



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 11 November 2015

Wednesday 11 November 2015

CONTENTS

	Col.
INTERESTS.....	1
FIXED-ODDS BETTING TERMINALS	2

LOCAL GOVERNMENT AND REGENERATION COMMITTEE
25th Meeting 2015, Session 4

CONVENER

*Kevin Stewart (Aberdeen Central) (SNP)

DEPUTY CONVENER

*John Wilson (Central Scotland) (Ind)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Jayne Baxter (Mid Scotland and Fife) (Lab)

*Cameron Buchanan (Lothian) (Con)

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Cara Hilton (Dunfermline) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Miles Baron (Bingo Association)

John Heaton (Scotbet and Association of British Bookmakers)

Andrew Lyman (William Hill)

Councillor John McAlpine (Argyll and Bute Council)

Stephen McGowan (The Law Partnership Solicitors LLP and Law Society of Scotland)

Councillor Paul Rooney (Glasgow City Council)

Soteris Scholarios (Napoleons Casinos and National Casino Forum)

Simon Storer (British Amusement Catering Trade Association)

Simon Thomas (Hippodrome Casino)

Matt Zarb-Cousin (Campaign for Fairer Gambling)

CLERK TO THE COMMITTEE

David Cullum

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government and Regeneration Committee

Wednesday 11 November 2015

[The Convener opened the meeting at 09:30]

Interests

The Convener (Kevin Stewart): Good morning and welcome to the 25th meeting in 2015 of the Local Government and Regeneration Committee. I ask everyone to switch off mobile phones and other electronic equipment as they affect the broadcasting system. Some committee members will refer to tablets during the meeting, as we provide papers in digital format. No apologies have been received.

I welcome George Adam to the committee. He replaces Clare Adamson, who has left us to join the Infrastructure and Capital Investment Committee. I thank Clare for all her hard work on the committee, and we are very much looking forward to working with George.

Agenda item 1 is to ask Mr Adam whether he has any relevant interests to declare.

George Adam (Paisley) (SNP): Thank you, convener. I refer you to my published declaration of interests. I should make the committee aware that I am listed as a member of Renfrewshire Leisure trust but have not been a member since 2012, as that was a Renfrewshire Council appointment.

The Convener: Thank you for that.

Fixed-odds Betting Terminals

09:31

The Convener: Agenda item 2, which is our main item of business today, is to take evidence as part of our inquiry into fixed-odds betting terminals. The session will be in round-table format, as that allows us to hear from as many people as possible in the short time that we have available.

I welcome Councillor John McAlpine, from Argyll and Bute Council; John Heaton, from the Association of British Bookmakers; Miles Baron, from the Bingo Association; Simon Storer, from the British Amusement Catering Trade Association; Adrian Parkinson—

Matt Zarb-Cousin (Campaign for Fairer Gambling): Sorry, convener, I am Matthew Zarb-Cousin and I am standing in for Adrian Parkinson today.

The Convener: Okay.

We also have Councillor Paul Rooney, from Glasgow City Council; Simon Thomas of the Hippodrome Casino; Stephen McGowan, from the Law Society of Scotland; Soteris Scholarios, from the National Casino Forum; and Andrew Lyman of William Hill.

Before I start, I will set out the ground rules for the discussion, as there are a lot of participants and I want to ensure that everyone has the opportunity to speak. I would be grateful if you would indicate to me when you want to speak and I will call speakers in order. The discussion is being recorded and the audio operators need time to switch the microphones on before you begin to speak. You do not need to touch any buttons; they will switch the microphones on for you. We want the session to be as informal as possible, and I will try to ensure that everyone can contribute. I ask members to keep their contributions short.

Finally, as it is remembrance day, the committee will conclude its session at about 10:45 to allow members to attend the commemoration event in the garden lobby. Anyone remaining in the room is welcome to observe a private two-minute silence.

I will begin the discussion by asking the devil's advocate question: are FOBTs the crack cocaine of gambling or harmless entertainment? Who would like to kick off?

Andrew Lyman (William Hill): The simple answer is that they are neither of those alternatives. The phrase "the crack cocaine of gambling" is used primarily by journalists, but there is no clear evidence that gaming machines in betting shops are any more addictive than any

other gambling product. To make the industry's position absolutely clear, any gambling product has the capacity to cause harm and causes harm to a minority of our customers.

We are clear as an industry that FOBTs are not a specially addictive product, but any gambling product has the capacity to cause harm to a relatively small minority of individuals. That is why the industry is so focused on harm reduction, which is a matter that we can return to later in the discussion.

The Convener: One of the comments that we received in response to a survey that we carried out was:

"Just get rid of the things I'd rather be dead given the financial hole I'm in now".

Andrew Lyman: It is right that we take cognisance of the fact that some people are harmed by gambling and of those who responded. The industry is very much focused on harm reduction. The primary evidence of problem gambling in Scotland is in the Scottish health survey. Problem gambling affects around 0.4 per cent of the population. Thankfully, problem gambling in Scotland is low by international standards. The processes and procedures that are available in betting shops are focused on harm reduction. If one goes into a betting shop, one will find that we fund problem gambling charities, we signpost people to therapy and treatment and we offer self-exclusion. From a William Hill perspective, for example—

The Convener: Can I stop you there? In the survey, someone said that he self-excluded from every single shop in his area, but he still goes into them, and there are no discussions with him about the fact that he self-excluded previously.

Andrew Lyman: Let us examine self-exclusion for a moment. Self-exclusion works for many thousands of people. William Hill has 300 shops in Scotland and 2,300 shops in the United Kingdom, and we conduct around 500 self-exclusions a month.

The important step with addiction is when someone recognises that they have a problem. Self-exclusion is a way of assisting people to help themselves to control their gambling. At the end of the day, it is not a golden bullet. People breach their self-exclusions but, from a William Hill perspective, we think that we successfully exclude around 80 per cent of people who have self-excluded. That does not mean that people who are determined to gamble do not re-enter premises. However, an addictive gambler should seek therapy and treatment, and self-exclusion is one of a range of tools that we can offer.

Councillor Paul Rooney (Glasgow City Council): We have taken the issue very seriously in Glasgow. We have observed a number of bookmakers and had anecdotal feedback from our communities that there is growing concern about fixed-odds betting terminals. Therefore, we undertook a study in 2014, and many people who are round this table participated in the survey.

