# **[Measures relating to the land-based gambling sector](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector)**

Published 26 July 2023

**Executive summary**

The Gambling Act Review [white paper](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age) published in April 2023 set out the government’s plans for modernising the regulation of gambling in Great Britain. This included a number of measures to adjust outdated regulatory restrictions applying to the land-based gambling sector. Restrictions on supply were originally viewed as an important protection in the 2005 Act, but in the light of the availability of remote gambling the characteristics of products and quality of monitoring have assumed greater importance. The proposals that we are consulting on are outlined below.

**Casino measures**

The size of Britain’s land-based casino sector has remained relatively flat in recent years, in contrast to an expanding online market. Since the Gambling Act 2005, land-based casinos have operated under two licensing regimes with different requirements in terms of the type and volume of product they are able to offer, as well as venue size. With technological developments, land-based casinos have been able to introduce a greater range of customer protections and the experiences of applying these across each type of licence have provided insight on the likely impact of any proposed changes.

Measures that we are seeking views on are intended to address inconsistencies between the different types of casino licence, as well as levelling the playing field to an extent between land-based and online operators. These are: (i) increasing gaming machine allowances for 1968 Act casinos; (ii) changes to the machine-to-table ratio for 1968 Act and 2005 Act Small casinos; (iii) changes to size requirements for 1968 Act and 2005 Act Small casinos; and (iv) permitting real event betting in 1968 Act casinos.

**Machine allowance in arcades and bingo halls**

Arcades and bingo premises are subject to an 80/20 rule which governs the balance of Category B (maximum £2 stake) and Category C or D machines in these venues (up to a maximum £1 stake). Currently, no more than 20% of the total number of gaming machines on these premises can be Category B; the remaining machines must be of a lower category (i.e. C or D). The white paper proposed to reform the 80/20 rule in response to evidence that the current rule does not allow operators to adequately meet consumer demand, while still providing a balanced product offer to customers.

The aim of this consultation is to establish a new framework for gaming machine allowances which allows operators greater commercial flexibility, avoids the situation where machines with low customer demand must be provided, maintained and kept switched on, and provides customers with a genuine choice of higher and lower stake machines. To achieve this, we are consulting on options for amending the 80/20 rule to a new requirement that 50 percent of machines must be Category C or D. We are also seeking views and evidence on what the impact would be if the 80/20 rule were to be removed completely.

**Cashless payments on gaming machines**

There have been substantial changes to how consumers make payments in society since the ban on direct debit card use on gaming machines. Without intervention, there is a risk that machines could become obsolete as we move towards a “cashless” society. In order to future proof the gaming machine industry and adapt to modern payment technologies, we are seeking views on a range of player protections that will ensure players can use modern payment methods whilst mitigating the risk of harm. The player protections we are seeking views on include: account holder authorisation, a cashless maximum transaction value, minimum transaction times, bespoke safer gambling messaging, as well as the display of net position and session time.

**Introduction of an age limit on ‘cash-out’ slot-style Category D machines**

Unlike most commercial gambling, Category D gaming machines, which include coin pushers and crane grabs, are not restricted by age. In response to concerns that ‘cash-out’ slot-style Category D machines (though limited to a 10p stake) share similarities with higher stake machines restricted to adults, members of Bacta (arcades trade association), implemented in 2021 a voluntary commitment to ban children and young persons under the age of 18 from playing them. We propose to move the voluntary commitment into legislation, introducing a legal age limit of 18 on Category D ‘cash-out’ slot-style machines. We do not propose that these machines should be required to be moved to an age-restricted area.

**Licensing authority fees**

Licensing authorities (local authorities in England and Wales and licensing boards in Scotland) are responsible for licensing gambling premises, in parallel with the Gambling Commission licensing of operators. They collect fees for applications and annual renewals to cover the costs of gambling licensing and enforcement (and the fees can only be used for such costs). The sectors which pay these fees are casinos, bingo halls and bingo-licensed arcades, adult gaming centres, family entertainment centres and betting shops. In England and Wales, a cap is set in secondary legislation on how much local authorities can charge, and this has not been changed since 2007. In order to ensure local authorities can continue to carry out their licensing and enforcement duties effectively, we are proposing to raise this cap by either 10%, 20% or 30%.

**Chapter 1: Casino measures**

**Gaming machine allowance for 1968 Act casinos**

**Current regime**

Casino licences originate from two legislative regimes - the Gaming Act 1968 and the Gambling Act 2005. Depending on the type of casino licence an operator holds, they are able to site a different number of gaming machines, and may be bound by other restrictions including a maximum machine-to-table ratio and limitations on their size and non-gambling area.

Casinos originally licensed under the 1968 Act are limited to a maximum of 20 gaming machines of Category B, C and D if at least one machine is Category B, or an unlimited number of Category C and D machines. In practice, operators elect to site Category B machines and typically have an offering of 20 Category B1 machines. These limits are higher for 2005 Act casinos – up to 80 machines for Small casinos subject to a 2:1 gaming machine to table ratio, and up to 150 machines for Large casinos subject to a 5:1 gaming machine to table ratio for Category B, C or D machines (except B3A machines). The white paper set out the government’s intention to bring the two regimes closer together, with similar requirements on machine numbers proportionate to size, non-gambling area and gaming tables.

**Figure 1: Current rules on casinos for maximum number of Category B machines and the machine to table ratio**

| **Current rules on casinos** | **1968 Act** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- |
| Maximum no. of Category B machines | 20 | 80 | 150 |
| Machine to table ratio | None | 2:1 | 5:1 |

**Rationale for change**

As outlined in the [**white paper**](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age/high-stakes-gambling-reform-for-the-digital-age#chap6), it is our intention to bring greater coherence to the licence system by allowing 1968 Act casinos of a certain size to have the same gaming machine allowance as Small 2005 Act casinos. We also intend to permit a smaller increase in machines for venues that do not meet these size requirements, proportionate to overall size and non-gambling area. We have considered the potential risk of harm from increasing the machine allowance but we think that the mix of products is appropriate for the highly regulated environment of a casino, and that a number of tools are available to casino operators to protect players on machines.

While online operators are able to track play precisely and apply more tailored player protections, land-based casinos have adopted a range of measures in recent years that have enhanced player protections and tracking. This includes many casinos monitoring customer expenditure across all gaming products, enhanced due diligence measures with trigger values for spend and loss applied to customers and algorithmic systems that use predictive models to identify customers at risk. The Gambling Commission will also undertake a review of gaming machine technical standards, to include assessment of the role of session limits across Category B and C machines and the role of safer gambling tools. Our rationale for making this change is outlined in further detail below.

**Correcting regulatory failure:** The current regulation has created incentives for casinos that were not intended. For example, the 2:1 ratio of machines to tables in 2005 Act Small casinos forces operators to provide tables for which there is no customer demand, which alongside the fixed locations to which the licences were allocated in 2007, has contributed to making them commercially unattractive for development. Only 4 of the 8 Small casino licences have been developed, one has since closed, and none offer the maximum allowance of 80 gaming machines as it would be impractical to site the necessary tables. The rules have also incentivised holders of multiple 1968 Act casino licences to operate them as separate entities in the same premises for the purpose of increasing machine numbers. The current estimate is that 90 out of 122 casinos are limited to 20 gaming machines, regardless of overall size. A further 25 casinos have multiple licences within one premises, allowing them to supply 40 or 60 machines.

**Reducing session lengths:** At busy times, demand for machines in larger 1968 Act casinos outweighs supply as there are more players than machines available (in one instance by a factor of 70). Evidence suggests that this can make customers who have secured a machine reluctant to take a break as they may be unable to play again. Data provided for a London casino over a four-week period in October 2019 showed a clear correlation between average dwell time and occupancy rates. Data was also provided on the increase in session times at busy periods in a 1968 Act casino, compared to a 2005 Act casino of comparable size. Allowing 1968 casinos to increase their machine offering above their current allowance of 20 could result in greater customer willingness to take breaks, which will likely increase reflection and reduce risk.

**Enabling land-based casinos to be more competitive against remote casinos:** Land-based casinos are in competition with the online sector, which is able to offer a far greater variety of games with no limits on supply. The number of gaming products that land-based casinos can provide will always be constrained by physical space in a way that online casinos are not, but this is made worse by the existing caps on numbers. Land-based casinos, which provide employment and contribute to the night-time leisure and tourism economy, were like other sectors of that economy severely impacted by the COVID-19 pandemic. Ensuring that regulation of land-based and online sectors is more equitable will assist recovery and enable the sector to remain viable. As set out in the white paper, the availability of gaming machines in British casinos is also very low compared to international jurisdictions, and an increase will help to meet the expectations of overseas visitors.

**Government proposals**

**Increased machine allowance to 80**

Where casinos whose licence originated under the Gaming Act 1968 meet the minimum gambling space requirements of a 2005 Act Small casino, our white paper proposed that they should be eligible to site the same number of gaming machines, subject to meeting other requirements such as on non-gambling area and a machine to table ratio of 5:1.

**Figure 2: Current and proposed number of Category B machines for different types of casinos**

| **Maximum no. of Cat. B machines (£5/£10,000 stake/prize limit)** | **1968 Act (smaller than 2005 Act Small)** | **1968 Act (at least the minimum size of a Small)** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- | --- |
| Current | 20 | 20 | 80 | 150 |
| Proposed | Subject to sliding scale, proportionate to size | 80 | 80 | 150 |

**Sliding scale**

In order to be entitled to an allowance of 80 gaming machines, 1968 Act casinos will need to comply with the same minimum requirements as a Small 2005 Act casino on gambling, table gaming and non-gambling area. The minimum table gaming area for Small 2005 Act casinos, which is currently 500sqm, will be reduced to 250sqm to align the minimum space requirements for these different regimes. They will also need to have a machine to table ratio of 5:1 as Small 2005 Act casinos will also be permitted this new machine to table ratio as outlined below. Where 1968 Act casinos are smaller than these requirements, we have proposed that they are able to benefit from an increased number of machines on a pro rata basis commensurate with their size and non-gambling area, and subject to the same ratio. A proposed solution in the form of a sliding scale is outlined below.

**Figure 3: Proposed sliding scale for 1968 Act casinos**

| **Minimum gambling area (sqm)** | **Minimum table gaming area (sqm)** | **Minimum non-gambling area (sqm)** | **Max number machines** | **Tables to attract max. machines** |
| --- | --- | --- | --- | --- |
| 500 | 250 | 250 | 80 | 16 |
| 480 | 240 | 240 | 75 | 15 |
| 460 | 230 | 230 | 70 | 14 |
| 440 | 220 | 220 | 65 | 13 |
| 420 | 210 | 210 | 60 | 12 |
| 400 | 200 | 200 | 55 | 11 |
| 380 | 190 | 190 | 50 | 10 |
| 360 | 180 | 180 | 45 | 9 |
| 340 | 170 | 170 | 40 | 8 |
| 320 | 160 | 160 | 35 | 7 |
| 300 | 150 | 150 | 30 | 6 |
| 280 | 140 | 140 | 25 | 5 |

Further detail on the different gambling and table gaming space requirements are outlined later in this chapter.

**Casinos with multiple premises licences**

Currently, a number of 1968 Act casinos operate more than one premises licence at the same physical location. In these instances, the parent premises may be adjoined by an ‘electric casino’ that consists largely of gaming machines with a very limited table offer. Around 25 1968 Act premises licences trade as e-casinos, adjacent to other licences. Where a casino has two premises licences, an operator is able to site 40 gaming machines in the same building; and where an operator has three licences, 60 gaming machines. However, there must be some degree of physical separation between the licensed premises in order for the operation of these separate licences to be permitted.

[Part 1 of Schedule 1 to the Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007](https://www.legislation.gov.uk/uksi/2007/1409/schedule/1/part/1/made) sets out a number of mandatory conditions that are attached to all casino premises licences. These include that the principal entrance to the casino must be from a [street](https://www.legislation.gov.uk/uksi/2007/1409/schedule/1/part/1/made) and that no customer is able to enter the casino from any other premises holding a casino, bingo, adult gaming centre (AGC), family entertainment centre (FEC) or betting premises licence (or from premises where an FEC, club gaming and club machine, or licensed premises gaming machine permit has effect).

The Gambling Commission’s guidance to licensing authorities ([see Part 7: Premises licences – sections 2 to 4](https://www.gamblingcommission.gov.uk/guidance/guidance-to-licensing-authorities/part-7-premises)) also sets out a number of factors that should be considered when reviewing applications for multiple activity premises. For example, the Commission advises that licensing authorities should be aware of whether the entrances to and exits from parts of a building, covered by one or more premises licences, are separate and identifiable so that the separation of different premises is not compromised. The advice also states that in determining whether two or more proposed premises are truly separate, the licensing authority should consider questions such as: “Is the premises’ neighbouring premises owned by the same person or someone else?” and “can the premises only be accessed from any other gambling premises?”

Under the increased gaming machine allowances that we propose, if a venue held multiple premises licences, it could theoretically gain access to 80 gaming machines per licence. For example, a casino with two premises licences that meets the size and physical separation requirements could site 160 machines - more than a Large 2005 Act casino. Although this might be unlikely to happen in practice (discussions with industry have highlighted that Large casinos do not reach 100% occupancy on their machines even at peak times, and there are physical constraints by which venues can expand), we would like to ensure that the limits placed on machine entitlements are not undermined or sidestepped by the use of multiple licences within what could only reasonably be described as one venue.

Therefore, we would like to understand whether licensing authorities consider that they have the powers they need to ensure that the current rules can be adequately enforced. This relates to ensuring that casinos which share the same building, or adjoin or are adjacent to another casino, are wholly distinct and separate from one another. Each should have its own casino premises licence and its own principal entrance from a street, and it must not be possible to enter one of them from other gambling premises.

If licensing authorities do not feel like they have the powers they need, we would like to know whether any changes could be made to the regulatory framework to address this issue. We are also interested in the thoughts of any other respondents who have views on this issue.

**Casinos that do not site more than 20 machines**

1968 Act casinos with a gambling area of at least 280sqm will be able to exercise the increased gaming machine entitlements shown in [Figure 3](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#fig3). While we anticipate that many casinos of a suitable size will take up the option to increase their gaming machine allowances under these proposals, we are aware that some casinos will not want to site more than 20 gaming machines. It is our intention that these casinos can continue to operate under the existing regime, whereby they are permitted no more than 20 machines where at least one is of Category B (or they may elect to have any number of Category C or D machines instead). As at present, a 1968 Act casino with a gambling area of at least 200sqm would also need to provide a non-gambling area equivalent to at least 10% of its total gambling area.

If a casino decides to increase its machine offering to more than 20 (including at least one Category B machine), we propose that the casino will move onto the new regime and be required to comply with additional requirements on size, table gaming and non-gambling area, and be subject to a machine to table ratio of 5:1. The implications for operating and premises licence fees, bringing 1968 Act casinos in line with existing fee scales for 2005 Act casinos, are also discussed later in this chapter. Casinos would not have the option of reverting back to their legacy rights under the existing regime, once they decide to increase their machine allowance in this way.

**Summary of proposals**

1968 Act casinos will be entitled to an enhanced gaming machine entitlement if their gambling area is at least 280sqm.

1968 Act casinos that have a gambling area of at least 500sqm will be eligible for the same number of machines as permitted in a Small 2005 Act casino.

1968 Act casinos that are smaller than the configurations of a 2005 Act Small casino but have a gambling area equal to or greater than 280sqm will be able to increase their gaming machine allocations on a pro rata basis commensurate with gambling area.

1968 Act casinos will move to the new regime once they elect to increase their enhanced entitlement to gaming machines, becoming subject to the mandatory premises licence conditions and fee scales of a 2005 Act casino.

Casinos with multiple licences at the same physical location could site more than 80 machines under the new regime - it is not clear whether the current rules are clear enough to prevent this situation from arising in practice.

**Consultation questions**

**Q1.a. Do you agree with the proposed gaming machine entitlements based on the sliding scale for (i) gambling space; (ii) table gaming space (iii) non-gambling area; and (iv) machine-to-table ratio?** (Mandatory response)

[Yes / No / I don’t know]

**Q1.b. Please explain your answer. If you selected ‘No’, please provide an alternative proposal for gaming machine entitlements if you have one.** (Optional response)

[Open text box]

**Q2.a. If you are an operator, do you intend to take up these new entitlements?** (Mandatory response)

[Yes / No / I don’t know / Not applicable]

**Q2.b. [Shown if Yes is selected] Do you intend to site the maximum number of machines available to you?** (Mandatory response)

[Yes / No / I don’t know]

**Q2.c. Please explain your answer.** (Optional response)

[Open text box]

**Q3.a. If you are an operator with more than one premises licence at the same location, do you intend to take up these new entitlements for each licence?** (Mandatory response)

[Yes / No / I don’t know / Not applicable]

**Q3.b. Please explain your answer.** (Optional response)

[Open text box]

**Q4.a. Do you perceive there to be any issue with allowing multiple casino licences in the same physical location if gaming machine entitlements are increased as proposed?** (Mandatory response)

[Yes / No / I don’t know]

**Q4.b. Please explain your answer, including any suggested changes to the regulatory framework where applicable.** (Optional response)

[Open text box]

**Q5.a. How do you expect the measures allowing more gaming machines in 1968 Act casinos that meet certain size requirements to affect the demand for gaming machines in casinos?** (Mandatory response)

[Large increase in demand / Small Increase in demand / No change in demand / Small decrease in demand / Large decrease in demand / I don’t know]

**Q5.b. Please explain your answer.** (Optional response)

[Open text box]

**Q6.a. How do you expect the measures allowing more gaming machines in 1968 Act casinos to impact the provision of other product offerings within casinos e.g. table gaming?** (Mandatory response)

[Large increase in the provision of other product offerings / Small increase in the provision of other product offerings / No change in provision of other product offerings / Small decrease in the provision of other product offerings / Large decrease in the provision of other product offerings / I don’t know]

**Q6.b. Please explain your answer.** (Optional response)

[Open text box]

**Q7.a. The government is proposing to operate two regimes for 1968 Act casinos whereby they can either operate under the existing rules with no increase to their gaming machine allowance or they can take up their new gaming machine entitlements under the new rules. Do you agree with this proposal?** (Mandatory response)

[Yes / No / I don’t know]

**Q7.b. Please explain your answer.** (Optional response)

[Open text box]

**Q8. Please provide any views or any other information on the adequacy of player protections for those using gaming machines in casinos. Please include any examples of best practice if possible.** (Optional response)

[Open text box]

**Changes to the machine to table ratio**

**Current regime**

A requirement for casinos licensed under the 2005 Act is a maximum machine to table ratio: the number of gaming machines that a casino is able to site is limited by reference to the number of gaming tables used in that casino. [The Gambling Act 2005 (Gaming Tables in Casinos) (Definitions) Regulations 2009](https://www.legislation.gov.uk/uksi/2009/1970/made) makes provision as to how references to “gaming tables” should be interpreted in this context. This clarifies that wholly automated gaming tables are not gaming tables for the purposes of [section 172(3) to (5) of the Act](https://www.legislation.gov.uk/ukpga/2005/19/section/172). In the case of Large 2005 Act casinos, this ratio is 5:1 (machines to tables), and in the case of Small 2005 Act casinos it is 2:1. This requirement was intended to ensure a balanced offer of gaming products in 2005 Act casinos, which had a significantly higher gaming machine entitlement than 1968 Act casinos. No machine to table ratio currently exists for 1968 Act casinos.

