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betting shops and planning issues

Tim Hall, Peter Jones and Grace Nash-Williams look at some of the concerns about the presence of betting shops on high streets and review recent changes in betting shops' business environment

During the past decade concerns have been expressed about the ability of local planning authorities to control the number of betting shops on the high street. However, these are challenging times for betting shop companies as they face up to a number of changes in their business environment, and the development pressures for new betting shops are currently very limited. With these thoughts in mind, this article describes the structure of the betting shop business and some of the concerns about the presence of betting shops in town centres, reviews recent changes in the betting shops' business environment, and outlines the changing nature of betting shop provision.

Betting shops

Following the passage of the 1960 Betting and Gambling Act, the first betting shops in the UK were opened in 1961, and by the end of the decade bookmakers were trading from almost 16,000 outlets. Gradually, concentration occurred as a small number of betting shop companies, principally William Hill, Ladbrokes and Corals, became the dominant players in the market, and the total number of shops declined to some 10,000 by 1990.

By 2019, betting shop provision was highly concentrated, with the market dominated by William Hill, Ladbrokes/Corals (the two previously separate companies merged in 2016 but continued to trade under their original names), Betfred, and Paddy Power. At that time, William Hill had 2,264 shops and the corresponding figures for Ladbrokes, Corals, Betfred and Paddy Power were 1,828, 1,529, 1,620 and 350.¹ There were also over 700 independents, often regionally based, including Jennings Bet, which had some 100 shops, principally in the South East of England, and Corbett Bookmakers, which had 55 shops, largely in the North West of England and North Wales.

Initially the vast majority of betting shops were in back street and side street locations² but over time many, although not all, of the older betting shops

were closed and the leading betting shop companies took advantage of more liberal legislation to open large new shops in more prominent retail locations, especially on high streets. However, as high street retailing has declined, debates about the presence of betting shops in many towns and cities has attracted increasing attention, and they are often cast as a predatory feature in an impoverished retail environment. Here a number of concerns can be identified.

Gambling in general, and gambling in betting shops in particular, has attracted increasing social and political criticism and concern, and has generated a growing volume of adverse media coverage. Betting shops have been in the frontline of this coverage, and concern has been articulated in a number of ways. Arguably most importantly, the introduction, from 2001 onwards, of up to four FOBTs (fixed-odds betting terminals) in a betting shop, with a maximum stake of £100 on a single bet, which could effectively be placed every 20 seconds, has been the source of widespread and deep-seated concern, although conflicting views have been expressed.

Woodhouse³ has traced the origins of these concerns back to evidence presented to the Joint Committee examining the Draft Gambling Bill 2003-2004;⁴ and more specifically to a statement by a member of Gordon House, now the Gordon Moody Association, a charity which supports problem gamblers, arguing that FOBTs were 'the crack cocaine of gambling'. Nevertheless, a decade later Woodhouse reported that 'robust evidence' about the relationship between FOBTs and 'gambling related harm' in the British context 'was scarce'.³

Concerns have also been expressed about the clustering of betting shops in districts of towns and cities that exhibit deprivation. A decade ago, Harriet Harman,⁵ then Shadow Secretary of State for Culture, Media and Sport, claimed that 'high streets in low-income areas across the UK are blighted by the prevalence of bookmakers' and 'betting shops



As high street retailing has declined, debates about the presence of betting shops in many towns and cities have spread

are appearing not in well-off areas but in those with high levels of poverty and unemployment'. Indeed, Harman argued that the continuing opening of betting shops in such areas is 'pushing many families further into poverty and creating a dangerous synergy between welfare dependency and gambling that threatens the fabric of our communities'.

There have been persistent suggestions that increases in anti-social behaviour and crime have been associated with the proliferation of betting shops, but such suggestions are contested. Newham Council,⁶ for example, has claimed that 'the dramatic increase in the number of betting outlets correlates to increasingly high rates of crime and anti-social behaviour'. However, the council also reported that 'areas of Newham with a high concentration of betting shops persistently remain within areas with the highest levels of crime in the borough',⁶ but this seems to indicate an ecological, rather than a causal correlation.

In reporting on the banning of five people from betting shops in Birmingham city centre, the Gambling Commission⁷ drew attention to its work with the local council, the police and bookmakers, 'designed to tackle localised anti-social and criminal behaviour in and around betting shops' and to address 'suspected drug dealing and anti-social behaviour linked to one bookmaker'.