The honest response to the question that has been asked is that we do not really know. That is why, in our cross-party work in Glasgow, we have called for a commission to get the independent evidence that we all require for a committed position one way or the other. We believe that that would allow a firm policy to be put in place that would assist in supporting those who wish to gamble, but that would also ensure that we protect those who are vulnerable and have the sorts of problems and issues that have been mentioned.

It is clear that there are significant differences with fixed-odds betting terminals. The amount that is bet and gambled on them is greater than the combined total for any other form of gambling. It is important to remember that more is being gambled on these machines than on horse racing and football coupons.

We are concerned about the speed of play of the machines, the level of stake and, of course, the number of them in Glasgow. We now have 800 fixed-odds betting terminals in the 200 bookmakers, which is certainly more than one in every community in the city, and we have established that the average bet is £12 every 35 seconds on one of those machines.

The truth is that we do not know what impact they are having. We know that they are popular and that their use is growing, and we believe that the inquiry is an opportunity for Scotland to lead in having an understanding of that. Everyone round the table can then say with confidence what the impact of the machines is and answer the pertinent question that has been asked.

Matt Zarb-Cousin: What we heard from Mr Lyman was an attempt to propagate the idea that gambling-related harm is experienced by a minority of what are termed "problem gamblers" or "faulty individuals". That contradicts international evidence, which shows that gambling-related harm is caused by a multitude of factors, including the product, its environment and, to an extent, the individual's predisposition to such harm.

Returning to the original question, of whether these machines are the crack cocaine of gambling, I want to go back to the two most recent British gambling prevalence surveys, in 2007 and 2010. Secondary research on the 2007 survey found that fixed-odds betting terminals are the only form of gambling that is statistically significantly

associated with disordered gambling, and more so than any other type of gambling. The secondary research that was carried out on the 2010 survey found that 40 per cent of FOBT profits come from people who are either problem gamblers or at-risk gamblers. Profits from problem or at-risk gamblers from FOBTs are greater than those from several other leading gambling activities combined. It is the type of gambling that problem and at-risk gamblers do the most and that they lose the most on.

The £100 stake facilitates harm, as it allows a user to stake up beyond their means. If they are starting to chase their losses, or if they win a bit and become desensitised to lower stakes, the range from £1 to £100 means that they can stake up from what is affordable in the first instance to an unaffordable level. That is why we are campaigning for a reduction in the maximum stake. I know that that power is not going to be devolved, but FOBTs are significantly associated with harm.

Research from the Responsible Gambling Trust found that 37 per cent of users experience harm while playing the terminals. The issue concerns the product, too, and the industry needs to recognise that. It talks about responsible gambling, but that is not just about gamblers gambling responsibly; it is about the industry behaving responsibly. Is it doing so by offering a product on which someone can lose £300 a minute?

Soteris Scholarios (Napoleons Casinos and National Casino Forum): I want to put on record the context of the machines in casinos. The point has been made that the environment, and how the environment monitors the machines, is an important factor. There are only 10 FOBTs in the 14 casinos in Scotland. The interaction between the customers, the managers and the staff who are there to supervise the play of the machines and any problems that may arise from the way in which certain individuals gamble is on a completely different level. We have a mandatory self-exclusion scheme for all National Casino Forum members, and it is independently audited. The evidence is that it is almost totally observed.

All gambling has to be monitored and managed responsibly. Within casinos, all the safeguards are there, and the matter is treated with the seriousness that it deserves. The level of manpower and supervision is the key thing.

The Convener: Just for the record, you are saying that there are 10 FOBT machines in the 14 casinos in Scotland.

Soteris Scholarios: That is correct.

Councillor John McAlpine (Argyll and Bute Council): On behalf of Argyll and Bute Council, I

thank the committee for the opportunity to speak here today.

The most important thing that I see in all the information that we have is the comments that we have from members of the public, who have told us about what this sort of gambling does to their lives and their families. That is the crux of the matter.

There is a lack of knowledge among councillors, MSPs and MPs about exactly what goes on in bookmakers' shops. One of the reasons why I highlighted the matter to our council was that councillors did not have an idea of exactly how much people spend in those premises.

We are talking more and more about reasons why there is more uptake of food banks and reliance on payday lenders, and why there are more children in the care system. I am a member of Highland NHS Board and know for a fact that that is the case. You might ask why children are being affected but, if the main breadwinner of the family does not go home with the money to support his family, somebody will suffer.

09:45

The Convener: Or her family.

Councillor McAlpine: Sorry—or her family.

We have to look at the matter from that point of view.

The industry is well represented at the meeting. It is nice to see that they are all getting on together and singing from the same hymn sheet. They talk about the Treasury, staff wages and where the money would go, but our local economies and high streets are suffering. In every street, every second shop is either a bookmakers or a charity shop. As a local councillor, I see my role as being to support the local economy. The money is not going back into the local economy, so we have to consider that.

I have other points to mention.

The Convener: I think that the other points will come up. The question is still basically whether FOBTs are crack cocaine or a harmless bit of fun.

Councillor McAlpine: In my opinion, they are crack cocaine and no longer fun.

John Heaton (Scotbet and Association of British Bookmakers): Convener, you introduced me as a member of the ABB, which is true, but I am also the chairman of Scotbet, which is Scotland's largest independent betting chain.

I echo some of the comments that Mr Lyman made. There is clearly an issue, and we recognise that. At Scotbet, which has joined the Senet Group, we have certainly done all that we can to

ensure that, if there is any problem gambling in our shops, it is addressed.

There has been a lot of comment about the amount that the machines take. I will give you the facts. I have three machines on average in my shops. We are allowed four but, to be frank, they do not pay enough for me to put in four. On average, we take £425 per machine, which is a lot less than some of the numbers that I hear banded about. Those are Scottish numbers—I am giving you my figures. I make about 35 or 37 per cent profit from the machines. I do not make more from machines than I do from the sports book.

Recently, I had to close eight shops because they were simply not able to pay for themselves. Sadly, the group has gone down from 75 shops and is currently at 49, with probably four or five that already look likely to close. The idea that we are somehow targeting the less well-off and making fortunes out of the machines is simply not borne out by the facts.

The Convener: Are you closing shops because some of your competitors are clustering round your current businesses, as we see in various places?

John Heaton: Unfortunately not, convener. Most of the shops that I have been forced to close were in areas where there was no competition.

Councillor Rooney: The figures that I quoted are available publicly. They come from the operators of the machine that was involved in the survey that Glasgow City Council published back in June 2014. The figures that I referred to and those on the wider impact on the stakes that are being gambled in Scotland are available to the committee and the public and are verifiable. Although I cannot discuss individual cases, bookmakers and machines, I can give the committee the context of one city and Scotland as a whole.

