



department for
**culture, media
and sport**

Consultation

“The Gambling Act (Variation of Monetary Limits for Gaming Machines) Order 2008”

August 2008

Our aim is to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence, and champion the tourism, creative and leisure industries.

Contents

Section 1: Introduction.....	4
Section 2: Gambling Act (Variation of Monetary Limits for Gaming Machines) Order 2008 - Proposals for consultation	6
Section 3: Consultation Questions.....	15
Annex: List of respondents to July 2008 consultation.....	16

Section 1: Introduction

Summary

1.1 Section 236(4) of the Gambling Act 2005 (“the Act”) provides that regulations made by the Secretary of State for Culture, Media and Sport to define the different categories of gaming machine can include monetary limits on stakes and prizes applying to the different types of machine. The Categories of Gaming Machine Regulations 2007 (SI 2007/2158) were the first use of these powers, and set stake and prize limits on gaming machines which are currently in force.

1.2 On 25 June 2008, Gerry Sutcliffe MP (the Minister with responsibility for gambling) announced that principally in order to provide economic assistance to family entertainment centres (such as seaside arcades) and to pubs and clubs, the Department would bring forward a review of Gaming Machine Stakes and Prizes planned for 2009 to this year, in respect of low-stake, low-prize Category C and D machines only. A review of Category B machines will follow in 2009.

1.3 The Minister also announced that the Department would adopt a fast-track process so that any changes that followed this review would not be delayed. To that end, the Minister and officials wrote on 25 June to a range of trade bodies and organisations with an interest in problem gambling to invite them to submit their suggestions for appropriate revised stake and prize limits by 25 July 2008. The Department has now reached the end of this initial phase of consultation, and on the basis of suggestions received, has formed a view on what revised stake and prize limits would be appropriate and proportionate.

1.4 This Consultation Document sets out the Government’s proposals in respect of what new stake and prize limits should apply until 2012, which is the date of the next planned review, and invites views on them. We anticipate that it will be of particular interest to:

- existing and potential new operators in the seaside arcades industry;
- operators in the licensed trade and in social/political clubs;
- faith groups; and
- organisations with an interest in problem gambling.

1.5 A draft Statutory Instrument which would give effect to the proposals contained in this consultation will be published shortly, along with a draft Impact Assessment.

1.6 For comments, feedback or further information please contact:

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1.7 The consultation period will run from 5 September 2008 to 31 October 2008

1.8 A summary of responses will be published shortly after the closing date. Please note that all information in responses, including personal information, may be subject to publication or disclosure under the Freedom of Information Act 2000. Confidentiality cannot be guaranteed to any correspondents, and will only be possible if considered appropriate under the legislation.

Section 2: Proposals for Consultation

Summary

2.1 On 25 June 2008, Gerry Sutcliffe MP (the Minister with responsibility for gambling) announced that in order to provide economic assistance to family entertainment centres (such as seaside arcades) and to pubs and clubs, the Department would bring forward by a year a review of Gaming Machine Stakes and Prizes planned for 2009, in respect of low-stake, low-prize Category C and D machines only.

2.2 To coincide with his announcement the Minister and department wrote to a range of trade bodies and organisations with an interest in problem gambling inviting them to suggest what stake and prize levels should apply to Category C and D gaming machines until 2012, which is the date of the next review. Based on the responses that were received to that exercise, Ministers accept that a modest increase in stake and/or prize levels is appropriate to assist the gambling industry during this period of difficult trading conditions whilst posing minimal risks to the licensing objectives in terms of protecting children and vulnerable adults from harm caused by gambling. Although many respondents suggested an increase in the maximum stake limit to £1 (from the current limit of 50p) and an increase in the maximum prize limit to £70 or £100 (from the current limit of £35), Ministers have decided against this for the reasons explained in paragraphs 2.19 and 2.20 of this document.

