Birmingham (in terms of low income and ethnicity in particular) suggests that rates of problem gambling may be higher here than the national average though there is no definitive data easily available to support this.
- With a population of approximately 1.2 million people, it is highly likely that the number of problem gamblers in Birmingham is around 12,000, with a further 48,000 'at risk' of problem gambling. Given the impact on families, this is a very significant number of people who require support.
- There has been considerable high-level policy interest in problem gambling in recent years with changes recently announced on the maximum bet allowed at Fixed Odds Betting Terminals and a new National Responsible Gambling Strategy which sets out 12 priority actions.
- Further work is needed, however, in relation to prevention of problem gambling, identification of problem gambling and support services. These require action on both the supply and demand side of the issue, and on both national and local levels.

Introduction

This is a Rapid Assessment Report on the issue of problem gambling in Birmingham, particularly highlighting its relationship to financial exclusion. The report has been funded by the Centre on Household Assets and Savings Management (CHASM) following discussion with the Birmingham Financial Inclusion Partnership which highlighted interest in this topic and so led to a short collaboration between CHASM and Toynbee Hall to produce this report which:

- Briefly reviews national criteria on problem and at risk gambling
- Briefly reviews the existing evidence on issues relating to problem gambling in Birmingham utilising a literature review and relating this back to financial inclusion, including the financial inclusion strategy for Birmingham
- Provides details on recent policy interest into the issue of problem gambling
- Outlines next steps for research.

In producing this report, we reviewed published reports in the field and then sent the report to a number of key stakeholders for their comment.

We should stress, however, that the contents of the report reflect the authors' interpretation of the literature and evidence. Any errors and omissions are similarly the authors' own.

It is also important to note that throughout this report we refer to the following terms whose definition we provide below:

Problem gambling: Problem gambling is defined as "gambling to a degree that compromises, disrupts or damages family, personal or recreational pursuits". In their Diagnostics and Statistics Manual 5 (DSM), the American Psychological Association classifies 'disordered gambling' as a behavioural addiction and it is classified as an impulse control disorder according to the International Classification of Diseases-10.

At risk gambling: At risk gambling is a term used to describe people who are experiencing some problems, difficulties or negative consequences from their gambling behaviour but who are not categorised as problem gamblers.

Gambling: context in numbers

There are many different ways to measure gambling activity. For example according to a survey carried out by Natcen¹ in 2015:

- 63% of adults (16+) in Great Britain had gambled *in the past year*, with men (66%) being more likely than women (59%) to do so.
- The most popular gambling activities were the National Lottery draws (46%), scratch cards (23%) and other lotteries (15%). Excluding those who only played the National Lottery draws, just under half of adults (45%) participated in other types of gambling activity; 49% of men and 42% of women.
- About one in ten of the population had gambled online in the previous year (excluding national lottery draws)

Another survey, by the Gambling Commission (the body that regulates gaming and gambling activities in the UK) shows participation figures for gambling activities *in the past four weeks*. For 2017, their last published report², they find the following:

- Gambling participation has decreased since 2016 with 45% of people aged 16+ having participated in at least one form of gambling in the past four weeks in 2017 (48% in 2016).
- Men are more likely to have gambled than women and those aged 55-64 are most likely to have gambled in the past four weeks. This is predominantly driven by participation in the National Lottery draws as when people who have only gambled in the National Lottery draws are excluded, participation is highest among 16-34 year olds.
- Overall, 18% of people have gambled online in the past four weeks.
- Those aged 25-34 and 55-64 have seen the largest increases in online gambling participation whereas those aged 16-24 have seen a decline in online gambling participation in 2017.

By specific gambling activities they find the following:

- The National Lottery draws remain the most popular gambling activity, followed by scratch cards and other lotteries
- Football and horse racing are the most popular betting activities
- All gambling activities have seen an increase in online participation with the exception of betting on horse races and spread betting
- In-person participation has declined for most activities.

They also find that an estimated 0.8% of people were identified as a problem gambler according to the full Problem Gambling Severity Index (PGSI) 2 or DSM-IV screen with a further 3.9% identifying as at low or moderate risk. These percentages may seem small but they scale up to large numbers given the size of the population. For example, data show that more than 2 million people in Great Britain are likely to be at risk of harm through gambling, and an additional 400,000 have developed a

¹ <http://natcen.ac.uk/media/1464625/gambling-behaviour-in-great-britain-2015.pdf>

² <http://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2017-behaviour-awareness-and-attitudes.pdf>

serious gambling disorder³. While it is difficult to estimate a precise cost to the British economy, attempts have put the figure at up to £1.2 billion per year⁴.

Gambling also varies by locality. Figures cited by Demos, based on Gambling Commission data, finds that Londoners are the least likely to have gambled of any region (52%).

The most developed study of how consumers' gambling behaviour interacts with gambling markets in the context of a local authority setting was carried out by Dr Heather Wardle⁵ for Manchester City Council in 2015. Her work specifically studied the issue of vulnerability and the profile areas of where bookmakers are located.