**Figure 4: Current machine to table ratio for different types of casinos**

| **Current rules** | **1968 Act** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- |
| Machine/table ratio | None | 2:1 | 5:1 |

**Rationale for change**

Small 2005 Act casinos are bound by a lower machine to table ratio (2:1), meaning that they need to have 40 gaming tables to be able to offer 80 machines, whereas a Large 2005 Act casino would only need 16 tables for the same number. There are currently only three Small 2005 Act casinos in operation from the eight licences available. The customer demand for 40 gaming tables does not exist, which can mean that a number of tables are sited but never used. It has also meant that none of these casinos are able in practice to satisfy the current conditions which would allow them to offer the maximum number of gaming machines due to the amount of space they take up.

It was also noted from the call for evidence that where other jurisdictions apply a machine to table ratio, all currently permit a greater proportion of gaming machines in comparison to Great Britain. The sector views an increase to this ratio as essential in order to ensure these casinos’ long term viability by allowing them to site more gaming machines, and this conclusion was reflected in the white paper. Relaxing the machine to table ratio for Small 2005 Act casinos and applying it to 1968 Act casinos that take up their new machine entitlements is also a tested concept as it is already in place in Large 2005 Act casinos.

**Government proposals**

We propose a single machine to table ratio of 5:1 to be applied to all casinos, with the exception of 1968 Act casinos that either have a gambling area smaller than 280 sqm or would prefer to retain their existing entitlements. This would mean the introduction of a machine-to-table ratio for 1968 Act casinos that seek to increase their Category B gaming machine entitlement above 20, and a change to the machine-to-table ratio currently in place for Small 2005 Act casinos. This would ensure that regardless of the size of venue, most casinos will be able to site the same proportion of machines to tables.

**Figure 5: Current and proposed machine to table ratio for different types of casinos**

| **Machine/table ratio** | **1968 Act (gambling area less than 280sqm or not changing)** | **1968 Act (increasing its machine allowance)** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- | --- |
| Current | None | None | 2:1 | 5:1 |
| Proposed | None | 5:1 | 5:1 | 5:1 |

As outlined in the [government’s consultation and response on proposals for changes to Gaming Machines and Social Responsibility Measures in May 2018](https://www.gov.uk/government/consultations/consultation-on-proposals-for-changes-to-gaming-machines-and-social-responsibility-measures#:~:text=We%20are%20therefore%20also%20consulting,education%20and%20treatment%20(RET).), we intend to amend the relevant legislation to make it clear that only tables for multi-player live gaming, operated by a casino dealer, will qualify for the purposes of attracting a gaming machine allowance. Neither partially automated nor wholly automated gaming tables, including products such as pinball roulette, will count as ‘gaming tables’ for these purposes. We do not intend on making any changes to when a gaming table will be treated as being ‘used’ for the purposes of the machine to table ratio as set out in the current [Regulations](https://www.legislation.gov.uk/uksi/2009/1970/made).

**Summary of proposals**

A single machine-to-table ratio of 5:1 will apply to all casinos with the exception of 1968 Act casinos with a gambling area of less than 280sqm or those that elect to remain on their existing licensing regime.

Only tables for multi-player live gaming, operated by a casino dealer, will qualify for the purposes of this ratio.

**Consultation questions**

**Q9.a. Should the government introduce a 5:1 machine to table ratio for all casinos except those 1968 Act casinos that remain on the existing licensing regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q9.b. Please explain your answer.** (Optional response)

[Open text box]

**Q10. Please share any evidence or information that is relevant to the proposed amendment to the definition of gaming tables since the government stated its intention to make this change in 2018.** (Optional response)

[Open text box]

**Size requirements for different casinos**

**Current regime**

Depending on the type of licence a casino operator holds, their premises must comply with specific size requirements in relation to gambling area, table gaming area and non-gambling area:

**Figure 6: Current space restrictions for different types of casinos**

| **Current space restrictions** | **1968 Act** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- |
| Gambling area | None | At least 500sqm / Less than 1,500sqm | At least 1,500sqm / Less than 3,500sqm |
| Table gaming | N/A | 500sqm | 1,000sqm |
| Non-gambling | 10% if 200sqm (or more) | 250sqm | 500sqm |

**Rationale for change**

As gaming machine allowances and machine to table ratios for 1968 Act casinos and Small 2005 Act casinos converge, more consistent size requirements should apply across the two types of licence to ensure a degree of fairness and consistency. However, as outlined in our proposals below, there are some difficulties in mirroring the exact restrictions that apply to Small 2005 Act casinos for 1968 Act casinos.

**Government proposals**

The tables below outline current and proposed space requirements for 2005 Act casinos, and 1968 Act casinos which seek to increase their gaming machine entitlement above 20 (including at least one Category B machine).

**Figure 7: Current and proposed space restrictions for different types of casinos**

| **Current space restrictions** | **1968 Act (smaller than 2005 Act small)** | **1968 Act (meeting size requirements)** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- | --- |
| Gambling area | None | None | 500 - <1,500sqm | 1,500 - <3,500sqm |
| Table gaming area | N/A | N/A | At least 500sqm | At least 1,000sqm |
| Non-gambling area | 10% of gambling area if it is 200sqm or more | 10% of gambling area | At least 250sqm | At least 500sqm |

| **Proposed space restrictions** | **1968 Act (smaller than 2005 Act small)** | **1968 Act (meeting size requirements)** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- | --- |
| Gambling area | **At least 280sqm** | **500 - X sqm** | 500 - <1,500sqm | 1,500 - <3,500sqm |
| Table gaming area | **At least 140sqm** | **At least 250sqm** | **At least 250sqm** | At least 1,000sqm |
| Non-gambling area | **At least 140sqm** | **At least 250sqm** | At least 250sqm | At least 500sqm |

**Gambling area**

In order for a 1968 Act casino to be entitled to 80 gaming machines, we propose that it must have a gambling area of at least 500sqm, the same minimum requirement for Small 2005 Act casinos. For 1968 Act casinos that have a smaller gambling area, the requirements set out in the sliding scale will apply. Only casinos that have a gambling area of 280sqm or more will be eligible to access the enhanced gaming machine entitlement.

We are also consulting on whether the maximum size of a 1968 Act casino’s gambling area must - like that of a Small 2005 Act casino - be less than 1,500sqm, if it resolves to exercise its entitlement to more than 20 machines (including at least one Category B machine). From data provided by industry, we understand that there are eight 1968 Act casinos that have a gambling area of 1500sqm or over, and a similar number that are close to 1500sqm and which could be expanded if they decide to site more gaming machines and tables.

We are unable to easily increase the maximum size of Small 2005 Act casinos as the legislation requires that Small and Large casinos are classified distinctly, so an overlap between the two categories would be problematic. Therefore, we are consulting on three options which could be implemented to address this issue:

* (1) All 1968 Act casinos must have a gambling area less than 1,500sqm like that of a Small 2005 Act casino.
* (2) All 1968 Act casinos must have a gambling area less than 1,500sqm like that of a Small 2005 Act casino, but with an exemption for 1968 Act casinos that are currently open and have a gambling area of 1500sqm or more, as set out in their premises licence plan on the date that this consultation is published. The exemption could be conditional and cease to apply if, for example, the operator attempts to increase the size of its gambling area or if the casino moves premises.
* (3) No maximum gambling area at all for 1968 Act casinos.

Option (1) would provide fairness and consistency across all casinos that are able to site 80 machines. However, it would be disruptive and potentially impose additional costs onto those casinos with a gambling area of 1,500sqm or more that are already established. It could also mean that the same gambling facilities are compressed into a smaller gambling area, with potentially a worse customer experience and no player protection benefits.

Option (2) would not require currently operating casinos to reduce their total gambling space. However, those casinos that would be allowed to keep their current gambling space would have more flexibility in terms of the layout of their venue compared to Small 2005 Act casinos, which may be deemed unfair by casinos without this advantage.

Option (3) would not impact any 1968 Act casinos and would give these casinos greater flexibility in the layout of their venues. However, it could be seen as unfair by those operators that currently hold Small 2005 Act licences who would remain capped at 1500sqm, although such operators will also have greater flexibility in arranging their gambling space as the requirement for a 2:1 machine to table ratio is removed.

We are also open to any other proposals from respondents on how to approach this issue. We are mindful of ensuring fairness between 1968 Act and 2005 Act casinos but also to those casinos that are currently operating.

**Table gaming**

For 1968 Act casinos that meet the same size thresholds as Small 2005 Act casinos, we have proposed introducing a 250sqm table gaming area requirement. This restriction, alongside requirements for non-gambling area, will only apply to those 1968 Act casinos that decide to exercise the enhanced gaming machine entitlement. We will also amend the current inconsistency in the regulations which requires Small 2005 Act casinos to have a table gaming area of at least 500sqm (identical to their minimum overall gambling area) by reducing this requirement to 250sqm. We think that this will create greater equity between 1968 Act and Small 2005 Act casinos and should not have an effect on gambling-related harm as customers will still be offered a mixture of gambling and other non-gambling leisure activities.

In the case of 1968 Act casinos that do not meet the minimum size requirements of Small 2005 Act casinos, but have a gambling area of at least 280sqm and decide to take the enhanced gaming machine entitlement, we propose that the table gaming area is commensurate with venue size. We propose that the table gaming area for casinos that have less than 500sqm of gambling space must be equal to or greater than half the size of the gambling area. For casinos that are 500sqm or larger, the table gaming area must be equal to or greater than 250sqm. For example, if a casino has 400sqm of gambling space, it would be required to have at least 200sqm of table gaming space. However, if a casino has 600sqm of gambling space, it would only be required to have at least 250sqm of table gaming space. Further detail is shown in [Figure 3](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#fig3).

**Non-gambling area**

We are proposing that in order for 1968 Act casinos to be entitled to more than 20 gaming machines (including one or more Category B gaming machines), then it must also have a non-gambling area that is equal to or greater than half the size of the total gambling area (if it has a gambling area of less than 500sqm). If its gambling area is 500sqm or more, its non-gambling area must be equal to or greater than 250sqm. For example, if a casino had 300sqm of gambling space, its non-gambling area would need to be at least 150sqm. If a casino had 700sqm of gambling space, it would need to have at least 250sqm of non-gambling area. This will ensure that casinos continue to offer a variety of gaming and non-gaming activities for customers while at the same time allowing a greater number of machines to be sited on the premises.

**Calculation of table gambling areas and non-gambling areas**

[The Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007](https://www.legislation.gov.uk/uksi/2007/1409/contents/made) set out that in calculating the table gaming area for 2005 Act casinos, any separate area that comprises less than 12.5% of the minimum required table gaming area is not taken into account in determining the table gaming area.

For 1968 Act casinos that access the new machine entitlements, we propose that the mandatory licence conditions remain aligned, so that only areas that comprise 12.5% of the minimum required table gaming area can be taken into account in determining the table gaming area. This will ensure that only distinct and sizeable table gaming areas can count towards the total, giving customers a genuine mix of products that are easily accessible in a casino.

We are also open to any other proposals for how table gaming areas should be calculated for 1968 Act casinos which trigger their enhanced gaming machine entitlements. The overarching principle is that specific areas in the casino should be separated for the purposes of table gaming. We appreciate that for commercial reasons and for a better customer experience, tables are already grouped together in casinos, often in one large area. However, we want to avoid any regulation that would allow table gaming areas to be placed in obscure or less accessible areas for customers so that a genuinely mixed offering of products remains in the casino.

In addition, those Regulations set out the following rules about what areas can be used to calculate the non-gambling area in a 2005 Act and 1968 Act casino:

* any non-gambling area may consist of one or more areas within the premises
* lobby areas and toilet facilities may be taken into account but the non-gambling area shall not consist exclusively of lobby areas and toilet facilities
* facilities for gambling cannot be provided in the non-gambling area
* each separate area comprising the non-gambling area, other than the lobby areas and toilet facilities, must contain recreational facilities that are available for use by customers on the premises

We intend on keeping the same requirements for calculating non-gambling areas for both 2005 Act and 1968 Act casinos. Industry has raised some concerns about how areas like bars would be categorised if sports betting terminals were placed in them. However, 2005 Act casinos are currently allowed to offer betting and we are not aware of any issues that this has created. Therefore, we would welcome any responses which highlight concerns about this approach and how non-gambling areas could be calculated using a different method.

**Requirement to meet all three size requirements**

The number of additional machines that a 1968 Act casino will be entitled to will be determined by the size of all three different areas that have been outlined above - the total gambling area, the table gaming area and the total non-gambling area. Failing to meet the size requirement in any of these three areas will result in a lower machine entitlement.

For example, a casino could have a gambling area of 500sqm, a table gaming area of 250sqm and a non-gambling area of 230sqm. While the gambling and table gaming area requirements would be enough for an entitlement of 80 machines, its non-gambling area is too small to qualify for this entitlement. Under the sliding scale proposal ([Fig 3](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#fig3)), this casino would only be entitled to 70 machines due to the size of its non-gambling area in this instance. To be allowed 80 machines, its non-gambling area would have to be at least 250sqm.

**Scotland**

It is for the Scottish Ministers to consider whether they want to amend the [Mandatory and Default Conditions](https://www.legislation.gov.uk/ssi/2007/266/contents/made) that apply to casinos located in Scotland. We would not allow additional gaming machines in Scottish 1968 Act casinos until Scottish Ministers have had the opportunity to consider what (if any) restrictions or protections they would like to put in place by way of amendments to the Mandatory and Default Conditions Regulations.

**Summary of proposals**

Maximum gambling area for 1968 Act casinos will be decided following responses to the consultation.

Amending the regulations so that Small 2005 Act casinos only need a minimum table gaming area of 250sqm, reduced from 500sqm.

This amendment will mean that 1968 Act casinos that meet the same size requirements of Small 2005 Act casinos (subject to our final position on maximum size of gambling space) will be entitled to 80 gaming machines.

Some of the same size requirements for Small 2005 Act casinos will apply for 1968 Act casinos, should they increase their entitlement to gaming machines to more than 20 (including one or more Category B machines).

1968 Act casinos will only be eligible to site more than 20 machines if their gambling area is at least 280sqm.

Only areas that comprise 12.5% of the minimum table gaming area can be taken into account when determining the total table gaming area for 1968 Act casinos that access the new machine entitlements.

**Consultation questions**

**Q11.a. Do you agree with the proposed (i) minimum gambling area; (ii) table gaming area; and (iii) non-gambling area requirements for 1968 Act casinos under the new regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q11.b. Please explain your answer.** (Optional response)

[Open text box]

**Q11.c. Should the minimum table gaming area for Small 2005 Act casinos be reduced to 250sqm?** (Mandatory response)

[Yes / No / I don’t know]

**Q11.d. Please explain your answer.** (Optional response)

[Open text box]

**Q12.a. Should access to a greater number of gaming machines require compliance with each of the three size requirements outlined above?** (Mandatory response)

[Yes / No / I don’t know]

**Q12.b. Please explain your answer.** (Optional response)

[Open text box]

**Q13.a. Which approach do you think should be taken in relation to the maximum gambling area for 1968 Act casinos?** (Mandatory response)

[All 1968 Act casinos must have a gambling area less than 1,500sqm / All 1968 Act casinos must have a gambling area less than 1,500sqm, with an exemption for 1968 Act casinos that are currently open and have a gambling area of 1500sqm or more / No maximum gambling area at all for 1968 Act casinos / Other / I don’t know ]

**Q13.b. Please explain your answer.** (Optional response)

[Open text box]

**Q14.a. Should separate table gaming areas of 12.5% or more only be allowed to count towards the total table gaming area for 1968 Act casinos under the new regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q14.b. Please explain your answer.** (Optional response)

[Open text box]

**Q15.a. Under current regulations, the following areas can be used to calculate the non-gambling area in a 2005 Act and 1968 Act casino:**

• **Facilities for gambling cannot be provided in the non-gambling area.**

• **Lobby areas and toilet facilities may be taken into account but the non-gambling area shall not consist exclusively of lobby areas and toilet facilities.**

• **Each separate area comprising the non-gambling area, other than the lobby areas and toilet facilities, must contain recreational facilities that are available for use by customers on the premises.**

• **Any non-gambling area may consist of one or more areas within the premises**

**Do you agree that this should remain the same under the new regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q15.b. Please explain your answer, including an alternative solution for how to calculate non-gambling areas where applicable.** (Optional response)

[Open text box]

**Impact**

This section considers the combined impact of the first three measures:

* Gaming machine allowance for 1968 Act casinos
* Changes to the machine to table ratio
* Size requirements for different casinos

Taken together, the three measures will determine the maximum number of gaming machines that casinos will be entitled to.