2.3 Ministers are attracted to the suggestion made by one operator that the maximum stake limit should remain unchanged at 50p whilst the maximum prize limit should be increased to £50. However, they are mindful that an increase only in respect of prize level may prove insufficient to assist the industry. Therefore, although no representations were made to the Department to introduce a maximum stake level between 50p and £1, Ministers are interested in views on whether a maximum stake limit of 60p and an increase in the prize limit to £60 may provide a solution that offers sufficient economic support to the industry but poses minimal risk to children and vulnerable adults. To this end, Ministers propose to consult formally on the following:

Category C machines

- We propose to increase the maximum stake limit to 60p and the maximum prize limit to £60 (from 50p and £35 currently).

Category D machines

- We propose no change to money prize machines (typically the lowest category of fruit machines) – the current 10p maximum stake and £5 maximum prize would remain unchanged;
- We propose to increase the maximum stake and the maximum prize value for non-money prize machines to 50p and £30 respectively. This change would apply to “crane grabs” only. Stake and prize limits for other types of non-cash prize Category D machines would remain unchanged at 30p and £8;
- We propose that the maximum stake of mixed cash prize/non-cash prize machines would remain unchanged at 10p, but that for “penny falls” or “coin pushers” the prize value should increase to £15, of which a maximum of £8 could be cash. The maximum prize on other mixed cash/non-cash prize machines would remain unchanged.

2.4 Prize gaming was not within the scope of the Minister’s announcement or the initial consultation. However, a number of stakeholders submitted proposals in this area and we are content to include prize gaming in this year’s review. We propose to equalise stake and prize limits in both

Adult Gaming Centres, Family Entertainment Centres and other venues permitted to offer prize gaming with those for Category C machines, i.e. the maximum participation fee would be 60p, and the maximum cash prize would be £60 in both types of arcade. The maximum non-cash prize would remain unchanged at £500.

Background

i) *The Gambling Act 2005*

2.5 Section 236(1) of the Gambling Act 2005 (“the Act”) provides that the Secretary of State for Culture, Media and Sport should make regulations defining four classes of gaming machine for the purposes of the Act – Categories A, B, C and D. Section 236(4) provides that regulations made under subsection 1 may set monetary limits on stakes and prizes applying to the different categories of machine. The Categories of Gaming Machine Regulations 2007 (SI 2007/2158) were the first use of these powers and, among other provisions, they set the following stake and prize limits on gaming machines:

Category A:	Unlimited stakes and prizes
Category B1:	Maximum stake £2, maximum prize £4,000
Category B2:	Maximum stake £100, maximum prize £500
Category B3 & B3A:	Maximum stake £1, maximum prize £500
Category B4:	Maximum stake £1, maximum prize £250
Category C:	Maximum stake 50p, maximum prize £35
Category D (cash prizes):	Maximum stake 10p, maximum prize £5
Category D (non cash prizes):	Maximum stake 30p, maximum prize value £8
Category D (mixed cash and non-cash prizes):	Maximum stake 10p, maximum prize value £8, of which no more than £5 can be cash

ii) Background

2.6 In the period since the implementation of the Act on 1 September 2007, the British Amusement Catering Trades Association (BACTA), the British Association of Leisure Parks, Piers and Attractions (BALPPA) and other trade associations have made representations that many operators in the seaside and wider arcade sector had experienced a downturn in revenues, and have sought Government assistance through the Act to help address this. Alongside this campaign, the British Beer and Pub Association (BBPA) has argued for an increase in stakes and prizes for Category C machines as a way of increasing income to pubs and clubs from gaming machines at a time when this sector too is experiencing significant economic difficulties and closures.

2.7 The Minister made clear in his statement of 25 June, and subsequently in meetings with trade associations, that he recognised that many operators were finding trading conditions difficult. In view of this, on an exceptional basis, the Minister announced that he would bring forward by one year the planned review of stake and prize limits for the lowest stake and prize category C and D machines. There was no guarantee that the early review would result in increased stake and prize levels – it would be for the industry to make that case and for wider stakeholders to state their views. The Minister also announced that he was reinstating the system of triennial reviews which had grown up

by custom and practice under the previous legislation, and that after the 2009 review (part of which was being brought forward to 2008) the next review would take place in 2012.