The Convener: Thank you for that clarification. I am sure that we will come back to the siting of shops and other such issues.

Cameron Buchanan (Lothian) (Con): I ask the witnesses to comment on the effectiveness of the Senet Group, which promotes responsible gambling standards, in regulating gambling.

The Convener: We will come back to that point. I want to give the witnesses the opportunity to answer the first question, because we are still not quite there.

Simon Thomas (Hippodrome Casino): Crack cocaine is an emotive description, but FOBTs are quite an emotive product. I have been involved in the gambling industry for more than 30 years and, to be honest, I have never come across a situation in which any one product caused so much noise. It

is impossible that there is no problem associated with the machines. To prove that definitively would be like the debate about whether there was a causal link between smoking and lung cancer, which went on for years while everyone knew that it was a problem.

Let us look at the situation in a commonsense context. Gambling worldwide follows a pattern, with a pyramid of regulation and player protection supervision. At the very top, there are casinos, where the hard gambling is done. People know that they are going to a casino—it is a destination—and they go with a budget in mind. There is very effective door control to keep young people out and very effective supervision. I have the largest casino in London. I employ 600 staff, more than 250 of whom are trained in problem gambling awareness, and my failure rate for letting in under-18s is zero, which I am very proud of. The system works. I also note that we have slot machines that charge £5 a game and a roulette wheel that runs about once every 100 seconds.

At the bottom of the regulatory pyramid are the seaside arcades. Whether or not you think children should gamble, in those low-supervision environments, you get the kind of penny falls machines that children can play. Traditionally, in the middle of the worldwide pyramid, you have ambient high-street gambling, which includes bingo halls, arcades and betting shops and in which the average stake, worldwide, is around £2 per game. They are lower-supervision environments where, as I have said, the gambling is ambient.

However, the situation in the UK is very much out of kilter with the rest of the world. In the easily available high-street sites, you can find people playing a game every 20 seconds on £100-a-go roulette machines, so it is not surprising that those machines are causing problems. As for national averages, I believe that as soon as you mention the national average, you need to go a little deeper. The study in question said that 11 per cent of people playing FOBTs were problem gamblers, but the law itself says that we have to protect the young and vulnerable; it says nothing about problem gamblers. They are at the end of the scale. There is a huge chunk of problematic gamblers who, like binge drinkers, suddenly find that they have spent all their £300 wages on one machine. They are not problem gamblers, but that machine has caused them and their families a major problem and that level of gambling should not be allowed in easily accessible high-street locations.

Before bookmakers had FOBTs, they were very nice and fairly benign places where people would, say, put a fiver on the horses. Now 97 per cent of police call-outs to gambling premises are to

betting shops, where thousands of machines are smashed up every year by irate gamblers who have lost control. You regularly hear about such things in the press. For example, FOBTs were cited as the issue that led to a chap from Aberdeen committing suicide. They are, without question, a problem. I admire Scotland for taking a stance on them, and I hope that the rest of the UK will follow.

The Convener: Did you want to comment on the original point, Mr Lyman?

Andrew Lyman: Yes, convener.

We firmly believe that problem gambling is about the person, not the product, and we think that if Scotland is to fashion a sensible harm-reduction policy on problem gambling, it must not concentrate on a single product in a single sector. Instead, it needs to take a co-ordinated view on all gambling products.

We need to look at the facts. According to the Scottish health survey, about one in 20 regular betters and gamers who go into a betting shop might have a problem, but the survey also tells us that about 13 per cent of multiproduct gamblers—those who gamble on six or seven different products across different gambling sectors—have a larger problem. It is right to discuss gaming machines in betting shops, but a more sensible approach would be a harm-reduction policy for all products and a concentration on the person, not the product itself.

The Convener: What would you say in response to Mr Thomas's comments about the dangers of FOBTs and where they are located? He obviously has some experience, given his involvement in another part of the gambling industry.

Andrew Lyman: They are a popular digital product—

The Convener: They might be popular, but that does not mean that they are right. After all, crack cocaine is, as we well know, popular among some folk.

Andrew Lyman: With respect, it is a question of proportionality. I heard the figures that Councillor Rooney and Mr Heaton gave. Around 40 per cent of William Hill's profits comes from gaming machines, while around 60 per cent comes from traditional over-the-counter products. We have problem gamblers across the range of products.

At the end of the day, the idea that gaming machines are particularly addictive is not borne out by the Scottish Government's own evidence from the health survey.

The Convener: I am not going to debate the accuracy or inaccuracy of the health survey. We

know all too well that some people try to hide their addiction in surveys.

John Wilson (Central Scotland) (Ind): On the original point, one of the responses to the committee's questionnaire said:

"The worst harm I have suffered has come from using my debit card on FOBTs. When my daily cash withdrawal limit from ATM has been exceeded, I can go into any bookmakers and use my debit card on a FOBT without any limits."

Surely that is feeding the addiction. It is uncontrolled addiction if people can just use a debit card on an FOBT—

Andrew Lyman: If I could correct you, betting shops do not accept credit cards, and one cannot use a debit card directly on a gaming machine. The only way that one can use a debit card is to present the debit card to the colleague in the betting shop and ask for some credit to be put on the machine. We are quite clear now that—

The Convener: Can I stop you there?

Andrew Lyman: —continued use of debit cards—

The Convener: You will stop when I speak, because I am in the chair.

You said that you cannot use debit cards in shops—

Andrew Lyman: Credit cards.

The Convener: I get the credit card point. You then said that you cannot use a debit card in a machine, and then you said that you could go to the colleague in the store and get credit off that debit card. It is either one or t'other—people can either do that or they cannot do that. You seemed to dismiss Mr Wilson's point.

Andrew Lyman: I am certainly not dismissive of the point. I was merely trying to explain the process. When one hands a debit card over the counter, it is a legitimate form of payment. Many people do not carry a huge amount of cash and prefer to use a debit card.

Repeated debit card use is an identifiable marker of harm. Certainly, our staff are instructed that, when someone is using a debit card repeatedly, either for over-the-counter betting or for gaming machine use, that is an opportunity to conduct a responsible gambling interaction with that individual.

The Convener: I see that Mr Storer wants to make a point. Is it on this issue, Mr Storer?

Simon Storer (British Amusement Catering Trade Association): Yes.