**Costs to businesses**

There are two primary costs to casinos arising from this measure:

* The cost of purchasing and implementing additional gaming machines
* The cost of familiarising themselves with the new regulations

These represent transition costs and are expected to be incurred in the first year of implementation only.

We will use the responses to this consultation as well as wider engagement with the sector to gather data to estimate the likely uptake of additional machines by casinos. This will be used to model the transition costs and will be included in the final impact assessment.

**Costs to society**

There is also a potential societal cost associated with these measures. According to data from [Health Survey England from 2012 to 2018](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1020883/Gambling_evidence_review_quantitative_report.pdf), 25.7% of those who played on slot (electronic gaming) machines were classified as at-risk gamblers. 4.9% were classified as problem gamblers. This covers all venues, not just casinos, but it indicates that increasing the number of gaming machines available to play may come with an associated increase in the risk of gambling harm. However, these rates are lower than the majority of other gambling products, although remain above the at-risk and problem gambling rates for ‘any gambling activity’. Notably, these rates are below the at-risk and problem gambling rates for casino table games (31.5% and 6.4% respectively).

Data from the [National Gambling Treatment Service shows](https://www.begambleaware.org/sites/default/files/2022-11/202216_GA_Annual%20stats_report_English_v4.pdf#page=47) that a relatively small proportion of patients report participating in gaming machines in casinos. In 2019/20, 2.1% of patients reported using casino gaming machines, compared to 8.6% of patients who reported using casinos in general.

Taking this evidence together, we conclude that compared to other casino products, gaming machines are likely associated with relatively lower rates of problem gambling. For those customers who switch from other casino products to gaming machines as a result of this measure, the risk of increased gambling harm as a result of these measures may be limited.

We can also analyse average loss and session length data to consider the possible risks of gambling harm for those customers who increase their gambling participation as a result of these measures. [This data was collected by the Gambling Commission from over 80% of the land-based casino sector](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/cross-venue-category-b-gaming-machines-data). It shows that, from April to September 2019, around 155,543 sessions (c. 3.5% of total) around ended in a loss over £200. As noted in the Gambling Commission’s [remote customer interaction consultation](https://consult.gamblingcommission.gov.uk/author/remote-customer-interaction-consultation-and-call/supporting_documents/CI%20consultation%20call%20for%20evidence.pdf), 54% of people in Great Britain had a monthly disposable income below £250.

On the other hand, in 62% of all sessions from April to September 2019, the player either won money on the machines or lost an amount up to £20. [Forrest and McHale (2016)](https://www.begambleaware.org/sites/default/files/2020-12/tracked-play-revision-14-12-16.pdf) notes that such levels of expenditure are not dissimilar to those associated with other leisure activities. Additionally, an objective of this measure is to reduce average session duration, which is linked to gambling harm.

Finally player protections are in place in casinos to mitigate increased risks of gambling harms. Gambling operators must ensure that their supervision and monitoring of gaming machines enables them to meet the requirements of the Act and conditions of their licence. As the [Gambling Commission’s advice](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005) underlines, as a minimum, operators must be able to implement age verification and customer interaction, and maintain self-exclusion effectively regardless of the number of machines they are permitted to offer. Since 2018, many casinos have adopted a range of measures that enhance machine protections including:

* tracking and monitoring of customer expenditure across all gaming products in real time, with staff equipped with tablets showing live data
* enhanced due diligence measures, with trigger values for spend and loss applied to customers
* the ability for customers to set their own time and loss limits directly at electronic terminals and gaming machines
* mandatory employee training on licensing objectives, safer gambling and anti-money laundering

**Benefits**

The primary benefit of this measure is increased GGY for casinos that take up additional gaming machines. The Betting and Gaming Council (BGC) have provided detailed information on each casino, including floor space and the number of existing machines. Around 20 1968 Act casinos meet the minimum proposed size requirements for gambling area, table gaming area and non-gambling area, and would therefore be able to benefit from the same number of machines as 2005 Act Small casinos. We estimate that most of the remaining casinos would also be able to benefit from increased machine allowances, proportionate to their size and non-gambling area. We do not currently have sufficient data to estimate the likely uptake of additional machines by casinos.

According to the Gambling Commission’s [Industry Statistics](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022) covering April 2021 - March 2022, 6% of all Category B gaming machines are in casinos. These generate 11% of all GGY generated from Category B machines. GGY generated from Category B machines in casinos in 2021/22 was £180.6m. Combining this with the number of machines, this yields an average annual GGY of £57,500 per machine.

We will use the responses to this consultation as well as wider engagement with the sector to gather data to estimate the likely uptake of additional machines by casinos. This will be used to model the estimated total increase in GGY for casinos in the final impact assessment. This will take into consideration that there is likely to be diminishing returns, such that the more machines you have, the less GGY would be generated per machine.

There are also indirect benefits associated with this policy. For example, it may lead to increased popularity/GGY of casinos which could have knock-on benefits to surrounding businesses or other sectors which are closely interlinked with it, for example the food and beverage or advertising sectors.

A further advantage would be allowing operators to create an experience which competes with international gaming jurisdictions, and elevates the reputation of Britain as a gaming destination for international gaming tourists.

**Betting in 1968 Act casinos**

**Current regime**

Betting is permitted in 2005 Act casinos, which represent seven of the 122 casino premises open across Britain’s casino estate.

**Figure 8: Current rules on betting in different types of casinos**

| **Current rules on casinos** | **1968 Act** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- |
| Betting | Not permitted | Permitted | Permitted |

**Rationale for change**

The white paper set out the intention for all casinos to be able to include a sportsbook as part of their product offering. Evidence pointed to customer demand - 88% of casino customers at a major casino chain are currently betting on sports online at least once a month, including on mobile devices while in casinos. Sportsbooks are also a common expectation for international visitors, and permitting betting in 1968 Act casinos would bring Britain’s casino product offering in line with other jurisdictions. Moreover, this measure would bring greater consistency to the different licensing regimes and bring greater parity between the online and land-based casinos.

**Government proposals**

**Which casinos will be eligible**

The white paper proposed that all casinos should have the ability to offer betting, should they wish to do so. In order to offer this, operators will be required to hold relevant operating licences from the Gambling Commission. The authorisations required may include a remote betting operating licence (required if customers are to be able to bet via Self-Service Betting Terminals), as well as a non-remote betting operating licence. This entitlement will not be restricted by any space requirements or whether the casino has decided to increase its number of gaming machines under the new regime.

**Figure 9: Current and proposed rules on betting in different types of casinos**

| **Sports betting** | **1968 Act** | **2005 Act Small** | **2005 Act Large** |
| --- | --- | --- | --- |
| Current | Not permitted | Permitted | Permitted |
| Proposed | Permitted | Permitted | Permitted |

**Self-service betting terminals (SSBTs)**

Casinos that are currently permitted to offer betting may site a maximum of 40 Self-Service Betting Terminals (SSBTs). These terminals are not gaming machines if they are designed or adapted for use to bet on future real events. Where a machine is made available to take bets on virtual races, it is classified as a gaming machine and would therefore count towards the maximum permitted number of such machines. In practice, venues which include sportsbooks as part of their product offering do not utilise a maximum of 40 — the largest casino by gambling area currently sites 12 terminals.

We propose that the number of machines is limited, based on the overall gambling area of the casino. As outlined in the table below, we propose that casinos with a gambling area of 280sqm or less are allowed 16 machines, increasing by two machines for every additional 20sqm of gambling space, up to 40 machines.

**Figure 10: Proposed sliding scale limit on number of Self-Service Betting Terminals (SSBTs) in casinos**

| **Minimum total gambling area (sqm)** | **Number of SSBTs** |
| --- | --- |
| 500 | 40 |
| 480 | 38 |
| 460 | 36 |
| 440 | 34 |
| 420 | 32 |
| 400 | 30 |
| 380 | 28 |
| 360 | 26 |
| 340 | 24 |
| 320 | 22 |
| 300 | 20 |
| 280 | 18 |
| Less than 280 | 16 |

We intend to place some restrictions on the number of SSBTs to avoid a scenario in which the product offering becomes unbalanced and a large number of these machines are sited in a relatively small gambling area. For example, we do not think that it would be appropriate for a casino that has a gambling area of 280sqm and a table gaming and non-gambling area of 140sqm to be able to site 40 SSBTs alongside 25 gaming machines and at least five gaming tables.

**Scotland**

While permitting betting in 1968 Act casinos is not a reserved matter, as outlined above, we intend to impose a limit on the number of SSBTs that can be made available in a casino. It is likely that this will require an amendment to [the Mandatory and Default Conditions](https://www.legislation.gov.uk/ssi/2007/266/contents/made). We would not permit betting in Scottish 1968 Act casinos until Scottish Ministers have had the opportunity to consider what (if any) restrictions or protections they would like to put in place by way of amendments to the Mandatory and Default Conditions Regulations.

**Summary of proposals**

All casinos to be permitted to offer sports betting.

1968 Act casinos to be subject to a limit on the number of self-service betting terminals depending on their total gambling space.

**Impact**

**Costs**

There will be some operating and transition costs associated with permitting sports betting in 1968 Act casinos, including acquiring the relevant operating licence(s) for betting from the Gambling Commission and the cost of siting new SSBTs and supervising them. The policy could also encourage casinos to invest in broadcasting sport, both in broadcast rights and venue enhancement, which will have additional costs. However, at this stage we do not know precisely what these costs will be, as we do not have any evidence on how casinos will respond to this.

There are likely to be indirect costs in the form of displacement from online sports betting as those in casinos who would otherwise have bet on sports using mobile devices may be more inclined to do so using casino services. However, the online sports sector generated £2.4bn in GGY between [April 2021 - March 2022](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022), an increase of 36% since 2016, so the relative impact is expected to be minimal. In addition, the current GGY derived from betting in casinos where it is permitted, is very small.

There has been no evidence that permitting betting in 2005 Act casinos resulted in increased harm, and the Gambling Commission’s view is that permitting sports betting in 1968 Act casinos is unlikely to have any particular impact on the Act’s licensing objectives.

**Benefits**

The non-remote sports betting sector is a big contributor to the British gambling industry, generating £1.06bn in GGY across on-course, off-course and pool betting between [April 2021 - March 2022](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022). Therefore, allowing casinos to provide sports betting services will open up a new section of the market to them.

Consumers (particularly international tourists) still bet on sporting events via mobile devices while in casinos, irrespective of whether sports betting is permitted or not. Therefore, 1968 Act casinos are losing out on potential revenue that might otherwise have been generated if they were allowed to offer sports betting services. For example, 88% of casino customers also bet online on sports at least once a month.

Anecdotal evidence shows that only three of the 2005 Act casinos offer betting, representing about 0.2% of the total GGY for each of those casino premises. This is a small proportion because consumers do not tend to associate casinos with sports betting, which is rarely the purpose of their visit. If this proportion was representative across all casinos, then total casino sector GGY could increase by approximately £1.3 million. However, at this stage we do not know precisely what the GGY benefits will be, as we do not have any evidence on how casinos and players will respond to this proposal.

**Consultation questions**

**Q16.a. Should all 1968 Act casinos be permitted to offer sports betting, regardless of size?** (Mandatory response)

[Yes / No / I don’t know]

**Q16.b. Please explain your answer.** (Optional response)

[Open text box]

**Q17.a. Do you agree with the proposed entitlements for Self-Service Betting Terminals (SSBTs) based on the sliding scale?** (Mandatory response)

[Yes / No / I don’t know]

**Q17.b. Please explain your answer, including an alternative proposal for SSBT entitlements where applicable.** (Optional response)

[Open text box]

**Q18.a. If you are a casino licence operator, what impact is permitting sports betting expected to have on the Gross Gambling Yield (GGY) of your casino(s)?** (Mandatory response)

[Significant increase / Slight increase / No impact / Slight decrease / Significant decrease / I don’t know / Not applicable]

**Q18.b. Please explain your answer.** (Optional response)

[Open text box]

**Q19. If your casino already offers sports betting, what is the GGY from this activity? Please provide an estimate if you do not have an exact figure.** (Optional response)

[Open text box]

**Q20.a. What impact is permitting sports betting expected to have on revenue from non-gambling activities e.g. increased income from sports bars which allow customers to place a bet?** (Mandatory response)

[Increased revenue / No impact  Decreased revenue / I don’t know]

**Q20.b. Please explain your answer.** (Optional response)

[Open text box]

**Q21. What player protections could be adopted in casinos for those customers participating in sports betting?** (Optional response)

[Open text box]

**Accessing the enhanced gaming machine entitlement**

**Current regime**

Currently, the Gambling Commission’s guidance to licensing authorities states that an application for a variation of a premises licence will only be required where there are material changes to the layout of the premises. What constitutes a material change will be a matter for local determination, but it is expected that a common sense approach is adopted. Under the new regime, it is quite possible that a casino would make material changes to its layout in order to site additional gaming machines, tables and potential positions for betting. We would like to make the process for taking up the entitlement of additional machines as simple as possible for both operators and licensing authorities.

**Rationale for change**

There must be some notification that casinos are making a change to the number of machines and tables they are offering, even if this will not always trigger the need for a premises licence variation. Therefore, we are consulting on how best to allow casinos to move onto the new regime.

**Government proposals**

We propose that an operator must notify the licensing authority of their intention to increase their number of gaming machines. We would expect the operator to provide all the relevant information so that the licensing authority can understand whether all of the requirements have been met in order to site the proposed number of gaming machines (e.g. size of gambling area, table gaming area and non-gambling area). The Gambling Commission will also need to be notified of an operator’s projected annual licence fee category based on GGY for the forthcoming licence period, so that the correct fees can be paid.

We do not intend on changing any of the requirements placed on operators for when a variation to a premises licence may be required. This will need to be decided on a case by case basis.

**Summary of proposals**

Casino operators will be required to notify licensing authorities and the Gambling Commission if they decide to take-up their entitlement to additional gaming machines under the new regime.

**Consultation questions**

**Q22.a. Do you agree with the proposal that casino operators will be required to notify licensing authorities and the Gambling Commission if they decide to take-up their entitlement to additional gaming machines under the new regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q22.b. Please explain your answer.** (Optional response)

[Open text box]

**Licence fees**

**Current regime**

Operator licence fees are different for [1968 Act](https://www.gamblingcommission.gov.uk/licensees-and-businesses/licences-and-fees/non-remote-1968-act-casino-operating-licence) and [2005 Act](https://www.gamblingcommission.gov.uk/licensees-and-businesses/licences-and-fees/non-remote-2005-act-casino-operating-licence) casinos. Currently, annual fees for 1968 Act casinos are between 65% and 90% of the annual fees that 2005 Act casinos in the equivalent fee category are required to pay. Fees are intended to cover the costs of regulation, and higher fees in the case of 2005 Act casinos are linked to the higher number of gaming machines they are permitted to site relative to 1968 Act casinos, as well as the ability of 2005 Act casinos to offer sports betting (and, in the case of Large 2005 Act casinos, bingo).

Premises licence fees are collected by licensing authorities for applications and annual renewals to cover the cost of administration of their gambling duties and gambling enforcement. Further information about premises licence fees are outlined in [Chapter 5](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#chap5).

**Rationale for change**

As some of the differences between 1968 Act and Small 2005 Act casinos are brought in line, operating and premises licence fees and mandatory licence conditions should be harmonised accordingly.

**Government proposals**

If 1968 Act casinos wish to increase their machine allowances, it is the intention that operating and premises licence fees for 1968 Act casinos will be aligned with fees for 2005 Act casinos, and the mandatory premises licence conditions for Small 2005 Act casinos will also be applied to those 1968 Act casinos. These changes would only come into effect if 1968 Act casinos elect to make more than 20 gaming machines (including at least one Category B machine) available to the customer. As above, 1968 Act casinos will retain the option of continuing to operate under the existing regime should they not wish to increase their machine allocations.

**Summary of proposals**

Operating and premises licence fees for 1968 Act casinos that increase their gaming machine entitlement should match the operating and premises licence fees charged for 2005 Act casinos.

**Consultation questions**

**Q23.a. Should the operating and premises licence fees that apply to 2005 Act casinos also apply to 1968 Act casinos that increase their gaming machine entitlements?** (Mandatory response)

[Yes / No / I don’t know]

**Q23.b. Please explain your answer.** (Optional response)

[Open text box]

**Q24. Please upload any further evidence or any other information that should be considered as part of this consultation relating to casino measures.** (Optional response)

[File upload]

**Chapter 2: Machine allowance for arcades and bingo halls**

**Current regime**

Arcades (adult gaming centres) and bingo premises are licensed to offer a range of gaming machines ranging from Category B3 and B4 machines (maximum stake £2 and maximum prize £500 and £400 respectively), Category C machines (maximum stake £1 and maximum prize £100) to Category D machines (e.g. slots-style, money prize machines having a maximum stake 10p and maximum prize £5).

The 80/20 rule was introduced by [the Gambling Act 2005 (Gaming Machines in Adult Gaming Centres and Bingo Premises) Order 2011](https://www.google.com/url?q=https://www.legislation.gov.uk/uksi/2011/1710/contents/made&sa=D&source=docs&ust=1686764102733876&usg=AOvVaw0c8JMSSMjzEk3up_ER-65Z). This rule mandates that at least 80 percent of all gaming machines in Adult Gaming Centres (AGCs) and bingo halls must be Category C and D. Up to 20 percent of total gaming machines can be Category B.