Prior consultation

2.8 In his statement of 25 June the Minister also announced that the Department would adopt a fast-track process so that any changes to stake and prize levels that were made as a result of the review would not be delayed. On 25 June, the Minister and officials wrote to a wide range of trade bodies and organisations with an interest in problem gambling inviting them to suggest what stake and prize levels should apply to Category C and D gaming machines until 2012.

2.9 A total of 13 responses were received by the 25 July 2008 deadline. A list of the respondents and a summary of their main proposals are annexed to this paper. Having carefully considered all the representations received, the Minister has decided to consult on the options for stake and prize limits as summarised in paragraphs 2.3 and 2.4 above which should apply until 2012. The Commission has confirmed that in themselves the proposed options would pose little risk to the licensing objectives within the Gambling Act.

Main criteria used to develop these proposals

2.10 When considering the responses that were made to the first stage of the consultation process, Ministers' overriding priority has been to ensure that any changes to stake and prize limits would not have an adverse impact in terms of the licensing objectives of the Gambling Act 2005, and in particular that children and other vulnerable persons should be protected from being harmed or exploited by gambling.

2.11 Subject to that overriding priority, Ministers also had regard to the following considerations:

- their desire to respond positively to the representations that had been made by operators seaside arcades, bingo halls, pubs and manufacturers, many of whom had reported difficult trading conditions;
- the need to ensure that the ratio of stake to prize limit enabled machine manufacturers to develop games that customers would enjoy;
- the trend of previous changes in stake and prize limits when compared against inflation, and the need to ensure that any new stake and prize levels would provide some proofing against inflation until 2012, the date of the next review; and,
- how the stake and prize levels for Category C and D machines would fit with the current level of stake and prize levels for Category B machines, which will be reviewed next year although again with no presumption of any increase; and;
- the importance of preserving relatively soft gambling environments that provide a viable and attractive alternative to harder environments such as licensed betting offices and casinos with unlimited stakes gambling or indeed on-line gambling, by maintaining the distinction between the characteristics of category B machines and those of Category C and D machines established in 2007 by the Act and regulations.

Policy options

Category C machines

2.12 The responses to the consultation that were received ranged from a number of faith groups which proposed no change to the current level of stake and prize limits (50p/£35) and BACTA and BALPPA, which proposed stake and prize limits of £1 and £100. These suggestions in effect set the parameters for Ministers' deliberations.

2.13 Consideration was therefore given to the following options:

- (i) 50p/£35 (no change)
- (ii) 50p/£50
- (iii) 60p/£60
- (iv) £1/£70
- (v) £1/100

Impact of these options on operator revenues

2.14 Much of the evidence presented to us by many of the trade bodies continued to emphasise the difficult trading conditions that many operators were reporting. However, the amount and quality of evidence that was presented by many of the trade bodies in relation to the likely impact of different stake and prize combinations on machine revenues was disappointing. Only the BBPA provided useful estimates of the likely impact of different changes on revenue. This suggested that options (ii) and (iv) were likely to have a positive impact on pub gaming machines revenues. These ranged from an estimated maximum 8.5% increase in gross weekly revenues for option (ii) to a 15.2% increase for option (iv). It is likely that option (v) would result in even greater increases in revenues, and would have the greatest impact on the manufacturing industry, but BACTA and BALPPA which proposed this increase, provided no estimate of the likely impact that such a change would make. It was likely that all these increases would tail off over time, as the date of the 2012 review approached.

2.15 While Ministers understand the very real concerns that the Methodist Church and Quaker Action on Alcohol and Drugs expressed about any possible increases to Category C machine prize limits, and are sympathetic to the view that it was too soon to increase stake and prize limits again, they concluded that no change would not achieve their wider policy goals to assist seaside and pub operators, or help kick start increased activity in the manufacturing sector. There is also an argument that the continuing decline of relatively soft gambling environments could see some people shift to 'harder' gambling environments and that therefore even on a prudential basis there should be an increase.