Looking at the national literature on problem gambling and the groups of people most likely to be affected, Wardle (2015) finds the following details for vulnerable groups:

Young people

- 17% of children aged 11-15 had gambled in the previous week, with fruit machines and betting privately with friends being the most popular activities
- Around 0.6% of children aged 11-15 were problem gamblers (Ipsos Mori, 2015)
- This rate of problem gambling is similar to that for all adults aged 16 and over, whereas other jurisdictions tend to show higher rates of problem gambling among children than adults. However, the Gambling Act 2005 specifically states that children should be protected from harm from gambling and requires that legal restrictions be in place to prevent those under the age of 18 participating in many forms of gambling. Therefore, young people under the age of 18 should still be considered a risk group⁶.

Minority ethnic groups

- A review of national British survey data consistently shows that those from Asian/Asian British and Black British backgrounds have higher rates of problem gambling.
- Further analysis of the British Gambling Prevalence Survey (BGPS) and Health Survey England (HSE) datasets by a different research team has confirmed these associations.

Unemployment and constrained economic circumstances

- Wardle (2015) concluded that the evidence relating to household income and problem gambling was mixed. Generally those of lower income are less likely to gamble but those that do spend a higher proportion of their income on gambling.

³ This figure is drawn from the Demos report, 'Reducing the Odds: An Education Pilot to Prevent Gambling Harm', by Ian Wybron, which is in turn an approximation based on figures from NatCen Social Research, national press reporting of those figures, and mid-year estimates calculations from the Office for National Statistics. The report can be found here: <https://www.demos.co.uk/wp-content/uploads/2018/03/Reducing-the-Odds-an-Education-Pilot-to-Prevent-Gambling-Harm.pdf>

⁴ Thorley, Craig, et al (2016), Cards on the Table: The cost to government associated with people who are problem gamblers in Britain, IPPR. The report is available here: <http://www.ippr.org/read/cards-on-the-table#>

⁵ Wardle, Dr Heather, et al (2016), Exploring area-based vulnerability to gambling-related harm: Developing the gambling-related harm risk index, *GeoFutures*. Available here: http://transact.westminster.gov.uk/docstores/publications_store/licensing/final_phase2_exploring_area_base_d_vulnerability_to_gambling_related_harm.pdf

⁶ While the Gambling Commission has looked at the effects of gambling on children between the ages of 11-15 there is very little available evidence on the effects below that age. This is a gap given the expansion of online gambling and games-based gambling and we will consider this question in future work regarding this subject.

- According to Reith and Dobbie (2013) the relationship between unemployment and gambling difficulties is very complex however unemployment is related to the experience of psychological difficulties which could be the trigger for either stopping or starting gambling⁷.

Area deprivation

- A review of a number of British surveys had, according to Wardle (2015), consistently shown that those living in more deprived areas are more likely to experience problems with their gambling behaviour. This was despite having roughly similar levels of past year gambling participation to those who live in less deprived areas.
- Areas with “high density machine zones” (i.e. areas with a large number of gambling machines in a small in a relatively concentrated geographic setting) or areas with licenced bookmaking offices (LBOs) are more deprived than others.

Intellectual functioning (IQ, learning difficulties)

- Wardle (2015) highlights an evidence gap when it came to the relationship between learning difficulties and gambling behaviour.
- The few studies that have been conducted have focused on adolescents and showed mixed results.
- Despite the lack of evidence the Gambling Commission states that “those with diminished capacities to make informed decisions should be considered vulnerable”⁸.

Homeless

- Wardle (2015), referencing Australian research by Holdsworth et al (2012)⁹, finds that the relationship between homelessness and problem gambling is complex, with gambling potentially being a determinant of homelessness and housing instability for some and/or being “a way of negating some of the negative experiences of [homelessness]” for others.
- According to Kenyon et al (2016)¹⁰ since May 2015, two further studies have been published that confirm previous research showing how that rates of problem gambling are higher among those who are homeless than those who are not.

Prisoners/probation

- According to research by May-Chahal et al (2012)¹¹ from pilot studies in England they show that 10% of male prisoners and 6% of female prisoners report being problem gamblers prior to incarceration.

⁷ Reith, G, and F. Dobbie (2013), *Gambling careers: A longitudinal, qualitative study of gambling behaviour*, *Addiction Research and Theory*. Available here: <https://www.stir.ac.uk/research/hub/publication/13412>

⁸ Kenyon, Dr Alexandra, et al (2016), *Problem Gambling in Leeds: Research Report for Leeds City Council*, *Leeds City Council*. Available here: <http://www.leeds.gov.uk/docs/Problem%20Gambling%20Report.pdf>

⁹ Holdsworth et al (2012), *A study of homelessness and gambling in the Northern Rivers region, New South Wales, Australia: perspectives of people experiencing homelessness and gambling, and the service providers supporting them*, *Centre for Gambling Education and Research (CGER), School of Tourism and Hospitality Management*. Available here: https://epubs.scu.edu.au/tourism_pubs/775/