We can bandy figures around and use them to support our particular position. I know that bookies

and others have brought in schemes to protect the vulnerable and do all the things that they talk about. However, the fact is that, if, when the machines were brought in, we had known what we know now, they would not have been allowed. That is a key indicator of whether they are like crack cocaine or are harmless gaming.

Clearly, the machines have caused a huge amount of problems. It is obvious that there has been nothing but negative coverage of the machines in the press for months, if not more than a year. I have not read anything positive about them. Most political groups in the UK, including in local authorities, are against them. People can use figures to suggest that they do not cause the problem that some people say that they do and they can tell us that they are doing everything that they can to protect the vulnerable but, clearly, the majority of people think otherwise.

Would the machines have been accepted if we had known then what we know now? No, they would not. That is a key issue with regard to the question whether they are a problem.

The Convener: Mr Buchanan has a question about the Senet Group.

Cameron Buchanan: Senet promotes responsible gambling standards. However, I understand that not everyone has to belong to it. What does Senet achieve? Its television advertisements say, "When the fun stops, stop." Do people stop?

10:00

Matt Zarb-Cousin: It is part of an overarching strategy from the betting industry to reduce the issue to one of individual responsibility; it is not about the industry's responsibility to provide products that are safe and enjoyable. It is one thing to say, "When the fun stops, stop"; if you are already addicted, it is a lot more difficult than that. I personally got addicted to fixed-odds betting terminals at the age of 16. I lost more than £16,000 and got into a lot of debt. If it was as easy as saying, "Well, the fun has stopped, so I better stop now", I would not have got into that situation.

I am quite sceptical about the efficacy of that sort of advertising campaign. It would be more productive to put restrictions on these products and bring them into line with the machines that are found elsewhere on the high street.

John Heaton: We joined the Senet Group voluntarily because I felt that we have a responsibility to our customers. As far as Senet is concerned, we have removed from our windows all advertising material about the machines. We have responsible gambling messages in the

windows and we have organised a television campaign.

I accept that a television campaign with messages about problem gambling might just wash over some people who are addicted and have a problem with a wide range of gambling products. However, we are trying to stop people coming into our shops who might ultimately have a problem with gambling. We have worked hard on that. Our staff work hard to make sure that, if they see someone in one of our shops who might have a problem, they interact with them.

Councillor McAlpine: What John Heaton said is interesting. In Argyll and Bute, he has one premises in Campbeltown that has four machines, although he said that most of his shops have three. I could go into that shop and play any machine and the cashier would not even know that I was there because I am not in their sight. Unlike casinos where people sign in at the door or are signed in by a guest—they are vetted—in his shops, people have no knowledge of what is going on.

On the interaction that Mr Lyman mentioned earlier, there is an issue with staff safety. Someone's limit from their bank might be £300 a day, but they could go into one of William Hill's shops and lift, say, £800 from the cashier. What limit would Mr Lyman give them? At what point would a member of staff approach someone and tell them that they have spent enough? I think that he is putting his staff at risk because that person will not want to leave at that point. We really have to consider staff safety. It is not responsible to expect a single member of staff, whether they are female or male, to approach someone late at night and ask them to stop gambling—they will want to recover what they have lost.

John Wilson: We have heard from Mr Lyman about interventions and interactions between staff and users of the machines. Do you all record how many interactions or interventions you make when you identify problem users of these machines? We have heard that colleagues in William Hill shops monitor debit or credit card withdrawals for use on machines. How do you monitor and record the interactions that take place? How do you do signposting when you find a problem gambler using these machines?

Soteris Scholarios: Casinos have a formalised process for recording all interactions. The evidence has to be available for the authorities to audit independently.

As a general point, we accept that the machines are hard-gaming products—that is the point that Mr Thomas made. They are hard-gaming products, and the casino industry believes strongly that our customers should not be left to their own

devices so much and that they also need to be helped.

On many occasions, customers are advised to discontinue their gambling and are helped to put restrictions on their gambling. The general point is that casinos are highly and intensively regulated. We feel that that is where those machines really belong—if they belong anywhere.

Simon Thomas: The Senet Group is recognised by the rest of the industry as well meaning, but it is 100 per cent a bookmaker membership smokescreen for FOBT activity. The people in the Senet Group are good people, but it is not all about the player—saying that it is is a very convenient argument for the bookmakers. That issue is not being addressed.

In 2005, Professor Mark Griffiths said that problem gambling is about product, location and player, hence the pyramid of regulation. Hard products have to be in well-supervised locations where the player is protected.

The bookmakers have developed a new code through the Senet Group, but the Responsible Gambling Trust has judged it ineffective. There is a lot of talk of self-exclusion, but if huge numbers of people are self-excluding, there must be a problem. The Gambling Commission's statistics said that the number of people self-excluding from bookies jumped over the past few years, from 20,000 to 28,000, but there have been 21,000 breaches.

The bookmakers have schemes where they broaden out self-exclusion across a whole region. In the first trial, people could self-exclude from all the shops in Medway. However, a recent check said that there was an 80 per cent failure rate. It all comes down to a complete lack of supervision.

We hear that bookmakers have opened 2 per cent more shops. That does not sound a lot, but their opening hours have changed. They used to be open during the horse racing hours of 10 till 6, but in general they are now open from around 7 or 7.30 in the morning until as late as 11 o'clock at night. The opening hours have therefore gone up dramatically, yet the number of staff in bookmakers has dropped by 8,000. There is frequent single manning in bookmakers. One of the chains does not allow its staff out of their protected cage after 6.30 at night—I am not quite sure how they are supposed to interact with customers and say, "Hey, Johnny, I think you might be spending too much money." That interaction just does not happen, so saying that it does is just more of that smokescreen. Hard gambling should be in highly supervised locations and FOBTs are not in the right location.

Ironically, there are, I think, 180 FOBTs in casinos. If they are to be anywhere, they should

be in casinos, although, personally, I think that they are too hard for a casino—£100 a spin for a 20-second spin is fast, hard gambling. However, if they are to be anywhere, they should be in casinos because we have active control and supervision. We do not have membership any more—people can walk straight in—but people walk in past a doorman. They go through a reception area and all the gambling is face to face. Even with the slot machines and the electronic gaming terminals, there are slot hosts going round all the time. We do not have staff who need to be behind cages because it is such a dangerous environment—our staff are out on the floor.

Andrew Lyman: I think that Mr Wilson raised two issues—reporting and staff safety. Certainly William Hill has a comprehensive reporting system in our shops and a central compliance team that monitors all that reporting. I do not think that we are very different from any of the other major bookmakers.