2.16 The table below sets out the recent history of stake and prize increases for category C machines, or their equivalent under the previous legislation:

	Stake	Prize
1996	25p	£10
1997	30p	£10
1998	30p	£15
2001	30p	£25
2006	50p	£35

2.17 The table below sets out stake and prize limits on Category C gaming machines since 1995 set against both the retail prices index and the consumer prices index:

	1995 (Q1) Actual		2008 (Q1) (1995 + CPI)		2008 (Q1) (1995 + RPI)		Current actual	
All Cash/Cat C	25p	£10	36p	£14.38	31p	£12.51	50p	£35

2.18 It is clear from the above table that over the last 12 years there have already been substantial increases in stake and prize levels above the rate of inflation. Parliament debated the limits in October 2006 and the most recent increase was made a year earlier than planned in direct response to an earlier request for assistance from the industry. Ministers noted the suggestion made by faith groups that given this relatively recent increase it was simply too soon to increase stake and prize levels again now. As Gerry Sutcliffe made clear in his statement, he remains concerned that a further increase in such short order could perpetuate a view in some sections of the industry that ever increasing stake and prize levels are the only answer to its trading difficulties. However, on balance Ministers concluded that a further increase could be justified with a view to advancing their wider policy objective of giving some assistance to operators and the manufacturing sector, and there was a reasonable expectation that stake and prize levels should rise to provide a degree of inflation-proofing for operators during the period until the date of the next review in 2012.

2.19 Against this backdrop, Ministers considered carefully the suggestion from a number of industry groups that stake levels should be doubled to £1 (options (iv) and (v)). Ministers recognised that such an increase was likely to have the most beneficial impact for the industry, would provide maximum flexibility for manufacturers to develop new games which appeal to customers, and that while the maximum stake might be £1, the increasing development of multi-stake, multi-line machines meant that customers could potentially stake significantly less on each spin. Ministers also took into account advice from the Gambling Commission that in the wider context of problem gambling, changes up to £1 would not pose a significant threat to the licensing objectives provided that appropriate controls were put in place to limit speed of play and potential rate of loss. However, Ministers concluded that it would require strong justification to reconcile an immediate 100% increase in stake levels with the precautionary approach that they have taken to the implementation of the Gambling Act as a whole, or with the other criteria set out above. In particular they noted that:

- such an increase would be far in advance of what the industry could reasonably expect to keep pace with inflation, on top of the current stake level which has already been increased well ahead of the rate of inflation over the last ten years;
- it would bring the maximum stake (although not the prize) for Category C gaming machines in line with those for category B3 machines, which Ministers have made clear they regard as high stake, high prize gaming machines. Equalising the stake for Category C and B3 machines at £1 could remove this distinction and Ministers would not want to set up any

presumption that there will be an increase in category B3 stakes following next year's review of category B stakes and prizes.

Ministers also noted that an increase in maximum stake levels less than £1 could:

- fail to provide a sufficient incentive for operators to replace legacy Category C machines which in some cases have higher games speeds and faster rates of loss than achievable under the 60p or even the higher stake proposals; and
- alienate players interested in multi-stake and multi-prize machines, and thus tempt operators of softer gambling environments (such as arcades and bingo halls) to split existing premises in order to gain an increasingly high proportion of category B machines.

However, Ministers do not consider that an increase in Category C stake levels is appropriate to combat these problems and do not want to take Category C machines in the direction of 'harder' gambling.

2.20 Ministers also considered carefully the suggestion that prize levels on Category C machines should rise to £70 or £100 (options (iv) and (v)). They recognised that prize levels of these proportions would help make machines more attractive and so were likely to do most to increase operator revenues. Ministers also accepted that the availability of higher prize machines was more likely to encourage operators to replace legacy machines with new ones, which would invigorate the manufacturing market and provide an attractive alternative to category B machines. However, they concluded that both proposals went too far for the purposes of the current review. In particular they noted that:

- increases to prize levels of 100% or nearly 200% were incompatible with the precautionary approach that they had taken to the implementation of the Act as a whole;
- increases of these levels were significantly in advance of what the industry could reasonably expect to provide a degree of proofing against inflation; and
- a £100 prize in particular would take Category C gaming machines in the direction of harder gaming machines unless accompanied by additional restrictions on game speed and features, and in the Government's view would begin to erode the important distinction between 'harder' and 'softer' machines.