¹⁰ Kenyon, Dr Alexandra, et al (2016), *Problem Gambling in Leeds: Research Report for Leeds City Council*, *Leeds City Council*. Available here: <http://www.leeds.gov.uk/docs/Problem%20Gambling%20Report.pdf>

¹¹ May-Chahal et al (2012), *Promoting an Evidence-Informed Approach to Addressing Problem Gambling in UK Prison Populations*, *The Howard Journal of Crime and Justice*. Available here: <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2311.2012.00723.x/full>

- A further 37% of male and 23% of female prisoners were identified as at risk gamblers prior to their prison sentence. These rates are significantly higher than those observed for adults in the general population.
- A more recent study of UK prisoners found a similar pattern, with 12% of prisoners being identified as problem gamblers.¹²

Immigrants/refugees/asylum seekers

- To date, no British studies looking at gambling behaviour and problem gambling among immigrants/refugees/asylum seekers have been conducted and there are very few studies exploring this internationally¹³.
- However stakeholders interviewed by Wardle (2015)¹⁴ and Leeds based stakeholders (2016)¹⁵ interviewed for this study identified immigrants/refugees/asylum seekers as those potentially vulnerable to gambling problems.

Mental ill health

Wardle (2015) highlights the strong association between mental ill health and problem gambling. Associations are found between problem gambling and:

- General Anxiety Disorder
- Phobia
- Obsessive Compulsive Disorder
- Panic Disorders
- Eating Disorders
- Probable psychosis
- Attention Deficit Hyperactivity Disorder
- Post-Traumatic Stress Disorder
- Harmful and hazardous levels of alcohol consumption
- Drug dependency.

Research by Dowling et al (2015)¹⁶, bringing together data from 36 studies, estimate the following proportions of problem gamblers seeking treatment experienced each condition:

- Mood disorders (23%)
- Alcohol use disorders (21%)
- Anxiety disorders (18%)
- Substance use disorders (7%)

¹² May-Chahal et al (2016), Gambling Harm and Crime Careers, *Journal of Gambling Studies*. Available here: <https://link.springer.com/article/10.1007/s10899-016-9612-z>

¹³ Kenyon, Dr Alexandra, et al (2016), Problem Gambling in Leeds: Research Report for Leeds City Council, *Leeds City Council*. Available here: <http://www.leeds.gov.uk/docs/Problem%20Gambling%20Report.pdf>

¹⁴ Wardle, Dr Heather, et al (2016), Exploring area-based vulnerability to gambling-related harm: Developing the gambling-related harm risk index, *GeoFutures*. Available here: http://transact.westminster.gov.uk/docstores/publications_store/licensing/final_phase2_exploring_area_base_d_vulnerability_to_gambling_related_harm.pdf

¹⁵ Kenyon, Dr Alexandra, et al (2016), Problem Gambling in Leeds: Research Report for Leeds City Council, *Leeds City Council*. Available here: <http://www.leeds.gov.uk/docs/Problem%20Gambling%20Report.pdf>

¹⁶ Dowling, N, et al (2015), Prevalence of psychiatric co-morbidity in treatment-seeking problem gamblers: A systematic review and meta-analysis, *The Australian and New Zealand Journal of Psychiatry*. Available here: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4438101/>

- Nicotine dependence (57%)
- Major depressive disorder (30%)
- Alcohol abuse (18%)
- Alcohol dependence (15%)
- Social phobia (15%)
- General Anxiety Disorder (14%)
- Panic disorder (14%)
- Post-traumatic stress disorder (12%)
- Attention deficit hyperactivity disorder (9%)
- Adjustment disorder (9%)
- Bipolar disorder (9%)
- Obsessive compulsive disorder (8%).

The Gambling Commission has a section in its statement of principles for licensing and regulation¹⁷ on protecting children and other vulnerable persons from being harmed or exploited by gambling which reads as follows:

“With regard to ‘vulnerable persons’, whilst the following list is not exhaustive, the Commission considers that this group will include:

- People who spend more money and/or time gambling than they want to
- People who gamble beyond their means
- People who may not be able to make informed or balanced decisions about gambling, for example because of health problems, learning disability, or substance misuse relating to alcohol or drugs.”

In their report for Leeds City Council on problem gambling in the area, Kenyon et al (2016) refer to numerous studies attempting to quantify how many people in England (or Great Britain) are likely to be affected by “gambling to a degree that compromises, disrupts or damages family, personal or recreational pursuits”. This is their working definition of problem gambling. They point out that depending on the survey considered, “rates of problem gambling tend to vary between 0.5 per cent and 0.9 per cent of adults in Britain. This equates to between 260,000 and 468,000 adults aged 16 and over.”

In distinction to this definition they refer to people ‘at risk’ of gambling problems. “At risk generally refers to people who are experiencing some difficulties with their gambling behaviour but are not considered to be problem gamblers. Estimates suggest that between 5 per cent and 6 per cent of people in Britain may be at risk gamblers”¹⁸.

