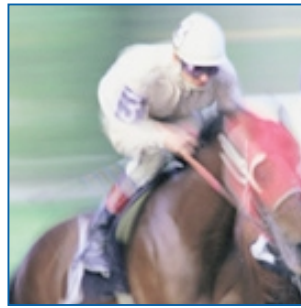
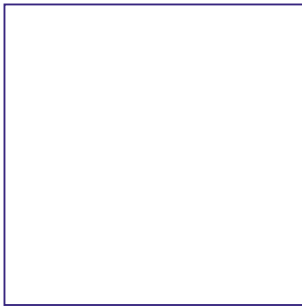


# chapter eight

## Bingo

- 8.1 Bingo is a game of chance. In return for a stake, each player receives a set of numbers that he has not chosen. The player marks off the numbers in his set against numbers which are selected at random and announced by a caller. A player wins by completing a line, multiple lines, or a full house (all the numbers in their set) more quickly than other players. A winning set must include the number which was called last. A player invalidates his win if he does not call out quickly enough; the pace of the game is determined by the speed of the caller. The length of the game is determined, not only by the speed of the caller, but also the number of players, the proportion of numbers that constitute a win, and the range of numbers in the selection.
- 8.2 The paper-based games in which numbers are daubed or marked off are a common type of bingo but many clubs also offer mechanised cash bingo which typically uses a fixed plastic board with shutters.
- 8.3 Bingo game variations include linked bingo and multiple bingo:
- linked bingo is where two or more clubs combine to play a joint game of bingo. Pooling the money from stakes enables the clubs jointly to offer greater prizes
  - multiple bingo, often known as the National Game, is played by clubs across the country. The larger number of clubs playing creates a larger pool of stakes from which prizes are taken. The Gaming Board reports that weekday games generate a maximum national prize of £100,000, with additional regional and house prizes. The Sunday game currently has a prize of £200,000: the ticket price for this game is 50p.<sup>1</sup>
- 8.4 There are two main types of bingo: cash bingo, where cash can be won, and prize bingo, where prizes are won.
- Cash bingo is primarily a commercial activity and is controlled by the Gaming Act 1968. Commercial bingo can only be played at premises regulated by the Gaming Board. It may be played non-commercially in other clubs.
  - Prize bingo is a game played in seaside amusement arcades, travelling funfairs or as a game played in the intervals between cash bingo games at commercial clubs.<sup>2</sup> It is covered by the Lotteries & Amusements Act 1976 as far as arcades are concerned. It is, however, played under the 1968 Act in bingo clubs.
- 8.5 Under the Gaming Act 1968, cash bingo is permitted in a restricted number of premises: licensed proprietary clubs (such as commercial bingo clubs), registered members' clubs (such as working men's clubs) and miners' welfare institutes subject to control from the Gaming Board and the local licensing authorities. Most bingo should take place within this main scheme although there are some exceptions where gaming is also allowed:
- gaming in the home
  - gaming in certain clubs and institutes where chances are equal as between players, subject to restrictions on charges for taking part
  - certain minor gaming on premises licensed under the liquor licensing laws
  - gaming at certain entertainments, not for private gain
  - gaming by way of amusements at bazaars and fetes
  - gaming by way of amusements with prizes at commercial entertainments.<sup>3</sup>
- 8.6 Most bingo is played in licensed bingo clubs or private clubs.
- ### Licensed bingo clubs
- 8.7 Bingo may be played in premises licensed under Part II of the Gaming Act 1968. In order to play licensed bingo a certificate of consent from the Gaming Board is required currently costing £3,260 (grant) and £2,630 (transfer). After acquiring the certificate of consent, the club then needs to obtain a licence from the local licensing authority at a cost of £2,940 initially (£1,030 for a transfer licence) and £1,357 annually on renewal. As with casinos, the Gaming Act 1968 places a responsibility on licensing authorities to consider the demand for gaming before granting a licence and gives them discretion to refuse an application if unmet demand is not demonstrated. The club may levy charges for play. There is no limit on stakes, which must be returned to players in full as winnings (less any bingo duty). Only eligible members of the club and their bona fide guests may take part in the bingo. Persons under 18 may be present in the room while bingo is taking place but must not play.<sup>4</sup>