2.21 While Ministers were not persuaded of the case that has been made for options (iv) and (v) in paragraphs 2.19 and 2.20 above, they remain keen to introduce changes that would assist the industry. The only alternative proposal made by any industry group was the proposal by one manufacturer that the maximum stake remain unchanged at 50p and that the prize level be increased to £50 (option (ii)). Ministers are attracted to this option:

- it is clear from evidence submitted to the Department by the BBPA that such an increase would result in benefits to the industry, albeit not on the scale of those that were likely to accrue from larger increases;
- such stake and prize levels were likely to "work" for manufacturers and enable the manufacture of games that were likely to be more attractive to customers;
- while the increase in prize of some 42.8% was still far in advance of what the industry could reasonably expect in terms of inflation-proofing, it was unlikely to erode significantly the important distinction between high and low prize machines; and
- it would guard against any potential problems which may be associated with higher stake levels.
- Ministers also noted that no industry groups proposed a stake level between 50p and £1, and are clear that if it really was a straightforward choice between the two, then the very great

reservations that they have about an immediate doubling in stake limit would leave 50p as the only viable option.

2.22 Given that this Review will set the limits for category C machines for 3 years until 2012, we feel that a further increase in the maximum stake could be justified without a corresponding increase in problem gambling. A raise in the stake limit to 60p and prize limit to £60 (option (iii)) represents a prudential increase above 50p/£50 and would carry only a small risk in respect of problem gambling. We note however, that no representations were made in favour of a 60p/£60 stake and prize limit and would welcome views on whether this would assist in achieving Ministers' aims of addressing difficult trading conditions for the industry whilst presenting minimal risk to the licensing objectives. We would also welcome the industry's views on the practical impact of a 60p machine limit - for example, the need to stake more than one coin and the potential 40p 'residue' from a £1 stake.

2.23 Ministers believe that stake and prize limits at these levels could strike a balance between seeking to deliver assistance to the industry in view of the very difficult trading conditions many operators are now reporting and maintaining the precautionary approach to the regulation of gambling. Furthermore, they acknowledge that although stake levels have already increased at a rate significantly ahead of inflation over the last ten years or so, operators do have a reasonable expectation of some increase in stake level to provide a degree of inflation-proofing during the period until the date of the next review. The increases involved would be as follows:

- a 60p stake would equate to increases above the expected rate of inflation. Assuming the Bank of England achieves its target of 2% per annum inflation (as measured by the Consumer Prices Index) a 50p stake in 2008 would be worth around 54p by 2012¹.
- a £60 prize would equate to a 71% increase in current prize levels – in this case well head of inflation, but in Ministers' view not so great as to prejudice the important distinction between low and high stake and prize gaming machines.

Category D machines

Cash prize machines

2.24 Ministers considered the responses to the first stage of consultation against the same criteria set out in Paragraph 2.10 above. All cash Category D gaming machines, with current stake and prize limits of 10p and £5 respectively, include the only form of fruit machines that children are currently permitted to play, and this point weighed heavily in Ministers consideration of this issue.

2.25 The majority of organisations which responded to the consultation – from both the industry and problem gambling sides – recognised the sensitivity and suggested that the current stake and prize levels should remain unchanged.

2.26 A minority of respondents – one bingo operator and one in the manufacturing sector - recommended a doubling of the current stake and prize levels to 20p and £10. They presented little in the way of evidence of the likely impact of such a change on operator revenues, or to support the assertion that such a change would have no impact on problem gambling.

