

Review of Gaming Machines and Social Responsibility Measures

By Aspers Casinos

Introduction:

Aspers UK Holdings Limited (“Aspers”) response to this consultation is focused purely on Question 4 posed in the Review document. Thus for the following questions, we have no comment:

Q1. What, if any, changes in maximum stakes and/or prizes across the different categories of gaming machines support the Government’s objective set out in this document? Please provide evidence to support this position.

Q2. To what extent have industry measures on gaming machines mitigated harm or improved player protections and mitigated harm to consumers and communities? Please provide evidence to support this position

Q3. What other factors should Government be considering to ensure the correct balance in gaming machine regulation? Please provide evidence to support this position.

Q5. What has been the impact of social responsibility measures since 2013, especially on vulnerable consumers and communities with high levels of deprivation?

Q6. Is there anything further that should be considered to improve social responsibility measures across the industry? Please provide evidence to support this position.

Q7. Is there any evidence on whether existing rules on gambling advertising are appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising?

Q8. Any other relevant issues, supported by evidence that you would like to raise as part of this review but that has not been covered by questions 1-7?

Q4. What, if any, changes in the number and location of current gaming machine allocations support the Government’s objective set out in this document? Please provide evidence to support this position:

As a member of the National Casino Forum, Aspers fully supports their submission on this question but would like, in addition to their proposal to increase the machine numbers cap for Large 2005 Act casinos in accordance with the existing 5:1 machine to table ratio up to 500 from 150, to make our own supplementary submission. The reason for being that Aspers is actively considering the opportunities to expand through the acquisition of some of the

unopened Large licences, and believes that from an economic perspective additional means of revenue generation will be needed to justify the investment.

Aspers would therefore like to propose to the Department of Culture, Media & Sport that they consider as part of their Review of Gaming Machines and Social Responsibility, the potential for increasing the ratio of 5 machines per gaming table given to Large casino licences to 8 machines per gaming table and that the maximum cap is increased to 500.

We believe that there is sufficient market demand to warrant this and that this would provide the levels of revenue necessary to initiate investment in the stalled licences currently in the market place. We also believe that there would be very minimal additional social externalities due to the limited scope of the increase and the heavily supervised nature of the location. We believe this is an opportunity to provide more investment, jobs and taxes for practically zero downside.

The current market situation:

The UK casino market is made up of predominantly 1968 Act casinos. Determining the total number of casinos operating and how many 2005 Act casinos have opened, is dependent on which date in 2016 you take. For our purposes, we are using the Gambling Commission's data ending 31st March 2015, which saw 148 casinos open with 2 2005 Act licences open (Newham, Milton Keynes). At the time of writing (November 2016) there are 5 2005 Act licences open: Large: Newham, Milton Keynes and Solihull, Small: Wolverhampton and Luton (both previously 1968 licences) and 147 casinos open in total.

The Gambling Act 2005 was supposed to herald a new wave of modern casinos, responsive to public demand and benefiting their local communities by providing jobs and revenue contributions to their local authorities to aid with regeneration.

Almost a decade after the Gambling Act 2005 came into force on 1st October 2007, the current market situation of 2 from 8 Small casino licences operating and only 3 from 8 Large casino licences operating, suggests a situation that could be described as one of near market failure.

As our submission is solely about Large casino licences we will focus on what has happened to them, and here provide a current snapshot of the market situation:

<u>Location</u>	<u>Date Operational</u>	<u>Tables</u>	<u>Slots</u>	<u>Notes</u>
Great Yarmouth	N/A	N/A	N/A	The licence was awarded in 2012 to Albert Jones, owner of the Pleasure Beach. So far no building work has started on the proposed multi-leisure, The Edge, site. Planning permission exists until May 2017 and the local press speculate the site may become a caravan park.

Kingston upon Hull	N/A	N/A	N/A	Apollo Resorts and Leisure Ltd was awarded permission to develop Clarence Flour Mills as a casino in 2011. There have been delays in the development of the site which is due to have a Radisson hotel, a residential tower, student accommodation and a casino which is now due for completion in the summer of 2018. Currently there is no operator for the casino and the development will likely be completed without the casino.
Leeds	N/A	N/A	N/A	Global Gaming Ventures Ltd were awarded the Leeds large licence in May 2013. The casino is due to form part of the new Victoria Gate development in the city centre, which opened in October 2016. The casino is expected to open in January 2017. It is expected to have 120 slots and 24 live tables.
Middlesbrough	N/A	N/A	N/A	Jomast Developments was awarded its licence in 2012 for the Gurney House development in Middlesbrough. The scheme would incorporate a casino, a budget hotel, restaurants and a multi-storey car park and will be anchored by a 4 star hotel with conference and entertainment facilities. So far only the development of a budget hotel has been given the go ahead and there is no date set for the casino opening or operator appointed.
Milton Keynes	September 2013	23	112	Operated by Aspers
Newham	December 2011	63	150	Operated by Aspers
Solihull	October 2015	31	100	Operated by Genting Resorts World
Southampton	N/A	N/A	N/A	Licence awarded to Aspers in 2016. Due for opening in 2023. Aspers propose to operate 30 tables and 150 slots.