For example, staff in our shops report the number of age verification challenges that they make. They also report the number of responsible gambling interactions that they have by way of narrative; that narrative is then recorded centrally. The UK figures that I gave you—4,700 responsible gambling interactions a month and 500 self-exclusions a month—were gathered from our central reporting system. We even monitor shops to find out whether they have failed to report, and we challenge them if they have not reported any incidents on the basis that we expect at least responsible gambling interactions to be taking place. If a shop is not reporting at the expected level, we challenge its management on that issue. Reporting in betting shops is fairly comprehensive and the supervision of machines in our shops is a priority.

We have not yet discussed the legislative change under which there is a £50 restriction on gaming machines. If someone wants to play a gaming machine at above £50, they now have to do that either by registered play or by handing the money over the counter. They cannot load the machine if they want to spin at more than £50. That is a significant restriction and an opportunity for interaction with customers on the issue.

Monitoring and supervision are as strong in the betting industry as they are in the casino sector or any other sector. I do not contend that we are any better or any worse, but the idea that we are less supervised or that regulation is lighter in the betting industry is a complete misconception.

The Convener: What about Mr Thomas's point that staff in certain bookmakers sometimes cannot get out of their cage? How can that supervision be taking place?

Andrew Lyman: One has to look at other control measures. For instance, we have a third-party monitoring system in all high and medium-risk shops in the William Hill estate. By quarter 1 of next year, we will have a third-party monitoring system in all our shops. That means that, if people are lone working and there is a problem, they can sound an alarm, or the monitoring services—

The Convener: That is all fine, and it is for the protection of your staff. I understand that, but how can the staff monitor problem gamblers if they are locked in a cage?

Andrew Lyman: First of all, the machines are controlled from behind the counters, so all the machines can be disabled from there. I have said—

The Convener: I have seen that. I recently watched a programme about Coral bookmakers—where, it has to be said, those machines are very rarely used. However, cutting somebody off will cause a huge amount of grief for your staff, who you have already said can be lone workers. Is it likely that they will cut off the machines, knowing that it might all kick off?

Andrew Lyman: There is obviously a right and a wrong time for intervention. In the majority of cases, our staff carry out effective and responsible gambling interactions across the piece. Every retail unit has someone in it whose mother never taught them any manners, and there will be difficult people who go into betting shops from time to time. However, our staff are experienced and they get support if we have a difficult customer. For example, it might be inappropriate to challenge a customer at a particular point, but the challenge can be delivered the following morning when that customer comes into the betting shop again, or the district manager could be called to go down and speak to the customer.

The Convener: That customer is in the shop last thing at night when there is a lone worker, and then they are in again first thing in the morning—that kind of sums up the difficulty in all of this.

Councillor Rooney: As part of our research last year, we spoke with trade union and staff representatives who were concerned about single working in stores. The situations that have been referred to are not uncommon. Increasingly, a single member of staff is being asked to make such interventions and take responsibility for ensuring that the welfare of the gambler is protected. For me, whether they can do that is questionable. The convener initially asked whether the machines are the crack cocaine of gambling. I am content, as are my colleagues in Glasgow City Council, with the term “mini casinos”, because they are mini casinos. The question is whether

they are appropriate for communities across Scotland.

Our position is that gambling is a public health issue and should be treated as such. The tragic circumstances that we referred to earlier, which were reported on in the past few weeks, demonstrate that there is a lack of structured support for people who have gambling problems. It is appropriate that we acknowledge during the discussion that there is a problem. We need an understanding of what the harm is and, thereafter, we need to ensure that we achieve the appropriate balances.

What we have heard again from the industry this morning reinforces my position that self-regulation is not the way forward. The industry says that it is using advertising and making more interventions than ever, but we are not hearing about the difference that that is making. We need independent research. My request to everyone round the table is that they support that research. That way, all of us, when we reconvene, can be reassured that we have safeguards for people who have gambling problems and about where fixed-odds betting terminals fit into that.

The Convener: A number of folk have signalled that they want to come in, and some of them want to come in on a specific point. Willie, is your question on something that has already come up?

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I want to ask about the technology, but I am happy to wait.

The Convener: I will come back to you. John Wilson is next.

10:15

John Wilson: I want to go back to Mr Lyman's figures. You said that your colleagues make 4,500 interventions a month. Is that correct?

Andrew Lyman: Yes, that is right.

John Wilson: That is a UK-wide figure. If we extrapolate from that a Scottish figure, we are talking about almost 5,000 interventions a year.

Andrew Lyman: That would be right.

John Wilson: Are those recurring interventions or one-off interventions, with individuals coming into shops and being excluded from shops?

Andrew Lyman: Several interventions might be in respect of the same individual. Interventions cover a wide spectrum, because problem gambling covers a wide spectrum. At the top end, there is addictive gambling, which affects a very small percentage of gamblers, and then there are the people who—as Mr Zarb-Cousin mentioned—simply spend too much time and money gambling.

The intervention will be appropriate to what has happened in the shop. Some of the interventions might be customer generated. A customer might say, "I've spent too much money—don't ever let me in here again," in which case we would point out how self-exclusion would take place.

At the end of the day, one can use the statistics as a stick to beat the industry with, but we are really proud of the fact that we make positive interventions with customers and that customers self-exclude from our shops. We help the minority of people who suffer from problem gambling.

Matt Zarb-Cousin: Mr Lyman mentioned the Government's measure whereby it is necessary for someone to sign up to a loyalty card or to identify themselves to staff if they want to bet more than £50 a spin. He suggested that that would provide a better opportunity for interaction. However, that is not what has actually happened. Friends of mine have signed up to the loyalty card and, in a display of egregious opportunism—which is what we have come to expect—the bookmakers have started to bombard them with text-message marketing. Bearing in mind that the Government introduced the measure on the assumption that people who were betting more than £50 a spin were more likely to be the players who were experiencing the most harm, it is slightly irresponsible, to say the least, to start bombarding those players with text-message marketing.

There is also an issue with the code of conduct. When it was introduced in April 2013, it was billed as world leading. It was said that it would give customers the opportunity to set their limits—to set time and spend restrictions—but the problem was that when someone reached the time and spend limits, they would get a message that asked whether they wanted to continue and they could just press "Yes" and carry on.

The Responsible Gambling Trust commissioned an evaluation of the code of conduct and found that it is far from world leading. By December 2014, just 1,500 out of 4 million sessions used limit setting, and those who set limits set them between £350 and £450. Therefore, self-regulation is not the solution. It makes no sense to invest so much time and resource in mopping up the problems that are caused by the product in question. We might as well just deal with the product and reduce the harm that way, which would mean that we would not have to clean up the mess that the product has created.