There have been concerns about the growing numbers of betting shops in high street locations. Philips,⁸ for example, suggested that with the proliferation of betting shops coming onto high streets and within neighbourhood retail developments 'they became a marker for social decline of an area, with the perception that they swooped in after other more respectable retailers had moved out or gone out of business'. Arguably more pejoratively, Hubbard⁹ explored the notion of 'betting shops as a noxious business', which he eventually dismissed as 'class-based prejudices against what is ultimately an affordable and popular form of sociality and leisure',

but not before detailing the scale of community, business and local political opposition to a betting shop application in Croydon.

The impact of betting shops on the vitality and viability of town centres has also been a cause for concern. The London Borough of Tower Hamlets Local Plan,¹⁰ for example, suggested that 'the proliferation of betting shops can harm 'the attractiveness, vitality and character of town centres'. A 'citizen's panel survey' conducted by West Dunbartonshire Council as part of its Town Centre Planning Pilots Programme reported a Clydebank respondent's view that 'the real problem is the proximity of bookies in one place' and that 'having them concentrated near each other, and near pawn shops or pay day lenders, is going to create an environment that is very offputting for most people coming into the centre'.¹¹ More generally, West Dunbartonshire Council reported that '82% of survey respondents agreed that more pay day lenders and betting offices would be detrimental to their town centre's vitality and vibrancy'.¹¹

More specifically, some concerns have been expressed about the inability of local planning authorities to control the number of betting shops on the high street, but, in truth, opportunities for local authorities to control the number of betting shops have been limited. Prior to 2015, premises with a range of retail uses could be converted to betting shops without the need to apply for planning permission, under permitted development rights. That said, the *Town Centres* Supplementary Planning Guidance for the 2011 London Plan¹² suggested that 'across London there is an urgent need to enable local planning authorities to control the proliferation of betting shops' and that there are 'genuine planning issues affecting amenity, community safety, diversity of uses and the continued success of town centres which justify allowing planning authorities to consider the merits of proposals for betting shops'.

The changing business environment for betting shops

During the past decade, the business environment for betting shops has been changing, and a number of changes merit attention. In many ways, live television coverage of horse racing and other sporting events from the mid-1980s onwards revolutionised the betting shop experience, but more recently the increasingly widespread availability and adoption of personal mobile communication technologies has caused an even more fundamental revolution. Here, betting shops face a challenge in attracting customers owing to the availability of mobile apps that can be used anywhere. Deloitte, for example, has argued that mobile communications not only provide 'a new opportunity to engage with existing players, but also to reach new customers', and that existing players 'have embraced opportunities for more spontaneous gambling, especially in the evenings' and 'particularly for in-play betting'.¹³

That said, imageHOLDERS claimed that there is 'the social aspect to betting' and that 'from the bookies to customers, the community feeling of the bookmakers creates an atmosphere that cannot be experienced through a mobile phone screen at home'.¹⁴ Furthermore, Deloitte suggested that betting shops will continue to be important in that they 'increase brand awareness [...] and play a key role in the development of the multichannel model'.¹³ However, the majority of the leading sports betting sites, including Sky Bet, 888sport, Betfair, Redbet and Bet365, do not run betting shops.

More generally, the Gambling Commission argued that it is 'highly likely that the online gambling industry will continue to grow [from] 34% to 50% of the total British market by GGY [gross gambling yield] over the next few years'.¹⁵ Betting shops are having to try to compete with the growth of online betting, which is being driven by rapidly changing consumer behaviour and supported by technological advancements that are affecting society as a whole – and as such they might be seen to be swimming against the tide.

More recently and more importantly, there were increasing calls for the government to introduce stronger controls on FOBTs in betting shops, and successive governments have kept the regulation of such machines, and the wider issue of gambling and social responsibility, under review.

Eventually, in 2018 the Department for Digital, Culture, Media and Sport announced that the maximum stake for FOBTs was to be lowered from £100 on a single bet to £2, although the maximum prize remained at £500. The necessary legislation was passed in December 2018 and came into force in April 2019. The major betting shop companies had consistently opposed regulatory

controls, arguing that it would lead to them closing large numbers of shops, with significant job losses. It has been claimed, for example, that some 2,100 betting shops could close within the UK,¹⁶ although some commentators believe that estimates of the number of betting shop closures are exaggerated.

