

**EXPLANATORY MEMORANDUM TO  
THE GAMBLING ACT 2005 (GAMING MACHINES IN BINGO PREMISES)  
ORDER 2009**

**2009 No. 324**

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

None.

2. **Purpose of the instrument**

This Order increases from four to eight the maximum number of Category B gaming machines that may be offered by bingo halls by virtue of section 172(7)(a) of the Gambling Act 2005 (c.19).

3. **Matters of special interest to the Joint Committee on Statutory Instruments or the Select Committee on Statutory Instruments**

None.

4. **Legislative Context**

4.1 The Gambling Act 2005 (“the Act”) establishes a new system for the regulation of all gambling in Great Britain, other than the National Lottery and spread betting. It repeals the Betting, Gaming and Lotteries Act 1963, the Gaming Act 1968 and the Lotteries and Amusements Act 1976. The Act introduces a new regulator for gambling, the Gambling Commission, and a new licensing regime for commercial gambling. As part of the new licensing regime, the Act provides for three main types of licence: operating and personal licences which are issued by the Gambling Commission, and premises licences which are issued by licensing authorities.

4.2 Premises licences granted by licensing authorities may authorise the provision of gambling facilities on casino premises, bingo premises, betting premises, including tracks, adult gaming centres and family entertainment centres. A bingo premises licence authorises premises to be used for provision of facilities for the playing of bingo (section 150(1)(b) of the Act). By virtue of section 172(7) of the Act, possession of a bingo premises licence authorises the holder also to make gaming machines of specified categories available for use on the premises to which it relates, as specified in the section. Bingo operators also need to be in possession of an operating licence from the Gambling Commission.

4.3 The main objectives of the Act are to prevent gambling from being a source of crime or disorder; to ensure that gambling is conducted in a fair and open way; and to protect children and other vulnerable persons from being harmed or exploited by gambling. To this end, among other provisions the Act established a new system of regulation for gaming machines, replacing the previous system of regulation under Part III of the Gaming Act 1968.

4.4 The new system regulates where gaming machines can be provided for customers, and controls the manufacture and supply of machines and the circumstances in which they can be used, including age limits for use. The Act, and regulations made under it, also places strict limits on the number of gaming machines that may be made available in different premises, and on the limits on stakes and prizes of those machines.

4.5 Section 236 of the Act, as developed in Regulations made in that section (currently the Categories of Gaming Machine Regulations 2007, S.I. 2007/2158), defines the different categories of gaming machines and sets maximum stake and prize levels – these are summarised below. The regulations stipulate that the Category B machines which bingo clubs may offer are Category B3 or B4 machines.

<u>Category of machine</u>	<u>Maximum Stake</u>	<u>Maximum Prize</u>
A	Unlimited	Unlimited
B1	£2	£4,000
B2	£100	£500
B3	£1	£500
B3A	£1	£500
B4	£1	£250
C	50p	£35
D	10p money prize 30p non-money prize	£5 money prize £8 non-money prize

4.6 In addition, regulations under Section 240 of the Act put in place a range of protections governing the use of machines. These included restrictions on how much money may be deposited in a gaming machine at one time, restrictions on the use of auto-play on certain classes of machine, and requirements relating to information that must be displayed on machines. These regulations are backed up by a range of technical standards designed to protect consumers. These are laid down and enforced by the Gambling Commission.

4.7 As originally enacted, section 172(7) authorises the holder of a bingo premises licence to offer up to four Category B machines, together with any number of machines in Categories C and D. This order amends the section to raise the maximum number of Category B machines to eight per premises. The position as regards Category C and D machines is unchanged.

4.8 The Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007 also require that in any bingo premises where children or young people are permitted to enter, any area of the premises in which Category B and C gaming machines are located must be properly separated from the rest of the premises by a physical barrier and be properly supervised at all times.

## **5. Territorial Extent and Application**

This instrument applies to Great Britain.

## 6. European Convention on Human Rights

The Minister for Sport, Gerry Sutcliffe MP, has made the following statement regarding Human Rights:

“In my view the provisions of the Gambling Act 2005 (Gaming Machines in Bingo Premises) Order 2009 are compatible with the Convention rights.”