This rule was instituted to ensure a balance of machines are made available for customer use, limiting the number of machines with higher stakes and prizes available for high street gambling, and allowing larger operators to make commercial decisions on machine availability, rather than relying on fixed numerical limits as had been the case before.

The 2011 Order also included provisions known as [grandfather or legacy rights](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/78125/Cat_B3s_LA_and_Operator_QA.pdf). These included provisions which entitle any AGC or bingo premises licences granted before 13 July 2011 to retain their existing entitlements of Category B gaming machines (four for AGC premises and eight for bingo premises) notwithstanding the new 80/20 rule. A number of premises, particularly those located in motorway service stations, chose to retain their existing entitlements. The proposals outlined in this consultation to reform the 80/20 rule will again permit AGC and bingo premises to retain these legacy rights where the relevant premises licence was granted before 13 July 2011. As a result, these venues will be entitled to choose between adopting any revised entitlement set down in legislation following this consultation or retaining the four Category B machine allowance for AGC premises and eight Category B machine allowance for bingo premises.

**Rationale for change**

The white paper set out a detailed rationale for the need to reform the current 80/20 rule governing gaming machine allowances in AGCs and bingo halls. Extensive consultation was undertaken with a wide range of stakeholders. The main theme that emerged from industry was that the current rule does not allow operators to meet consumer demand. We welcome further evidence on the unmet consumer demand in the consultation response.

In considering changes to the current rule, we evaluated a range of factors, including the excessive energy costs associated with maintaining and upkeeping unused Category C and D machines to abide by current regulations, and the declining relative value of stakes and prizes since the 80/20 rule was first introduced. In addition, we noted that some player safety improvements have been made to modern Category B3 machines which cannot easily be replicated on older machines, and that customers can and do play at lower stakes than the maximum on Category B3 machines.

As outlined in the white paper, we strongly encourage operators to continue to improve player safety controls on Category B3 machines. The Gambling Commission will also consult on appropriate player protections that should be required on these machines.

We have also taken into consideration the Gambling Commission’s formal advice to the Gambling Act Review. The Gambling Commission raised concerns that arcade and bingo venues have sought to maximise their number of Category B machines under the current rules by providing Category C and D gaming on tablets and in-fill machines. Industry argues that these meet the legal requirements of being ‘[available for use](https://www.gamblingcommission.gov.uk/licensees-and-businesses/page/when-gaming-machines-are-available-to-use-20-regulations)’, as they are switched on and available if a customer wishes to use them. The Gambling Commission, however, has pointed to concerns that the industry is intentionally subverting the 80/20 rule for machine games and expressed doubt as to whether some machines represent a genuine commercial offer to customers. The Commission updated its ‘available for use’ guidance to highlight that gaming machines should only be counted as being available for use if each machine can be played simultaneously by different players without physical hindrance.

In response to these challenges, the white paper committed to changing the 80/20 rule to 50/50 to better meet the needs of industry and demands of customers. The white paper indicated that we would expect industry to strictly adhere to this ratio and we would set out detailed requirements in further consultation. We are consulting on three different options and seeking further evidence to understand which should be taken forward, on the basis of our overarching objectives of allowing operators greater commercial flexibility and avoiding the situation where machines which customers do not want must be provided, maintained and kept switched on, and providing customers with a genuine choice of higher and lower stake machines.

The significant increase in energy bills for businesses has seriously impacted the sector, with the Bingo Association highlighting that 20 bingo halls have already announced closures this year, many of which cite energy costs as the primary driver. Gaming machines account for a significant proportion of energy costs, a substantial number of which are sited by operators purely to meet the 80/20 rule. While the intensiveness of energy expenditure will vary by machine device type and energy efficiency, the costs to industry of maintaining these machines can be significant. Challenges caused by rising energy costs are in addition to the longer-term commercial challenges faced by industry, particularly following the COVID-19 pandemic. For example, numbers provided by the Bingo Association show that the number of bingo premises that offer mainstage bingo declined from 335 at the end of 2018 to 272 in March 2023. The objective of commercial flexibility should therefore be understood as providing operators with scope to respond to energy prices (for example, by removing unused energy intensive machines) and also providing a degree of flexibility to increase the number of Category B machines to promote increased GGY and address long-term commercial challenges within the sector.

The objective of providing customers with a genuine choice of higher and lower stake machines is understood in terms of providing a safeguard against increased gambling harm. It is the [Gambling Commission’s view](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005) that higher stake gaming machines should not be the dominant feature of the customer experience in arcades and bingo halls and that a situation in which Category B machines proliferate in the absence of Category C and D machines would undermine this approach. Significant increases in Category B machines may increase the amount of money staked by customers, and/or the risk of harm. For instance, evidence provided by Bacta shows that the average stake placed on a Category B3 game is between £1.20 - £1.30, compared to 40p - 60p for a Category C machine. Gambling Commission data, from April to September 2019, indicates that across all land-based sectors, [1.8% of Category B sessions result in a loss of £200](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/cross-venue-category-b-gaming-machines-data) or more.

To meet our objectives of allowing operators greater commercial flexibility, avoiding the provision and maintenance of machines which do not appeal to customers, and providing customers with a genuine choice of higher and lower stake machines, we are consulting on the following options. The impact of each option will vary in how these objectives are balanced. For example, some options may place further emphasis on achieving commercial flexibility than achieving customer choice of higher and lower staking machines, and vice versa. To ensure a proportionate and evidence-based balance is satisfied, we are seeking views from a range of interested stakeholders to inform the strengths and risks of each option.

[**Option 1:**](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#option1) Introduce the 50/50 rule while maintaining current requirements for ‘available for use’.

[**Option 2:**](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#option2) Introduce the 50/50 rule with an additional requirement that any gaming machine device types offered in individual premises (whether cabinets, tablets (fixed or hand-held) or in-fill) comprise a minimum of 50 percent Category C and D machines. Also, Category C and D gaming machine device types made available for use must be of similar size and scale to Category B.

[**Option 3:**](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#option3) Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios.

**Option 1: Introduce the 50/50 rule while maintaining the current requirements for ‘available for use’**

The rationale of considering an introduction of a 50/50 rule while maintaining current requirements for ‘available for use’ is that it would likely enable operators across the sector to offer customer choice and flexibility in a more commercially beneficial way than currently permitted.

As explained in the rationale for change, under the current 80/20 rule, the Gambling Commission provides guidance on ‘available for use’. Under the ‘available for use’ guidance, for the purpose of calculating the Category B machine entitlement in gambling premises, gaming machines should only be counted if they can be played simultaneously by different players without physical hindrance. Adherence to ‘available for use’ guidance is a key mechanism for ensuring a genuine balance of higher and lower stake gaming machines across arcade and bingo venues. As evidenced in the rationale for change, offering customers a genuine choice between higher and lower stake machines is important because Category B machines are associated with higher session losses and increased likelihood of gambling harm.

The Gambling Commission has expressed concern that operators currently seek to maximise Category B machine numbers by providing Category C and D games on inaccessible small tablets or via in-fill machines. We anticipate that our proposal to allow operators to increase their number of Category B machines to 50 percent will enable operators to better meet customer demand, and in turn minimise the likelihood of ‘available for use’ guidance being subverted. However, we are aware of the possibility that some operators may attempt to maximise their number of Category B cabinets above and beyond that intended by the 50/50 proposal by siting tablets which are not genuinely accessible or in-fill machines in their venues. If it appears evident that the ‘available for use’ guidance is not working as intended following changes to the current regulatory framework, we will consider bringing forward secondary legislation to more directly deliver the intended machine mix.

We received projections on the impacts of 50/50 for industry under the proposal outlined in Option 1. For bingo halls, based on a sample of approximately 60 percent of the market, it is estimated that the number of Category C and D cabinets in these venues will decrease by over 1,800. In addition, there will likely be an increase of approximately 900 Category B cabinets. This would result in an overall decrease of over 900 cabinet machines across these venues, predominantly consisting of legacy Category C cabinets. The removal of energy intensive legacy Category C cabinets will likely reduce the overall energy consumption of these operators. The increase in Category B machines will enable bingo halls to better meet customer demand and will likely result in greater GGY.

[Projections on the impact of this proposal for the AGC sector](https://www.coinslot.co.uk/2023/07/10/bacta-research-shows-that-50-50-ratio-will-reduce-machine-numbers-and-help-the-environment/) suggest there will be a 10 percent reduction in the number of Category C machines and a 20 percent reduction in the number of Category D games, in-fills, and tablets. This is in addition to a 9 percent increase in the overall number of B3 machines, representing approximately 900 machines across the total AGC estate. Similarly to bingo halls, this would likely result in both energy savings and increased GGY for operators.

Under the scenario outlined in Option 1, it is expected that there will be a significant increase in commercial flexibility for operators across both bingo halls and AGCs. The increased flexibility will provide operators with more scope to make commercial decisions relating to energy consumption and customer demand.

However, there is a risk that this would not address the concerns raised by the Gambling Commission regarding its ‘available for use’ guidance and the potential for higher stake gaming machines (in the form of cabinets) to become the dominant feature of the consumer’s experience. It is possible that operators could use inaccessible tablets and in-fill machines to increase the overall number of Category B3 machines in their venues, undermining the principle of a balanced offer of higher and lower stake machines giving genuine choice to the customer.

**Option 2: Introducing the 50/50 rule with an additional requirement that all gaming machine device types (cabinets, tablets (fixed or hand-held) or in-fills) comprise a minimum of 50 percent Category C and D machines. Gaming machine device types must be of similar size and scale**

The rationale for considering this option is primarily to ensure that a truly balanced offer of gaming machines is available to customers following the loosening of restrictions from 80/20.

As outlined, the Gambling Commission has expressed concern regarding the adherence of operators to ‘available for use’ guidance. The [Commission’s advice](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005) is that the government should ensure that there are clear rules or measures in place which promote a balance of higher and lower stake gaming machines for the purposes of providing genuine customer choice and lower stake gambling options, and that such rules are clearly enforceable.

This proposal outlined in Option 2 would require any such premises to have one Category C or D cabinet for each Category B cabinet it sites. The same rule would apply to all other gaming machine device types. For example, a Category B tablet could only be made available for use if there is one other Category C or D tablet that customers can play on in the venue.

Option 2 would likely remove any incentive for operators to not abide by ‘available for use’ guidance. Under this option, for every device with higher maximum staking there would be a lower maximum staking machine of equivalent size and nature available to customers. Consequently, it would deter operators from offering tablets and in-fill devices as a way to increase the number of Category B cabinets on their premises.

This proposal would likely reduce the potential risks of gambling harm associated with an increased number of Category B machines. While it is acknowledged that the risk of gambling harm may increase somewhat following a transition to 50/50, the stipulation outlined in Option 2 would ensure that operators offer a balance of higher and lower stake gaming machines.

Data provided by industry indicates that this option would achieve to a limited extent the objective of ensuring commercial flexibility. When combining the number of cabinets across the AGC and bingo hall sectors there is a surplus of Category C and D cabinets by comparison to Category B cabinets. Consequently, under Option 2 industry as a whole would have the flexibility to reduce the number of Category C and D machines and/or increase the overall number of Category B machines across the sector, saving energy and/or increasing overall GGY. However, the extent to which this would be significant is questionable. Data provided by the Bingo Association, based on 60 percent of bingo halls, indicates that the number of Category B to Category C and D cabinets would remain largely unchanged from the current 80/20 regime. There would be a reduction of approximately 2,000 tablets but given the low energy intensiveness of these devices it would not produce comparable energy saving to those outlined under Option 1. In addition, there would be limited opportunities for operators to meet customer demand for Category B machines and increase GGY.

In AGCs, the number of Category C cabinets across a large part of the sector is significantly higher than the number of Category B cabinets. A 50/50 ratio based on device types would therefore be likely to have a positive impact, allowing them to remove a number of energy intensive Category C cabinets. It would also provide greater flexibility in determining the make-up of their machines and potentially lead to the removal of machines, such as tablets and in-fills, that are infrequently played. Bacta have argued, however, that the benefits to operators would not be as substantial as those outlined in Option 1.

In addition, we are aware that across both AGCs and bingo halls that the impacts of this measure will vary significantly, from club to club and operator to operator. Indeed, we reviewed data  that showed some operators, particularly in the bingo sector where tablets are in widespread use for playing bingo games, have significantly greater numbers of Category B cabinets than Category C and D cabinets. The equalising of these machine types may come at significant costs for some businesses. This may further contribute to the existing financial challenges across the sector — as indicated by the large number of business closures outlined in the rationale for change.

Under the scenario outlined in Option 2, it is anticipated that a genuine balance and choice of higher and lower stake machines would be achieved across venues. Unlike Option 1, it would be much more difficult for an operator to increase the number of B3 cabinets on their premises by increasing the number of Category C or D in-fills and tablets that they site. Therefore, it could further reduce the risk of gambling-related harm that is associated with higher category machines.

**Option 3: Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios**

The rationale for considering this option is that even a Category B machine could be argued to have a relatively low maximum stake, that no equivalent ratio of products is mandated online or in other commercial sectors, and that it would give operators maximum flexibility to respond to customer demand, while reducing the burden on the Commission and licensing authorities of enforcing a ratio.

Industry trade bodies have provided evidence which suggests that the removal of the 80/20 rule would result in a large-scale reduction of tablets and in-fill machines, although the extent to which tablets will be removed will vary by operator. For example, in bingo halls where tablets are essential to play mainstage bingo, it is unlikely there will be a significant reduction.

The short-to-medium term impacts of Option 3 would therefore likely be similar to those outlined in Option 1. However, over the longer term, some industry representatives have suggested that operators would likely further reduce their number of Category C and D cabinets in favour of multi-staking Category B cabinets. Multi-staking category B cabinets provide customers with the choice of staking at different levels and therefore below the maximum stake permitted. For example, a customer could stake 50p on these machines which is also below the maximum stake permitted on Category C machines. These machines can also offer customers Category C or D content on the same device.

Without any requirement in law for a balanced offer, it is possible that this option would result in Category B machines becoming the only product on offer. Under such circumstances, and given the relatively higher stakes and losses set out in the rationale for change, there is the potential for gambling-related harm to increase. In addition, while customers could stake lower than the maximum on a multi-stake Category B machine, evidence suggests that on average players tend to stake more on Category B machines than Category C and D machines. For example, as previously highlighted, evidence provided by Bacta shows that the average stake placed on a Category B3 game is between £1.20 - £1.30, compared to 40p - 60p for a Category C machine.

Therefore, this option would need to be accompanied by a requirement that Category B3 machines in these venues would have certain player safety controls, such as staff alerts where a player meets spend or time limits. We would like to understand whether these types of protections are already available on these machines, or whether it would require investment in new machines or software.

**Impact**

**Costs to businesses**

There are three primary costs to arcades and bingo halls arising from this measure:

1. The cost of purchasing and implementing additional Category B gaming machines.

1. The cost of removing existing Category C or D gaming machines.

1. The cost of familiarising themselves with the new regulations.

These represent transition costs which are expected to be incurred in the first few years of implementation, with exact timescales depending on the option taken forward.

We will use the responses to this consultation as well as wider engagement with the sector to gather data to estimate the likely uptake of additional machines and removal of existing machines under each option. This will be used to model the transition costs and will be included in the final impact assessment.

**Costs to society**

There is also a potential societal cost associated with these measures. According to data from [Health Survey England from 2012 to 2018](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1020883/Gambling_evidence_review_quantitative_report.pdf), 25.7% of those who played on slot (electronic gaming) machines were classified as at-risk gamblers. 4.9% were classified as problem gamblers. This covers all venues, not just bingo and arcade venues, but it indicates that increasing the number of gaming machines available to play may come with an associated increase in the risk of gambling harm. These rates are lower than the majority of other gambling products, although remain above the at-risk and problem gambling rates for ‘any gambling activity’. For comparison, these rates are above the at-risk and problem gambling rates for bingo games (12.9% and 3.3% respectively), but lower than the at-risk and problem gambling rates for online gambling on slots, casino or bingo games (44.2 % and 8.7% respectively).

While we have no direct evidence on the rate of gambling harm for those participating on gaming machines in bingo and arcade venues specifically, we can use [net expenditure and session length data](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/cross-venue-category-b-gaming-machines-data) to consider the possible risks of gambling harm. This data was collected by the Gambling Commission from two of the major gaming machine manufacturers in Great Britain, representing approximately 35% of the machines in the bingo and arcade market. The data used in this section reflects activity from April to September 2019 and relates to a single session on a particular machine. A ‘mixed session’ is a single session that takes place on games of different machine categories. This is possible on the single terminals that offer multiple games across a range of Categories. For example, a player may start a session on the Cat B game, before switching, within a session, to a Cat C game.

Data on session duration shows that, in general, players spend a similar amount of time on Category B machines as Category C and D machines. This suggests a relatively similar level of binge gambling across both machine categories.

* **In bingo premises**, approximately 75% of Category B sessions lasted for 10 minutes or less, compared to 66% of combined Category C, Category D and mixed sessions.
* **In arcades**, approximately 73% of Category B sessions lasted for 10 minutes or less, compared to 60% of combined Category C, Category D and mixed sessions.

Data on net expenditure per session shows that from April to September 2019, the vast majority of sessions across all machine categories ended in the player either winning money or losing up to £20. [Forrest and McHale (2016)](https://www.begambleaware.org/sites/default/files/2020-12/tracked-play-revision-14-12-16.pdf) notes that such levels of expenditure are not dissimilar to those associated with other leisure activities.

* **In bingo premises**, 72% of Category B sessions and 81% of combined Category C, Category D and mixed sessions ended in the player either winning money or losing up to £20.
* **In arcades**, 70% of Category B sessions and 73% of combined Category C, Category D and mixed sessions ended in the player either winning money or losing up to £20.