Simon Storer: I also want to talk about the £50 regulation that has just been covered. I will add a little to what has been said. When it was brought in, it was a sensible way for the Government to begin to control some of the problems. I am sure that Mr Lyman's company has endorsed it and run it very successfully, but we know that a number of

bookmakers have used it as a marketing tool. In signing up to the loyalty card, people give their mobile telephone number, which means that they are open to such marketing. Texts such as "Big men bet big" have been used by the bookies to encourage people to continue to bet, so it is very disingenuous to assume that all bookmakers have taken the scheme on board in a sensible way in an effort to deal with the problem. There is a lot of evidence to show that the scheme has been used very disingenuously.

The Convener: Do you think that "Big men bet big" would get Senet advertising approval?

Simon Storer: You must ask Senet that question.

The Convener: I have a question to ask before we move off the subject of Senet and I bring in Willie Coffey. I had never heard of Senet until very recent times. Suddenly, it wanted to talk to me—I wonder why that was—but when I said that I would not talk to it until after the inquiry had been dealt with, and everyone had had the opportunity to make written submissions and to give evidence, the response that I got was fairly aggressive. From the industry's perspective, does that bode well for an organisation that is supposed to be trying to resolve problem gambling? I put that question to Mr Heaton and Mr Lyman.

John Heaton: You may not have heard of Senet, but you will have seen all the advertising that has been paid for by Senet. It was not branded Senet, but it has been—

The Convener: That was not my question. It made contact with me for the first time ever. A cynic would say that it did so because we are conducting this inquiry. On this occasion, I am a cynic.

John Heaton: I apologise for the reaction that you appear to have got from Senet. We have tried to ensure that it is an independent organisation. The board is all independent and the management are independent. If you feel that it has been overly aggressive, we will take that back.

Andrew Lyman: There is a place for self-regulation, and Senet and the Association of British Bookmakers are focused on self-regulation. It is, however, also important to record that the industry is proud to be part of a regulated sector. It is good that we are sitting around the table, talking about statistics and being held to account by you and your colleagues.

The fact is that the machines are supplied by a heavily regulated sector—

The Convener: We are moving off the point. I want to finish this point first and then move on to Mr Coffey's questions. Does the betting industry understand the word "no"? No one in your industry

has been interested in what I have had to say previously, but they are suddenly all over me like a rash. I have said, "No, I will not meet anyone during the course of the inquiry," because people are able to submit written evidence and may be called to give evidence, but your folk do not quit, do they?

Andrew Lyman: Convener, it is probably right that you said no. You have to remain objective, because you are chairing the committee. I fully understand why you said no to previous approaches.

The Convener: Why is it, then, that after I said no to William Hill during the course of my party's conference in Aberdeen, one of your folk went out of their way to find me and speak to me?

Andrew Lyman: I was not at that event, convener, so I do not know, but I can see that you are chairing the committee objectively.

Cameron Buchanan: I gather that it is voluntary to become a member of Senet, not compulsory and that not all gambling organisations are members of Senet. Is that correct?

Andrew Lyman: That is correct.

Willie Coffey: I was hoping to ask colleagues a wee bit about the technology side of the business. Mr Wilson asked some questions that take me down that pathway. Could more be done with the technology to protect people?

The machines are very sophisticated, but all the sophistication seems to be focused on the experience that a person might have and the enticement to gamble. There is perhaps less focus on protection of the individual. How could technology be better deployed to protect people from making an increasing number of mistakes? The figures that I have heard are worrying. Mr Zarb-Cousin said that a person can lose £300 a minute. Councillor Rooney said that the average bet is £12 every 35 seconds. Surely, the technology could be deployed in a more sophisticated way to protect people. I would appreciate hearing your ideas on that.

Andrew Lyman: I can talk about the technology in betting shops. Going back to the £50 restriction, at the moment, betting shop operators are focused on registered play. One of the challenges in betting shops is that a lot of the play is anonymous, so it is difficult to profile customers. We are encouraging registered play—Mr Zarb-Cousin talked about the card and how customers are messaged. We are currently involved in a trial in which the Responsible Gambling Trust has identified the potential markers of harm of gambling and we have developed algorithms to identify harmful patterns of play. Those are being

trialled on our online site and our gaming machines.

I used the example of increases in turnover for a customer, which it is possible to see with registered play. We are now running a trial in which we are messaging customers whom our algorithm indicates are engaged in potentially harmful play. So far, the trials are suggesting that that is working well. Around 60 per cent of customers engaging in registered play who are messaged are changing their behaviour—they are staking down, staking less or gambling less frequently. We are really encouraged by those trials. They are taking place online and in retail, and the Responsible Gambling Trust has recently commissioned research to help us to develop that approach to technology.

It is absolutely right that the industry should be held to account. We are a technological industry providing a digital product both in retail and online; it is right that we should develop technological solutions to identify harmful patterns of play and be able to react with those customers and help them to change their behaviour. That is in its infancy, but it is happening, it is meaningful and it is working.

The Convener: Can I ask a question, Mr Lyman? In this room there is somebody who likes a wee flutter, shall we say—mainly online betting. That person is not a big gambler but he wins almost all the time, and the bookies have developed the technology to ban that person from betting on certain sites. If that technology can be developed quickly to deal with and get rid of the small-time gambler who is winning a lot, why can the technologies that you have just talked about with FOBTs not be developed right now?

Andrew Lyman: We are doing that, convener. We are developing that technology and we are implementing it within our businesses.

Matt Zarb-Cousin: The Responsible Gambling Trust commissioned Featurespace—a commercial company—to investigate the particular algorithm, and the Gambling Commission noted that a significant proportion of problem gamblers remained unidentified from the patterns of play that were supposed to indicate problem gambling. As Mr Lyman said, the algorithm is in its infancy. We are probably about 10 years away from it being effective.

The algorithm does not really go to the crux of the matter, which is that although we can identify harmful patterns of play, we are not addressing what is causing the harm in the first place. There is a combination of factors including the staking range of £1 to £100; the roulette content, which is addictive anyway but is made to play five times faster than in a casino; and the fact that it is a

solitary activity. A range of factors makes the FOBT a particularly harmful product. Reducing the stake would limit that harm. It is no good identifying harmful patterns of play if it is not clear what can be done once people who are experiencing harm have been identified. On the industry side, very little research or work has gone into finding out what would be effective interventions.

