

WEST DUNBARTONSHIRE COUNCIL**Report by Planning, Building Standards and Environmental Health Manager****Planning Committee: 14th February 2024**

Subject: Pay Day Lending and Betting Shop Planning Guidance**1 Purpose**

- 1.1** The purpose of the report is to seek approval to consult on draft Planning Guidance relating to Pay Day Lending and Betting Offices.

2. Recommendations

- 2.1** It is recommended that the Committee approves the publication of the draft Pay Day Lending and Betting Shops Guidance in Appendix 1 for consultation.

3. Background

- 3.1** In 2016 the Council adopted guidance to control pay day lending and betting shops in town centres due to their number and concentration in specific locations. Research involving surveys and in depth focus groups identified Clydebank and Dumbarton Town Centre in particular were considered to have an undesirable number of these premises. The research showed a majority of people felt that too many of these uses in town centres, that they did not improve the vibrancy or vitality of the town center, and they had a negative impact on health and wellbeing.
- 3.2** The proposed 2020 Local Development Plan 2 (LDP2) indicates that the guidance should be updated to reflect new policy. Whilst LDP2 will not now be adopted and does not form part of the development plan, it is a material consideration in planning decisions and it is the most up to date spatial strategy for the Council's planning area. Additionally, the Fourth National Planning framework (NPF4) became part of the statutory development plan in February 2023. NPF4 has taken onboard much of the Council's approved guidance on Pay Day Lending and Betting Offices and now includes provisions enabling planning authorities to refuse proposals for pay day lending and betting shops where it is considered further provision will undermine the character and amenity of the area or health and wellbeing of communities, particularly in disadvantaged areas, in Policy 27.
- 3.3** The updated draft guidance reflects changes to planning policy, up to date town centre surveys identifying the number and location of pay day lending and betting shops, and updated research. The evidence supporting this guidance is compiled in a separate background information document in Appendix 2.

4. Main Issues

- 4.1** Updated Pay Day Lending and Betting Shop Guidance and Background Information have been prepared and draft versions for consultation purposes are attached for approval in Appendix 1 and 2 respectively.
- 4.2** The Planning Guidance is intended to address the over-concentration of pay day lending and betting shops and potential negative effects on the vibrancy of town centres and wellbeing. The guidance and accompanying background information sets out the socio economic background of West Dunbartonshire, which is arguably one of the more deprived areas in Scotland according to the Scottish Index of Multiple Deprivation and employment, benefits and earnings data. When compared to the rest of Scotland, the area has lower weekly wages per resident, higher proportion of people economically inactive due to long term illness, and a higher proportion of benefit claimants.
- 4.3** Literature indicates that higher deprivation is correlated to a higher density of gambling machines and that easier access to gambling means individuals are more likely to gamble. West Dunbartonshire, when compared to other authorities of a similar population size was found to have a significantly higher number of betting shop licenses. Regarding pay day lending, research indicates that typical borrowers earn less than £20,000 per year and that there is a relationship between debt and many negative health outcomes, including mental health and addiction. Pay day lending debt was found to have the greatest effect on people's wellbeing of all other types of debt.
- 4.4** The number of pay day lending shops has significantly decreased across the UK due to additional regulation. There has been a decline in the number of betting shop licenses in the council area and across comparable authorities in recent years. However West Dunbartonshire is still arguably more vulnerable to gambling and high interest lending due to its socio-economics. It also still has higher betting shop licenses per person than local authorities of a similar size.
- 4.5** Surveys undertaken through the Citizens Panel in 2015 and 2023 provide evidence that, overall, people consider that there are too many pay day lending and betting shops in Clydebank, Dumbarton, and Alexandria town centres and that they do not contribute positively to the town centres. Town centre surveys undertaken in 2023 show that numbers of these premises remain similar to when the guidance was introduced, and that clusters of these uses are still present in Clydebank (South Sylvania Way) and Dumbarton (High Street, College Way and Riverside Lane). Therefore a refresh of the approved Guidance is appropriate given the policy position of NPF4.
- 4.6** The Guidance would restrict these uses by:
- not supporting applications that would increase the number of these uses to above their current level;
 - by not supporting applications for these uses within identified clusters in Clydebank, Dumbarton and Alexandria Town Centres;
 - not supporting applications on the basis they will contribute to the footfall or vitality of the town centre.
 - in relation to vacant units, the council accepts that it is generally

preferable to have an occupied unit, however due to the socio-economic, health effects and local concerns regarding these types of businesses, unit vacancy will be a lesser consideration in planning decisions.

While it does not introduce a limit or identify clusters in local neighbourhood centres, the guidance also introduces the number and clustering of these uses in local centres as a consideration in planning applications.

- 4.5** The guidance now also applies to Alexandria Town Centre. Previously, the guidance only applied to Core Town Centre Areas, through policy SC2 Core Town Center Areas of LDP2, which only identified in core areas within Dumbarton and Clydebank. However Policy 27 of NPF4 applies to whole town centre areas. The 2023 citizens panel survey results 71% of respondents identified Alexandria as their town centre felt that there were too many betting shops in the town centre and a majority agreed that pay day lending and betting shops had a negative impact on community wellbeing.

Next steps

- 4.6** The Draft Planning Guidance will be published for a minimum 8 week consultation period, the outcome of which, and any subsequent proposed changes to the guidance, will be reported to a future Planning Committee.

5. People Implications

- 5.1** There are no people implications associated with this report.

6. Financial & Procurement Implications

- 6.1** There are no financial or procurement issues associated with this report.

7. Risk Analysis

- 7.1** Maintaining up-to-date Planning Guidance will help the Council to achieve the right type of development in the right place. In this case it will help to limit the number of pay day lending and betting shops in town and local centres, therefore limiting their impacts on health and wellbeing and town centre vitality.

8. Equalities Impact Assessment

- 8.1** An Equalities Impact Assessment is attached in Appendix 3. Access to gambling opportunities increase the likelihood of problem gambling and males between the ages of 16 and 20 are more likely to be problem gamblers.
- 8.2** Betting shops tend to concentrate in more deprived areas and pay day loans are often used to bridge gaps between pay-checks. This means that the negative effects on household finances wellbeing of debt and problem gambling disproportionately affect people in deprived areas.

8.3 It is expected that the restriction on number and clustering of pay day lending and betting shops will have a positive benefit on the wellbeing of users of town and local centres. It is accepted that there is an economic trade off as it restricts the uses that can take place within the town centre.

9. Environmental Sustainability

9.1 A pre-screening has been submitted to the Scottish Government Strategic Environmental Assessment Gateway advising that it is considered that the guidance will have no or minimal effects on the environment.

10. Consultation

10.1 A questionnaire was sent out to the Citizens Panel to gauge attitudes on the number and clustering of pay day lending and betting shops, and their effect on town centre vitality and community wellbeing.

10.2 The draft Planning Guidance document in Appendix 1 and the background information in Appendix 2 will be published for a minimum 8 week consultation period. The draft documents will be made available online with publicity via social media and local development plan participants.

11. Strategic Assessment

11.1 The Pay Day Lending and Betting Shop Guidance will support the Council's strategic priorities of 'Our Communities – Resilient and Thriving.

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Appendices:

- Appendix 1 – Draft Clydebank Business Park Planning Guidance
- Appendix 2 – Background information
- Appendix 3 – Equalities Impact Assessment

Background Papers: None

Wards Affected: Ward 2: Leven
Ward 3: Dumbarton
Ward 4: Kilpatrick
Ward 5: Clydebank Central
Ward 6: Clydebank Waterfront