## 7. Policy background

- *What is being done and why*

7.1 The Bingo Association campaigned since the autumn of 2007 to persuade the Government to take ameliorative action to address economic difficulties being faced by the bingo industry. The Association presented strong evidence that the situation in the industry has been particularly acute, and that many bingo clubs have had to close. According to the Gambling Commission’s annual report for 2006/07, there were 634 bingo clubs operating at 31 March 2007, a reduction of approximately 9% from the 696 clubs operating on 31 March 2004. 37 more clubs closed in Great Britain during 2007/08, around 6% of the total across the industry.

7.2 The 2007 Henley Report commissioned by the Association found that for many people, especially older and retired women, bingo is the main or sole leisure pursuit outside of the home and that bingo clubs provide a unique social network for both members and employees. Despite the range of deregulatory measures that the Government has already introduced through the Gambling Act to assist the bingo industry, it is clear that the future of bingo clubs in many communities is under threat.

7.3 The Bingo Association’s campaign attracted significant support in Parliament. 69 Members signed Early Day Motion 132 in support of the campaign and 159 signed Early Day Motion 840 in support of bingo and seaside arcades. The issue was raised in a range of written and oral questions, and during debates on related legislation including the 2008 Finance Bill and the Geographical Distribution of Large and Small Casinos Premises Licences Order. This widespread, cross-party support in Parliament was influential in Ministers’ decision to bring forward the current proposal.

7.4 Gerry Sutcliffe MP, the Minister with responsibility for gambling, set out his response to the Bingo Association’s campaign in a written statement on 25 June 2008. He indicated that the Government accepted the picture of economic hardship painted by the Bingo, though he noted that there were likely to be a range of reasons for the current downturn beyond the regulatory factors emphasised in the evidence presented to the Government. He also accepted the Association’s case that bingo clubs play an important social role in many localities.

7.5 The Minister noted two further points made by the Bingo Association. Firstly, whilst the Act gave casinos, betting shops and Adult Gaming Centres an enhanced gaming machine entitlement in return for taking on the greater social responsibilities required by the Act, bingo halls retained the same gaming machine entitlement that they had under the Gaming Act 1968. Secondly, bingo halls provide a softer gambling environment in which the gaming machines offered are ancillary to bingo.

7.6 In his statement the Minister indicated that public protection remained his overriding priority, and therefore rejected the Bingo Association's proposals that bingo halls should be permitted to offer up to 16 category B3 gaming machines, depending on size. In his view an increase of this proportion would be inconsistent with the precautionary approach that the government has taken to gambling regulation, and thus a threat to the licensing objectives as set out in the Act.

7.7 The Minister also considered an alternative option put forward by the Bingo Association, for a blanket increase to ten Category B3 machines per premises. Whilst he felt that this option would be consistent with the approach taken previously to the gaming machine entitlement of bingo halls in the Act, and would be simpler for the Gambling Commission and licensing authorities to monitor, he was concerned at the impact that the overall level of increase proposed might have in public protection terms. He therefore rejected this option as well.

7.8 On balance, the Minister decided that the situation facing the bingo industry was sufficiently grave, and the circumstances surrounding bingo sufficiently distinct, to justify a smaller increase in the number of Category B3 machines than proposed in either option above. He felt that this would be possible without jeopardising the Government's overall principal priority in gambling policy, which remains to protect the public.

7.9 Accordingly the Department went to consultation on the basis of a smaller increase of up to four Category B3 gaming machines per bingo hall, creating a revised maximum of eight such machines per premises. The Minister took the view that this smaller increase would go some way to meeting his concerns about the potential impact of an increase on the licensing objectives set out in the Act, whilst still providing a significant potential boost to the bingo industry in the way that an even smaller increase of, say, two machines would not.

7.10 In his statement the Minister said that the enhanced entitlement would only apply to bingo halls which operated a strict over 18s entry policy. However, it has since been pointed out that stringent controls regarding entry to areas in bingo halls offering gaming machines are already in operation via the mandatory conditions attached to premises licenses. For this reason it has been decided not to place any additional regulatory burden on bingo halls desiring to use this enhanced entitlement to increase the number of Category B3 gaming machines on their premises.

- ***Consolidation***

7.11 This Order amends primary legislation and therefore consolidation is not applicable.

## **8. Consultation outcome**

8.1 The Department has consulted on this proposal and a paper is attached (Annex A) summarising the responses to the consultation.

8.2 A large majority of respondents (19 out of 26) were in favour of the Government's proposal to increase to 8 the number of Category B3 gaming machines which bingo clubs with a strict over-18 door policy can offer; felt that the exceptional circumstances of the bingo industry warranted this measure; and did not believe that it would lead to an increase in problem gambling or other problems. Only four respondents suggested that the increase was too modest.

