

Via email: gambling.consultations@culture.gsi.gov.uk

8 April 2013

Attn: Caity Marsh
Gambling (Triennial Review)
Department for Culture, Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

Dear Caity

PUBLIC CONSULTATION ON PROPOSALS FOR CHANGES TO MAXIMUM STAKE AND PRIZE LIMITS FOR CATEGORY B, C AND D GAMING MACHINES, 15 JANUARY 2013

I am writing to you in response to the above public consultation, which invites views from charities with an interest in problem-gambling. The Responsible Gambling Trust is the independent charity that commissions research, education and treatment services as prioritised in a national responsible gambling strategy advised by the Responsible Gambling Strategy Board (RGSB) and endorsed by the Gambling Commission.

I note that the government has sought evidence from charities and industry bodies to inform this review of stake and prize limits. Since the Responsible Gambling Trust has recently commissioned independent research into Category B gaming machines we hope that an explanation of the work we are undertaking will aid the government's consideration of this policy area.

FUNDRAISING

The Responsible Gambling Trust plans to raise a minimum of £5million each year from the gambling industry operating in Britain within a voluntary (donation-based) system to fund our research, education and treatment activities. Since April 2012, we have raised £5.7million to be spent on minimising problem gambling and gambling-related harm in British society through effective education and prevention techniques, which stop people getting into problems with their gambling, and ensuring that those that do develop problems receive fast and effective treatment and support.

GAMING MACHINE RESEARCH

Successive national responsible gambling strategies have prioritised a need for research into gaming machines and consumer behaviour in Britain.

In September 2012, the Responsible Gambling Trust committed itself to meeting this priority and, following the appointment of Dr Jonathan Parke in November 2012 (as the Responsible Gambling

Trust's Director of Commissioning), it announced that it would commission a £500,000 research programme into Category B gaming machines - that is those that offer the highest stakes and prizes in Britain which can be found in betting shops, bingo halls, adult gaming centres and casinos - to better understand how people behave when playing these machines and what helps people to stay in control and play responsibly.

This will be the largest programme of independent research into gaming machines ever undertaken in Britain and offers a unique opportunity to provide high quality, empirically-sound and peer-reviewed research to inform future policy-making.

The specific aims of the research programme are to describe and understand patterns of gaming machine play in various locations; to explain the impact on player behaviour of various factors; and to identify where there is robust evidence that consumers may be experiencing problems.

SCOPING INDUSTRY-HELD DATA

The first step in this research programme is to scope and explore how industry-held data relating to Category B gaming machines may be used for research purposes.

The Responsible Gambling Trust has gained commitment from thirteen of the leading gambling businesses operating in Britain to co-operate in sharing such data and has commissioned the National Centre for Social Research (NatCen) to independently:

- Investigate what data is captured, how it is currently used internally, what format, size and structure it is in, what data might be captured going forward and how this might be used for research purposes;
- Contextualise this data within broader knowledge and to demonstrate what this data adds to the evidence base; to show where this data adds value over and above what is already known, the research gaps it fills, and how it may contribute to the broader aims of the Responsible Gambling Trust's wider programme of research;
- Outline how this data could be used going forward for research purposes and how it could be used to answer key policy-related questions;
- Provide recommendations about how data collection could be improved to facilitate easier access of this information by researchers in the future.

NatCen is Britain's leading independent social research institute and has expertise in gambling research having designed, conducted and analysed all three studies in the British Gambling Prevalence Survey series and conducted a number of important related studies focusing on exploring gambling behaviour in Britain. It is a charitable organisation with a high reputation for neutrality and objectivity that is trusted and well-regarded by all stakeholders.

To date, the following companies have agreed to participate:

- Aspers
- Ladbrokes
- Rank
- Betfred
- London Clubs
- Scientific Games
- Gala Coral
- International
- Talarius
- Genting
- Paddy Power
- William Hill
- Inspired Gaming
- Praesepe

This initial phase of the research programme - the 'scoping study' - began in March 2013 and is expected to take six months, and will create a data-rich platform from which it is hoped to launch more specific research activity.

GOVERNANCE FRAMEWORK

The research programme is being commissioned within the context of an 'assurance and governance framework' that is agreed between the Responsible Gambling Trust, the Gambling Commission and the RGSB, and supported by the Government. Our partnership relies on openness and transparency to deliver results. As an independent national charity, the Responsible Gambling Trust is registered with and regulated by the Charity Commission and we have adopted its 'Hallmarks of an Effective Charity' to ensure best practice.

In developing our commissioning plans, we take into account the need to generate widespread trust and credibility, particularly in view of the investment of both fundraising and commissioning functions in a single, industry-funded body. We do this in a number of ways:

- Appointing wholly independent trustees (that is, independent of the industry, service providers, the regulator and anyone else that may have a vested interest in the Responsible Gambling Trust's commissioning activities);
- Inviting the Department of Culture, Media and Sport (DCMS), the Gambling Commission and the RGSB to observe our trustee meetings;
- Seeking advice from specific external experts and sharing with the RGSB the pool of existing experts built up under the previous arrangements, as required for particular tasks.

