

Government should raise stakes to save gaming industry

Dithering has always been part of Britain's political culture but time is rapidly running out for amusement arcades and the wider pay-to-play leisure industry. Delays in policy decisions are putting nearly 30,000 jobs in the industry in severe jeopardy. More and more businesses are forced to close every week – especially seaside arcades.

Far from heralding a liberalisation of the gambling laws, the 2005 Gambling Act has introduced greater regulation for land-based operators, yet none for the online casino operators that provide unregulated games for UK players. The tougher regulations have distorted the market, shifted the balance in favour of some sectors at the cost of others, and imposed significantly higher fees.

Put together with an economy entering recession, changes in consumer leisure patterns and the smoking ban, the industry has been brought to its knees. The decline in income across the industry is about GBP 108 million a year. Seaside arcade revenue is down 21 per cent, with 136 reported closures since July 2007 with an estimated 850 jobs lost.

Since 2005, when the Gambling Act was supposed to usher in a new era for our industry, manufacturing output in this sector has decreased by 55per cent and more than 25per cent of the manufacturing workforce have lost their jobs.

Two years ago Screenprint Plus, a company supplying components for gaming machines, employed more than 160 staff in two factories. By the end of this month this will have fallen to just 70 and unless immediate action is taken it will drop further in the new year.

So, are we asking for a multimillion-pound cash bailout from the Government? No. The solution is, in my view, very simple. In fact, it would cost the Government nothing.

The industry has been pleading for minor amendments to the Gambling Act that would guarantee a future for this stalwart of the British tourism industry.

What we need is an adjustment to the maximum stake and prize limits on the most widely used machines to a maximum GBP 1 stake for a GBP 70 prize. If we can achieve this, without any political dithering, then I am certain there will be a significant effect on virtually every sector of this industry.

Manufacturing output will rise, jobs will be saved and we can help to preserve the economies of almost every seaside town in the UK.

At a time when there are serious issues arising from the global economy, making Government action difficult, this lifeline is well within reach.

Policymakers should be doing everything they can to ease the burden on the pay-to-play industry to secure jobs. What we are proposing provides an opportunity to stem the decline of seaside towns and prevent more businesses going to the wall. A failure to grasp this opportunity immediately would be a gross dereliction of duty.