2.27 While ministers were mindful of their wider policy objectives to support the industry and the expectation of inflation-proofing rises, in the case of all-cash Category D machines these could not outweigh Ministers' overriding priority and obligation to protect children. They concluded that any increase in stake and prize levels would be difficult to reconcile with the licensing objectives of the Act and with the precautionary approach that they have taken to the implementation of the Gambling Act

¹ Although inflation for the Consumer Prices Index reached 4.4% in July 2008, the August 2008 Bank of England Inflation Report (<http://www.bankofengland.co.uk/publications>) predicted that it would return to the target of 2% by mid-2010. Even if inflation continued at 4.4% (which is considered unlikely) a 50p stake in 2008 would still only be worth 59p by 2012.

as a whole. On this basis they have decided not to propose any changes to the current stake and prize levels.

2.28 Ministers have committed to keep under review any emerging evidence relating to the potential harm that the ability of children to play such machines might lead to. Ministers have been granted a reserve power under the Act to raise the minimum age at which children are permitted to play such machines, and would not hesitate to use this power were evidence to emerge to justify such a course.

Non-cash prize machines (e.g. teddy bear crane grabs)

2.29 There is a broad consensus that there is no evidence that non-cash prize gaming machines (of which the crane grab is a typical example) pose any real risk to children or the wider public. These machines are a common sight at seaside arcades around the country and playing them forms an enjoyable part of many families' seaside holidays or day trips. The Minister made it clear in his statement of 25 June that he is keen to see this continue and is keen to assist seaside arcades.

2.30 The current stake and prize limits for crane grabs and other non-cash prize gaming machines have been in force since 1997 and Ministers have concluded that a significant increase to take account of inflation between 1997 and 2012, the date of the next review, might be possible without prejudicing their principal priority to protect the public. Ministers have also noted the arguments made by BALPPA and BACTA that a significant increase is necessary to increase the attractiveness of the prizes that operators are able to offer. It is important to note that the Gaming Machine (Circumstances of Use) Regulations 2007 have already banned operators from offering any non-money prizes which it would be illegal to sell or supply to a child.

2.31 On this basis, Ministers have decided to propose that the stake and prize limits for crane grabs be raised to 50p and £30 respectively.

2.32 Ministers have decided that for the time being, an increase in the prize limit to £50, which was proposed by BACTA and BALPPA would go too far. They would be keen first to monitor the impact of the current sizeable change that they are proposing before making any higher value prizes possible.

2.33 Furthermore, they concluded that for all the reasons set out above in relation to a possible £1 stake on category C machines, it would be inappropriate to increase the stake level on any Category D machine to £1. However, Ministers consider that a 66% increase to 50p would enable operators to boost the appeal of the crane grabs without eroding the important distinction between low and high stake and prize gaming machines.

2.34 Ministers are also concerned that the availability of far higher stake and non-money prize values may prompt some in the industry to explore the viability of exploiting this for other purposes. For example, there is a risk that some manufacturers may seek to develop fruit machine style games which offered non-cash prizes. There would be nothing to prevent children from playing such games under the legislation as it stands, and ministers consider that any such game development could raise concerns in terms of the licensing objectives.

2.35 On this basis Ministers have decided to propose limiting this increase to crane grabs only. Regulations will be drafted to define crane grabs for the purposes of these regulations. Ministers have decided to propose that for all other non-cash machines the current stake and non-cash prize values should remain the same.

Mixed cash prize/non-cash prize machines

2.36 There are currently a range of Category D gaming machines which offer a mix of cash and non-cash prizes. Currently such machines have a maximum stake limit of 10p and a maximum total prize of £8, of which £5 can be cash and up to the value of £3 non-cash. This has typically enabled operators of games like “coin pushers” or “penny falls” to include small non-cash prizes to vary the offer of those machines.

2.37 There is no evidence that these machines, which are a traditional feature of seaside arcades, cause any harm. The main trade bodies for the seaside arcade sector, BACTA and BALPPA, have both proposed an increase in the prize levels that such machines may offer of up to £15 – of which £8 may be a cash element and £7 non-cash. This would enable penny falls to offer a £5 note as a prize, allow for an additional £3 coin “spillage”, and enable a range of non-cash prizes to be offered. The stake level would remain the same at 10p.