Kenyon et al (2016), summarising the existing evidence of problem gambling and its relationship to certain characteristics, point out that whilst rates of problem gambling among all adults in Britain tend to be less than 1% there are some groups who are more likely to experience problems. They also point, however, that “little is known about why this is but simply knowing these groups are at greater risk is important as many could be considered vulnerable people more generally.”

¹⁷ Gambling Commission (2017), Statement of principles for licensing and regulation, *Gambling Commission*. Available here: <http://www.gamblingcommission.gov.uk/pdf/statement-of-principles-for-licensing-and-regulation.pdf>

¹⁸ Kenyon, Dr Alexandra, et al (2016), Problem Gambling in Leeds: Research Report for Leeds City Council, *Leeds City Council*. Available here: <http://www.leeds.gov.uk/docs/Problem%20Gambling%20Report.pdf>

Not everyone with the characteristics described above will experience harm from gambling, but, in the words of Kenyon et al “it’s simply that there is a higher risk for these groups which gives an opportunity to try to intervene to offer greater protection for those who need it.”

In lieu of evidence describing the precise reasons for why certain characteristics tend towards problem gambling in specific geographic localities, Kenyon et al provide details for why local authorities should prepare around the provision of support services based on proportion of people in the area known to be among the vulnerable groups mentioned.

Gambling activity in Birmingham:

High quality data on gambling in cities is not easily available. The figure below, from the NatCen Social Research report on gambling behaviour in Britain in 2015¹⁹ shows participation in gambling activities for the previous 12 months in all regions (including the West Midlands):

Aged 16 and over, England, Scotland, Wales											2015
Participation in gambling activities in the past 12 months	Region										
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East of England	London	South East	South West	Scotland	Wales
	%	%	%	%	%	%	%	%	%	%	%
Lotteries and related products											
National Lottery draws	50	50	49	49	46	44	35	46	49	53	48
Scratchcards	25	24	24	25	22	23	16	22	23	25	27
Other lotteries	17	16	14	18	18	14	9	15	16	18	17
Machines/games											
Football pools	3	2	2	3	4	3	3	2	2	6	2
Bingo (not online)	12	5	10	6	6	6	3	5	5	7	7
Slot machines	9	7	10	7	4	9	7	6	6	9	6
Machines in a bookmakers	4	4	5	2	3	5	4	3	1	5	2
Casino table games (not online)	4	4	5	4	1	4	5	4	2	5	2
Poker played in pubs or clubs	3	1	2	1	1	2	1	1	1	1	1
Online gambling on slots, casino or bingo games	7	4	6	2	3	4	3	4	3	5	3
Betting activities											
Online betting with a bookmaker	8	9	8	6	8	7	9	7	6	10	4
Betting exchange	1	1	1	1	1	1	1	1	1	1	1
Horse races (not online)	12	14	15	10	10	11	8	12	9	12	9
Dog races (not online)	3	3	4	3	3	4	2	3	1	2	2
Sports events (not online)	8	7	6	5	4	7	6	3	3	8	5
Other events (not online)	2	2	3	1	1	2	1	1	0	2	1
Spread-betting	1	0	1	0	0	1	0	1	0	1	1
Private betting	4	4	4	6	4	9	6	5	5	5	2
Other gambling activity											
Any other gambling	2	2	1	2	1	3	3	1	1	2	1
Summary											
Any gambling activity	65	65	64	66	62	63	52	63	64	68	61
Any gambling (excluding National Lottery draws only) ^b	46	48	48	49	45	47	37	44	46	49	44
Any online gambling or betting	12	11	10	8	9	8	10	9	7	12	6
No gambling in last 12 months	35	35	36	34	38	37	48	37	36	32	39
Bases (unweighted)^a	533	971	650	677	632	882	827	1,194	713	4,449	4,035
Bases (weighted)	655	1,749	1,325	1,151	1,387	1,493	2,078	2,192	1,363	1,333	778

^a This category excludes gamblers who only participated in the National Lottery draws and not in any other gambling activities.

^b Bases for individual activities vary; those shown are for participation in any gambling activity.

¹⁹ <http://natcen.ac.uk/media/1464625/gambling-behaviour-in-great-britain-2015.pdf> (p.22)

This data actually shows that the general level of gambling activity in the West Midlands is lower than most other regions. Rates are highest in Scotland, the East Midlands and the North East and North West. However, the West Midlands is a large area and the data tell us nothing about *problem* gambling which is a small subset of gambling overall. Data on problem gambling is even more difficult to find for regions and cities.