In summary, of the eight licensed Large casinos; two do not look like opening at any time in the near future, one will open in approximately seven years, two will hopefully be opening in the next 12 months and three are already open. Of these, Aspers are the most experienced operator, having opened the Newham licence, at Westfield Stratford City, six years ago and the Milton Keynes licence, at the Xscape, three years ago. It is this unparalleled experience in operating this type of casino that convinced Southampton City Council to award the last available Large licence in the country to Aspers earlier this year.

Large casino licences differ in gaming machine allocation, size requirements and facilities offered from their Small and 1968 Act licence compatriots:

Large licence casinos are currently allowed a maximum of 150 gaming machines on the basis of a ratio of 5 machines per gaming table. These machines may be any combination of B1, B2, B3, B4, C and D machines but in reality, 93% of all casino gaming machines are of the B1 category, which have a £5 maximum stake and maximum prize of £10,000.¹ Small license and 1968 Act casinos are allowed the same choice of machines, but a Small licence comes with a maximum of 80 machines on a ratio of 2 gaming machines per gaming table and 1968 Act licences are allowed a maximum of 20 gaming machines.

Large licence casinos have to have a minimum floor space of 1,500 square metres (minimum table gaming area of 1,000 sq. m and minimum non-gaming area of 500 sq. m) which cannot exceed 3,500 square metres. Small licence casinos have to have a minimum floor space of 750 square metres (minimum table gaming area of 500 sq. m and minimum non-gaming area of 250 sq. m) which cannot exceed 1,500 square metres.² Licences which were given under the 1968 Gaming Act had no minimum or maximum floor size requirement. The majority of 1968 licence casino have a floor space smaller than 750 sq. m.

Large casinos may offer in addition to casino table games and gaming machines, bingo and betting facilities. Small casinos may offer betting facilities in addition to casino table games and gaming machines.³ 1968 Act casinos may only offer casino table games and gaming machines.

The effect of the 2005 Act was to create a three tier industry. This was arguably more due to political expediency than any overriding plan but its inadequacies and unfairness are obvious. The financial impact on the performance of the UK casino industry as a whole has been more benign:

Year	2009	2010	2011	2012	2013	2014	2015
Operating casinos	143	141	147	146	144	147	148
Attendance (m)	N/A	17.1	17.38	18.24	19.88	20.82	20.99
Attendance/casino	N/A	121,277	118,231	124,932	138,056	141,633	141,824
Table win (£m)	692.28	635.38	678.43	743.86	825.23	955.17	991.13

¹ Gambling Commission. Industry statistics – machines digest. April 2011 to September 2015

² The Categories of Casino Regulations 2008. 2008 No. 1330. Regulation 2

³ The Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007. 2007 No. 1409. SCHEDULE 1

Table win/ casino £	4,841,119	4,506,241	4,615,141	5,094,925	5,730,779	6,497,769	6,696,800
No. of machines	2,527	2,548	2,637	2,855	2,795	2,866	2,822
Machines / casino	17.67	18.07	17.94	19.55	19.41	19.49	19.07
Machine GGY (£m)	103.89	115.75	119.00	128.94	136.18	155.89	168.37
Machine GGY/casino £	726,503	820,922	809,524	883,175	945,686	1,060,488	1,137,668
Machine GGY / machine £	41,112	45,428	45,127	45,168	48,717	54,400	59,658
Total Casino GGY (£m)	796.17	751.13	797.43	872.80	961.41	1,111.06	1,159.50
Total Casino GGY/Casino £	5,567,622	5,327,163	5,424,665	5,978,100	6,676,465	7,558,257	7,834,468
GGY % from tables	87.0%	84.6%	85.1%	85.2%	85.8%	86.0%	85.5%
GGY % from machines	13.0%	15.4%	14.9%	14.8%	14.2%	14.0%	14.5%

Source: Gambling Commission: Industry statistics April 2008 to March 2011 & Gambling Commission: Industry statistics April 2008 to September 2015 Excel version

What is obvious is the step change in attendance, which happens from 2013, partly due to the opening of the Westfield Stratford City Large casino licence at the end of 2011, the full effect of which, is only realised in 2012/3. Aspers Westfield Stratford City Large casino rapidly became the most successful casino in the country based on number of visits, averaging 30,000 visits a week, which is roughly 10 times the UK average visits per casino. Although the new structure of the industry and the process of licensing the new tiers of casinos has been flawed, the new casinos, if operating, have been a success.

Although we do not have the industry figures for 2016, we expect them to show even more growth and an increased machines percentage of GGY and machine GGY per machine. Large casinos are the biggest growth area of an otherwise quite dormant market.