8.3 Three respondents were opposed to any increase (all were Christian denominations traditionally hostile to gambling deregulation), on the basis that it could increase the risk of problem gambling. The Department takes this risk seriously, but believes that it will be mitigated by very stringent regulations and Gambling Commission technical standards and codes of practice governing the use of machines, all of which have been developed to protect the consumer. We will continue to monitor the position through the Gambling Commission's three-yearly gambling prevalence study.

8.4 The consultation produced 12 other proposals for assisting the bingo industry. The most popular of these was removing VAT on bingo participation. This is a matter for Treasury but DCMS continues to put the case for this reform. The second most popular suggestion – increasing stakes and prizes for prize gaming – is already one of the subjects of a separate consultation: a significant increase is proposed. That consultation also covers stake and prize limits for Category C machines, also mentioned by respondents as a possible way of assisting bingo clubs.

## **9. Guidance**

No additional guidance will need to be issued to the industry.

## **10. Impact**

10.1 An Impact Assessment is attached to this memorandum at Annex C.

10.2 There will be no impact on charities or voluntary bodies. With regard to impact on business, the Order will not impose any increased costs on the bingo industry, as bingo halls would not be obliged to take up their additional entitlement. Any increased costs associated with acquiring the additional machines – initial outlay, Amusement Machine Licence Duty, running costs and VAT – would be more than offset over time by increased revenue. The measure would potentially double bingo clubs' income from B3 machines. The present average income per machine is £525/week.

10.3 We have undertaken a competition assessment as required by OFT guidelines. Specifically we have considered whether the proposal would directly or indirectly limit the number or range of bingo halls, and have concluded that it would not. Indeed, the measure is intended to help ensure that halls remain open so that existing levels of competition are at least maintained. We are also confident that it would not reduce machine suppliers' incentives to compete vigorously. All bingo halls would be able to offer the same number of these machines, and manufacturers and suppliers of the machines would be able to compete freely for the business.

10.4 A similar application for an increased entitlement to B3 machines was made by the trade body representing adult gaming centres (AGCs), which are currently permitted to offer up to four Category B3 or B4 gaming machines. The arcade sector suggested that AGCs operate within the same market as bingo clubs and that their ability to compete on equal terms could be impaired by this measure.

10.5 While Ministers considered carefully whether to extend the proposal to AGCs, they were not convinced on the basis of the evidence before them that the same exceptional and distinct circumstances applied to AGCs as do to bingo. Furthermore there are a number of factors which suggest that the ability of AGCs to compete with bingo halls will not be adversely affected by the proposal.

10.6 For example, AGCs and bingo halls offer a different experience and product range to customers, and machine gaming fulfils different roles in these different settings. Also the customer base of AGCs and bingo halls are not identical – there are likely to be significant numbers of AGC customers who would never consider visiting a bingo hall and vice versa. This is unlikely to be significantly affected by the addition of four more Category B3 gaming machines in bingo halls. Finally, there are no barriers to entry to the bingo sector. Anyone wishing to operate a bingo hall can apply to the Gambling Commission and their licensing authority for the appropriate licences.

10.7 We will monitor the position carefully for any evidence of impact on competition. However, even if some evidence of adverse impact were to emerge, it is important to note that Ministers will need to weigh against this the policy rationale for bringing forward this proposal, and in particular the exceptional and distinct circumstances that apply to the bingo industry, which in the view of Ministers justify distinctive treatment.

## **11. Regulating small business**

11.1 There are a number of small bingo operators (at least 50% are SMEs), and these would be able to benefit from the increased machine entitlement in the same way as larger operators like Gala and Mecca. The measure would therefore have no adverse impact on small firms.

## **12. Monitoring & review**

Monitoring proposals are set out at 8.3 and 10.7 above.

## **13. Contact**

Alistair Boon at the Department for Culture, Media and Sport (tel: 020 7211 6486 or email: [alistair.boon@culture.gsi.gov.uk](mailto:alistair.boon@culture.gsi.gov.uk)) can answer any queries regarding the instrument.

