

# LATGREEN Ltd.

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Mr. Ben Bradshaw,  
Exeter Constituency,  
House of Commons,  
LONDON, SW1A 0AA.

7<sup>th</sup> March, 2004.

Dear Mr. Bradshaw,

**PROPOSED GAMBLING BILL – The Henley Report predicts more losers than winners.**

I am sure you are aware that the proposed Gambling Bill was recently published by DCMS and the All Party Scrutiny Committee is 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 trend experts BrandDriver), 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 the balance of necessary safeguards 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
- Social clubs, pubs, bingo halls, seaside and inland arcades will all 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.

We operate as retailers of one amusement and gaming machines in the Exeter, Devon, area, and employ 10 people. 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 that have been highlighted by the Report. My concerns are:-

**(General concern) TOWN/CITY CENTRES:** Casino operators will site the new casinos on the edge of prosperous towns rather than the areas needing urban regeneration. These large casinos sited on the outskirts of towns and cities have the ability to transform the night-time economy of local town centres. Large casinos offering food, drink, entertainment and several forms of gambling under one roof (betting, bingo, gaming table and machines) could herald the demise of city centre businesses including adult gaming centres, clubs, pubs, restaurants and bingo halls, in exactly the same way that large out of town supermarkets have damaged the vibrancy of town centres for retailing.

**Remedy:** Follow a cautious approach and allow the phased introduction of a limited number of new style resort and large casinos within a controlled number of designated areas where a clear economic and social benefit is deemed likely. This compromise would allow this exciting new product to be market tested in the UK without risking the potentially disastrous social and economic consequences illustrated above.

**(Specific concerns) GRANDFATHER RIGHTS:** The Bill does not include measures reflecting the assurances given by Lord McIntosh in his speech to the BACTA Convention 2003, that the existing industry would not be endangered. In most cases the future of these businesses (whether they be seaside amusements, adult gaming centres or machines being operated in public houses) could be left to the discretion of Local Authorities which may unilaterally decide not to grant permits to businesses that may have been operating for generations, and there is no right of appeal. This would be totally unacceptable to BACTA, and we seek confirmation that the final draft will incorporate these matters.

**Remedy:** Grant 'grandfather rights' to existing businesses in perpetuity, providing they operate within all relevant legislation and codes of conduct.

**FIXED ODDS BETTING MACHINES:** Fixed Odds Betting Machines (FOBM's). In a recent agreement between the Bookmakers, the 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 the principle that AFC's 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 principle, 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 Board's 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 that they believe FOBM'S to be gaming machines, they have decided to suspend their case and clarify the position via the new Gambling 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 machines turnover decline substantially since the introduction of these machines. Proliferation at the scale now envisaged could well prove terminal for many businesses.

**Remedy:** We 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 principle of product parity between these outlets applied within the Government's White Paper.

**Pre the Bill becoming law:** BACTA has concerns regarding the current situation and for information purposes we advise the Joint Committee that we believe this inequality of stake 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 representation 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,



D.W. MIDDLETON,  
Director.