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PLEASE REPLY TO THE KENT ADDRESS

Draft Gambling Bill Consultation  
Gambling and National Lottery Licensing Division  
Department for Culture, Media & Sport  
2-4 Cockspur Street  
London SW1Y 5DH

9 March 2004

Dear Sirs

**Draft Gambling Bill Consultation**

Our apologies for not submitting our views by the 28<sup>th</sup> February but our national steering group of retailers only met on 2<sup>nd</sup> March and we felt it right to take their up to date views before submitting our paper.

The ViRSA Rural Shops Alliance (RSA) exists to represent the views of rural retailers throughout England and Wales. In addition to this, the object of the RSA is to give rural retailers an opportunity to be more professional and proactive by providing regular information and informative training courses.

The RSA works closely with all sectors of the trade and has amongst its members Nestlé, Cadbury Trebor Bassett, Camelot, Imperial Tobacco, Interbrew, Londis, Masterfoods, Post Office Limited, and Wrigley's. The RSA also works with the Association of Convenience Stores and Farm Retail Association on many matters as well as having direct links with the Countryside Agency. The RSA has recruited 34 counties as Associate Members on behalf of nearly 7,000 rural retailers. The RSA has been involved with the report by the Better Regulation Task Force on Local Shops and the effects of legislation and red tape and is now working closely with the Small Business Service (SBS) on various issues of concern to the rural retail trade. We are attending focus groups and recently visited some of our retail members with the SBS and Food Standards Agency.

The rural shops sector has been in decline for the last twenty years as people's shopping habits have changed and the development of superstores has increased. In the Rural White Paper, published by Government, it was identified that the shop and post office were the most important service in the vital village sector, as it provided help to the elderly and young mothers without cars as well as improving the quality of village life. Many rural shops offer not only a range of groceries, news, confectionery and alcohol but also local products, thereby helping the local economy. It is estimated that two thirds of rural shops have a post office and they also offer a wide range of services such as deliveries, National Lottery, dry cleaning, shoe repairs, ATMs and utility pay points.

[www.rural-shops-alliance.co.uk](http://www.rural-shops-alliance.co.uk)

[www.virsa.org](http://www.virsa.org)

**Management Committee:**

Susan Knox (Chairman) - Geoffrey Bray - Helen Carey OBE - Simon Firth CBE - Richard Fry  
Alison Smith - Michael Teale (Vice Chairman) - Robin Thompson CBE

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It is estimated that there are 12,000 rural shops in the UK who contribute £5 Billion to the food industry. In many cases they would operate on a net profit margin of 1-2% and therefore there is not much room for error. The Rural Shops Alliance feels that these small retailers need as much help as possible in providing opportunities to increase turnover as well as highlighting the areas which impact on costs.

### RSA Viewpoint

The general feeling among rural retailers who have the lottery is that it has been run efficiently and in the main there have been few complaints. Of those received from the public most are about the beneficiary causes which, of course, is outside Camelot's control.

The RSA is completely opposed to any proposal that the lottery should be run by several different operators. We work in a very competitive marketplace but in this instance the competition to obtain the licenses, together with the correct controls should be sufficient to ensure that the lottery maximizes its potential.

Our retail members tell us that there is already confusion among the general public about all the different draws and to have several operators would confuse the issue even further, not only for the public but also for the retail trade.

Our rural retail members only have limited space in their shops like most independent operators and although the lottery creates an extra footfall opportunity if several areas were required for participation of the various games then this would pose a major problem.

The same problem exists at the counter or checkout area if it meant that additional terminals were going to be needed.

It would also be reasonable to assume that each company with a game would require posters and marketing material to be displayed. No doubt these would all be different shapes and sizes as well as colours that would be utterly confusing and make many shops look like a cheap discount store.

As each company would be in competition with each other to sell more lottery tickets we would no doubt see all sorts of promotional gimmicks, which would devalue the lottery as well as potentially reducing the amount for good causes.

Several companies running the lottery would also mean a duplication of personnel, offices, marketing cost, all of which raise costs and again potentially mean less income.

The retailer will have the extra cost in time of dealing with several companies instead of one. The profit retailers make from the lottery is only 5% and if extra ordering, invoices and deliveries are required it raises the very serious question as to whether some retailers would carry on and if not and they were the only shop in the village then the community may not have the opportunity to purchase tickets.

Another concern is that there is always the danger that some companies running the lottery may not be as capable as others or that the IT functions are not adequate. This could result in all sorts of problems even to the extent of eventually having to abandon the particular games involved.

There is no proof that several companies running the lottery would increase sales and it is possible that overall sales could even decrease.

As stated earlier, the RSA on behalf of its members sees no reason to have more than one operator running the lottery. The National Lottery Commission should go through a thorough and rigorous process to ensure that whoever eventually runs the lottery is highly professional and competent but that it is one operator only.

If you have any queries regarding the above please contact me and the RSA will be pleased to attend any future meetings regarding this very important subject.

Yours faithfully



*pp* Sean Carter  
ViRSA RSA Manager