If we look at casino jobs and taxes we can see the same thing is reflected:

Year	2009	2010	2011	2012	2013	2014	2015
Gaming Duty Receipts	£163.381m	£173.110m	£183.075m	£229.021m	£287.716m	£317.102m	£225.782m
Gaming Duty/ Casino	£1,142,524	£1,227,730	£1,245,408	£1,568,637	£1,998,028	£2,157,156	£1,525,554
No. of casino jobs	13,321	13,619	13,598	14,701	15,010	15,611	15,566
Jobs/ Casino	93.2	96.6	92.5	100.7	104.2	106.2	105.2

Source: Gambling Commission: Industry statistics April 2008 to March 2011 & Gambling Commission: Industry statistics April 2008 to September 2015 Excel version. HM Revenue & Customs. Betting & Gaming (B&G) Bulletin September 2016.

The average number of jobs per casino has increased over time but remains around 100 per casino. As of 2016, the number of jobs available at Aspers Westfield Stratford City Large casino was 645. Large casinos provide significant numbers of jobs.

Key growth statistics for this period are:

• Attendance per casino	+16.9%
• Table win per casino	+38.3%
• Machine GGY per casino	+56.6%
• Machine GGY per machine	+45.1%
• Total Casino GGY per casino	+40.7%
• Gaming Duty Receipts	+38.2%
• Gaming Duty per Casino	+33.5%
• No. of casino jobs	+16.9%
• Employees per casino	+12.9%

We believe that from the casino industry's own numbers, which you will have been made aware of via the regulatory returns, it is the Large licence casinos that have been the predominant growth provider for the UK casino industry. The arguments as to how the other tiers of the industry can be helped to catch up, are being made by the National Casino Forum (NCF), we are focussing on the success and potential for increased success of Large casinos.

Aspers believes that the success of Large licence casinos has been due to Large licence casinos having done exactly what they were designed to do. That is to provide a modernised gambling environment which is a more egalitarian and recreational model of gambling, compared to what is allowable under the 1968 Act. A key part of this improvement has been the increased number of machines, which while significant, if compared to the 1968 Act where the maximum is 20 (which itself was an increase in 2005, up from 10 in 2000 and only 6 for decades previously), it is positively parsimonious when compared to every other jurisdiction around the world, who have been far more liberal in their machine allocations as will be shown later. Making British casinos internationally competitive was after all, one of the main reasons behind the gambling deregulation that turned into the Gambling Act.⁴ Large casinos have successfully taken British casino gambling away from the James Bond image of plutocrats squandering their wealth and removed the rather grimmer reality of late night men's clubs in badly lit back alleys and have become much more like those found across Europe, operating as tourist destinations. The opportunity is there to grow their success and jump start the stalled projects by increasing machine numbers.

As can be seen below from our nine years of combined experience of operating our Large casinos in Westfield Stratford City and Milton Keynes, customers have a different experience at Large casinos than that which can be found in the other tiers of casinos. There are spacious bars and restaurants, live bands play and there are even comedy nights and talent competitions. Customers do come to gamble but get a far more comprehensive leisure experience in a safe and well supervised environment. This is only possible due to the high levels of investment made by the operators of Large licences. It costs tens of millions to win a competitive bid for the licence, build high specification premises, furnish it to exacting standards and employ hundreds of staff to operate it and then additionally, unlike 1968 Act licence casinos, provide the licensing local authority with a significant financial contribution.


⁴ See Hansard, House of Commons Debate, 28th February 1996, vol 272 cc858-66

This investment is only possible if there are financial returns. As we show below, these are not insignificant but have the potential to be increased at the same time as increasing tax revenues, local authority contributions and employment. By increasing the ratio of machines to gaming tables and increasing the cap on the number of gaming machines allowed in Large casinos, there will be a huge investment in the existing Large casinos and more importantly, it will stimulate investment in those that have yet to open.


The Large licence casino:

Aspers operate large casinos at Westfield Stratford City and in Milton Keynes. This section will provide detailed information about how they operate. This information is commercially sensitive and we would appreciate it if this information was kept confidential and not disclosed to the public. The purpose of this section is to provide granular detail as to the benefits which Large casinos provide.

Aspers Westfield Stratford City – this was the first Large casino licence to operate in the UK. It is situated on the third floor of the Westfield Shopping Centre in Stratford, in the London Borough of Newham. It first opened its doors in December 2011 and since then has consistently been one of the most visited casinos in the country. The casino is 6,200 square metres.



Aspers Milton Keynes – the second Large casino licence to open in the UK opening just over two years after Westfield Stratford City. With more local competition than Stratford, Milton Keynes was not expected to perform at a similar level, but is still operating above the UK average on practically all factors. The casino is 3,600 square metres.