## Summary: Intervention & Options

<b>Department /Agency:</b> <b>Department for Culture, Media and Sport</b>	<b>Title:</b> The Gambling Act 2005 (Gaming Machines in Bingo Premises) Order 2008	
<b>Stage: Draft SI consultation</b>	<b>Version: 4</b>	<b>Date: 20 June 2008</b>
<b>Related Publications:</b>		

<http://www.>

Warwick Hawkins DCMS

020 7211 6475

### What is the problem under consideration? Why is government intervention necessary?

Section 172(7) of the Gambling Act 2005 (“the Act”) authorises a holder of a bingo premises licence under the Act to offer up to four Category B gaming machines for use on the premises. The Bingo Association has been campaigning since the autumn of 2007 to persuade the Government to take ameliorative action to address the economic difficulties the industry has been experiencing, and has been pressing for an increase in the number of category B3 gaming machines that bingo halls can make available.

Under current BERR guidance, no Impact Assessment is strictly necessary as this proposal is unlikely to result in any net increase or decrease in costs to the gambling industry. The measure will not result in any additional administrative costs for bingo clubs, or in any costs to the public sector. It is, however, broadly deregulatory in that it relaxes the current restriction on the number of category B3 machines that bingo clubs may offer, by increasing the number to eight. For this reason, and for the sake of completeness, an Impact Assessment has been undertaken in line with current BERR guidance.

Bingo clubs play an important social role in many localities. The 2007 Henley Report found that for many people, especially older and retired women, bingo is the main or sole leisure pursuit outside of the home; and that bingo clubs provide a unique social network for both members and employees.

The Government is persuaded that the bingo industry is now facing serious economic pressures. This is evidenced by closures in the industry. According to the Gambling Commission’s annual report for 2006/07, there were 634 bingo clubs operating at 31 March 2007, a reduction of approximately 9% from the 696 clubs operating on 31 March 2004. 37 more clubs closed in Great Britain during 2007/08, around 6% of the total across the industry.

Its principle lobbying objective has been to persuade DCMS to adjust limits set out in Section 172(7) of the Act in order to increase the number of Category B3 gaming machines (maximum stake £1, maximum prize £500) which individual bingo clubs may offer customers. The Association has proposed that the B3 machine entitlement be linked to the size of the gaming area as defined in the premises licence, suggesting that up to 16 machines may be offered by the largest bingo clubs.

The Government believes that this goes too far, and that an increase of this proportion would be inconsistent with the precautionary approach that it has taken to gambling regulation.

Nevertheless the situation facing the bingo industry is sufficiently grave, and the circumstances surrounding bingo sufficiently distinct, to justify a smaller increase in the number of Category B3 machines. The Government believes that a more modest increase would not jeopardise its overall principal priority in gambling policy, which remains to protect the public.

**What are the policy objectives and the intended effects?**

Section 172(7) of the Gambling Act 2005 (“the Act”) authorises a holder of a bingo premises licence under the Act to offer up to four Category B gaming machines for use on the premises. The Categories of Gaming Machine Regulations 2007 determined that Category B3 or B4 machines were the Category B machines that could be offered under this provision.

Under Section 172(11)(a) of the Act, the Secretary of State is enabled to make an Order amending any provision of Section 172 so as to vary the number of machines authorised by a specified kind of premises licence. The Secretary of State proposes to exercise his power under this section by making an Order increasing to eight the maximum number of Category B3 gaming machines which individual bingo clubs may offer.

**What policy options have been considered? Please justify any preferred option.**

Another lobbying objective of the Bingo Association was to persuade HM Treasury to remove the apparent anomaly whereby bingo clubs are charged both VAT and gaming duty on participation fees. The 2008 Budget concluded that a tax solution was not appropriate.

The Government also considered whether there were any other deregulatory measures which might be possible within the new framework created by the Gambling Act 2005 to assist the industry. However, the new Act has already swept away many of the regulations that held the industry back under the previous legislation, and has also ensured that the administrative burdens on the industry have been substantially reduced (e.g. by removing the requirement for bingo halls to apply to renew their licence on an annual basis). It therefore concluded that there was limited scope for further action in this area.

The Bingo Association proposed that the B3 machine entitlement be linked to the size of the gaming area as defined in the premises licence, suggesting that up to 16 machines may be offered by the largest bingo clubs. The Government believes that this goes too far, and that an increase of this proportion would be inconsistent with the precautionary approach that it has taken to gambling regulation. However, it believes that a more modest increase would not jeopardise its overall principal priority in gambling policy, which remains to protect the public.

**When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?**

One year after implementation.