Simon Thomas: Problem gambling and an algorithm: it is a lovely nirvana. It is a very nice way of pushing the problem down the line for another five or 10 years. The University of Nevada, Las Vegas produced a paper a short while ago that made it very clear that an algorithm is not the solution. The current test for problem gambling is called DSM-5 and has a number of checks and questions. Have you missed time from work? Has your gambling caused you arguments? Do you borrow money to gamble? Those are all real-world things that can be picked up through human supervision of a player—they cannot be picked up through an algorithm.

The potential of algorithms is fairly small. I am happy to copy the paper from the Las Vegas university to the committee, which shows that that potential is very low. The convener quite correctly identified a bit of divided loyalty around the algorithm. I am sure that the bookies are putting lots of money into algorithms, but the algorithms are used to promote the business. I am M Mouse and D Duck at two bookmakers; I joined and gave them my phone number and email address. I am bombarded daily with adverts, offers and pressure to spend money. That is not exactly the way to use technology.

Additionally, in some bookmakers, the staff who are supposed to carry out supervision and player interaction when an algorithm pops up on the bandit screen are also incentivised on the machine's performance. Those staff are often female and are probably on the minimum wage. Besides the fact that it is late at night and they have a lot of things to do, they are told, "You'll get more money if those machines take more money." It does not add up.

10:30

The Convener: Does anyone else want to respond on the technology point?

Councillor Rooney: Mr Coffey was right to mention the technology. My response would be that the technology is already in place. Part of our research is on whether compulsory membership should be required for bookmakers that have fixed-odds betting terminals. That would allow the play that is taking place to be monitored. You are hearing about the different parts of the issue, and

perhaps it is the individuals who we do not hear about who are making the significant losses. If the machines continue to exist in our communities, we must have access to the data. As I have indicated, the overall position is already stated, which gives us an understanding of the losses, even to the extent that we know that it is an average of £12.86 per spin. That level of detail already exists.

The industry knows its customers very well. The problem is that those who are not part of the industry need to understand that, too.

The Convener: You mentioned communities. According to some of the written submissions, bookmakers seem to be clustered in city centres and in certain communities, for instance poorer communities. I have observed that there are not many bookies in the west end of Aberdeen. Some have said that planning policy should be used to deal with the situation but we all know that that is nigh-on impossible. Do you have any comments on the clustering or on the planning aspects?

Councillor Rooney: On planning, you will see a clustering effect in most communities. In my community of Knightswood in Glasgow there are three bookmakers in one row of shops and each of those bookmakers has four fixed-odds betting terminals. That is the reality.

The Convener: Each of them has four machines.

Councillor Rooney: Yes.

The Convener: So there are 12 in one parade of shops.

Councillor Rooney: Yes. That is just one community in Glasgow. I have already made the committee aware of the fact that there are 200 bookmakers in Glasgow and 800 fixed-odds betting terminals. That is the scale.

As I have said a few times, the council has taken a cross-party position on this issue. We want to do whatever we can at local government level. We also require the support of Governments at Scottish and UK level. We would like to have the powers at local government level to ensure that appropriate decisions are taken. There remain issues around the categorisation of bookmakers to differentiate them from other categories, such as banks. I believe that we can address that and that we can do so quickly.

The issues that we are discussing are complex—they are not straightforward. We cannot say that it is one thing or another; it is a combination of things. That is why I reiterate that independent research should be done and that a commission would support a position going forward. My pragmatic approach is to work with campaigners and the industry. However, without

that independent research, it is difficult to come to firm conclusions.

The Convener: So, instead of the committee carrying out this inquiry into FOBTs, you would like a broader discussion about the movement of power from Government—Westminster or here—to local government to allow you to have more of a say about what is going on in the industry.

Councillor Rooney: My position is always that the power should sit at the appropriate level. On this occasion, I believe that local government is best placed to make decisions on planning matters associated with bookmakers and whether it is appropriate to grant planning. We see voids being replaced by bookmakers, despite the fact that there may already be one or more bookmakers in close proximity.

The Convener: But it has been argued that the planning system alone is not enough to regulate goods and services.

Councillor Rooney: The regulation of fixed-odds betting terminals involves a range of issues, including planning and licensing. We have to understand those complexities in order to get the appropriate policy.

Councillor McAlpine: The original question was about where technology fits in with fixed-odds betting terminals. We had a problem with alcohol in this country, so we set time limits on when people could buy alcohol in the morning and at night. I do not think that we need technology in this case. We only need to look at the men and women queuing up at 9 o'clock in the morning to enter a bookmaker's premises. That indicates to me that we have a problem in our communities. Staff should pick up on that. I do not know why bookies are open at 9 o'clock in the morning when sometimes even shops are not open at that time. We must tighten up the laws on the opening hours.

Stephen McGowan (The Law Partnership Solicitors LLP and Law Society of Scotland): Good morning, convener. I hope to piggyback on to Councillor Rooney's comments about local government regulation. I can usefully comment on that matter on behalf of the Law Society, if you are with me on perhaps straying from the technology question.

The Convener: We have moved away a little bit from that topic anyway, so on you go.

Stephen McGowan: I am grateful—thank you. I want to make an important point about local regulation. The Gambling Act 2005 has a significant drafting error in it, which the Law Society, the Scottish Government and the Gambling Commission have all tried to have remedied for many years. The error has resulted

in a situation in which licensing boards in Scotland—the authorities that issue licences under the 2005 act—are not entitled to regulate premises. The error relates to the authorisation of licensing officers who go out to premises and ascertain whether the law is being adhered to. That happens under alcohol and other forms of licensing across the country, but the problem is due to the 2005 act having ignored the fact that the licensing of gambling premises in Scotland is dealt with by the board and not the local authority. The licensing board is a separate legal entity, as I am sure that most members are aware. That situation persists.

I will give you one example of the benefit of local regulation. Ian Murray MP tabled an amendment on that in the recent debate on the Scotland Bill, but it was not taken forward. If we managed to convince the Westminster Government to amend the 2005 act, that would allow local government officers to be trained appropriately in relation to the 2005 act and to conduct enforcement and compliance activity, which is not being conducted at the moment.

The Gambling Act 2005 came into force in 2007. Since that time, I understand that there has been one review of a gambling licence. That suggests that there is a wide misunderstanding—or perhaps fear—of the gambling law by licensing authorities in Scotland, because they are so busy and focused on alcohol licensing.

Hopefully a solution to part of what I would suggest are issues about local problems would be for this committee to hear what I say and enjoiner the Westminster Government to amend the 2005 act to allow proper local enforcement to be conducted by licensing officers.