On the other hand, the data shows that a substantially higher proportion of sessions on Category B machines ended in a loss over £200, compared to Category C, Category D and mixed machines. This suggests a higher risk of unaffordable spending on Category B machines. As noted in the Gambling Commission’s [remote customer interaction consultation](https://consult.gamblingcommission.gov.uk/author/remote-customer-interaction-consultation-and-call/supporting_documents/CI%20consultation%20call%20for%20evidence.pdf), 54% of people in Great Britain had a monthly disposable income below £250.

* **In bingo premises**, around 1.6% of sessions on Category B machines ended in a loss over £200, compared to 0.7% of sessions on combined Category C, Category D and mixed sessions.
* **In arcades**, around 2.3% of sessions on Category B machines ended in a loss over £200, compared to 2.0% of sessions on combined Category C, Category D and mixed sessions.

Although the data on mixed sessions creates some uncertainty, we conclude that overall, Category B machines lead to higher losses than Category C or D machines. This difference is particularly stark for bingo venues. Any measure that increases the availability of Category B machines risks leading to increased gambling harm for those playing on the machines.

All options set out in this section are expected to lead to an increase in the total number of Category B machines across bingo and arcade venues. This increase is expected to be higher under Option 1 than Option 2, as operators will not be restricted by device constraints. The increase in Category B machines is expected to be even higher for Option 3, where no restrictions would be applied. Therefore, the risk of increased gambling harm is assumed to be higher for Options 1 and 3 than Option 2. A more detailed estimate of the impact for each option will be presented in the final stage impact assessment, once further data has been collected.

Player protections can be used to mitigate increases in the risk of gambling harm. The Gambling Commission will conduct a future review of the gaming machine technical standards. This will include assessing the role of sessions limits across Category B and C machines alongside safer gambling tools.

**Benefits**

The primary benefit of this measure is a reduction in energy and maintenance costs from unused machines. The proposed measure will allow venues to remove unused Category C and D machines and save on the costs of maintaining and powering them. Energy costs per machine will be estimated in the final stage impact assessment using an energy calculator. We do not currently have sufficient data to estimate the likely reduction of Category C and D machines under each option. We welcome further evidence on this in the consultation response.

Another key benefit is the increased GGY from Category B machines in bingo and arcade venues. Category B machines are significantly more profitable for operators earning considerably higher GGY than Category C and D alternatives. In the [financial year to 2022](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022), the average GGY per Category B machine (across all licenced land-based venues) was £30,360, compared to £2,030 per Category C machine and £1,350 per Category D machine. As such, any change in the composition of gaming machines which results in a higher share of Category B machines will represent an uplift in GGY for operators.

We do not currently have sufficient data to estimate the likely uptake of additional Category B machines under each option, nor on how the average GGY per machine will change as a result. Therefore, we cannot currently estimate the total increase in GGY for each option. We will use the responses to this consultation as well as wider engagement with the sector to gather data to estimate the likely change in machine configuration in bingo and arcade venues. This will be used to model the estimated increase in GGY for each option in the final impact assessment. This will take into consideration that there is likely to be diminishing returns, such that the more machines you have, the less GGY would be generated per machine.

Indirect benefits are also expected to accrue as a result of this measure. A healthier land-based gambling sector, able to compete on a more even basis with similar online gambling opportunities, is likely to support local employment opportunities, regeneration effects and contribute to business rates. We have been unable to estimate the scale of these benefits at this time.

Finally, we anticipate there may be some wellbeing benefits resulting from the continued existence of bingo halls, supported by revision of the 80:20 rule. Anecdotal evidence suggests that for some individuals the option of attending physical bingo premises delivers substantial social benefits which would be lost if the sector is not supported. It has not been possible to model these benefits at this stage in the analysis.

**Consultation questions**

**Q25.a. There are 3 options the government is considering related to gaming machine allowance for arcades and bingo halls:**

• **Option 1:** Introduce the 50/50 rule while maintaining current requirements for ‘available for use’.

• **Option 2:** Introduce the 50/50 rule with an additional requirement that any gaming machine device types offered in individual premises (whether cabinets, tablets (fixed or hand-held) or in-fill) comprise a minimum of 50 percent Category C and D machines. Also, Category C and D gaming machine device types made available for use must be of similar size and scale to Category B.

• **Option 3:** Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios.

**How, if at all, would the approaches taken in Options 1, 2 and 3 impact the ability of business to meet customer demand for gaming machines? Please answer in comparison to the current 80/20 rule.** (Mandatory response)

[A significant increase in ability to meet demand / A slight increase in ability to meet demand /  No impact / A slight decrease in ability to meet demand / A significant decrease in ability to meet demand / I don’t know]

**Q25.b. Please explain your answer.** (Optional response)

[Open text box]

**Q26.a. What impact would options 1, 2 and 3 have on Gross Gambling Yield (GGY) for businesses?** (Mandatory response)

[A large increase in GGY / A small increase in GGY / No impact on GGY / A small decrease in GGY / A large decrease in GGY / I don’t know]

**Q26.b. If available, please provide evidence of the potential impact of Options 1, 2 and 3 on the GGY of operators and on the wider gambling sector.** (Optional response)

[Open text box]

**Q27.a. There are 3 options the government is considering related to gaming machine allowance for arcades and bingo halls:**

• **Option 1:** Introduce 50/50 while maintaining current requirements for ‘available for use’.

• **Option 2:** Introduce the 50/50 rule with an additional requirement that any gaming machine device types offered in individual premises (whether cabinets, tablets (fixed or hand-held) or in-fill) comprise a minimum of 50 percent Category C and D machines. Also, Category C and D gaming machine device types made available for use must be of similar size and scale to Category B.

• **Option 3:** Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios.

(Mandatory response)

**What impact would Options 1, 2 and 3 have on the overall number of Category B machines?**

[Significant increase / Small increase / No impact / Small Decrease / Significant Decrease / I don’t know]

**Q27.b. What impact would Options 1, 2 and 3 have on the overall number of Category C machines?** (Mandatory response)

[Significant increase / Small increase / No impact / Small Decrease / Significant Decrease / I don’t know]

**Q27.c. What impact would Options 1, 2 and 3 have on the overall number of Category D machines?** (Mandatory response)

[Significant increase / Small increase / No impact / Small Decrease / Significant Decrease / I don’t know]

**Q27.d. If available, please provide estimates of the potential impact of Options 1, 2 and 3 on the overall number of machines.** (Optional response)

[Open text box]

**Q27.e. What impact would Options 1, 2 and 3 have on the product mix of Category B, C and D machines? For example, cabinets and terminal devices.** (Optional response)

[Open text box]

**Q28. Please provide any evidence you have on the potential harm of implementing Options 1, 2 and 3 on customers.** (Optional response)

[Open text box]

**Q29.a. There are 3 options the government is considering related to gaming machine allowance for arcades and bingo halls:**

• **Option 1:** Introduce the 50/50 rule while maintaining current requirements for ‘available for use’.

• **Option 2:** Introduce the 50/50 rule with an additional requirement that any gaming machine device types offered in individual premises (whether cabinets, tablets (fixed or hand-held) or in-fill) comprise a minimum of 50 percent Category C and D machines. Also, Category C and D gaming machine device types made available for use must be of similar size and scale to Category B.

• **Option 3:** Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios.

**What impact would Options 1, 2 and 3 have on the overall number of Category B, C and D gaming machines? Please rank these options in order of preference, with 1 being your preferred option.** (Optional response)

**Q29.b. Please explain why this is your preferred option.** (Optional response)

[Open text box]

**Q30.a. Please outline any other proposals relating to machine allowances in arcades and bingo halls that you think that we should consider.** (Optional response)

[Open text box]

**Q30.b. What benefit would this proposal(s) offer in comparison to Options 1, 2 and 3?** (Optional response)

[Open text box]

**Q31. Please upload any further evidence or any other information that should be considered in this consultation relating to bingo and arcade gaming machine measures.** (Optional response)

[Open text box]

**Chapter 3: Cashless payments on gaming machines**

**Current regime**

The [Gaming Machine (Circumstances of Use) Regulations 2007](https://www.legislation.gov.uk/uksi/2007/2319/contents/made) prohibit the use of debit cards for direct payments to gaming machines, and prohibit any use of credit cards. As they are an extension of card payment, the direct use of contactless mobile systems such as Google Pay or Apple Pay on gaming machines is also prohibited.

The original purpose of the debit card rules was to protect players. Cash-only gambling was assumed to give players more control by providing natural interruptions in play to obtain more cash, helping players play within budget limits. The legislation also requires ATMs in gambling-licensed premises to be positioned so that any customer who wishes to use them must stop gambling in order to do so, while in pubs and clubs the rule comes from the [Code of Practice](https://www.gamblingcommission.gov.uk/authorities/codes-of-practice/guide/page/section-c-gaming-machines-in-clubs-and-premises-with-an-alcohol-licence).

Since these rules were put in place, the use of card payments has increased greatly across society and in many settings cash is a rarity. However, it is still the primary way to pay for machines in land-based venues.

The Gambling Act 2005 and the Commission’s Licence Conditions and Codes of Practice permit operators to innovate to some extent, and industry has introduced some cashless gambling. For example, some machines accept indirect payment from a debit card via mobile apps. Some venues also operate a ticketing system, which allows customers to purchase a ticket with a debit card for use on a gaming machine. Some licensed betting offices also use a cross-channel digital wallet that can be topped up at cash desks as well as on the operator’s website and used on machines.

When casinos reopened following COVID-related closures in 2020, casino operators introduced an approach, agreed by the Gambling Commission, whereby customers could stand up and turn away from gaming tables to complete a debit card transaction with a staff member via a mobile card terminal. The approach was seen as being consistent with the intention of [the Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007](https://www.legislation.gov.uk/uksi/2007/1409/contents/made) (and their [equivalent in Scotland](https://www.legislation.gov.uk/ssi/2007/266/contents/made))in ensuring players have a break in play before being able to access additional funds. So while debit cards can be used at casino tables, they still cannot be directly used as a form of payment on gaming machines in casinos.

**Rationale for change**

Gaming machines are currently permitted in a variety of locations and divided into various categories based on factors such as maximum stake and prize available, as well as the premises where they may be used. They are a significant part of land-based gambling, [constituting 51% of non-remote Gross Gambling Yield (GGY)](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022) in 2022.

Land-based gambling has a significantly larger workforce than online gambling. In the Gambling Commission’s industry statistics published in May 2020, it was estimated to [employ approximately 80,500 people](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-april-2020). In addition to this, [research commissioned by Bacta](https://bacta.org.uk/2020/01/20/economy-seaside-arcades-uk/) showed that in 2018, seaside arcades alone contributed £451m in UK GVA, and were responsible for employing around 19,000 people.

Across society, cash has been declining as a form of payment method. UK Finance estimated that card payments [represented over 50% of UK payment transactions](https://www.ukfinance.org.uk/press/press-releases/cards-used-half-payments-first-time-last-year) for the first time in 2019. Research by the [Bank of England](https://www.bankofengland.co.uk/quarterly-bulletin/2020/2020-q4/cash-in-the-time-of-covid) suggested that COVID-19 accelerated consumer preference for cashless payments and the trend is predicted to continue, with Access to Cash’s review predicting an almost complete [absence of cash in the UK by 2035](https://www.accesstocash.org.uk/). While the existing framework has allowed for some innovation in cashless payments, gambling has largely remained cash-based. The lack of direct cashless payment methods on gaming machines contrasts with the cashless options that consumers have within the wider retail economy.

There has also been a decline in gaming machine usage in alcohol licensed premises. Evidence submitted by the British Beer and Pub Association shows a post-COVID decline in both the percentage of pubs with machines and machine weekly income. Between 2019 and 2021, there was a decrease in the percentage of Landlord & Tenant pubs with gaming machines (from 60% to just over 40%), as well as a decrease in the percentage of Managed pubs with gaming machines (from 80% to around 65%). Over this same period, the weighted average weekly income from gaming machines for Landlord & Tenant pubs fell from around £215 to approximately £190, whilst for Managed pubs this fell from around £230 to approximately £180.

Anecdotal industry evidence suggests that payment methods are a factor in this decline in machine usage, as pub goers now pay for food and drink by card but might have previously played a machine using spare change. Data from one national pub company, provided through the British Beer and Pub Association, shows the increasing preference for cashless payments: in 2011 72% of payments in pubs were made using cash but this had decreased to 13% in 2020. This indicates that unless customers actively plan to bring cash to a pub for use on a gaming machine, they are unlikely to be able to use one. Bacta highlighted that pubs no longer give cashback and ATMs have all but disappeared from pubs, making it more difficult for customers to access cash to use on machines. They also noted the cost of refloating machines, which has become more challenging for pubs where cash payments are not taken over the bar.

The societal shift towards cashless payments threatens the future of gaming machine GGY. In 2021/22, gaming machine GGY from gambling licensed premises (i.e. not including alcohol-licensed and other such premises) was £1.76bn. Whilst existing cashless innovations have provided some forms of cashless payment methods within gaming, without intervention, there is a risk of a decline in gaming machine GGY and machines becoming obsolete as society shifts towards a “cashless” society, where slot-style games paid for by card are easily available online. This would likely affect the future viability of land-based venues, which support jobs and have been adversely affected by the pandemic.

The introduction of direct forms of cashless payments on gaming machines, subject to suitable safeguards, therefore represents an opportunity to future-proof the land-based gambling industry.

As mentioned above, the existing regulations prohibit the use of debit cards for direct payments to gaming machines, and prohibit any use of credit cards. Lifting the prohibition will require us to amend secondary legislation, but we do not intend any relaxation of the prohibition to extend to credit card payments. This is because allowing people to gamble with money that they may not have exposes players to a higher risk of harm.

**Evidence on consumer attitudes to cashless**

While it is important to future-proof gaming machine payment methods, there must be a balance between this and any elevated risk of harm that could emerge from allowing direct cashless payment methods to be used for gambling.

[There is evidence that cashless payment methods are associated with increased expenditure in comparison to the use of cash](https://responsiblegambling.vic.gov.au/resources/publications/what-is-the-impact-of-cashless-gaming-on-gambling-behaviour-and-harm-1021/), which can lead to unintended consequences for consumers (including overspending and a higher willingness to pay).

In the Gambling Commission’s [2021 Consumer Voice Survey](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/consumer-views-on-cashless-payments-in-land-based-gambling), the majority (79%) of land-based gamblers felt that paying with cash helps them feel in control of their spending, with 73% saying that paying with cash makes it easier to keep track of spending, and 70% reporting that paying with cash makes it easier to set limits on spending. Moreover, 85% of land-based gamblers reported that paying via a cashless payment method (such as debit card or contactless play via mobile phone) made it easier to spend more than originally intended. 77% felt that cashless makes it easier to spend more on gambling than intended, and 66% said that using cashless payment methods made it feel like they are spending less money than they actually are.

45% of respondents would not be happy at all to pay for gambling via cashless payment methods. Consumer preferences therefore indicate that cashless would need to complement, rather than replace, cash as a gambling payment method.

**Government position**

The need to future-proof the land-based gambling sector provides the rationale for change. However, completely removing the prohibition on the direct use of debit cards within [the Gaming Machine (Circumstances of Use) Regulations 2007](https://www.legislation.gov.uk/uksi/2007/2319/contents/made) would be ineffective in addressing the increased risk of harm from cashless payment methods.

Encouraging further industry innovation within the current framework is unlikely to achieve meaningful progress due to limitations with meeting wider consumer preferences. While app-based digital payments have been encouraging in facilitating customer verification and providing customers with increased choice in payment types, their uptake and level of transactions have been low thus far. Moreover, the current framework does not solve the issue that unless customers actively plan to bring cash to a pub for use on a gaming machine, then they are unlikely to use one.

Permitting cashless in a targeted way, for example allowing debit cards to be used to pay for particular types of gaming machines or machines in certain types of venues, would not provide clarity on the principles and player protections required within a cashless framework.

Therefore, the government’s position is to consult on what principles and player protections should be put in place to support any relaxation of the rules around playing gaming machines with a debit card.

**Cashless principles and player protections**

Completely removing the prohibition on the direct use of debit cards on machines would risk undermining two of the [licensing objectives](https://www.gamblingcommission.gov.uk/guidance/guidance-to-licensing-authorities/part-1-the-licensing-objectives#:~:text=preventing%20gambling%20from%20being%20a,harmed%20or%20exploited%20by%20gambling.):

* preventing gambling from being associated with crime and disorder
* protecting children and other vulnerable persons from being harmed or exploited by gambling

The risk would be that some forms of direct cashless payment (such as contactless) lack account verification and could allow stolen cards to be used on gaming machines. This would be in contrast to the review and potential implementation of improved verification protocols within online gambling. Completely removing the prohibition could also pose a risk to anti-money laundering compliance.

However, some forms of cashless payment methods require authorisation from the account holder. This includes the use of biometrics on contactless mobile systems (such as Apple Pay) and PINs on chip and PIN methods. The authorisation required by the account holder in these systems mitigates against the risk of cashless payments facilitating crime through stolen cards being used on gaming machines.

Therefore, the government proposes that account holder authorisation/verification should be necessary for direct cashless payments. Moreover, this definition should also be flexible enough to accommodate for future technological change within payment methods.

**Consultation questions**

**Q32.a. Should card account verification (such as chip and PIN or Face ID on mobile payment systems) be required if direct cashless payments are permitted on gaming machines?** (Mandatory response)

[Yes / No / I don’t know]

**Q32.b. [Shown if Yes is selected] Should card account verification (such as chip and PIN or Face ID on mobile payment systems) be required on each transaction?** (Mandatory response)

[Yes / No / I don’t know]

**Q32.c. How often should card account verification be required? For example, after a certain number of transactions or when a customer hits a spend threshold.** (Optional response)

[Open text box]

There is currently no limit on the amount that can be inserted into a gaming machine, which for simplicity will be known as the “transaction value”.