**Ministerial Sign-off** For SELECT STAGE Impact Assessments:

***I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.***

Signed by the responsible Minister:

..... Date:

## Summary: Analysis & Evidence

<b>Policy Option:</b> Consult on draft SI	<b>Description:</b> Draft SI to double B3 entitlement for bingo clubs to 8 machines			
<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups': The Order will not impose any increased costs on the industry, as bingo clubs would not be obliged to take up their additional entitlement. Any increased costs associated with acquiring the additional machines – initial outlay, Amusement Machine Licence Duty, running costs and VAT – would be more than offset over time by increased revenue.	
	<b>One-off</b> (Transition)	<b>Yrs</b>		
	£ up to c£4k per club			
	<b>Average Annual Cost</b> (excluding one-off)			
	£ 8,120 per club (licence duty)			
		<b>Total Cost (PV)</b>	£ up to £15,000 per bingo club per year	
Other <b>key non-monetised costs</b> by 'main affected groups' None.				
<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups'  The measure would potentially double bingo clubs' income from B3 machines. The average income per machine is £525/week.	
	<b>One-off</b>	<b>Yrs</b>		
	£ None			
	<b>Average Annual Benefit</b> (excluding one-off)			
	£ 105,000 per club			
		<b>Total Benefit (PV)</b>	£ c105,000	
Other <b>key non-monetised benefits</b> by 'main affected groups' None.				

### Key Assumptions/Sensitivities/Risks

Some groups with concerns about problem gambling may argue that the proposed increase could increase of problem gambling. We take this risk seriously, but believe that it will be mitigated by very stringent regulatory and Gambling Commission technical standards and codes of practice governing the use of machines, all of which have been developed to protect the consumer. We will continue to monitor the position through the Gambling Commission's three-yearly prevalence study.

Price Base Year	Time Period Years	<b>Net Benefit Range</b> (NPV) £	<b>NET BENEFIT</b> (NPV Best estimate) £ c90,000 per club		
What is the geographic coverage of the policy/option?					Great Britain
On what date will the policy be implemented?					3 <sup>rd</sup> or 4 <sup>th</sup> quarter 2008/9
Which organisation(s) will enforce the policy?					Bingo clubs
What is the total annual cost of enforcement for these organisations?					£ none
Does enforcement comply with Hampton principles?					Yes
Will implementation go beyond minimum EU requirements?					Yes
What is the value of the proposed offsetting measure per year?					£ n/a
What is the value of changes in greenhouse gas emissions?					£ n/a
Will the proposal have a significant impact on competition?					No
Annual cost (£-£) per organisation (excluding one-off)			Micro none	Small none	Medium none
			Large none		

Are any of these organisations exempt?	No	No	No	No
<b>Impact on Admin Burdens Baseline</b> (2005 Prices)			(Increase - Decrease)	
Increase of £	Decrease £	<b>Net Impact</b>	£ Zero	

Key:

Annual costs and benefit

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

Results of the specific impact tests are set out below.

### Competition assessment

In line with OFT guidance we have considered whether the proposal would directly or indirectly limit the number or range of suppliers, and we have concluded that it would not. Indeed, the measure is intended to help ensure that bingo halls remain open so that existing levels of competition are at least maintained. We are also confident that it would not reduce suppliers' incentives to compete vigorously.

Increasing bingo clubs' entitlement to Category B3 gaming machines would not cause a problem in competition terms within the bingo industry as all bingo clubs would be able to offer the same number of these machines, and manufacturers and suppliers of the machines would be able to compete freely for the business.

A similar application for an increased entitlement to B3 machines was made by the trade body representing adult gaming centres (AGCs), which are currently permitted to offer up to four Category B3 or B4 gaming machines. It is possible that the AGC sector will suggest that AGCs operate within the same market as bingo clubs and that their ability to compete on equal terms could be impaired by this measure.

It is far from clear that this contention would be correct. Indeed there are a number of factors which would suggest that the ability of AGCs to compete would not be adversely affected. For example:

- AGCs and bingo halls offer a different experience and product range to customers, and machine gaming fulfils different roles in these different settings;
- the customer base of AGCs and bingo halls is unlikely to be identical – there are likely to be significant numbers of AGC customers who would never consider visiting a bingo hall and vice versa. This is unlikely to be significantly affected by the addition of four more Category B3 gaming machines in bingo halls.