Changing provision

In the face of the changes in the betting shops' business environment, the number of betting shops has been declining. In the five-year period 2014–2019, for example, the total number of betting shops within the UK declined from 9,111 to 8,320.¹ In the wake of the 2018 legislation on FOBTs, the scale of closure increased. William Hill, for example, closed some 700 of its shops, by late 2019 Ladbrokes/Corals had closed 200 shops (with a further 700 shops scheduled for closure up to 2021), and the corresponding figures for Betfred and Scotbet, the leading independent Scottish betting shop company, were 70 and 10. Of the leading betting shop companies, only Paddy Power, which has concentrated more on developing its sports betting offers rather than promoting FOBTs, has no closure plans.

In looking to rationalise their portfolio of shops in the face of a changing business environment, the leading betting shop companies have sought to retain the better-performing outlets in an attempt to develop a sustainable business model. That said, a number of shops with a short period remaining on their leases were also considered vulnerable. Here, closures have occurred in some better-performing outlets where the betting shop companies have been unable to negotiate a reduction in leasing charges with property owners. Where betting shop companies have owned rather than leased shops, in some cases this has influenced decisions to retain, rather than close, shops. Competition has also been a factor in cases where two companies' shops are in close proximity, and one company has recognised that its competitor has strong customer loyalties, and that investment in modernisation would show little or no future return.

At the local level, some observational evidence on the locational pattern of closures by the leading betting shop companies in Edinburgh, Cheltenham and Crewe has been gathered by the authors. Here, smaller betting shops, often in side streets and secondary retail locations, dominate the pattern of closures. In Edinburgh, for example, William Hill has closed small shops in the secondary retail location in Bernard Street in Leith and on Broughton Road in Canonmills, and the Corals shop on Ferry Road has been closed. That said, the closures in the city are not exclusively in secondary locations, in that medium-sized William Hill shops on Raeburn Place, the high street in the prosperous Stockbridge

district and on Easter Road, a local shopping area, have been closed.

At the same time, the leading betting shop companies have begun to redevelop the industry's betting shop offer, which they claim will provide customers with a new experience. Ladbrokes and Corals, for example, opened two 'new concept' betting shops in Central London and Central Birmingham in December 2019, and here the focus is on combining modern interior design with the latest technology to create an enhanced experience aimed at appealing to a new generation of customers. The focus is on providing a digital experience, with the shops having a number of new self-service betting terminals, facial recognition software aimed at tackling problem gambling, and digital marketing screens. The two shops also feature a number of products provided by the British racing and sports betting publisher *Racing Post*, including a new sports screen and an upgraded interactive version of the digital betting display.

'The number of betting shops within towns and cities seems likely to decline, but ... the concentration of larger shops in primary retail locations seems unlikely to assuage a number of critics' concerns about social deprivation, anti-social behaviour and the viability and vitality of high streets'

All the leading betting shop companies are also continuing to develop as multi-channel retailers. Playtech, an international software designer and developer, for example, is behind a 'multi-channel solution', which it claims 'is leading a revolution in the betting shop arena'.¹⁷ This multi-channel system operates across Coral's betting shop estate under the banner 'Connect', which unifies the company's traditional retail and online offer and enables customers to use a single personal account across all platforms. Customers can use Connect to place bets over the counter in a betting shop, play on the FOBTs, and deposit or withdraw funds.

At the same time, Corals has the opportunity to promote other betting opportunities, and to increase gameplay and strengthen brand loyalty, but if customers increasingly look to online, and particularly to mobile, betting opportunities, this will do little to consolidate the role and place of the betting shop in

the gambling mix. As such, the promotion of new digital experiences and services in betting shops may ironically be contributing to their own decline.

Conclusion

The number of betting shops within towns and cities seems likely to decline, but it is the smaller shops in secondary retail locations that seem likely to dominate the closure patterns. At the same time, the concentration of larger shops in primary retail locations seems unlikely to assuage a number of critics' concerns about social deprivation, anti-social behaviour and the viability and vitality of high streets.

While some optimistic commentators have suggested that the closure of betting shops could bring new vitality to both high streets and secondary retail locations by attracting new retailers, this seems to fly in the face of current reality, where continuing shop closures and vacant properties are increasingly commonplace in many towns and cities. In a similar vein, it remains very much to be seen whether William Hill's plans for 'remodelling the estate and the business'¹⁸ or Ladbrokes' new concept betting shops will once again see betting shops become 'a gathering point for the community like the traditional English pub'.⁸ Some commentators suggest that current changes herald the beginning of the end for betting shops in the UK – but 'don't bet on it!'

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