[Regulation 7 of the Gaming Machine (Circumstances of Use) Regulations 2007](https://www.legislation.gov.uk/uksi/2007/2319/regulation/7/made) sets the financial (payment) limit on the amount a person can deposit on a machine in a single action. This “deposit limit” is currently set at £20 for Category B and C machines, and £2 for Category D machines. [Regulation 9](https://www.legislation.gov.uk/uksi/2007/2319/regulation/9/made) also sets committed payment limits, money which cannot be refunded to the player once it is paid or transferred onto the machine’s credit or play meter. These are £10 for Category B1, B2, B3 and B3A machines, and £5 for Category B4 and C machines. Category D machines currently do not have a committed payment limit.

Regulation 7 ensures that there is a maximum value that players can deposit onto a machine in a single action. Whilst any amount of money can be inserted into a machine, deposit limits require the player to press buttons in order to deposit money in relevant “deposit limit” denominations onto the machine’s bank meter, and then - for dual meter machines only - commit spend through the relevant committed payment limits.

Although the current maximum for a single contactless transaction is £100 per [Financial Conduct Authority rules](https://www.ukfinance.org.uk/press/press-releases/contactless-limit-increase-100-15-october), payments originating from mobile devices (such as Apple Pay) are effectively unlimited in terms of a single transaction value due to the higher level of security associated with making payments. The current maximum amount of cash that can be inserted into a machine at one time is £50 as this is the highest denomination of bank note.

In order to bring direct cashless payment methods in line with the cash-based landscape, their maximum transaction value must be considered alongside the existing Gaming Machine (Circumstances of Use) Regulations 2007.

**Consultation questions**

**Q33.a. What should the maximum transaction value be for direct cashless payments on gaming machines?** (Mandatory response)

[£20 / £50 / £100 / No Limit / Other / I don’t know]

**Q33.b. [Shown if Other is selected] Please specify what you think the maximum transaction should be (£).** (Optional response)

[Sliding scale]

**Q34.a. Should the maximum deposit limit for direct cashless payments be the same as those set by the Circumstances of Use Regulations 2007?** (Mandatory response)

[Yes / No / I don’t know]

**Q34.b. [Shown if No is selected] What do you think the maximum deposit limit should be for the following machine categories (£)?** (Optional response)

i) Category B1 machines
ii) Category B2 machines?
iii) Category B3 machines?
iv) Category B3A machines?
v) Category B4 machines?
vi) Category C machines?
vii) Category D machines?

[Sliding scale]

**Q35.a. Should the maximum committed payment limit for direct cashless payments be the same as those set by Circumstances of Use Regulations 2007?** (Mandatory response)

[Yes / No / I don’t know]

**Q35.b. [If No is selected] What do you think the maximum committed payment limit should be for the following machine categories (£)?**

i) Category B1 machines?
ii) Category B2 machines?
iii) Category B3 machines?
iv) Category B3A machines?
v) Category B4 machines?
vi) Category C machines?
vii) Category D machines? (Optional response)

[Sliding scale]

In the current predominantly cash-based landscape, ATMs must be positioned to require a player to take a break in play in order to access additional funds. Breaks in play are designed to stop dissociation/disconnection from the world around them, with [research](https://www.researchgate.net/publication/281174270_Breaks_in_Play_Do_They_Achieve_Intended_Aims) suggesting that best practice is to combine breaks in play with responsible gambling messaging.

In order to slow the speed of direct cashless transactions and provide a break in play, the government proposes that there should be a minimum transaction time for players making direct cashless payment transactions on gaming machines. In the Gambling Act Review call for evidence, the Cashless Group submitted a proposal that transactions could take a minimum time of 30 seconds to roughly mimic the time taken from card insertion up until receiving funds at an ATM. As part of the process of allowing players to make debit card transactions by turning away from the gaming table at casinos, the sector committed to an approach of 30 seconds of visual separation in ensuring a break in play before accessing additional funds.

**Consultation questions**

**Q36.a. Should there be a minimum transaction time for customers making a cashless transaction on a gaming machine?** (Mandatory response)

[Yes / No / I don’t know]

**Q36.b. [If Yes is selected] What do you think this minimum transaction time should be?** (Optional response)

[Sliding scale]

Deposit limits, session limits and other player-centric controls help to empower customers. The purpose is to prompt the customer to make the decision about how much they want to play at a time before they may be caught up in the game and less likely to [make informed or dispassionate decisions](https://www.researchgate.net/publication/270816711_Operator-Based_Approaches_to_Harm_Minimisation_in_Gambling_Summary_Review_and_Future_Directions). These tools prompt players once these limits have been reached.

There are existing limits which can be set on machines, as well as cooling-off periods for when these limits are hit. The cooling-off periods require players to temporarily take a break before continuing their session on that gaming machine.

[The Bacta Limit Setting standard of 2022](https://bacta.org.uk/2022/01/10/limit-setting-category-b2-machines/) enables players to set voluntary limits on session times, as well as limits on the amount of credit that can be inserted within a session. This standard applies to feasible B3 gaming machines and provides players with a 30 second cooling-off period once voluntary limits are hit.

In addition to this, default limits are also covered by this standard. This is currently triggered by a session time of 20 minutes or £150 credit being inserted since session start. The cooling-off period is 5 seconds for the first and second time that the player exceeds the mandatory limit. The cooling-off period is 10 seconds for the third and subsequent times that the player exceeds the mandatory limit.

However, there is no uniformity across land-based machines as a whole. Some manufacturers in the betting sector offer staff alert functionality and use BGC’s Anonymous Player Awareness System (APAS), which utilise the metrics:

* Absolute Session Loss (£ value of loss during session) — set at £500 or more
* Extended Losing Session — any customer that loses £250 or more in 30 minutes in a session
* Chaotic Play — any customer that has more than 10 “cash insertions” of £5 or more in a session

The breadth of APAS functionality and staff alerts varies by manufacturer. Default limits for machines in betting shops are £150 being inserted as credit since session start or 20 minutes of machine play (both leading to a 30 second cooling-off period when triggered).

The Commission will conduct a future review of the gaming machine technical standards. This will include assessing the role of session limits across Category B and C machines alongside safer gambling tools. However, the government believes that there could be benefits to harmonising these measures as part of direct cashless gambling.

**Consultation questions**

**Q37.a. Should there be voluntary limits (the ability for customers to set time and monetary thresholds) on gaming machines accepting direct cashless payments?** (Mandatory response)

[Yes / No / I don’t know]

**Q37.b. How long do you think the cooling-off period should be if voluntary limits are hit?** (Optional response)<br
[Sliding scale]

**Q38.a. Should there be mandatory limits (default limits for time and monetary thresholds) on machines accepting direct cashless payments?** (Mandatory response)

[Yes / No / I don’t know]

**Q38.b. [Shown if Yes is selected] What should the mandatory limits be?** (Optional response)

i) Monetary thresholds
ii) Time thresholds

[Sliding scale]

**Q38.c. [Shown if Yes is selected] How long do you think the cooling-off period should be once mandatory limits are hit?** (Optional response)

[Sliding scale]

**Q39.a. When limits are hit, should that result in a staff alert as well as a customer alert?** (Mandatory response)

[Yes / No / I don’t know]

**Q39.b.Please explain your answer.** (Optional response)

[Open text box]

As previously discussed, an optimal strategy to combat disassociation when gambling combines breaks in play with safer gambling messaging. GamCare, in collaboration with the BGC, Bingo Association, Bacta and other businesses, have developed a [land-based industry code](https://bettingandgamingcouncil.com/uploads/GamCare-Land-based-Industry-Code.pdf) for the display of Safer Gambling information. This has been voluntarily adopted by BGC members and its objective is to improve consistency when displaying Safer Gambling information across the land-based sector.

The government supports the voluntary measures that have been adopted as part of improving access to Safer Gambling information. The government will consider the need for bespoke dedicated safe play messaging as part of cashless gambling on gaming machines.

**Consultation questions**

**Q40.a. In your view, is there any specific safer gambling messaging that should be considered within cashless gambling?** (Mandatory response)

[Yes / No / I don’t know]

**Q40.b. [Shown if Yes is selected] What messaging would you suggest introducing? Please include any evidence of the potential impact of this messaging.** (Optional response)

[Open text box]

Players could also benefit from objective statements about their gambling activity rather than purely internal budgeting during sessions. Research has found that factual information dispels myths, biases and irrational thoughts, and increases [informed decision making](https://www.researchgate.net/publication/41083361_The_efficacy_of_responsible_gambling_measures_in_NSW_clubs_The_gambler%27s_perspective). [Rules introduced by the Gambling Commission in 2021 for online slots games](https://www.gamblingcommission.gov.uk/news/article/gambling-commission-announces-package-of-changes-which-make-online-games) mandate the display of money and time spent during a session.

In order to help customers make informed decisions and keep track of spending, the government considers that the display of session time and session net position (£) should be mandatory on machines that accept direct cashless payments. Net position would be defined as the total of all deposits and winnings minus the sum of all losses since the start of the [session](https://www.gamblingcommission.gov.uk/consultation-response/online-games-design-and-reverse-withdrawals/ogdrw-annex-1-summary-of-changes-to-rts), and both these proposals would align to the [changes made to online game design](https://www.gamblingcommission.gov.uk/consultation-response/online-games-design-and-reverse-withdrawals) by the Gambling Commission in 2021.

**Consultation questions**

**Q41.a. Should session time be visible at all times to the customer on machines accepting direct cashless payments?** (Mandatory response)

[Yes / No / I don’t know]

**Q41.b. Please explain your answer.** (Optional response)

[Open text box]

**Q42.a. Should net position be visible at all times to the customer on machines accepting direct cashless payments?** (Mandatory response)

[Yes / No / I don’t know]

**Q42.b. Please explain your answer.** (Optional response)

[Open text box]

**Impact**

At this stage it is difficult to predict the precise impact of these measures. However, the intended objective is to allow customers to pay by the means they prefer and preserve the viability of the gaming machine sector which is at risk of being eroded by the move to a “cashless” society. The GGY impact of this measure will depend on the take up of cashless gaming machines by operators, but also on the player protections.

Whilst there are some forms of indirect cashless payment methods under the current framework, as well as ATMs near some gambling locations, the lack of future-proofing for payment methods does risk a real decline in gaming machine GGY.

**Consultation questions**

**Q43. Please upload any further evidence or any other information that should be considered in this consultation relating to cashless payment measures.** (Optional response)

[File upload]

**Chapter 4: Introduction of an age limit on ‘cash-out’ Category D slot-style machines**

**Current regime**

Currently, [Category D](https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/page/d-gaming-machines) machines have no age restrictions nor area restrictions in licensed/permitted premises. Category D machines include a range of low stake machines, such as coin push, crane grabs and slot-style fruit machines. Category D machines are typically played by families and children and are usually found in seaside arcades, family entertainment centres (FECs) and unlicensed FECs. Further details on machine types and permitted locations can be found at [Figure 11](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#fig11).

**Slot-style Category D machines**

There are two types of Category D slot-style machines, one that pays out a small amount of cash, and one that pays out tickets which can be exchanged for a small prize, toy or sweet. ‘Cash-out’ slot-style machines have a maximum stake of 10p and a maximum prize of £5, while ‘ticket-out’ slot-style machines have a maximum stake of 30p and an equivalent of a prize worth up to £8.

Currently, both types of slot-style machines can legally be played by under-18s. However, as set out in the white paper, there are concerns that ‘cash-out’ slot-style machines share similarities with higher stake machines, restricted for adults.

**Voluntary commitment to ban under-18s**

In 2019, members of the Bacta trade association decided to take [voluntary action](https://bacta.org.uk/2019/11/29/bacta-cements-position-category-d/) to ban under-16s from playing ‘cash-out’ slot-style machines while unaccompanied by an adult on their premises.

Thereafter, Bacta members updated their Social Responsibility Charter and Code of Practice in March 2021 to implement a voluntary commitment to ban all under-18s from playing ‘cash-out’ Category D slot-style machines, regardless of whether they were accompanied by an adult or not. As set out in the white paper, Bacta did not include Category D ‘ticket-out’ slot-style machines within this ban. This was on the basis that whilst cash can be reinserted for further play (potentially facilitating behaviours like chasing losses), tickets cannot and have no value beyond what they can be redeemed for within the venue.

In the [press release](https://bacta.org.uk/2020/11/12/bacta-volountarily-bans-u18-cat-d-fruit-machines/) announcing the ban for all under-18s, Bacta indicated their intention that ‘cash-out’ slot-style machines would remain available to play by adults within their venues and would still allow family groups to play in close proximity to each other without segregation. Operators are given the autonomy to police the commitment as they see fit. Bacta reports that this typically includes locating the machines close to a supervisor’s booth or other more visible locations, and they state that it works well in ensuring under-18s do not access the machines.

**Figure 11: Category D Gaming machine types including stakes, prizes and speed of play**

| **Type** | **Max stake** | **Max prize** | **Min game cycle** | **Notes** |
| --- | --- | --- | --- | --- |
| D | 10p | £5 | 2.5 sec | Money prize machines |
| D | £1 | £50 | N/A | Crane grab machines |
| D | 30p | £8 | N/A | Other non-money prize machines |
| D | 20p | £10 | N/A | Coin pushers or penny falls - £20 of which no more than £10 can be a money prize |
| D | 10p | £5 | N/A | Machines other than coin pushers or penny falls - £8 of which no more than £5 can be a money prize |

**Government proposal**

As set out in the white paper, we believe that a more precautionary approach is justified for slot-style games which mirror the mechanics of adult-only gaming machines, particularly those which pay out cash. However, due to the lack of substantive research or evidence clearly identifying harms resulting from general Category D machines, we do not support a ban on children accessing other Category D machines, such as those that pay out in tickets, crane grabbers or coin pushers.

We propose to move the industry’s voluntary commitment into legislation, making it an offence for a person to invite, cause or permit a child or young person to use ‘cash-out’ Category D slot-style games. The measure will be brought into force using the Secretary of State’s powers [under section 59 of the Gambling Act 2005](https://www.legislation.gov.uk/ukpga/2005/19/section/59).

This change will not only strengthen the existing voluntary commitment from industry, by making it an offence to allow under-18s to play this type of gaming machine, it will also level the field between operators who are signed up to the voluntary code and those who are not.

We are also consulting on the basis that ‘cash-out’ slot-style Category D machines will be allowed to remain on the floor of AGCs and FECs and we do not propose that they should be required to be moved to an age-restricted area, even though under-18s must not be permitted to play them.

Licensed operators are required to place Category B and C machines in age-restricted areas to ensure that under-18s do not have access to them. For example, a licence for an FEC allows the operator to site an unlimited number of Category C and D gaming machines in premises which are open to all ages. However, Category C machines must be in a segregated part of the premises that is supervised to prevent children and young people accessing those machines.

Unlicensed FECs are entitled to make only Category D machines available, once they have successfully applied for a permit from the licensing authority (local authority in England and Wales, licensing board in Scotland). They do not have any age restricted areas as they have no adult-only machines.

If we required ‘cash-out’ slot-style Category D machines to be moved to age-restricted areas in licensed FECs, it is likely that operators would no longer site these machines. The industry has said that they are primarily used by family members who are 18 or over, while children play machines like crane grabs and coin pushers in the same area. In addition, as the maximum stake on these machines is 10p, these machines are less likely to be played in an area where there are Category C machines which have a maximum stake of £1 and can often be played at different staking levels up to this maximum.

Requiring these machines to be placed in age-restricted areas would have even more of a detrimental impact on unlicensed FECs, forcing them either to create an age restricted area on their premises, to remove ‘cash-out’ slot-style Category D machines entirely from their venues, or potentially to apply for a FEC operating licence.

We propose therefore that these machines are allowed to stay in unrestricted areas in licensed and unlicensed FECs, and other premises including but not limited to pubs and travelling fairs. Moving them to an age restricted area would disproportionately impact small businesses who are reliant on streams of income from all of their different types of machines. The current industry voluntary code allows these machines to remain alongside all other types of Category D machines. Making it an offence for a person to invite, cause or permit a child or young person to use these machines should act as a further incentive to abide by the rules. Any more restrictive changes could potentially exacerbate the impact on places like seaside arcade economies by making these machines inaccessible to adults accompanied by children.

To ensure that children and young persons are not playing on these machines, we encourage the industry to take preventative measures that allow for the monitoring of these machines by staff, including (as many premises already do) grouping all ‘cash-out’ slot-style Category D machines in one place in sight of a supervised position, such as a cash desk in the venue. In addition, we would like to receive any evidence or information on best practice in these venues that could then be disseminated among operators.

**Impact**

In [2021/22](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022), there were a total of 26,973 Category D gaming machines in licensed premises. Granular data is not available on how many of these are ‘cash-out’ slot-style machines, which are in scope of this measure. Bacta, which represents the amusement and gaming machine industry in the UK, have an existing voluntary commitment for their members to ban all under-18s from playing Category D ‘cash-out’ machines. Bacta’s members make up approximately 70-80% of the market for family entertainment centres and adult gaming centres.

While no formal assessment has been made of the impact of the voluntary age limit, such as through age verification testing to assess compliance among Bacta members, anecdotal evidence from industry suggests that a low proportion of players of Category D ‘cash-out’ slot-style machines were under the age of 18, even before the voluntary ban. On the basis that the demand from these machines comes largely from adults, we expect a limited impact on GGY from these machines as a result of this measure, especially with machines remaining where they can be played by adults who are accompanied by children.