2.38 While such an increase would be well ahead of inflation, ministers note that the current prize levels have been the same since 1997 and so an increase is overdue. On this basis Ministers have decided to accept the industry’s proposals for increased prize levels in respect of pushers or penny fall machines. Ministers are proposing that the prize level should rise to £15, of which £8 may be cash. The maximum stake would remain 10p.

2.39 However, again they remain concerned that these higher prize levels may encourage some manufacturers to develop new “fruit machine” style games with higher prize levels than would otherwise be permitted on category D machines. They have therefore decided to propose limiting this rise to pushers and penny fall machines, which are already separately defined in the regulations. The stake and prize limits for other machines would remain at their current level.

Prize gaming

2.40 Prize gaming was not within the scope of the Minister’s announcement or the initial consultation. However, a number of stakeholders submitted proposals in this area and it seemed appropriate to include prize gaming in this year’s review. The department’s consultation paper on prize gaming limits last year acknowledged that historically prize gaming limits had tended to be linked closely to stake and prize limits for category C gaming machines. For the purposes of this consultation paper, therefore, the Department proposes to set participation fee and cash prize limits in any premises permitted to offer prize gaming at 60p and £60 respectively in line with the proposed stake and prize limits set out in paragraph 2.3 subject to being satisfied that this will not be exploited to offer prize gaming as bingo on what would in effect be gaming machines rivalling category C machines. The remaining monetary limits on prize gaming will remain unchanged.

Next steps

2.41 There will now be a period of formal consultation. Subject to the results of this consultation, the Department will prepare a Statutory Instrument which give effect to these proposals.

2.42 The Department’s intention is to lay the statutory instrument in Parliament for Affirmative Resolution (this means the instrument will be debated in, and have to receive the approval of, both Houses of Parliament) as soon as logistically possible, with a view to the new limits coming into force no later than the beginning of the Easter holiday season 2009.

Section 3: Consultation Questions

3.1 You are invited to comment on any aspect of this consultation document. However, you may find it useful to refer to the questions below, which cover the main points on which we would particularly welcome views. Please be as specific as possible in your response.

Question 1: Do you consider that the Government's proposals for adjustments to stake and prize limits on Category C machines to 60p/£60 respectively will provide the necessary level of relief to seaside arcades, pubs and other venues that are set to benefit, and to machine manufacturers and suppliers?

Question 2: Do you consider that the Government's proposals for adjustments to stake and prize limits on Category C machines to 60p/£60 respectively will provide greater benefits when considered against the alternative option of 50p/£50?

Question 3: Do you consider that the Government's proposals for adjustments to stake and prize limits on Category D machines, and for prize gaming, will provide the necessary level of relief to seaside arcades, pubs and other venues that are set to benefit, and to machine manufacturers and suppliers?

ANNEX

Respondents to July 2008 consultation on category C and D gaming machine stakes and prizes

Barcrest

Bingo Association

British Amusement Catering Trades Association

British Association of Leisure Parks, Piers and Attractions

British Beer and Pub Association (supported by ALMR, FLVA)

British Casino Association

Business in Sport and Leisure

Carlton Bingo

Danoptra (Bell Fruit, Gamestec)

Methodist Church

Punch Taverns

Quaker Action on Alcohol and Drugs

Rank Group Plc

Summary of Respondents' Proposals

No Change (C and D)

2 respondents

Category C Increases (Currently 50p stake, £35 prize)

£1 stake/£100 prize: 5 respondents

£1 stake/£70 prize: 4 respondents

50p stake/£50 prize: 1 respondent

Category D Increases

Cash Fruit Machines: 2 respondents: 20p stake/£10 prize
(10p/£5) All other respondents: no change

Non-cash: 2 respondents: £1 stake, £50 prize
(30p/£8) 1 respondent: stake no change, £15 prize
All other respondents: no change

Cash/Non-Cash: 2 respondents: stake no change, £15 prize of which £8 cash
(10p/£8 (£5 cash) All other respondents = no change