### Private Clubs

- 8.8 Bingo can be played as one of the activities in a club under section 40 of the Gaming Act 1968. The club must be permanent; have at least 25 members and no public access is permitted. Not more than 60p per person per day may be charged for taking part in the bingo, although there is no limit on stakes, which must be distributed in full as winnings. There are no age limits on who may play.<sup>5</sup>
- 8.9 If a club wishes to charge more than 60p a day, then it must be a bona fide members' club and registered under Part II of the Gaming Act with the local licensing authority (current cost of registration is £210 on grant for one year and £105 on renewal). Clubs can charge up to £2 entrance plus stake. There is no limit on stakes, which again must be distributed in full as winnings. No person under the age of 18 may be present in the room while bingo is taking place.<sup>6</sup>
- 8.10 Gaming Board figures indicate that at 31 March 2000 there were 1,100 clubs registered under Part II of the Gaming Act. There is no requirement for premises which play bingo under section 40 to register with the Gaming Board so there are no definitive figures on numbers.

### Punters

- 8.11 Surveys have shown that bingo players are most likely to be older women and in social class V. The ONS

survey found that women were twice as likely as men to play bingo. However it also found that bingo was most popular in two age groups: those over 75 and those aged 16-24.<sup>7</sup> The Prevalence Survey shows that, within the last year, 5% of men and 10% of women reported playing bingo. The highest scores were among those aged over 65. The smallest percentage was among the 45-54 year olds.<sup>8</sup>

- 8.12 The Prevalence Survey found that of all the gambling types surveyed, playing bingo was most closely related to social class, ranging from 3% in Social Class I to 20% in Social Class V. (see figure 8.i). Bingo is popular in the north (16%) and Scotland (20%), and less so in London (6%).<sup>9</sup>
- 8.13 According to the Bingo Association, 27% of those playing are without a partner.<sup>10</sup> Research in 1995 identified two major groups of bingo players: afternoon players and evening players. The common characteristics are shown in figure 8.ii

### Admissions

- 8.14 The industry estimates that there are some 3 million active members of bingo clubs.<sup>11</sup> The Bingo Association reports that, despite considerable investment, the total number of admissions has not increased for over a decade. In 1999, there were an estimated 95 million admissions, with a continued overall decline.<sup>12</sup>

	Social class %						Total
	I	II	IIINM	IIIM	IV	V	
Bingo	3	4	8	8	11	20	7

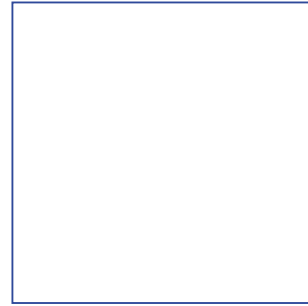
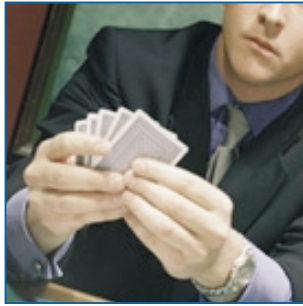
Figure 8.i: Bingo participation by social class

Afternoon players	Evening players
<ul style="list-style-type: none"> <li>• Over 55</li> <li>• Been playing bingo for 20yrs+</li> <li>• Majority without a partner</li> <li>• Retired</li> <li>• Play bingo more frequently than evening players but spend less per visit</li> <li>• Strong loyalty to individual club</li> <li>• Greater emphasis on domestic concerns ie. Food quality and drink, friendliness of club</li> </ul>	<ul style="list-style-type: none"> <li>• Younger on average but all ages represented</li> <li>• 33% had played for 20yrs +</li> <li>• 25% had played for less than 3yrs (18-25yr)</li> <li>• Players visited less but spent more</li> <li>• Greater inclination to switch clubs if offered better prizes or facilities</li> </ul>

Figure 8.ii: Characteristics of afternoon and evening bingo players

Source: Sproston, Erens & Orford (2000)

5- Ibid 6- Ibid 7- Office for National Statistics (2001) 8- Sproston, Erens & Orford (2000) 19 9- Office for National Statistics (2001) 10- Bingo Association (2) (2000) 11- Gaming Board for Great Britain (2000) 32 12- Bingo Association (2) (2000) 6