Kenyon et al (2016) provide in their study of problem gambling in Leeds an analysis of comparator areas, including Birmingham. The purpose of this is to show that areas similar to Leeds also have a strong likelihood of sharing similar patterns of problem gambling. This part of their study finds the following things of interest to this report:

- Birmingham has one of the closest matches to Leeds in terms of age profile of the resident population, with all three cities being within 10% of the value for Leeds for those aged 18-34. This is followed by Bristol and Newcastle, where values are within 20% of the value for Leeds for those aged 18-34. Nottingham and Manchester have a notably higher proportion of young people whereas Doncaster has a notably lower proportion than Leeds.
- Birmingham has a proportion of people from Asian/Asian British groups that are 2-3 times higher than Leeds, whereas rates in Liverpool and Doncaster are around half that of Leeds.
- Median income in Birmingham is similar to Leeds.
- Rates of deprivation are 1.8 times higher for Birmingham than in Leeds.
- Leeds has a lower number of active businesses than other areas.

Kenyon et al find that rates of gambling behaviour, and problem gambling, are not equally distributed across England and are higher in more Northern areas of Britain. Furthermore rates are higher in:

- Major urban areas
- Urban areas which are more densely populated
- English Metropolitan boroughs
- London boroughs
- Those living in wards classified as industrial, traditional manufacturing, prosperous and multi-cultural.

Therefore they find that many of these higher prevalence areas describe the Leeds Metropolitan District, and strongly suggests rates of problem gambling in Leeds should be expected to be higher than national averages. Problem gambling rates in Leeds and areas like Leeds are broadly twice the national average.

While there is not specific evidence proving this, given how closely comparative Birmingham is to Leeds, according to the study by Kenyon et al, and the proportion of vulnerable groups in Birmingham, it is a strong likelihood that Birmingham also has a higher than average rate of problem gambling.

To this end it is worth noting some further figures on Birmingham that, without any specific evidence demonstrating prevalence in the area, show to what degree the issue of problem gambling is likely to have a strong impact:

- At 6.2%, Birmingham's claimant unemployment rate is the highest of the core cities (large regional cities in the UK and outside Greater London) - significantly above the core city average of 4.2%²⁰.
- Ladywood in Birmingham has the highest rate of the following: 1) All claimants as % of economically active population aged 16-64; 2) All people claiming JSA or claiming UC and required to seek work; and 3) 18-24 year olds claiming JSA or claiming UC and required to seek work²¹.
- Ladywood is also an area of high deprivation. According to the English Index of Multiple Deprivation (IMD) 2015, 49.1% of Ladywood's population were in the most deprived 20% of areas in England. Life expectancy for Ladywood district males was 74.8 years (Birmingham 77.2, England 79.6) and females 80.5 years (Birmingham 82.0, England 83.2)²².
- Birmingham is more ethnically diverse than the England average. The 2011 census confirmed that 53.1% of the people of Birmingham were White British, 13.5% Pakistani, 6.0% Indian, White Other 4.8%, Caribbean 4.4%, Mixed 4.4%, Bangladeshi 3.3%, African 2.8%, Chinese 1.2%, and other groups 6.7%²³.
- The Indices of Deprivation 2015, published by the Department for Communities and Local Government, show that Birmingham suffers from high levels of deprivation, with 40% of the population living in Super Output Areas (a set of geographical areas in the UK) in the 10% most deprived in England, and is ranked the 6th most deprived authority in England by this measure²⁴.

Using figures from the Gambling Commission's public register of licensed premises, we can see that after Glasgow, Birmingham has the second largest number of licensed gambling businesses²⁵. And in the local press Birmingham has been named the second worst in England for gambling machine losses²⁶. However, we should remember that Birmingham is the second largest city in the UK by population size and this helps explain some of these figures. Nevertheless, it is right to be concerned about the potential for problem gambling in Birmingham and the potential links between gambling, gambling premises, illegal moneylending and other forms of crime such as money-laundering.

Having said all this, it is important to focus attention on areas where vulnerable groups may live rather than (just) on areas with a high concentration of gambling sites, given increasing levels of online gambling.

²⁰ Birmingham Unemployment Briefing, *Birmingham City Council*. Available here:

https://www.birmingham.gov.uk/download/downloads/id/3469/unemployment_briefing_august_2017.pdf

²¹ People claiming unemployment benefits by constituency, November 2017, Parliament. Available here:

<http://researchbriefings.files.parliament.uk/documents/CBP-8177/CBP-8177.pdf>

²² https://www.birmingham.gov.uk/info/50120/public_health/1332/district_health_profiles/6

²³ https://www.birmingham.gov.uk/downloads/file/4569/census_2011_key_statistics_profilepdf - next census release is in 2021.

²⁴ Indices of Multiple Deprivation 2015 for Birmingham, *Birmingham Data Factory*. Available here:

<https://data.birmingham.gov.uk/dataset/imd-2015-for-birmingham>

²⁵ This is based on our own analysis of the Gambling Commission's public register. The dataset is available here: <http://www.gamblingcommission.gov.uk/docs/Premises-licence-database-extract.xlsx>

²⁶ <http://www.birminghammail.co.uk/news/midlands-news/birmingham-named-worst-england-gambling-12889936>

Problem gambling, debt and financial inclusion

As mentioned above there is evidence to support the view that people with the following characteristics may also be at greater risk of experiencing problems with gambling, according to Wardle (2015):

- Those with financial difficulties/debt
- Those who are homeless
- Immigrants
- Prisoners/probation
- Those with learning difficulties.