**Impact on gambling participation among under-18s**

We expect this measure to restrict the play of under-18s on machines in scope. While under-18s may make up a small proportion of total players, there is evidence that they do play on these machines. The Gambling Commission’s [Young People and Gambling Survey 2022](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/young-people-and-gambling-2022#files) surveyed a sample of the maintained school population aged 11 to 16 in England, Scotland and Wales. The survey found that in the last 12 months, 3% of respondents had spent their own money on fruit or slot machines and a total of 6% had experience of playing on fruit or slot machines. This does not distinguish between ‘cash-out’ and ‘ticket-out’ machines. However, it should be noted that respondents were most likely to have spent their own money on types of gambling activity that are legal or do not feature age restricted products, such as penny pusher or claw grab arcade games. [Further research](https://www.sciencedirect.com/science/article/abs/pii/S0306460320308157#:~:text=For%20example%2C%2066.6%25%20of%20UK,%25%20of%20Australian%20non%2Dgamblers.) finds evidence that there is a correlation between the recollection of playing Category D machines in childhood and adult disordered gambling, although causation cannot be shown.

**Consultation questions**

**Q44.a. Should the government introduce an age limit on ‘cash-out’ Category D slot-style machines to 18 and over?** (Mandatory response)

[Yes / No / I don’t know]

**Q44.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q45.a. Should ‘cash-out’ Category D slot-style machines be required to move to age-restricted areas in venues?** (Mandatory response)

[Yes / No / I don’t know]

**Q45.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q46. What measures, if any, do you think venues should adopt to ensure that no under-18s play on ‘cash-out’ Category D slot-style machines if the age limit is introduced?**(Optional response)

[Open text box]

**Q47.a. Do you think premises should adopt voluntary test purchasing as a way to monitor under-18s activity on Category D ‘cash-out’ slot-style machines?** (Mandatory response)

[Yes / No / I don’t know]

**Q47.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q48.a. Should it be a criminal offence for a person to invite, cause or permit children or young persons to play on these machines?** (Mandatory response)

[Yes / No / I don’t know]

**Q48.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q49. Please upload any further evidence or any other information that should be considered as part of this consultation relating to an age limit on ‘cash-out’ Category D slot-style machines.** (Optional response)

[File upload]

**Chapter 5: Review of licensing authority fees**

**Current regime**

Licensing authorities have an important regulatory role alongside the Gambling Commission in licensing local premises. The Gambling Act 2005 created a partnership between the Gambling Commission and [368 licensing authorities](https://www.gamblingcommission.gov.uk/print/guidance-to-licensing-authorities) in England, Wales and Scotland for the regulation of land-based gambling. While the Commission licenses operators and individuals, local authorities in England and Wales and licensing boards in Scotland license premises and have the power to place conditions on premises licences as well as to grant or refuse them.

To support their role, licensing authorities collect [premises licence fees](https://www.gamblingcommission.gov.uk/manual/guidance-to-licensing-authorities/part-36-fees) for applications and annual renewals to cover the cost of administration of their gambling duties and gambling enforcement. This activity may include inspecting gambling premises to ensure that they are complying with their licence or dealing with complaints from residents or neighbours.

A premises licence is required to operate a non-remote premises-based gambling business. The [five types of licences](https://www.gamblingcommission.gov.uk/guidance/guidance-to-licensing-authorities/part-2-premises-licences) included within this are casino premises licences, bingo premises licences, adult gaming centre premises licences, family entertainment centre premises licences, and betting premises licences. The fees payable for gaming machine notifications and gaming machine permits are not in scope of this review. Therefore, venues such as pubs and members’ clubs will not be impacted by any increases to premises licence fees.

[The Gambling (Premises Licence Fees) (England and Wales) Regulations 2007](https://www.legislation.gov.uk/uksi/2007/479/contents/made) established the maximum level of fees that local authorities in England and Wales can charge for gambling premises licences. This cap has not been updated since 2007.

Scottish Ministers also have power to set application and annual fees for premises licences, which differ from the fees set out for England and Wales, and are set out in [the Gambling (Premises Licence Fees) (Scotland) Regulations 2007](https://www.legislation.gov.uk/ssi/2007/197/contents/made). Therefore, the proposals set out in this chapter will only apply to licensing authorities in England and Wales.

Licensing fees vary by premises type. For example, the maximum annual fee for a large casino is £10,000 in England and Wales, and £7,500 in Scotland. The maximum annual fee for an adult gaming centre (arcade) is £1,000 in England and Wales, and £700 in Scotland. The full list of fees is given in Figure 12 below. Note that the different fees currently charged for large and small casinos may be subject to review and harmonisation following the consultation outlined in [Chapter 1](https://www.gov.uk/government/consultations/measures-relating-to-the-land-based-gambling-sector/measures-relating-to-the-land-based-gambling-sector#chap1).

In Scotland, the fees are set at a flat rate by Scottish Ministers. In England and Wales, the government sets a cap and licensing authorities have flexibility below that to set their fees. The fees must be set on a cost recovery basis, to include the cost of both administration and enforcement (e.g. inspections). They are therefore essential for ensuring that licensing authorities can properly regulate gambling in their areas.

**Figure 12: Premises Licence Fees in England and Wales**

| **Classes of premises licence** | **Maximum conversion application fee for non-fast track application** | **Maximum non-conversion application fee in respect of provisional statement premises** | **Maximum non-conversion application fee in respect of other premises** | **Maximum annual fee** | **Maximum fee for application to vary licence** | **Maximum fee for application to transfer a licence** | **Maximum fee for application for reinstatement of a licence** | **Maximum fee for application for provisional statement** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Regional casino premises licence** |   | £8,000 | £15,00 | £15,000 | £7,500 | £6,500 | £6,500 | £15,000 |
| **Large casino premises licence** |   | £5,000 | £10,000 | £10,000 | £5,000 | £2,150 | £2,150 | £10,000 |
| **Small casino premises licence** |   | £3,000 | £8,000 | £5,000 | £4,000 | £1,800 | £1,800 | £8,000 |
| **Converted casino premises licence** | £2,000 |   |   | £3,000 | £2,000 | £1,350 | £1,350 |   |
| **Bingo premises licence** | £1,750 | £1,200 | £3,500 | £1,000 | £1,750 | £1,200 | £1,200 | £3,500 |
| **Adult gaming centre premises licence** | £1,000 | £1,200 | £2,000 | £1,000 | £1,000 | £1,200 | £1,200 | £2,000 |
| **Betting premises (track) licence** | £1,250 | £950 | £2,500 | £1,000 | £1,250 | £950 | £950 | £2,500 |
| **Family entertainment centre premises licence** | £1,000 | £950 | £2,000 | £750 | £1,000 | £950 | £950 | £2,000 |
| **Betting premises (other) licence** | £1,500 | £1,200 | £3,000 | £600 | £1,500 | £1,200 | £1,200 | £3,000 |

**Figure 13: Premises Licence Fees in Scotland**

| **Classes of premises licence** | **Conversion application fee for non-fast track application** | **Non-conversion application fee in respect of provisional statement premises** | **Fee for – (a) non-conversion application in respect of other premises; or (b) application for provisional statement** | **Annual fee** | **First annual fee following non-conversion application** | **Fee for application to vary licence** | **Fee for application – (a) to transfer a licence; or (b) for reinstatement of a licence** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Regional casino premises licence** |   | £6,000 | £11,250 | £11,250 | £8,440 | £5,625 | £4,880 |
| **Large casino premises licence** |   | £3,750 | £7,500 | £7,500 | £5,620 | £3,750 | £1,600 |
| **Small casino premises licence** |   | £2,250 | £6,000 | £3,750 | £2,810 | £3,000 | £1,350 |
| **Converted casino premises licence** | £1,500 |   |   | £2,550 |   | £1,500 | £1,000 |
| **Bingo premises licence** | £1,200 | £840 | £2,450 | £700 | £525 | £1,200 | £840 |
| **Adult gaming centre premises licence** | £700 | £840 | £1,400 | £700 | £525 | £700 | £840 |
| **Betting premises (track) licence** | £870 | £660 | £1,750 | £1,000 | £750 | £870 | £660 |
| **Family entertainment centre premises licence** | £700 | £660 | £1,400 | £500 | £375 | £700 | £660 |
| **Betting premises (other) licence** | £1,050 | £840 | £2,100 | £400 | £300 | £1,050 | £840 |

**Rationale for change**

Licensing authorities have a broad requirement to aim to permit gambling premises under [section 153](https://www.legislation.gov.uk/ukpga/2005/19/section/24) of the 2005 Act, which states: “In exercising their functions under this Part a licensing authority shall aim to permit the use of premises for gambling” in so far as the authority thinks it compatible with the principles specified in that provision, such as in accordance with any relevant code of practice issued under [section 24](https://www.legislation.gov.uk/ukpga/2005/19/section/24). However, they do have a wide range of powers for applying local considerations. For example, existing powers, such as local policy statements, allow licensing authorities to account for factors such as public health and crime. Some have expressed a desire to do more to apply local considerations in their areas when making licensing decisions.

We recognise that the maximum for licensing authority fees has not been updated since 2007, during which time inflation has inevitably reduced its value. We believe it is appropriate to increase these fees so that local authorities can cover the costs of their gambling licensing and enforcement activity, and increase activity where needed. Any fee increase must be linked to the cost to that particular local authority of carrying out its gambling functions. An increase in the cap that can be charged does not provide individual local authorities with an automatic right to increase their fees, rather each local authority must be able to demonstrate the necessity of a fee increase to undertake its enforcement and compliance duties.

We do not currently have sufficient evidence to inform an appropriate percentage increase to the current cap on licensing fees. We are consulting on a potential increase in fees of between 10% and 30%. The lower end of the range aligns roughly with the inflation rate over the last five years. The higher end takes into consideration that some local authorities may need additional funding to carry out the full extent of administration of their gambling duties and gambling enforcement, such as the development of policy statements. We are seeking evidence on the following suggested increases to the upper limit which licensing authorities can charge for premises licence fees:

**Option 1:** A 10% increase in all maximum fees. This would potentially generate an additional £780,000 in total annual funding for local authorities and increase average annual costs per premises by £84.

**Option 2:** A 20% increase in all maximum fees. This would potentially generate an additional £1,560,000 in total annual funding for local authorities and increase average annual costs per premises by £167.

**Option 3:** A 30% increase in all maximum fees. This would potentially generate an additional £2,340,000 in total annual funding for local authorities and increase average annual costs per premises by £251.

**Impact**

The primary and intended benefit of this measure is to increase funding for licensing authorities to carry out administrative and enforcement duties in relation to land-based gambling premises in their remit. The primary cost of this measure is the additional costs incurred by gambling operators resulting from the increased licensing fees. The direct, monetisable impact of these fees is summarised below.

**Figure 14: Total additional funding for licensing authorities and additional annual cost per premises by different increases to the maximum premises licence fees**

|  | **Total additional annual funding for LAs** | **Additional annual cost per premises (average across all premises)** |
| --- | --- | --- |
| Option 1: 10% increase in all maximum fees | £781,614 | £84 |
| Option 2: 20% increase in all maximum fees | £1,563,228 | £167 |
| Option 3: 30% increase in all maximum fees | £2,344,842 | £251 |

The additional annual cost per premises and the total additional annual funding for licensing authorities has been estimated using existing premises numbers. We assume that licensing authorities will increase their current charged fees in proportion with the increase in the maximum fee cap. The additional annual cost per premises is an average across all premises types and in reality, will differ depending on the type of licence held. In order to produce a more robust estimate for funding raised, we require additional data on the current number of licence applications and live licences. We also require a better understanding of how licensing authorities will amend their fees in response to an increase in the maximum fee cap.

We expect that wider benefits will arise from the increase in oversight and enforcement activity by licensing authorities of gambling premises in their area and are seeking further information to better understand these benefits. It is possible that there will be wider costs if the increase in fees means that existing premises are unable to afford their total fees and close down as a result, or if new premises decide not to open due to the higher fees. However, given the relatively low level of annual fees per premises at present, we consider this to be unlikely.

**Consultation questions**

**Q50.a. If you are a local authority/ licensing board, how much funding did you receive in licensed gambling premises fees in the 2022/23 financial year? Expressed in thousands of pounds.** (Optional response)

[Sliding scale]

**Q50.b. If you are a local authority/ licensing board, how many premises licence applications did you receive in the 22/23 financial year?** (Optional response)

[Sliding scale]

**Q50.c. If you are a local authority/ licensing board, how many premises licences were live in your licensing area in the 22/23 financial year?** (Optional response)

[Sliding scale]

**Q51.a. If you are a local authority/ licensing board, do you currently charge the maximum fees as set out in the Gambling Act 2005?** (Optional response)

[Yes / No / I don’t know]

**Q51.b. [Shown if No is selected] Please explain why you do not currently charge the maximum fees as set out in the Gambling Act 2005.** (Optional response)

[Open text box]

**Q52.a. How much funding do you estimate is needed for administration and the enforcement of licences annually? Expressed in thousands of pounds.** (Optional response)

[Sliding scale]

**Q52.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q53. Are there any functions that local authorities/ licensing boards do not exercise at present, but could if fees were increased (e.g. a more proactive enforcement policy)?** (Optional response)

[Open text box]

**Q54.a. The government is considering raising maximum licence fees for gambling premises. Should maximum fees be increased, how much should they be increased by?**  (Mandatory response)

[10% / 20% / 30% / A different amount / I do not think fees should be increased / I don’t know]

**Q54.b. Please explain your answer.** (Optional response)

[Open text box]

**Q55.a. What do you think are the potential impacts of raising licence fees on licensing authorities?** (Optional response)

[Open text box]

**Q55.b. What do you think are the potential impacts of raising licence fees on gambling companies?** (Optional response)

[Open text box]

**Q55.c. What do you think are the potential impacts of raising licence fees on the local area?** (Optional response)

[Open text box]

**Q56. Please provide any additional views or evidence on the potential impacts of raising licence fees here.** (Optional response)

[Open text box]

**Q57. Please upload any further evidence or any other information that should be considered in this consultation relating to licensing authority fees.** (Optional response)

[File upload]

**Q58. The Department for Culture, Media and Sport will have due regard to the public sector equality duty, including considering the impact of these proposals on those who share protected characteristics, as provided by the Equality Act 2010. These are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.**

\*\*Please indicate if you believe any of the proposals in this consultation are likely to impact persons who share such protected characteristics and, if so, please explain which group(s) of persons, what the impact on any such group might be and if you have any views. (Optional response)

[Open text box]

**Q59. Please upload any further supporting evidence that you wish to share.** (Optional response)

[File upload]

**Chapter 6: Complete list of consultation questions**

**Pre-consultation demographic questions**

**Are you responding on behalf of an organisation or as an individual?** (Individual / Organisation / Other [please specify])

**If individual**

**What is your age?** (0 to 17 / 18 to 24 / 25 to 44 / 45 to 64 / 75 to 84 / 85+ / Prefer not to say)

**What part of Great Britain do you live in?** (England / Scotland / Wales / Prefer not to say / Outside of Great Britain [please specify])

**Have you gambled in the past year?** (Yes / No/ I don’t know / Prefer not to say)

**Which of the following best describes your interest in gambling policy (select up to two options)?** (Gambling industry professional, gambling researcher/academic, gambling treatment provider, personally harmed by gambling, affected negatively by another person’s gambling, recreational gambler, government/regulatory professional, other, prefer not to say)

**Is any of the information you have provided confidential, commercially sensitive or otherwise unsuitable for publication (including in anonymised)? If so, please indicate what.** (Free text box)

**If organisation**

**What is the name of your organisation?** (Free text box)

**Is the organisation headquartered in Great Britain?** (Yes / No / I don’t know)

**Which of the following best represents your organisation’s sector?** (remote gambling industry, land-based gambling industry, both remote and land-based gambling industry, gambling-related sector (e.g. advertising, sport, or broadcasting), government/regulator, lived experience peer support charity, academic/research, treatment provision, other, I don’t know)

**How many employees does the organisation you are responding on behalf of have globally?** (1-9 / 10-19 / 20-49 / 50- 99 / 100 - 250 / 250 - 499 employees / 500+ employees / I don’t know)

**Are you happy for government to attribute responses to your organisation in a published response to this consultation?** (Yes / No)

**Is any of the information you have provided confidential, commercially sensitive or otherwise unsuitable for publication (including in anonymised)? If so, please indicate what.** (Free text box)

**Chapter 1: Casino measures**

**Q1.a. Do you agree with the proposed gaming machine entitlements based on the sliding scale for (i) gambling space; (ii) table gaming space (iii) non-gambling area; and (iv) machine-to-table ratio?** (Mandatory response)

[Yes / No / I don’t know]

**Q1.b. Please explain your answer. If you selected ‘No’, please provide an alternative proposal for gaming machine entitlements if you have one.** (Optional response)

[Open text box]

**Q2.a. If you are an operator, do you intend to take up these new entitlements?** (Mandatory response)

[Yes / No / I don’t know / Not applicable]

**Q2.b. [Shown if Yes is selected] Do you intend to site the maximum number of machines available to you?** (Mandatory response)

[Yes / No / I don’t know]

**Q2.c. Please explain your answer.** (Optional response)

[Open text box]

**Q3.a. If you are an operator with more than one premises licence at the same location, do you intend to take up these new entitlements for each licence?** (Mandatory response)

[Yes / No / I don’t know / Not applicable]

**Q3.b. Please explain your answer.** (Optional response)

[Open text box]

**Q4.a Do you perceive there to be any issue with allowing multiple casino licences in the same physical location if gaming machine entitlements are increased as proposed?** (Mandatory response)

[Yes / No / I don’t know]

**Q4.b. Please explain your answer, including any suggested changes to the regulatory framework where applicable.** (Optional response)

[Open text box]

**Q5.a. How do you expect the measures allowing more gaming machines in 1968 Act casinos that meet certain size requirements to affect the demand for gaming machines in casinos?** (Mandatory response)

[Large increase in demand / Small Increase in demand / No change in demand / Small decrease in demand / Large decrease in demand / I don’t know]

**Q5.b. Please explain your answer.** (Optional response)

[Open text box]