### Average spend

- 8.15** There are a number of ways of calculating the amount spent by individual players on bingo. The industry estimates that, in general terms, the average customer spends £15-20 a night at bingo (making no allowance for winnings) including entrance, bingo tickets, other gaming and refreshments. Industry figures show a net spend per visitor on bingo tickets of £8.44.<sup>13</sup> (This is the average amount spent per player, net of winnings and all other spending within the club.) The Prevalence Survey surveyed the amount spent on bingo tickets (stake only) each week. On average, women had spent £7.90, compared with £5.10 by men. Overall, the mean stake for bingo per week was £7.20. This was over twice as high as the average stake for the other three activities surveyed in the same grouping (the National Lottery Draw, other lotteries and the football pools). The percentage of people who had spent at least £10 was considerably higher than for the other activities. One in four women who had played bingo in the last week had spent over £10 on tickets.<sup>14</sup>

## The Industry

- 8.16** The information in this section relates to licensed bingo clubs.

### Trade Association

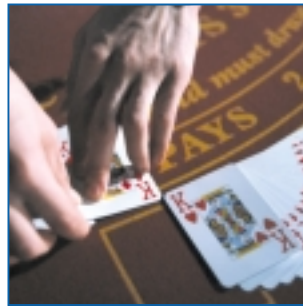
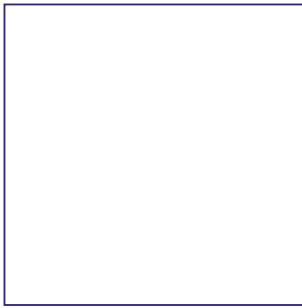
- 8.17** From 1996, two trade associations represented the bingo industry, the Bingo Association of Great Britain and the British Bingo Operators Association. The two trade associations merged in 1998 to form the Bingo Association. The Bingo Association now represents 111 operators with 540 clubs, accounting for 74% of the industry.<sup>15</sup>

### Industry size and structure

- 8.18** Bingo club numbers peaked in 1974 when there were over 1,800 licensed bingo clubs.<sup>16</sup> The number of licensed clubs gradually declined in the 1980s. By 1990, there were 1,011. The number fell further over the next decade. The Gaming Board reported in 1999-2000 that there were 743 clubs holding gaming licences.<sup>17</sup>
- 8.19** The two largest operators are currently Gala Leisure and Mecca Bingo. Between them, they operate around 40% of all the bingo clubs in Britain. Gala Leisure is the largest operator of licensed bingo clubs with 173 clubs across Britain.<sup>18</sup> It has operated bingo clubs since the early 1970s. Mecca Bingo Limited is part of the Rank Organisation and operates 124 bingo clubs around the UK.<sup>19</sup> Mid-sized operators hold licences for less than 30% of clubs. One operator holds certificates of consent for 40 clubs and another for 25 clubs. Other mid-size operators hold certificates of consent for between 5 and 19 clubs. The remaining one-third of certificates is held by singleton operators or by those with fewer than five clubs. Around 90 clubs are sited in holiday camps, some of which only operate on a seasonal basis.<sup>20</sup>

### Industry trends

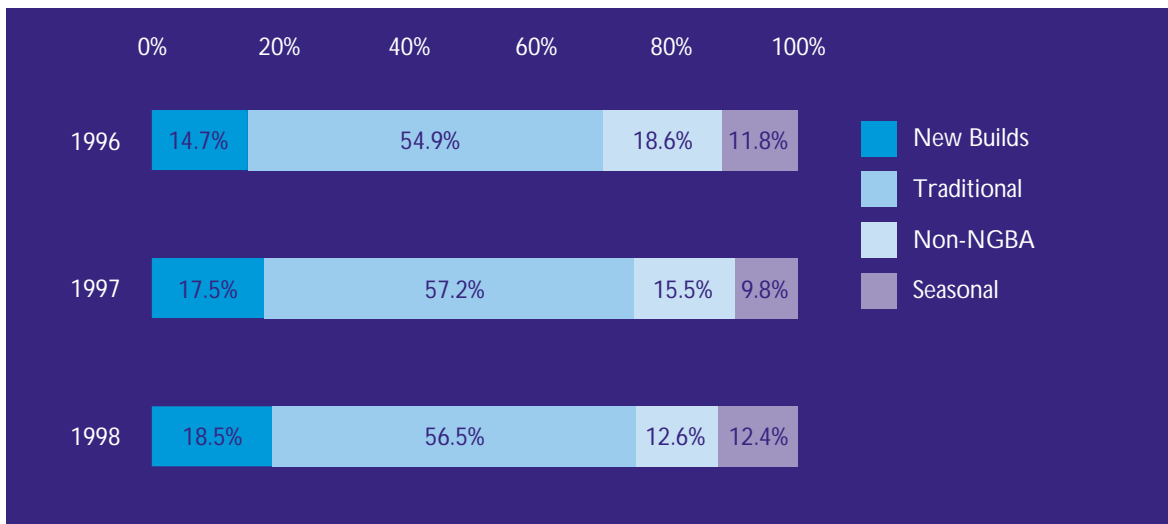
- 8.20** The Bingo Association split the industry into four categories of club:
- new builds, which are newly constructed, purpose built bingo clubs;
  - traditional clubs, which are old style bingo halls;
  - non-National Bingo Game Association (non-NBGA); and
  - seasonal clubs, typically found at the seaside or in holiday camps.