ESTABLISHING AND MAINTAINING STAKEHOLDER CONFIDENCE

A 'triple-lock' will be applied to further underpin stakeholder confidence in the quality, objectivity and independence of the gaming machine research programme:

- Internally, all research activity is wholly the responsibility of the Responsible Gambling Trust's Research Committee which is chaired by Liz Barclay, Senior Independent Trustee. The Research Committee consists of: Liz Barclay; Professor Jo Wolff; Gerry Sutcliffe, MP; Hilary Stewart-Jones; Alan Jamieson; Dr Jonathan Parke; and, Marc Etches. This ensures that all 'industry' trustees, including our Chairman, are entirely excluded from directing or otherwise influencing any research activity that the Responsible Gambling Trust undertakes. In addition, the RGSB observes all trustees' meetings, including those of the Research Committee, and there is an open invitation for the Gambling Commission and the DCMS to do the same.
- The research contracts with NatCen are subject to termination by either party if there is any interference from any third party that seeks to undermine the independence and objectivity of the research (a 'whistle-blower' clause);
- A panel of national and international experts has been appointed to provide the necessary academic oversight of both the development and the implementation of the research programme. This expert panel - the Machine Research Oversight Panel - is independent of both the Responsible Gambling Trust and the industry, and is chaired by Emeritus Professor David Miers who is also the Deputy Chair of the RGSB. As such, all aspects of the research

programme will be transparent to the RGSB and the Gambling Commission. Furthermore, there will be a rigorous and entirely independent peer-review process for all research outputs before publication of all subsequent reports.

The scale and significance of this work means that the need to get the research right must exceed the natural desire for speed. The overall research programme is expected to take 18 months and it is hoped that the research conclusions will be published in September 2014.

MACHINES RESEARCH OVERSIGHT PANEL (MROP)

The purpose of appointing a panel of independent experts is to provide the necessary academic oversight to underpin stakeholder confidence in the quality of all research methodologies and outputs. The MROP has been appointed by Dr Jonathan Parke in consultation with Emeritus Professor David Miers, the RGSB and the Gambling Commission and its membership consists of:

Analytics Industry Input

- David Excel, COO, Featurespace (extensive experience data capture, management and analysis of industry data)
- Simo Drageicvic, CEO, BetBuddy (extensive experience data capture, management and analysis of industry data)

Academic Input

- Prof David Forrest, Professor in Economics, University of Salford (RGSB research panel member with experience of experience data capture, management and analysis of industry data)
- Dr Debi LaPlante, Assistant Professor in Psychiatry, Harvard Medical School (experience of harm prevention and minimisation research; and experience data capture, management and analysis of industry data)
- Dr Paul Delfabbro, Associate Professor in Psychology, University of Adelaide (experience of harm prevention and minimisation research; extremely strong on methods; and extensive experience of machines research)
- Patrick Sturgis, Professor of Research Methodology , University of Southampton, co-Director of the ESRC National Centre for Research Methods, and RGSB research panel member
- Dr Richard Edwards, NMi (Dutch-based company used by the Gambling Commission to test gaming machines are regulatory compliant)
- Nigel McLaughlin, highly experienced and widely-respected expert in gaming machine design and operation in Britain, and employed by Bell Fruit Games

Regulatory Oversight

- David Miers, Professor Emeritus and Deputy Chair, RGSB
- Ruth Callaghan, Secretariat, RGSB
- Stuart McPhee, Machines Expert, Gambling Commission

CONTEXTUAL REGULATORY AND SOCIO-ECONOMIC OVERVIEWS

In order to provide the appropriate context to the machines programme of research, the Responsible Gambling Trust is also commissioning the following academics to provide a number of authoritative regulatory and socio-economic overviews, which we anticipate will be completed by June 2013:

- Provide an historical account of how the regulatory environment has shaped the commercial gambling landscape in relation to gaming machines (Emeritus Professor David Miers)
- Explore the concept of consumer choice and individual responsibility versus social protection – ‘protecting the weak and vulnerable’ versus ‘protecting consumers from exercising their free choice’ (Professor David Forrest – University of Salford)
- Give consideration to the social (community) and economic costs and benefits of gambling including the concept of ‘consumer surplus’ and how it applies to gambling (Professor David Forrest – University of Salford)
- Provide a critical and contemporary overview of the conceptual and measurement issues of ‘problem gambling’ – e.g. chronic versus binge gambling; spectrum versus discrete classes; current thinking on most effective screening and measurement; risk versus harm (Dr Paul Delfabbro – University of Adelaide)
- Compare the level of ‘problem gambling’ in Britain to other countries and to other public health issues in Britain – smoking, alcohol abuse, obesity (Professor Mark Griffiths – University of Nottingham Trent)
- Critical overview of pertinent academic literature on gaming machines and problem gambling (Professor Alex Blaszczynski - University of Sydney)

CONCLUDING REMARKS

While research involving collaborations with industry and use of player data have been done before, nothing has ever been attempted on this scale involving such a range of gambling providers nor has it ever involved such a complex and advanced industry environment where there are various operators, gambling environments and types of gaming machine. Although it is early days, we are hopeful this landmark research is an important first step to making a vital contribution to understanding consumer behaviour related to gaming machines in Britain.

The key to the success of this research initiative will be the industry's co-operation in allowing researchers access to industry-held data. By its keenness to give researchers such unprecedented access to gaming machine data and then to stand back from the research process,

the industry has given a mandate to the Responsible Gambling Trust to commission research that will be rigorously objective and wholly independent of the industry.

Yours sincerely



Marc W. Etches
Chief Executive