The casino business model is relatively simple. Customers come to gamble and enjoy themselves. This means they spend money on gambling: table games and gaming machines and hospitality: food and drink. For the gambling, the house win usually averages around 15% which means for every £100 gambled the customer leaves with £85 and for food and drink, it works like any other bar or restaurant. By far the biggest expenditure is table gaming, even with a relatively significant number of machines. The fact is that the House

Win from machines is far smaller than tables at 28% and machine players' stake comparatively smaller amounts as they wish to play longer. So even if we increase the number of machines in Large casinos, the majority of gaming revenue will still come from the tables. But it is customer demand for more slots, we have them queuing for them at the moment, that is causing us to make this submission and by failing to supply it, we risk turning customers away and into the arms of less well supervised gambling providers.

Like any other part of the hospitality industry, the casino industry is heavily dependent on staff to provide the gambling (croupiers), the food and drink (waiters, bar staff and chefs) as well as all the associated employment such as security, customer service, administration and cleaning. As shown in the tables above, Large casinos employ many times more staff than a 1968 Act or Small licence casino and many times more than many comparable leisure outlets due to the mix of services available and regulatory requirements. One of the major benefits of having a Large casino licence in your community is not only the hundreds of jobs it brings but the kind of jobs; they are perfect for low-skilled employees and those who wish to work at different hours to most, such as students and single mothers. Once employed, all staff received intensive training which provides transferrable skills for life. This is the reason that Sir Robin Wales, Mayor of Newham has stated

‘The Aspers casino forms a significant part of our plans for transforming Newham into a major leisure and entertainment, and tourist destination’.⁵

The other benefit that Large licence casinos bring, apart from being a key part in the night-time economy of their community, is that of revenue. As the tables show above, Large casinos provide significant tax revenue to the national Exchequer via Gaming Duty, on top of the usual business taxes) and income tax payments from the large numbers of staff employed. For their local communities, Large licence casinos provide direct payments to their licensing local authority, which has meant that for Aspers, £11.2 million has been contributed to Newham borough council and £2.1 million has been contributed to Milton Keynes City Council. Add to this business rates, £4.6 million to Newham Borough Council and £0.8 million to Milton Keynes City Council and charitable donations to the Aspers Community Fund of £0.5M and a further £0.5M as a Vulnerable Gamblers Contribution.

Aspers believes, on the basis of its extensive experience, that the industry has the potential to significantly increase the jobs, the national and local taxes and other payments, if the ratio of machines to tables and the cap on gaming machines is increased. This will increase the number of machines and tables available to meet the demand which in turn will increase the amount customer spend (in total) and this in turn will create more jobs and generate more taxes. What it will not do, based on the evidence, is increase the level of problem gambling.

Increasing the ratio and cap on gaming machines for Large casinos:

Large casinos are allowed five gaming machines per table up to a cap of 150. We are proposing to the Department of Culture Media & Sport that this ratio be increased from 5:1 to 8:1 and that the maximum cap on the number of machines is increased from 150 to 500.

Our justification being that there is evidence of sufficient consumer demand to warrant this, that there is no evidence to suggest that it would increase levels of problem gambling and that

⁵ ‘All bets are on - for 440 jobs at Westfield Stratford City casino’. Newham Recorder. 16th November 2011

it would lead directly to increases in tax revenues, contributions to local authorities, casino jobs, and have a much needed secondary impact for the gaming machine manufacturers and would undoubtedly jump-start a failed market in Large casinos, meaning much needed investment, jobs and taxes in deprived areas of the country.

The reason behind the table ratios and maximum caps being set at the levels that they are, was an overly cautious governmental response to concerns about the potential for gaming machine sheds, as found in America and Australia. Numbers suggesting that there could be as many 81,000 new casino gaming machines were being touted around so it is understandable that there was a political need to show some caution.⁶ Originally it was the *Budd Review* of 2001 that had introduced the concept of linking the number of casino gaming machines to the gaming tables to prevent ‘machine sheds’. Budd recommended (recommendation no. 57):

‘eight machines to each table, but that where the number of tables exceeds eighty there should be no maximum on the number of gaming machines’.⁷

The government, in their 2002 response to Budd; *A Safe Bet for Success*, would ‘accept [the recommendation] in principle but further work [was] needed on the formula’.⁸ When the *Draft Gambling Bill* was published in November 2003, it explained the need for liberalisation as the casino sector was:

‘restricted by a series of controls that unnecessarily discourage innovation and restrict consumer choice. These have prevented it from developing to compete in the international market and deliver major benefits – as the casino industry has overseas – in terms of leisure opportunities, employment and regeneration’.⁹