These same groups are also at a greater risk of becoming financially excluded, particularly those, for example, whose overdraft debt renders any working current account unusable (to such a degree that that person can no longer operate within the financial services mainstream any longer), or those who are homeless having no proof of identification and being denied access to a basic bank account as a consequence.

We also know that impacts of problem gambling across the participants in another study (Kenyon et al, 2016) include losses being funded through overdrafts, family loans and informal borrowing, and loan sharks.

While there are evidently crossovers in the characteristics of those that experience problem gambling and those at risk of financial exclusion, it is important to stress that they are not necessarily the same group of people. During our evidence gathering sessions with experts one participant told us that while there is sometimes a correlation between financial exclusion and problem gambling they are not causally linked. It was also noted that some people that are highly financially excluded use gambling as an addition to their aspiration goals, including things that, to that individual, seem even less likely than a gambling win such as a promotion and higher pay at work.

On this same issue, any research (both social and medical) on problem gambling must be mindful of gambling locations linked to social spaces for some people.

Another matter for local authorities is having a joined up strategy to avoid financial exclusion. In Birmingham City Council's financial inclusion strategy it is mentioned that fundamental to the delivery of the Financial Inclusion Strategy and Action Plan is "the council supporting the essential networks and partnerships which link together businesses and third sector providers of support to the financially excluded"²⁷.

This will mean that providers of services for problem gambling will be aware of providers of services for wider issues related to financial inclusion and vice versa.

Kenyon et al (2016) in their report find the following in their review of support provision in Leeds:

²⁷ Birmingham Financial Inclusion Partnership Strategy 2017-2020, *Birmingham City Council*. Available here: <http://bit.ly/2BLerOO>

“While the ‘supply’ side of gambling opportunities is well developed in Leeds, the study suggests that the provision for support services for those at risk of gambling related harm is under-developed and fragmented.

[...]

Many of these services have some exposure to clients affected by gambling related harm, usually when co-morbid [the presence of one or more other disorder or disease] with more mainstream demands on debt management, alcohol or drug addiction and recovery support. Most service agencies are keen to offer further help but universally lack any screening²⁸ or assessment tools which can distinguish gambling related harm; unless self-declared by clients, which remains uncommon.”

²⁸ This is despite the existence of screening tools such as GamCare’s own screening tool [<http://www.gamcare.org.uk/get-advice/self-assessment-tool>] or the LieBet screening tool [<http://www.ncrg.org/sites/default/files/uploads/docs/monographs/liebet.pdf>], both of which we heard about during our evidence sessions.

Recent policy interest in problem gambling

We have seen increasing policy, public and media interest in problem gambling in recent years so this section of the review considers policy developments over the last decade or so. The Gambling Act 2005 is an Act of Parliament applying to England and Wales. Full powers were assumed in 2007. Those powers applied to the following: arcades, betting, bingo, casinos, slot machines, and lotteries. The Act created the Gambling Commission as a unified regulator for the UK commercial gambling industry. At its inception this excluded the National Lottery, though since, from 1 October, 2013, the National Lottery Commission, which regulated the National Lottery, became part of the Gambling Commission. The Act also regulates internet gambling for the first time.

UK gambling operators must be licensed by the Commission while local licensing authorities retain their functions providing permits and premises licences. The Commission's three statutory objectives are those of the aforementioned 2005 Act: 1) to keep crime out of gambling; to ensure gambling is conducted fairly and openly; and to protect children and vulnerable people from being harmed or exploited by gambling.

The Act has as yet not resulted in a significantly larger industry than the one regulated by the Gaming Board for Great Britain, the Gambling Commission's predecessor²⁹.

Whereas the Gaming Board for Great Britain was subsidised by the taxpayer, stipulated under the Gaming Act 1968, as was local licensing authorities (with below-cost fees applied in some areas), the 2005 Act introduced a statutory requirement on the gambling industry to pay licensing fees to reflect the costs of the regulatory regime. As the implementation report for the 2005 Hampton Review, which looked at effective inspection and enforcement in the government's regulation agenda, noted this would mean a very significant increase in cost for many companies³⁰.

In 2012/13 the Culture, Media and Sport Select Committee published an evidence report subsequent to an inquiry into gambling in May 2011, focusing this inquiry on the key principles behind the 2005 Act. The report explicitly stated that the Committee took the view of the 2008 Hampton Review Report "that allowing the economic progress of a regulated industry is an important role of any regulator and that the Gambling Commission should only intervene when necessary to protect the consumer." However, "the Gambling Commission should not have an explicit duty to encourage economic progress in the gambling industry"³¹.