Furthermore, there are no barriers to entry to the bingo sector. Anyone who wishes to operate a bingo hall can apply to the Gambling Commission and their licensing authority for the appropriate licences.

We will, of course, monitor the position carefully for any evidence of impact on competition. However, even if some evidence of adverse impact were to emerge, it is important to note that Ministers will need to weigh against this the policy rationale for bringing forward this proposal, and in particular the exceptional and distinct circumstances that apply to the bingo industry, which in the view of Ministers justify distinctive treatment. These include:

- Trading conditions in the bingo industry have been particularly acute, as evidenced by the level of closures across the industry which shows signs of acceleration: 62 bingo clubs closed between 2004 and 2007 (around 9% of the total number), and 37 more closed in 2007/08 – a further 6%.

- The 2007 Henley Centre report commissioned by the Gambling Commission demonstrated that bingo clubs fulfil an important social function in many communities, especially for older and retired women for whom bingo is the main or sole leisure pursuit outside of the home.
- Under the bingo industry's business model there is a high demand for machines during relatively short periods of the day, in between sessions of main game bingo, which may impair the fair and open conduct of gambling.
- As a result of the Gambling Act 2005, casinos, betting shops and AGCs all received an enhancement to their gaming machine entitlement in return for taking on the enhanced social responsibilities required by the Act, whereas bingo clubs retained the same gaming machine entitlement that they had under the previous legislation.
- Bingo halls provide a softer gambling environment in which the gaming machines they offer are ancillary to the game of bingo.

While Ministers considered carefully whether to extend the proposal to AGCs, they were not convinced on the basis of the evidence before them that the same exceptional and distinct circumstances applied to AGCs.

#### Small Firms

There are a number of small bingo operators (at least 50% are SMEs), and these would be able to benefit from the increased machine entitlement in the same way as larger operators like Gala and Mecca. The measure would therefore have no adverse impact on small firms.

#### Legal Aid

No impact.

#### Sustainable Development

No impact.

#### Carbon Assessment

There is little available data about the carbon footprint of an individual gaming machine, and the Department would welcome any such data that the industry is able to provide. However, the maximum number of new machines which could be introduced as a result of the proposal, i.e. if all clubs took up their increased entitlement, is around 2,400. It is likely that many clubs will choose to substitute the new machine for an existing machine of a lower category, reducing further the total number of new machines in the market. It is unlikely that this relatively modest increase in the number of machines will have a significant impact on carbon emissions.

#### Other Environment

No impact.

#### Health Impact Assessment

We have considered the health and well-being screening assessments in line with current DoH guidance and have concluded that a full health impact assessment will not be required. The proposed measure is unlikely to have a significant health impact, either on the whole population, a major sub group of the population, or in terms of severity of impact.

That said, one of the principal objectives of the Gambling Act 2005 is the prevention of harm from problem gambling and, as with all forms of gambling, the government takes the risks associated with gaming machines very seriously. Problem gambling exists and has links to wider health determinants, and there is some evidence to show that high-stake, high-prize gaming machines such as category B3s are attractive to problem gamblers. However, there are a number of factors which make it less likely that the current proposal would have a significant adverse impact:

- These machines are already available in bingo clubs, and higher stake, higher prize machines are available in other gambling premises e.g. casinos and betting shops;
- The machines are an ancillary activity – the main purpose of attendance at a bingo club is to play bingo;
- A range of measures are in place, through regulations and Gambling Commission technical standards, licence conditions and codes of practice, to protect vulnerable customers;
- The measure envisages only up to 2,400 additional machines in the British market and so the national impact of this change is likely to be limited;
- We will monitor the impact of the new machines carefully through the triennial Gambling Prevalence Study and wider research into problem gambling.

#### Race Equality

No impact.

#### Disability Equality

No impact.

#### Gender Equality

No impact.

#### Human Rights

The provisions of the Order are compatible with the European Convention on Human Rights.

#### Rural Proofing

Bingo clubs in rural areas would be able to benefit from the measure in the same way as their urban counterparts.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	✓	
Small Firms Impact Test	✓	
Legal Aid	✓	
Sustainable Development	✓	
Carbon Assessment	✓	
Other Environment	✓	
Health Impact Assessment	✓	
Race Equality	✓	
Disability Equality	✓	
Gender Equality	✓	
Human Rights	✓	
Rural Proofing	✓	

ALL RESULTS IN EVIDENCE BASE SECTION. (No annexes)