The Bill introduced the concept of Small and Large casino categories. Small casinos, which had a gaming floor of less than 10,000 sq. ft. (929 sq. m.) and more than 5,000 sq. ft. (464.5 sq. m.) would be limited to 3 gaming machines per table. Large casinos could have an unlimited number of machines as long as they had over 40 tables, the 3:1 ratio existing below this.¹⁰ The next stage of the legislative process would see the Joint Scrutiny Committee, who had seen how casinos in Australia had maximum caps on machine numbers, first recommend that ‘no casino should be permitted an unlimited number of gaming machines’ and that Large casinos, should be defined as having a minimum of 41 tables and be allowed a ratio of 8:1 gaming machines as Budd had proposed. This would imply a minimum of 328 machines per Large casino.¹¹ In response to the Scrutiny Committee’s report, the government would issue new casino proposals in June 2004 which would take on board the Committee’s criticism of the lack of clarity over what was a Large casino. There would now be 3 categories of casino: Small (>750 sq. m.) which would be allowed a ratio of 2:1 machines per gaming table with a

⁶ See Economic and Social Impact Study of the Proposed Gambling Bill, A Henley Centre Study commissioned by BACTA, February 2004

⁷ Department for Culture, Media and Sport. Gambling Review Body (2001). Gambling Review Report. H.M.S.O. CM 5206. p.127

⁸ Department for Culture, Media and Sport (2002). A safe bet for success: modernising Britain's gambling laws; the Government's response to the Gambling Review Report. The Stationery Office. CM 5397. p.60

⁹ Department for Culture, Media and Sport. Gambling and National Lottery Licensing Division. Draft Gambling Bill. The Policy. November 2003. Cm 6014 – IV. p.28

¹⁰ Department for Culture, Media and Sport. Gambling and National Lottery Licensing Division. Draft Gambling Bill. The Policy. November 2003. Cm 6014 – IV. p.29

¹¹ House of Lords House of Commons Joint Committee on the Draft Gambling Bill (2004). Draft Gambling Bill Volume 1. HL Paper 63-I HC 139-I ed. The Stationery Office Limited.p.101

maximum of 80, Large (>1500 sq. m.) which would be allowed a ratio of 5:1 machines per gaming table with a maximum of 150 and Regional (>5000 sq. m) which would be allowed a ratio of 25:1 machines per gaming table with a maximum of 1250 and a minimum of 40 gaming tables. Also responding to concerns was the decision to allow only Regional casinos to have Category A gaming machines, which have unlimited stakes and prizes, with the other types of casino having Category B machines, prior to this all recommendations had expected all casino types to have Category A machines.¹²

The second report of the Joint Scrutiny Committee would comment that: ‘The new proposals are considerably more restrictive’.¹³ The Committee would go on to ask whether it would be possible for Small and Large casinos to have a proportion of their machine entitlements to be Category A machines ‘if they build up a good record in respect of social responsibility over a period, of say, three years’.¹⁴ To which the Government would respond:

the Government is minded to await the results of at least two prevalence studies, after the implementation of the new regime, before considering significant alteration to the gaming machines entitlements of all types of casino.¹⁵

The Government had introduced the concept of a test period for casino gaming machine allocations. This was hardly surprising as vocal concerns about the new casinos were beginning to be raised, most symbolically with the Christmas message of the Archbishop of Canterbury in 2003.¹⁶ The media campaign against the casino reforms, mostly focused on the Regionals, began to turn into a moral panic after the publication of the Scrutiny Committee’s first report and it was reported that even members of the Labour cabinet were beginning to show their distaste for them. *The Times* of the 4th April 2004 would report that: ‘The Methodist streak in the cabinet has won and there were simply too few other MPs willing to argue the case’. It is very apparent that there was policy ‘row back’ over machine ratios and caps and a realisation that the proposals that had previously been put forward, while correct on many levels, may have been too much too soon politically and therefore, the government would state:

‘If over time, the evidence of social impact collected through problem gambling prevalence research, and other methods, indicates that the regulatory controls have indeed been effective, then the bill provides the scope for a review of the machine to table ratios and the entitlement for each category of casino’.¹⁷

¹² Department for Culture, Media and Sport (2004). Draft Gambling Bill - Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004. Cm 6253 ed. England: London: HMSO. p.29

¹³ House of Lords House of Commons Joint Committee on the Draft Gambling Bill (Regional Casinos) (2004). Draft Gambling Bill (Regional Casinos) Vol I. HL 146-i HC 843-i ed. The Stationery Office. p.5

¹⁴ House of Lords House of Commons Joint Committee on the Draft Gambling Bill (Regional Casinos) (2004). Draft Gambling Bill (Regional Casinos) Vol I. HL 146-i HC 843-i ed. The Stationery Office. p.16

¹⁵ Department for Culture, Media and Sport (2004). Draft Gambling Bill - Government Response to the First Report of the Joint Committee on the Draft Gambling Bill (Regional Casinos) Session 2003-2004. Cm 6330 ed. England: London: DCMS. p.3

¹⁶ ‘Debt and the terrible price families pay’. Daily Mail, England: London, 24th December 2003

¹⁷ Department for Culture, Media and Sport (2004). Draft Gambling Bill - Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004. Cm 6253 ed. England: London: HMSO. p.30