Andrew Lyman: That would have the industry's support, too, convener. We want to work in a well-regulated sector. If amendments have to be made to give licensing officers the right powers, as they have in England, that should be done forthwith.

The Convener: I am sure that the committee will take that point on board. Mr McGowan, there is no point in our having your expertise here without asking you whether any other measures are available to the Scottish Government at this time, or with the new powers that are coming, to deal with the perceived proliferation of FOBTs.

Stephen McGowan: There is a difficulty in using terms that are not defined legally. You would expect the Law Society to say that, but it is a good point, because we prefer law to be made as good law. If we are using terms such as "clustering" and "proliferation", they must be identified and measured. We would support Councillor Rooney's call for wider research. That might educate

everyone who is involved in the process about the meaning of those terms.

Licensing boards are used to the concept of overprovision, which is the idea that there are too many alcohol licensed premises in a given area. The term “overprovision” is in the Licensing (Scotland) Act 2005, which is under the control of this Parliament. Even with that, there are on-going cases and disputes about what overprovision may look like. Some of those matters have been addressed in the Air Weapons and Licensing (Scotland) Act 2015.

It is very difficult to get clarity on the topic unless it is looked at properly, based on probative evidence. The only way in which we will get that is by a review, as Councillor Rooney suggested. The Law Society’s licensing law sub-committee would support that and it has done so in its response to this committee.

The Convener: Would there be greater scope to review existing licensing if we had a further look at the Gambling Act 2005?

Stephen McGowan: The existing provisions for review allow licensing boards to call in a licence if someone alleges that harm is occurring or that there is a problem. As I said, in my experience—although I might be wrong—there has been only one such hearing across the 32 licensing boards since 2007. I put that down to local government officers’ lack of ability to conduct enforcement and compliance processes. Unfortunately, we can amend that only by having Westminster amend the Gambling Act 2005.

The Convener: Or by devolving that power.

Stephen McGowan: That would be a separate solution that would allow this Parliament to amend such legislation as it saw fit.

The Convener: Do we have a difficulty in some regards over this area because of that division of responsibility?

Stephen McGowan: There are two difficulties: the constitutional difficulty and a licensing law difficulty. I will focus on the constitutional difficulty. There is a perceived issue with having some premises that are licensed in Scotland controlled by one part of the law, which might be from Westminster, and other machines or premises in Scotland being controlled by other law that might arise as a result of the Scotland Bill. The Law Society’s position is that that is a constitutional problem because it creates a situation whereby we could have premises next door to each other that were regulated under separate areas of law, which would not be good.

The Convener: Thank you.

Matt Zarb-Cousin: I want to pick up on the point about what constitutes overprovision. The context in which we operate at the moment has been identified by the Association of Town and City Management, which released a report this year that found that between 2004 and 2012 the number of betting shops in our town and city centres in the UK increased by 43 per cent, but in Scotland that growth rate was 80 per cent. That increase has been driven by fixed-odds betting terminals, which should be an ancillary product to a betting shop’s core business of over-the-counter betting. However, for many operators, particularly the corporate operators, betting terminals now account for more than 50 per cent of their profits and more than 80 per cent of their turnover.

When an operator opens two shops within walking distance of each other, that clustering occurs only because the operator is trying to increase the number of machines in a particular area, so it is driven by what should be an ancillary product. We support restrictions on that product and we want to see betting shops return to their core business of betting. We are not an antigambling group at all.

The Convener: We are now getting really tight for time and I might choose to reconvene after the two-minute silence, depending on where we are. However, Mr Storer can go ahead.

Simon Storer: Thank you, convener. As far as the number of betting shops and machines is concerned, the issue is much more about the level of the stake. If the stake was brought down to be in line with other high-street activities, the number of shops and machines would become irrelevant. I think that it is all to do with the stake. We are pushing for the British Government to bring that in line so that the stake is brought down. I think that a lot of the problem would disappear if that happened, because there would be less reason to have so many machines and betting shops. I think that the stake is the issue.

The Convener: Mr Baron, I am aware that you have not contributed yet. Is there anything that you wish to say? Do not feel forced into it.

Miles Baron (Bingo Association): Thank you for the opportunity, convener. I am here to represent the bingo industry in the UK. There are 50 bingo clubs in Scotland. We do not currently have FOBT machines and we do not wish for them. You might ask why I am here and why we responded to the consultation. I am here because the bingo industry is concerned that unintended consequences or actions that are taken around FOBT machines may affect our industry.

Simon Thomas: You asked what else the Scottish Government can do. I think that we are all—perhaps with the exception of the

bookmakers—quite convinced that there is a problem that needs to be dealt with. It is a matter not of cleaning up the mess but of going to the core of the problem. Councillor Rooney is absolutely right to say that the effect on communities is damaging and that it needs to be addressed. Across the UK, 93 local councils representing their communities have put forward a sustainable communities act motion asking for the stake on FOBTs to be dropped to £2.

The Scottish Government has an amazing network and great power, and if it can add pressure to that system, that would clearly help to sort the problem. Lord Clement-Jones has a private member's bill going through the Lords. Again, if the Scottish guns could be turned to support it, that would be very welcome.

If the stake on FOBTs was cut down to £2, the concern is what would happen after that. A couple of relevant reports—one by Landmann and one by Nera—are referred to in my written evidence. The Nera report said that if the stake went down to £2, the effect on the community would be that the number of betting shops would reduce by 700, particularly where there are unwelcome clusters, and there would be 2,000 more jobs on the high street because money would either go back to traditional over-the-counter betting or to other more labour-intensive high-street activities. That would be very positive for the community.

The Convener: Mr McGowan may speak, if he is very brief.

Stephen McGowan: I just want to add a short comment about planning law, which was mentioned. My understanding is that the Scottish Parliament looked at amending the planning law but decided in April this year that no change was to be made to planning laws in respect of betting premises. I just thought that I should put that on the record.

The Convener: If we have anything to say on that point, it might be an idea for some of us to discuss it with the panel that is reviewing planning.

I thank you all for your evidence today, which has been extremely useful. The committee's next meeting is on Wednesday 18 November.

Meeting closed at 10:46.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

Published in Edinburgh by the Scottish Parliamentary Corporate Body

All documents are available on
the Scottish Parliament website at:

www.scottish.parliament.uk

Information on non-endorsed print suppliers
Is available here:

www.scottish.parliament.uk/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: sp.info@scottish.parliament.uk