- 8.21 Over half of all bingo clubs are traditional clubs. The structure of the industry is shown in figure 8.iii.
- 8.22 The Bingo Association reports that whilst the majority of "new builds" are attracting over 5,000 admissions a week, over two-fifths of clubs are not generating sufficient admissions to bring them into profit. Many of the clubs are not meeting the expected targets for admissions and have capacities which far outweigh their usage. Nearly two-thirds of "new build" clubs are owned by the two largest bingo operators, Gala and Mecca. A further 20% are owned by medium-sized operators. The largest operators are often able to offset losses made within one part of their operation against another, in anticipation of profits in the long term. A significant majority of traditional and

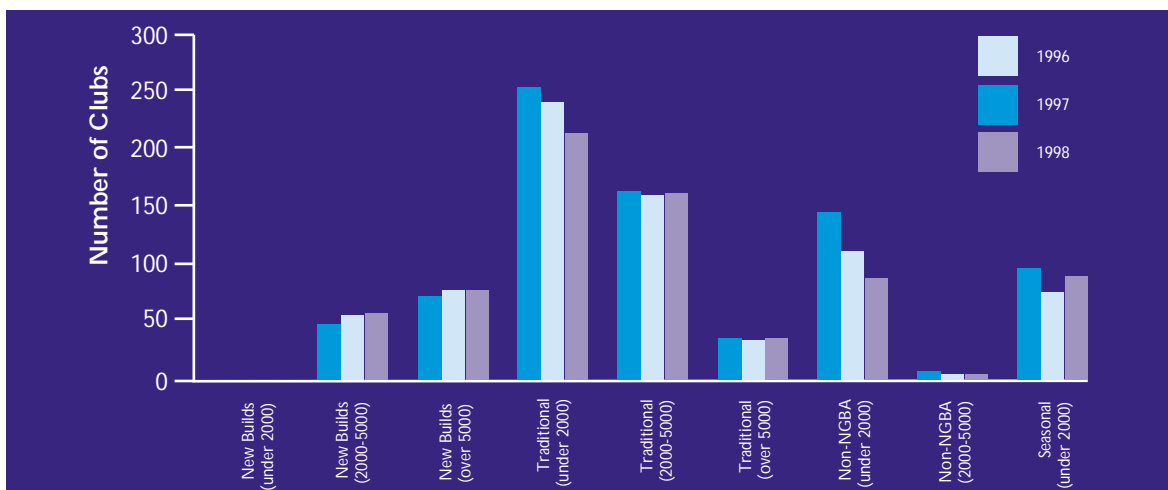
neighbourhood club operators are single-site operators. There has been industry concern that such companies cannot sustain continued losses.<sup>21</sup>

- 8.23 The Gaming Board Report for 1999-2000 states that it believes that the reduction in the total number of bingo clubs has been offset to some extent by an increase in the average size of the clubs, although recently, the rate of closures has fallen.<sup>22</sup> The overall profitability of clubs rose for the first time in three years in 1998 and initial figures for 1999 also showed an increase in profitability. The Bingo Association attributes the increased profitability to a combination of closures, consolidation and cost-cutting. Figure 8.iv shows the changes in total club numbers between 1996-1998.