This principle underlines the reason why the Gambling Commission hasn't specifically prevented, for example, the spread of Fixed odds betting terminals (FOBTs) on "land-based gambling outlets", something for which the regulator has reportedly been criticised³².

²⁹ The Gambling Act 2005: A bet worth taking? First Report of Session 2012–13, *House of Commons*, Culture, Media and Sport Committee. Available here:

<https://publications.parliament.uk/pa/cm201213/cmselect/cmcomeds/421/421.pdf>

³⁰ Gambling Commission: A Hampton Implementation Review Report, *National Audit Office*. Available here: <https://www.nao.org.uk/wp-content/uploads/2009/04/Gambling-Commission-Hampton-Implementation-Review-Report.pdf>

³¹ The Gambling Act 2005: A bet worth taking? First Report of Session 2012–13, *House of Commons*, Culture, Media and Sport Committee. Available here:

<https://publications.parliament.uk/pa/cm201213/cmselect/cmcomeds/421/421.pdf>

³² https://en.wikipedia.org/wiki/Gambling_Commission#Criticisms

Nevertheless, the Gambling Commission published figures in 2017 which found that 43 per cent of people who use FOBTs are either problem or at-risk gamblers. GambleAware show that 233,000 FOBT users lost more than £1,000 in one sitting last year, while 650 people lost more than £5,000 and one person lost £13,778³³.

In October 2017, Tracey Crouch, a Minister for the Department for Digital, Culture, Media and Sport (DCSM), confirmed that the Government will “cut the maximum bet on [FOBTs] from £100 to between £2 and £50.³⁴” Since then in March 2018 the Gambling Commission has recommended that stakes for games such as roulette (the most popular FOBT game) should be cut to £30 or below, in a submission to a DCMS review. This came as a disappointment to critics that support cutting stakes on FOBTs to £2³⁵.

On the 17th of May, 2018, the Department for Digital, Culture, Media and Sport made a final decision to cut the maximum permitted stake on FOBTs from £100 to £2. It follows an increase in duty applied to online gambling to account for the shortfall in tax revenue drawn from FOBTs currently³⁶.

With regard to gambling shops more broadly, the 2011 Portas Review of High Streets, conducted by entrepreneur Mary Portas for the then Department for Business, Innovation and Skills (BIS), reflected widespread concerns about the classification given to betting shops, particularly in the context of the economic decline of many British High Streets. Her report states:

“The influx of betting shops, often in more deprived areas, is blighting our high streets [...]. Currently, betting shops are oddly and inappropriately in my opinion classed as financial and professional services. Having betting shops in their own class would mean that we can more easily keep check on the number of betting shops on our high streets”³⁷.

New gambling premises need to apply for a licence and there is scope for local authorities to take into account the level of social deprivation or the existing number of gambling shops in that area. It is not entirely clear whether this happens in different local areas, however. As well as licensing, local authorities should also be monitoring and inspecting premises proactively and routinely, rather than waiting to be notified of problems and then responding after the fact. Once again, actual practice here is likely to vary and could be the subject of greater attention.

The focus on gambling premises is important but the growth in online gambling needs further thought in order to take a more holistic approach to problem gambling.

Once people have become problem gamblers, there needs to be better approaches to identifying them and supporting them. It is not clear that different services are aware of how to do this and join up with others, particularly those with responsibility in the financial inclusion space.

³³ *ibid*

³⁴ <https://www.theguardian.com/uk-news/2017/oct/31/uk-government-cracks-down-fixed-odds-betting-terminals-fobt>

³⁵ <https://www.theguardian.com/uk-news/2018/mar/19/gambling-regulator-urges-government-to-cut-fobt-stakes-to-30>

³⁶ <https://www.theguardian.com/uk-news/2018/may/17/maximum-stake-for-fixed-odds-betting-terminals-cut-to-2>

³⁷ The Portas review: the future of our high streets, *BIS*. Available here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6292/2081646.pdf

The Gambling Commission has published its 2018-2021 strategy³⁸ where it published the following information:

“There are signs that public trust and confidence in gambling is declining. For example, our most recent research published in 2017 showed that 78% of people believe that there are too many opportunities to gamble; 69% of people feel that gambling is dangerous for family life; and only 34% believe that gambling is fair and can be trusted, down from 49% in 2008. There are also significant public concerns about the volume, nature and scheduling of gambling advertising and the impact this could have on future generations.”

On problem gambling they also state:

“The rates of problem gambling in Britain are not reducing and the impact of gambling-related harm is wide ranging. Greater focus is needed, not just on problem gamblers but also problem gambling – and on the impact of problem gambling on family life, access to public services and costs to the community and the economy. Similarly, a different and more dynamic approach to vulnerability is required which means placing a greater focus on vulnerable people, who due to their personal circumstances are especially susceptible to detriment, particularly where a business is not acting with appropriate levels of care.”

In the report they set out a series of aspirations for a fairer and safer gambling market, including empowering consumers to make informed choices about gambling, and helping gambling businesses “set the tone from the top and lead a culture of compliance and commitment to doing the right thing for consumers that resonates with staff”.