So it is fair to accept that it was the Government's intention that should a test period be completed satisfactorily then machine allocations and table ratios would be increased. As with any test, if the outcome was to be negative then there would also be consequences and thus the idea of a test would be expanded on by the Secretary of State, Tessa Jowell MP, who would use it as a conciliatory measure over problem gambling concerns, stating that all casinos:

Will be subjected to a "gambling impact test" three years after they open, and every three years after that. The Government will do this by attempting to monitor the number of gambling addicts across Britain. If any individual casino is deemed to be responsible for a dramatic rise in problem gambling, the Gambling Commission will shut it down.¹⁸

The concept of a test would be expanded even further when the new casino regime went from being market decided to that of having the actual number of new casinos to be licensed capped. In an unprecedented move, during the Committee Stage of the Gambling Bill, the Minister, Richard Caborn MP would first cap the number of Regional casinos to 8 and then later, cap the number of Large and Small casinos at 8 each as well.¹⁹ This was a shock to many MPs on the Committee, even those who had suggested a cap for trial period in the first place. Rather prophetically, the Minister would state at a later stage:

If only a couple of new casinos are open after three years or if casinos are not open in a good mix of locations, it would be foolish to try to make a decision on the basis of a small sample. We want to be sure that our decisions are based on a good spread of casino locations and types and a fair overall number. I do not say that in the expectation of any extension of the initial period, but the Government must make decisions about further expansion on the basis of firm data.²⁰

This submission is not about increasing the number of casino licences available under the 2005 Act but it is to do with helping the casino industry operate enough 2005 Act casinos to make any further decisions about new licences possible be based on sufficient data.

By increasing the ratio of machines to gaming tables from 5:1 to 8:1 in Large casinos, the government can jump start the potential for investment in the Large casinos that have failed to open yet. The reason they have failed to open is due to the potential returns not being significant enough for the investment to be made by developers and operators. This is mostly due to the poor commercial location of some of the licences. Unfortunately unless we completely rewrite the legislation that cannot be changed. The one lever we have, is to increase their ability for revenue generation.

What will happen if we increase the ratio and cap on gaming machines for Large casinos?

¹⁸ 'Don't bet on an easy ride, casinos are told'. The Times, England: London, 15th October 2004

¹⁹ <http://www.publications.parliament.uk/pa/cm200304/cmstand/b/st041116/am/41116s01.htm> accessed 11/11/16 Column 140.

<http://www.publications.parliament.uk/pa/cm200405/cmstand/b/st041216/am/41216s03.htm> accessed 11/11/16 Column 618

²⁰ <http://www.publications.parliament.uk/pa/cm200405/cmstand/b/st050111/am/50111s05.htm> accessed 11/11/16 Column 706

Unlike some of the more fanciful forecasts which were written before the passing of the Gambling Act 2005, we have the benefits of nine years combined experience and large amounts of data from our two Large casino licences to use to provide the basis for our projections.

Firstly we would like set the upper boundaries, by which we mean the theoretical extent of what an increase in the table ratio from 5:1 to 8:1 and an increase in the maximum cap to 500 could mean. This pretends that there are no existing Large casinos and that every operator wishes purely to maximise machine numbers regardless of market demand, physical site constraints or the wishes of their local authority licence provider. We stress this is purely theoretical.

Given that the law states that a Large casino cannot be in excess of 3,500 sq. m. with a minimum of 500 sq. m. having to be for non-gambling purposes and 1,000 sq. m. minimum of just gaming tables, so there is already a physical limit to the number of machines which can be located in a casino.²¹.

Casino gaming tables come in many sizes:

Game	Standard Size (Sq. Ft.)	Metric Equivalent (sq. m.)
American Roulette	200	18.6
Baccarat	200	18.6
Blackjack	90	8.4
Casino Stud Poker	90	8.4
Chemin de Fer	150	13.9
Craps	250	23.2
Punto Banco (7 position)	90	8.4

Source: Annex A Table of Standard Minimum Floor Areas for Casino Games, Gaming Board Memorandum of Advice 2001

Gaming machines are a standard size which equates to 2 sq. m. each if sited individually or just over 1 sq. m. if, as is most common, if situated in blocks, located next to each other. The difference being the necessity for walking space adjacent to the machines. Walkways are also a regulatory requirement around any gaming tables.

When a casino floor is designed, a common practice is to put tables and machines into basic squares. Thus an 18.6m American Roulette table would fit in a 25 sq. m. basic square as would an 8.4 sq. m. card game table and a block of 8 gaming machines. This gives us 120 basic squares for 3000 sq. m. ($3000 \div 25$) and given a ratio of 8 machines (in one basic square) to one gaming table (in one basic square) this would imply a maximum of 60 tables and 480 machines (60x8) in a 3,000 sq. m. site.