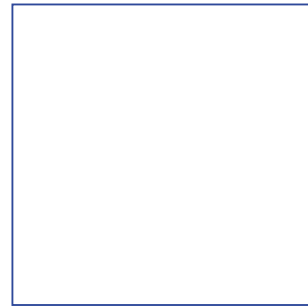
Source: Bingo Association (2) (2000)

Figure 8.iii: Types of bingo clubs



Source: Bingo Association (2) (2000)

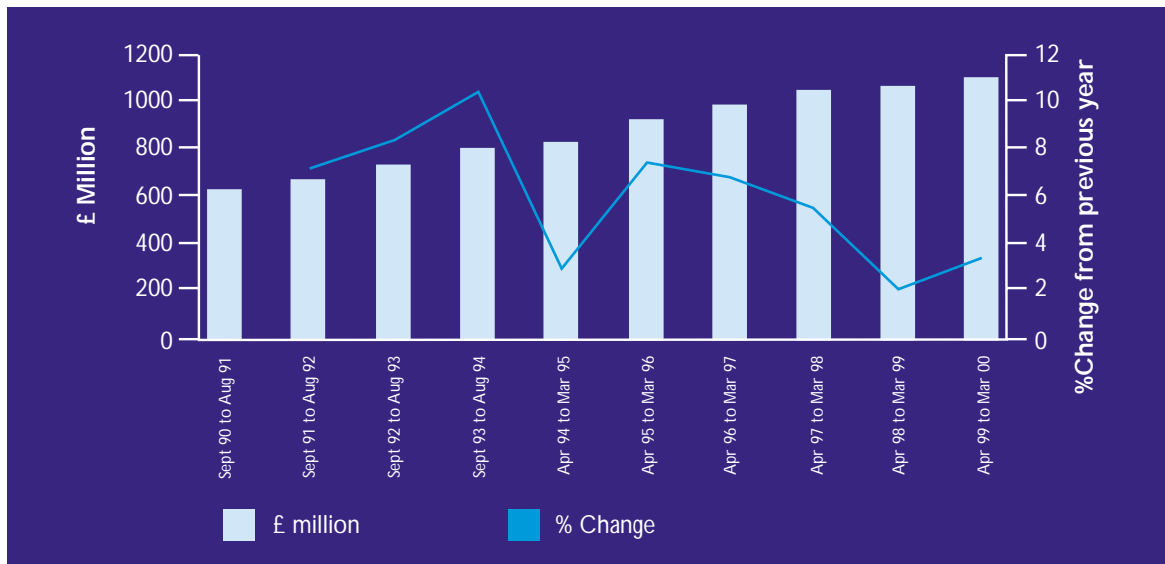
Figure 8.iv: Numbers of bingo clubs, by types



### Turnover

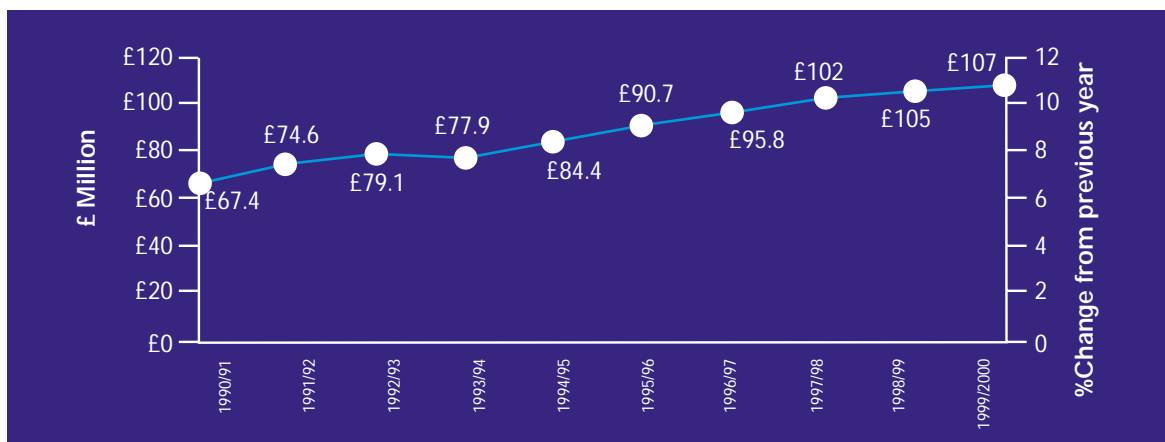
8.24 There is a limited amount of data available on the value of bingo because of the limited registration requirements. Most of the data available concern only licensed bingo clubs. As figure 8.v shows, the Gaming Board reports that the overall amount staked in licensed bingo clubs was £618m in 1990-91 and £1,076m in 1999-00. The actual amount staked has risen steadily over the last decade although the year-on-year percentage growth has fluctuated. During the