Similarly, the National Responsible Gambling Strategy Board published their National Responsible Gambling Strategy 2016-17 to 2018-19³⁹, which sets out twelve priority actions to deliver on its five priority objectives, which are:

- To develop more effective harm minimisation interventions, in particular through further experimentation and piloting of different approaches.
- To improve treatment through better use of knowledge, data and evaluation.
- To build a culture where new initiatives are routinely evaluated and findings put into practice.
- To encourage a wider range of organisations in the public and private sector to accept their responsibility to tackle gambling-related harm.
- To progress towards a better understanding of gambling-related harm and its measurement.

Actions include more work to improve ways of measuring gambling related harm, involving more research, fostering a culture of evaluation on programmes that work around preventing problem gambling, and the establishment of self-exclusion schemes.

While policy responses are geared towards providing more information to consumers to be empowered to make informed choices about their own gambling activities it is also noticeable that there is room for more learning, research and evaluation, on what programmes are working and the specific causes of problem gambling and related harm.

- Not only has fragmented service delivery been identified as a problem in other areas around the issue of problem gambling but so too has the notion that not all services for specific

³⁸ <http://www.gamblingcommission.gov.uk/PDF/Strategy-2018-2021.pdf>

³⁹ https://about.gambleaware.org/media/1230/rgsb_strategy_2016-2019.pdf

groups “recognise problem gambling as a service need”, according to the Kenyon et al (2016).

- According to Kenyon et al (2016) voluntary and community groups were often looking at the issue of problem gambling through the prism of their own, often specific, client group focus: “None were able to draw on systematic evidence to identify vulnerable groups, nor comment robustly on the scale of the issue mainly because they lacked the screening or monitoring mechanisms which could provide this insight.”
- Problem gamblers are typically involved in multiple gambling activities – so addressing the problem needs to be flexible around individual complexity and not just based on activity prevalence (i.e. it does not follow that if proportionally the activity with the highest use in Birmingham is with slot machines then activities related to online gambling be ignored in the service delivery plan).
- Research by the Gambling Commission in 2017 has found that two thirds of students gambled in the four weeks leading up to a survey the body released. One in eight undergraduates surveyed said they had missed lectures or seminars because of gambling⁴⁰. Given the large number of students in Birmingham specifically, a focus on student gambling, and possible problem/at-risk gambling, should be taken into account in further research.
- Engagement in ‘soft’ and leisure gambling – in Bingo and in AGCs - is not a commonly reported feature for problem gamblers (Kenyon et al, 2016).

On a more specific policy based recommendation, we feel that there is more to explore on what the benefits would be of requiring new potential licensees, when they are carrying out risk assessments, to look specifically at financial exclusion issues related to the area in which they are applying.

At the moment guidance by the licensing body requests potential new licensees to present evidence relevant to the local landscape (e.g. if the site where the license is being sought is near a school the potential new licensee has to show evidence for how they would mitigate the risk of underage gambling). We would want the risks of financial exclusion in the area to be more clearly discussed and understood by new potential licensees.

⁴⁰ <http://www.gamblingcommission.gov.uk/PDF/survey-data/studentsandgambling2017.pdf>

Next steps for further research

There are a number of areas where more research is needed in the specific context of understanding local 'supply' dynamics for gambling (both online and land based shops) and those groups most at risk of problem gambling. The current evidence gap of understanding the link is something identified by Kenyon et al (2016) and discussed in this report. In the context of our rapid assessment report we also recommend the commissioning of a much fuller study of the issue of problem gambling and its impact within Birmingham. While Kenyon et al (2016) have provided a review of the similarities between Birmingham and Leeds on populations of vulnerable groups, therefore determining that Birmingham is at risk of having above national average rates of problem gambling, further work is clearly needed to look at the specific dynamics.

We therefore recommend a more in-depth study with a broader range of key stakeholders (BCC, Gambling Commission, housing associations, community groups, Citizens Advice, gambling companies, public health organisations, education representatives at all levels from primary to higher education, gambling support organisations) to:

- Explore further the extent and nature of problem gambling and gambling-related harm in Birmingham. This research would look particularly at issues such as age and ethnicity as well as the role of deprivation and financial inclusion in relation to problem gambling.
- Gather further information on gambling operations in Birmingham: the numbers per capita and the changes to the market over the last ten years;
- Review local and national policies and practices which may prevent problem gambling, including licensing and inspection of gambling premises but also in relation to online gambling
- Explore the role for (more) education and advice in relation to the prevention of problem gambling
- Identify service/treatment gaps and proposals for improvement to identify problem gambling and reduce the harm it causes within Birmingham.

We would also recommend holding a 'Gambling Summit' in Birmingham to bring together key stakeholders from different local authorities to share best practice. The summit could present an opportunity to launch the report from the Birmingham study and then work further on an action plan to reduce problem gambling in Birmingham.