This, however, is the theory based on using 25 sq. m. blocks and as the objective of this exercise is to show just how many machines and tables could be put into a Large casino space, we asked the Aspers Group design team to provide us with a plan for a casino floor that maximises the number of machines given the constraints of the floor space and to ignore any of the non-gaming elements that feature so strongly in all of the Aspers casinos.

²¹ The Categories of Casino Regulations 2008. 2008 No. 1330. Regulation 2

In Appendix A: Theoretical Gaming Area we provide a plan of how a casino operator would utilise the 3,500 sq. m. available to include the maximum amount of machines and tables. As can be seen, this is as follows:

- 500 slot machines
- 63 tables

Obviously, it would be neater if there were 504 slots but we feel that by allowing a maximum of 500 slots, it gives a round number for a maximum limit.

To give this number some context, in the wholly unlikely scenario that all 8 Large casinos were to take their full allocation, the possibility of this happening is discussed below, there would still just be 4,000 machines in the Large casino category. When we compare this to a country like the Netherlands, with a population nearly 4 times smaller than the UK and with a reputation for prioritising social responsibility, we find that Holland Casinos, the Dutch casino monopoly provider who operates casinos of a similar style as the UK's Large casinos (although with no size restrictions) operated 6,011 slot machines in their 14 casinos or an average of 429 per casino. Their slot machines have a maximum stake of €50 compared to the UK's £5 and they have no maximum prize.²²

We have now set the upper boundaries of the biggest theoretical amount of machines that could happen.

We should now consider the reality.

- Aspers Westfield Stratford City is 6,200 sq. m. has 63 tables and 150 slots
- Aspers Milton Keynes is 3,600 sq. m. has 23 tables and 112 slots
- Genting Resorts World Solihull is c.9000 sq. m. has 31 tables and 100 slots
- Global Gaming Ventures Victoria Gate Leeds is c.4600 sq. m. and will have 24 tables and 120 slots

As can be seen, not every Large licence casino has taken its full allocation of gaming machines (150 machines = 30 tables). This is primarily because the link between tables and machines depends on the table being 'available for use'.²³ This means that a casino operator has to think there will be sufficient table business before they can consider having the additional machines. This consideration includes the cost of the staff to operate the additional table(s) plus an apportionment of centralised costs (e.g. lighting, security etc.) versus the projected House Win generated by these tables. If we consider that one member of staff is needed to look after 50 slots which equals 50 customers, while it takes 1.5 people to staff a gaming table that on average caters for 5 customers, you can understand how having a low ratio of machines versus slots restricts investment in slot numbers which in turn reduces revenue generation and in turn reduces the ROI on new projects.

Even before the 2005 Act brought in the link between tables and machines not every casino took up its full allocation of gaming machines. This was either due to the physical constraints

²² Holland Casinos 2015 Annual Report

²³ The Gambling Act 2005 (Gaming Tables in Casinos) (Definitions) Regulations 2009. 2009 No. 1970. Regulation 3

of the building they were in or a belief that their customers would not be interested in them, as has been the case in higher end casinos.

If we consider the last 14 years, which covers the three different machine allocations for 1968 Act casinos, no 2005 Act casinos being operated before 2012, we can see that the average uptake of gaming machine allocation by the UK casino industry was 74%.

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008E	2009	2010	2011
Machines	612	582	795	814	841	894	976	1009	1941	2227	2088	2527	2478	2510
Casinos	118	119	118	118	122	126	131	148	138	138	142	145	141	149
Average	5.2	4.9	6.7	6.9	6.9	7.1	7.5	6.8	14.1	16.1	14.7	17.4	17.6	16.8
Maximum	6	6	10	10	10	10	10	20	20	20	20	20	20	20
Uptake	86%	82%	67%	69%	69%	71%	75%	34%	70%	81%	74%	87%	88%	84%

Source: Gaming Board Annual Reports, Gambling Commission Industry Statistics

With Large casinos, machine allocation uptake is only slightly more. Out of the 4 operating casinos (including Leeds) with a potential of 600 slots (4 x 150) they only have a total of 482 slots or an uptake of 80.3%. But this is skewed by the success of Aspers Westfield Stratford City, which is the most successful casino in terms of numbers of visits in the country. If we take the three remaining Large casinos which have a maximum allocation of 450 (3 x 150) they have 332 slots or an uptake of 73.7%, thus keeping to the industry norm.

So we can forecast that the Large licence casinos yet to be built would probably only each take 74% of their 500 slot allocation meaning 1,480 new slots (4 x 370). Obviously, the existing operating casinos would wish to increase their slot numbers if the maximum was increased, and we suggest that Aspers Westfield Stratford City would double their number from 150 to 300 (+100%). To our best knowledge, based on the space they have available, the remaining three Large casinos would probably increase their slots by 80% thus meaning the number of additional slots for the existing casinos would be 416 (Newham: 150, Milton Keynes: 90, Solihull: 80 & Leeds: 96). This means a total Large casino market slot machine number of 2,378 (1,480 in the new casinos, 482 existing machines in the 4 operating casinos plus an additional 416 added).

