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Mr Colin Breed  
House of Commons  
Westminster  
London  
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18/03/2004

## R.E. The Proposed Gambling Bill

Dear Mr Breed,

As my local MP I am writing to you on behalf of myself, as a businessman in the South West, and on behalf of the British Amusement Catering Trades Association (BACTA).

I am sure you are aware that the proposed gambling Bill was recently published by DCMS and the all party scrutiny committee are due to deliver their recommendations to the Government by the 7<sup>th</sup> April 2004.

A recent report produced by the Henley Centre (in association with consumer trends experts Brand Driver) analyses the "Economic and social impacts of the proposed new Gambling Bill" and raises a number of serious questions.

The Henley Centre report indicates that the Bill as currently proposed fails to achieve balance of necessary safe guards both socially and economically. It benefits two new market sectors (Vegas style Casinos and New Media) but hugely disadvantages much of the existing traditional UK market, will damage communities, limit customer choice and do nothing to regenerate areas most in need.

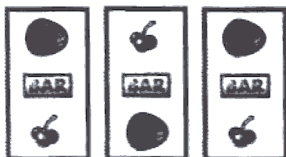
The Henley Report Highlights:

- The Nation will gamble an extra £1 billion per year by 2010
- The Government will gain at least an extra £400 million in tax
- New style "Vegas" type casinos will form a significant part of the UK market
- Internet, interactive and mobile phone gambling will grow

**BUT**

- Thousands of traditional family owned businesses will disappear

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- Social clubs, pubs, bingo halls, seaside and inland arcades will suffer
- Significant redundancies in community based established businesses will offset employment gains in new sectors
- The number of problem gamblers will grow to over 700,000 by 2010

I am an operator of gaming machines in South East Cornwall and employ five people at present. As my local MP I have decided to write to you to express both some general and specific concerns that I have with the proposed bill in its current format and have been highlighted by the report. My Concerns are as follows:

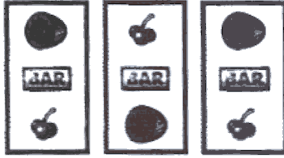
- I believe that opportunities and controls should be equally applied between the market sectors and not, as is currently being proposed, only favour the new emerging sectors (large casinos and remote gambling). Many of the existing machine market sectors (inland arcades, seaside arcades as well as pub's and bingo halls) are facing restrictions relating to machine numbers, stakes and prizes, whilst the new sectors (casinos and remote) will be able to offer a multiplicity of gaming products with virtually unlimited stakes and prizes.

It should be remembered that whatever the new entrants may generate in terms of economic benefits and jobs, the existing machine marketplace employs in excess of 22,000 people directly and generates circa £400M per annum in tax revenue. Businesses range from large multi national subsidiaries to fourth or fifth generation family businesses that provide pleasure and entertainment to millions and form an important part of the UK's social infrastructure.

- Fixed Odds Betting Machines (FOBM's). In a recent agreement between the Bookmakers and DCMS and the Gaming Board betting shops have been given the right to operate up to 4 machines per shop with stakes of up to £100 and prizes of up to £500. In "A safe bet for success" the DCMS established a principal that Adult Gaming Centres (AGC's), of which I am an operator, and bookmakers should be entitled to operate the same tier of machine types, either category B or C. The recent agreement with FOBM's goes completely against this principal, and hugely disadvantages AGC's and Bingo Halls.

This agreement gives bookmakers a massive immediate and ongoing advantage over the other providers of machine gambling on the high street, notably AGC's and bingo halls. BACTA members have for the past 18 months adhered to the Gaming Boards repeated request not to aid the proliferation of FOBM's whilst the Gaming Board pursued its court case to establish the definition of FOBM's as gaming machines. Whilst the gaming board still state they believe FOBM's to be gaming machines they

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have decided to suspend their case and clarify the position via the new gaming Act. The net effect of this is that the number of FOBM's on the high street could well double to over 20,000 before the new Bill becomes law.

Adult Gaming Centres and Bingo Halls sited within close proximity of bookmakers have seen their machine turnover decline substantially since the introduction of these machines. Proliferation at the scale now envisaged could well prove terminal for many businesses.

I understand that the position following the Bill will be that FOBM's will be defined in the new act as Category B+ and AGC's, Bingo Halls and Bookmakers will have the same entitlement to machine numbers, stakes and prizes. This will achieve the principal of product parity between these outlets applied within the Government's white paper.

BACTA has concerns regarding the current situation and for information purposes we advise the joint committee that we believe this inequality of stakes and prize levels should be addressed in the industry's Triennial Review before the Bill becomes law.

I hope that you will be able to make reorientation to the Rt Hon Tessa Jowell MP, cabinet minister ultimately responsible, Lord McIntosh of Haringey, the minister with responsibility for the Bill, and John Greenway MP, Chairman of the scrutiny committee.

I do hope that you are able to help us by contacting the Minister and members of the scrutiny committee, and I look forward to hearing from you in due course.

Yours Sincerely



Jason Fröst