**Q6.a. How do you expect the measures allowing more gaming machines in 1968 Act casinos to impact the provision of other product offerings within casinos e.g. table gaming?** (Mandatory response)

[Large increase in the provision of other product offerings / Small increase in the provision of other product offerings / No change in provision of other product offerings / Small decrease in the provision of other product offerings / Large decrease in the provision of other product offerings / I don’t know]

**Q6.b. Please explain your answer.** (Optional response)

[Open text box]

**Q7.a. The government is proposing to operate two regimes for 1968 Act casinos whereby they can either operate under the existing rules with no increase to their gaming machine allowance or they can take up their new gaming machine entitlements under the new rules. Do you agree with this proposal?** (Mandatory response)

[Yes / No / I don’t know]

**Q7.b. Please explain your answer.** (Optional response)

[Open text box]

**Q8. Please provide any views or any other information on the adequacy of player protections for those using gaming machines in casinos. Please include any examples of best practice if possible.** (Optional response)

[Open text box]

**Q9.a Should the government introduce a 5:1 machine to table ratio for all casinos except those 1968 Act casinos that remain on the existing licensing regime?** (Mandatory response

[Yes / No / I don’t know]

**Q9.b. Please explain your answer.** (Optional response)

[Open text box]

**Q10. Please share any evidence or information that is relevant to the proposed amendment to the definition of gaming tables since the government stated its intention to make this change in 2018.** (Optional response)

[Open text box]

**Q11.a. Do you agree with the proposed (i) minimum gambling area; (ii) table gaming area; and (iii) non-gambling area requirements for 1968 Act casinos under the new regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q11.b. Please explain your answer.** (Optional response)

[Open text box]

**Q11.c. Should the minimum table gaming area for Small 2005 Act casinos be reduced to 250sqm?** (Mandatory response)

[Yes / No / I don’t know]

**Q11.d. Please explain your answer.** (Optional response)

[Open text box]

**Q12.a. Should access to a greater number of gaming machines require compliance with each of the three size requirements outlined above?** (Mandatory response)

[Yes / No / I don’t know]

**Q12.b. Please explain your answer.** (Optional response)

[Open text box]

**Q13.a. Which approach do you think should be taken in relation to the maximum gambling area for 1968 Act casinos?** (Mandatory response)

[All 1968 Act casinos must have a gambling area less than 1,500sqm / All 1968 Act casinos must have a gambling area less than 1,500sqm, with an exemption for 1968 Act casinos that are currently open and have a gambling area of 1500sqm or more / No maximum gambling area at all for 1968 Act casinos / Other / I don’t know ]

**Q13.b. Please explain your answer.** (Optional response)

[Open text box]

**Q14.a. Should separate table gaming areas of 12.5% or more only be allowed to count towards the total table gaming area for 1968 Act casinos under the new regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q14.b. Please explain your answer.** (Optional response)

[Open text box]

**Q15.a. Under current regulations, the following areas can be used to calculate the non-gambling area in a 2005 Act and 1968 Act casino:**

• **Facilities for gambling cannot be provided in the non-gambling area.**

• **Lobby areas and toilet facilities may be taken into account but the non-gambling area shall not consist exclusively of lobby areas and toilet facilities.**

• **Each separate area comprising the non-gambling area, other than the lobby areas and toilet facilities, must contain recreational facilities that are available for use by customers on the premises.**

• **Any non-gambling area may consist of one or more areas within the premises**

**Do you agree that this should remain the same under the new regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q15.b. Please explain your answer, including an alternative solution for how to calculate non-gambling areas where applicable.** (Optional response)

[Open text box]

**Q16.a. Should all 1968 Act casinos be permitted to offer sports betting, regardless of size?** (Mandatory response)

[Yes / No / I don’t know]

**Q16.b. Please explain your answer.** (Optional response)

[Open text box]

**Q17.a. Do you agree with the proposed entitlements for Self-Service Betting Terminals (SSBTs) based on the sliding scale?** (Mandatory response)

[Yes / No / I don’t know]

**Q17.b. Please explain your answer, including an alternative proposal for SSBT entitlements where applicable.** (Optional response)

[Open text box]

**Q18.a. If you are a casino licence operator, what impact is permitting sports betting expected to have on the Gross Gambling Yield (GGY) of your casino(s)?** (Mandatory response)

[Significant increase / Slight increase / No impact / Slight decrease / Significant decrease / I don’t know / Not applicable]

**Q18.b. Please explain your answer.** (Optional response)

[Open text box]

**Q19. If your casino already offers sports betting, what is the GGY from this activity? Please provide an estimate if you do not have an exact figure.** (Optional response)

[Open text box]

**Q20.a. What impact is permitting sports betting expected to have on revenue from non-gambling activities e.g. increased income from sports bars which allow customers to place a bet?** (Mandatory response)

[Increased revenue / No impact  Decreased revenue / I don’t know]

**Q20.b. Please explain your answer.** (Optional response)

[Open text box]

**Q21. What player protections could be adopted in casinos for those customers participating in sports betting?** (Optional response)

[Open text box]

**Q22.a. Do you agree with the proposal that casino operators will be required to notify licensing authorities and the Gambling Commission if they decide to take-up their entitlement to additional gaming machines under the new regime?** (Mandatory response)

[Yes / No / I don’t know]

**Q22.b. Please explain your answer.** (Optional response)

[Open text box]

**Q23.a. Should the operating and premises licence fees that apply to 2005 Act casinos also apply to 1968 Act casinos that increase their gaming machine entitlements?** (Mandatory response)

[Yes / No / I don’t know]

**Q23.b. Please explain your answer.** (Optional response)

[Open text box]

**Q24. Please upload any further evidence or any other information that should be considered as part of this consultation relating to casino measures.** (Optional response)

[File upload]

**Chapter 2: Machine allowance for arcades and bingo halls**

**Q25.a. There are 3 options the government is considering related to gaming machine allowance for arcades and bingo halls:**

• **Option 1:** Introduce the 50/50 rule while maintaining current requirements for ‘available for use’.

• **Option 2:** Introduce the 50/50 rule with an additional requirement that any gaming machine device types offered in individual premises (whether cabinets, tablets (fixed or hand-held) or in-fill) comprise a minimum of 50 percent Category C and D machines. Also, Category C and D gaming machine device types made available for use must be of similar size and scale to Category B.

• **Option 3:** Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios.

**How, if at all, would the approaches taken in Options 1, 2 and 3 impact the ability of business to meet customer demand for gaming machines? Please answer in comparison to the current 80/20 rule.** (Mandatory response)

[A significant increase in ability to meet demand / A slight increase in ability to meet demand /  No impact / A slight decrease in ability to meet demand / A significant decrease in ability to meet demand / I don’t know]

**Q25.b. Please explain your answer.** (Optional response)

[Open text box]

**Q26.a. What impact would options 1, 2 and 3 have on Gross Gambling Yield (GGY) for businesses?** (Mandatory response)

[A large increase in GGY / A small increase in GGY / No impact on GGY / A small decrease in GGY / A large decrease in GGY / I don’t know]

**Q26.b. If available, please provide evidence of the potential impact of Options 1, 2 and 3 on the GGY of operators and on the wider gambling sector.** (Optional response)

[Open text box]

**Q27.a. There are 3 options the government is considering related to gaming machine allowance for arcades and bingo halls:**

• **Option 1:** Introduce the 50/50 rule while maintaining current requirements for ‘available for use’.

• **Option 2:** Introduce the 50/50 rule with an additional requirement that any gaming machine device types offered in individual premises (whether cabinets, tablets (fixed or hand-held) or in-fill) comprise a minimum of 50 percent Category C and D machines. Also, Category C and D gaming machine device types made available for use must be of similar size and scale to Category B.

• **Option 3:** Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios.

**What impact would Options 1, 2 and 3 have on the overall number of Category B machines?** (Mandatory response)

[Significant increase / Small increase / No impact / Small Decrease / Significant Decrease / I don’t know]

**Q27.b. What impact would Options 1, 2 and 3 have on the overall number of Category C machines?** (Mandatory response)

[Significant increase / Small increase / No impact / Small Decrease / Significant Decrease / I don’t know]

**Q27.c. What impact would Options 1, 2 and 3 have on the overall number of Category D machines?** (Mandatory response)

[Significant increase / Small increase / No impact / Small Decrease / Significant Decrease / I don’t know]

**Q27.d. If available, please provide estimates of the potential impact of Options 1, 2 and 3 on the overall number of machines.** (Optional response)

[Open text box]

**Q27.e. What impact would Options 1, 2 and 3 have on the product mix of Category B, C and D machines? For example, cabinets and terminal devices.** (Optional response)

[Open text box]

**Q28. Please provide any evidence you have on the potential harm of implementing Options 1, 2 and 3 on customers.** (Optional response)

[Open text box]

**Q29.a. There are 3 options the government is considering related to gaming machine allowance for arcades and bingo halls:**

• **Option 1:** Introduce the 50/50 rule while maintaining current requirements for ‘available for use’.

• **Option 2:** Introduce the 50/50 rule with an additional requirement that any gaming machine device types offered in individual premises (whether cabinets, tablets (fixed or hand-held) or in-fill) comprise a minimum of 50 percent Category C and D machines. Also, Category C and D gaming machine device types made available for use must be of similar size and scale to Category B.

• **Option 3:** Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios.

**What impact would Options 1, 2 and 3 have on the overall number of Category B, C and D gaming machines Please rank these options in order of preference, with 1 being your preferred option.** (Optional response)

**Q29.b. Please explain why this is your preferred option.** (Optional response)

[Open text box]

**Q30.a. Please outline any other proposals relating to machine allowances in arcades and bingo halls that you think that we should consider.** (Optional response)

[Open text box]

**Q30.b. What benefit would this proposal(s) offer in comparison to Options 1, 2 and 3?** (Optional response)

[Open text box]

**Q31. Please upload any further evidence or any other information that should be considered in this consultation relating to bingo and arcade gaming machine measures.** (Optional response)

[Open text box]

**Chapter 3: Cashless payments on gaming machines**

**Q32.a. Should card account verification (such as chip and PIN or Face ID on mobile payment systems) be required if direct cashless payments are permitted on gaming machines?** (Mandatory response)

[Yes / No / I don’t know]

**Q32.b. [Shown if Yes is selected] Should card account verification (such as chip and PIN or Face ID on mobile payment systems) be required on each transaction?** (Mandatory response)

[Yes / No / I don’t know]

**Q32.c. How often should card account verification be required? For example, after a certain number of transactions or when a customer hits a spend threshold.** (Optional response)

[Open text box]

**Q33.a. What should the maximum transaction value be for direct cashless payments on gaming machines?** (Mandatory response)

[£20 / £50 / £100 / No Limit / Other / I don’t know]

**Q33.b. [Shown if Other is selected] Please specify what you think the maximum transaction should be (£).** (Optional response)

[Sliding scale]

**Q34.a. Should the maximum deposit limit for direct cashless payments be the same as those set by the Circumstances of Use Regulations 2007?** (Mandatory response)

[Yes / No / I don’t know]

**Q34.b. [Shown if No is selected] What do you think the maximum deposit limit should be for the following machine categories (£)?** (Optional response)

i) Category B1 machines
ii) Category B2 machines?
iii) Category B3 machines?
iv) Category B3A machines?
v) Category B4 machines?
vi) Category C machines?
vii) Category D machines?

[Sliding scale]

**Q35.a. Should the maximum committed payment limit for direct cashless payments be the same as those set by Circumstances of Use Regulations 2007?** (Mandatory response)

[Yes / No / I don’t know]

**Q35.b. [If No is selected] What do you think the maximum committed payment limit should be for the following machine categories (£)?**

i) Category B1 machines?
ii) Category B2 machines?
iii) Category B3 machines?
iv) Category B3A machines?
v) Category B4 machines?
vi) Category C machines?
vii) Category D machines? (Optional response)

[Sliding scale]

**Q36.a. Should there be a minimum transaction time for customers making a cashless transaction on a gaming machine?** (Mandatory response)

[Yes / No / I don’t know]

**Q36.b. [If Yes is selected] What do you think this minimum transaction time should be?** (Optional response)

[Sliding scale]

**Q37.a. Should there be voluntary limits (the ability for customers to set time and monetary thresholds) on gaming machines accepting direct cashless payments?** (Mandatory response)

[Yes / No / I don’t know]

**Q37.b. How long do you think the cooling-off period should be if voluntary limits are hit?** (Optional response)<br
[Sliding scale]

**Q38.a. Should there be mandatory limits (default limits for time and monetary thresholds) on machines accepting direct cashless payments?** (Mandatory response)

[Yes / No / I don’t know]

**Q38.b. [Shown if Yes is selected] What should the mandatory limits be?** (Optional response)

i) Monetary thresholds
ii) Time thresholds

[Sliding scale]

**Q38.c. [Shown if Yes is selected] How long do you think the cooling-off period should be once mandatory limits are hit?** (Optional response)

[Sliding scale]

**Q39.a. When limits are hit, should that result in a staff alert as well as a customer alert?** (Mandatory response)

[Yes / No / I don’t know]

**Q39.b.Please explain your answer.** (Optional response)

[Open text box]

**Q40.a. In your view, is there any specific safer gambling messaging that should be considered within cashless gambling?** (Mandatory response)

[Yes / No / I don’t know]

**Q40.b. [Shown if Yes is selected] What messaging would you suggest introducing? Please include any evidence of the potential impact of this messaging.** (Optional response)

[Open text box]

**Q41.a. Should session time be visible at all times to the customer on machines accepting direct cashless payments?** (Mandatory response)

[Yes / No / I don’t know]

**Q41.b. Please explain your answer.** (Optional response)

[Open text box]

**Q42.a. Should net position be visible at all times to the customer on machines accepting direct cashless payments?** (Mandatory response)

[Yes / No / I don’t know]

**Q42.b. Please explain your answer.** (Optional response)

[Open text box]

**Q43. Please upload any further evidence or any other information that should be considered in this consultation relating to cashless payment measures.** (Optional response)

[File upload]

**Chapter 4: Introduction of an age limit on ‘cash-out’ slot-style Category D machines**

**Q44.a. Should the government introduce an age limit on ‘cash-out’ Category D slot-style machines to 18 and over?** (Mandatory response)

[Yes / No / I don’t know]

**Q44.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q45.a. Should ‘cash-out’ Category D slot-style machines be required to move to age-restricted areas in venues?** (Mandatory response)

[Yes / No / I don’t know]

**Q45.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q46. What measures, if any, do you think venues should adopt to ensure that no under-18s play on ‘cash-out’ Category D slot-style machines if the age limit is introduced?**(Optional response)

[Open text box]

**Q47.a. Do you think premises should adopt voluntary test purchasing as a way to monitor under-18s activity on Category D ‘cash-out’ slot-style machines?** (Mandatory response)

[Yes / No / I don’t know]

**Q47.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q48.a. Should it be a criminal offence for a person to invite, cause or permit children or young persons to play on these machines?** (Mandatory response)

[Yes / No / I don’t know]

**Q48.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q49. Please upload any further evidence or any other information that should be considered as part of this consultation relating to an age limit on ‘cash-out’ Category D slot-style machines.** (Optional response)

[File upload]

**Chapter 5: Review of licensing authority fees**

**Q50.a. If you are a local authority/ licensing board, how much funding did you receive in licensed gambling premises fees in the 2022/23 financial year? Expressed in thousands of pounds.** (Optional response)

[Sliding scale]

**Q50.b. If you are a local authority/ licensing board, how many premises licence applications did you receive in the 22/23 financial year?** (Optional response)

[Sliding scale]

**Q50.c. If you are a local authority/ licensing board, how many premises licences were live in your licensing area in the 22/23 financial year?** (Optional response)

[Sliding scale]

**Q51.a. If you are a local authority/ licensing board, do you currently charge the maximum fees as set out in the Gambling Act 2005?** (Optional response)

[Yes / No / I don’t know]

**Q51.b. [Shown if No is selected] Please explain why you do not currently charge the maximum fees as set out in the Gambling Act 2005.** (Optional response)

[Open text box]

**Q52.a. How much funding do you estimate is needed for administration and the enforcement of licences annually? Expressed in thousands of pounds.** (Optional response)

[Sliding scale]

**Q52.b. Please explain your answer, providing any supporting evidence where available.** (Optional response)

[Open text box]

**Q53. Are there any functions that local authorities/ licensing boards do not exercise at present, but could if fees were increased (e.g. a more proactive enforcement policy)?** (Optional response)

[Open text box]

**Q54.a. The government is considering raising maximum licence fees for gambling premises. Should maximum fees be increased, how much should they be increased by?**  (Mandatory response)

[10% / 20% / 30% / A different amount / I do not think fees should be increased / I don’t know]

**Q54.b. Please explain your answer.** (Optional response)

[Open text box]

**Q55.a. What do you think are the potential impacts of raising licence fees on licensing authorities?** (Optional response)

[Open text box]

**Q55.b. What do you think are the potential impacts of raising licence fees on gambling companies?** (Optional response)

[Open text box]

**Q55.c. What do you think are the potential impacts of raising licence fees on the local area?** (Optional response)

[Open text box]

**Q56. Please provide any additional views or evidence on the potential impacts of raising licence fees here.** (Optional response)

[Open text box]

**Q57. Please upload any further evidence or any other information that should be considered in this consultation relating to licensing authority fees.** (Optional response)

[File upload]

**Q58. The Department for Culture, Media and Sport will have due regard to the public sector equality duty, including considering the impact of these proposals on those who share protected characteristics, as provided by the Equality Act 2010. These are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.**

\*\*Please indicate if you believe any of the proposals in this consultation are likely to impact persons who share such protected characteristics and, if so, please explain which group(s) of persons, what the impact on any such group might be and if you have any views. (Optional response)
[Open text box]