same period, the amount of duty collected from bingo has grown from £67.4m in 1990-91 to £107.5m in 1999-00. Currently, bingo duty is charged at 10% of the money staked by players, plus 1/9th of the amount by which the weekly value of prizes exceeds the duty-exclusive value of the stakes. Bingo duty is charged on cash bingo clubs (licensed under part II) and some members' clubs which provide bingo on a substantial scale.<sup>23</sup> Figure 8.vi shows the actual value of the duty collected over the last decade.



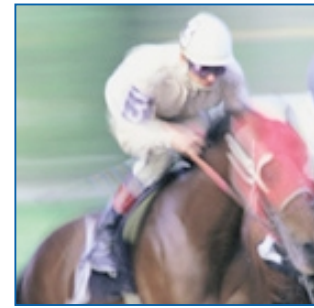
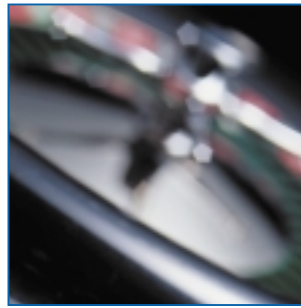
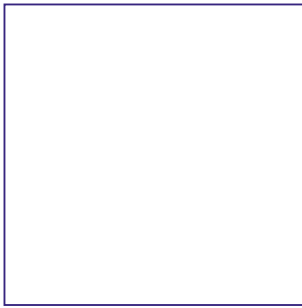
Source: Gaming Board for Great Britain (2000)

Figure 8.v: Amount staked on licensed bingo



Source: Customs & Excise

Figure 8.vi: Duty collected, 1990-2000



**8.25** In 1996, the bingo industry reported revenues of £600.5m. In 1997, this increased by 8.9% to £653.7m and again by 3.5% in 1998 to £676.9m. Net profit dropped by 12.5% between 1996 and 1997 but increased to £80.4m in 1998. This is shown in more detail in figure 8.vii.

**8.26** The data on turnover include the revenue from gaming and jackpot machines in bingo clubs. Figures supplied by the Bingo Association suggest that the income derived from bingo is likely to form a minority of a bingo club's income. They suggest that the proportions of income are:

- 25-30% from mechanised cash bingo;
- 25-30% from gaming machines;
- 20% from bingo.

**8.27** The remaining income comes from services such as entry charges, catering and drinks.<sup>24</sup> As all bingo stakes must be returned to players in full as winnings (less any bingo duty), bingo operators primarily make their profits from the cost of entry, mechanised cash bingo and gaming machines.

### Employment

**8.28** The latest Gaming Board Report states that the industry estimates that around 21,000 people are employed in the bingo industry.<sup>25</sup> The largest bingo operator, Gala Leisure, employs about 6,700 staff.<sup>26</sup>

		1996(£m)	1997(£m)	1998(£m)
Revenues	Main stage bingo par fee	129.9	102.3	105.1
	Other gaming revenues	334.5	404.8	423.5
	Food and drink	88.5	95.8	95.6
	Admissions (box office)	43.7	45.9	45.6
	Other revenue/incomes	3.8	4.8	7.2
	<b>TOTAL</b>		<b>600.5</b>	<b>653.7</b>
Costs	Licences	11.6	10.8	13.7
	Added prize money	29.8	34.5	37.5
	Advertising & promotions	32.6	51.6	46.0
	Property costs	70.0	74.6	86.3
	Total staff costs	182.2	202.1	188.0
	Other costs	195.4	211.1	225.2
	<b>TOTAL</b>		<b>521.6</b>	<b>564.7</b>
<b>NET PROFIT</b>		<b>78.9</b>	<b>69.0</b>	<b>80.4</b>

Figure 8.vii: Bingo industry revenue and cost

Source: Henley - Centre - Bingo Association submission to the GRB