This means that while the theoretical number of slots in Large licence casinos could be 4,000 (500 x 8), we project that the actual number that would be utilised would be **2,378** (avg. of 297 per casino). While this is almost a doubling of the current theoretical maximum of 1,200, most importantly, it would be sufficient to bring the remaining 4 Large licences into commercial viability, so there was no longer market failure. This increase in jobs, taxes and local revenues can all be achieved with practically no additional social externalities

International comparison

Very often when international comparisons are used with casinos they include jurisdictions that have developed resorts of very large casinos which can skew the data. We have chosen to use a selection of Western European countries that have operated casinos along similar lines as the U.K. The majority of these jurisdictions do not use a set machine: table ratio. Where they do, we state it, where they have just allocated each casino a number of machines and

tables independently or have allowed the casino operator to decide, we have taken the total number of machines and tables and divided through and given this as an implied ratio:

<u>Country</u>	<u>Number of casinos</u>	<u>Machine/Table ratio</u>
Austria ²⁴	12	Implied 10:1
Belgium ²⁵	9	15:1
Denmark ²⁶	6 (+1 on a ferry)	Implied 5:1
France ²⁷	196	1 st table allows 50 slots. Every table after that allows 25 machines (e.g. 50:1 => 25:1)
Germany ²⁸	48 (with live table gaming)	Implied 19:1
Greece ²⁹	9	Implied 8:1
Italy ³⁰	5 (Casino di Venezia is 2 sites)	Implied 12:1
Netherlands ³¹	14	Implied 15:1
Spain ³²	46	Implied 5:1
Sweden ³³	4	Implied 9:1
Switzerland ³⁴	21 (8 Type A, 13 Type B)	Type A casinos: Unlimited number of gaming machines Type B casinos: Maximum of 250 gaming machines

As with all international comparisons there are data issues, for us these have been: there is no reliable data for Portugal, Norway doesn't have casinos, Ireland has casinos but they are technically illegal and Germany has a significant number of casinos that are just for machines, these have been ignored. We have not always been able to use official (e.g. regulator or operator) derived data but have cross referenced with a number of sources where possible. It should also be stated that the number of tables and machines operating in every casino is primarily a commercial decision and thus liable to change.

²⁴ <http://www.casinos.at/en/casinos-austria/company/about-us#topHeader> accessed 12/11/16

²⁵ https://www.gamingcommission.be/opencms/opencms/jhksweb_en/games/table/ accessed 12/11/16

²⁶ <https://www.worldcasinodirectory.com/denmark> accessed 13/11/16

²⁷ <http://partouhecms.ptech.fr/groupepartouche/documents/1000787-annual-report-2015.pdf> accessed 12/11/16

²⁸ <http://www.spielbankendeutschland.com/>. <https://www.casinosavenue.com/en/>.
<http://www.spielbank.com.de/>. accessed 13/11/16

²⁹ <http://www.worldcasinodirectory.com/greece> accessed 12/11/16

³⁰ <http://www.casinocampione.it/>. <http://www.casinosanremo.it/>. <http://www.saintvincentresortcasino.it/en/>.
<http://www.casinovenezia.it/>. <http://www.worldcasinodirectory.com/italy>. <http://www.casinocity.it/english/>.
<http://www.casino2k.com/>. accessed 13/11/16

³¹ https://www.hollandcasino.nl/sites/default/files/hc_annual_report_2015_digitalversion.pdf accessed 12/11/16

³² <http://todoeljuego.com/wp-content/uploads/2015/06/informe-anual-juego-2014.pdf> accessed 12/11/16

³³ <https://www.casinocosmopol.se/en/about-casino-cosmopol> accessed 12/11/16

³⁴ <http://partouhecms.ptech.fr/groupepartouche/documents/1000787-annual-report-2015.pdf> accessed 12/11/16

What is very apparent is that the current ratio of 5 gaming machines per table is at the lowest end of the range of these comparators and that the proposed increase to 8 gaming machines per table would still keep the UK Large casinos at the lower end of the range of what is available in Western Europe.

If we look at the average of number of slots at a casino in Western Europe, we can see that our forecast average of 297 slots per casino is at the middle of the range:

Country	Average no. of slots per casino
Austria ³⁵	173
Belgium ³⁶	189
Denmark ³⁷	66
France (2012 data) ³⁸	119
Germany ³⁹	136
Greece ⁴⁰	394
Italy ⁴¹	465
Netherlands ⁴²	429
Spain ⁴³	48
Sweden ⁴⁴	292
Switzerland ⁴⁵	209

We are not suggesting that European tourists are being prevented from visiting towns like Leeds or Southampton because they are not able to access the number and variety of gaming machines that they are used to in their home towns. What we are suggesting is that the citizens of places like Milton Keynes and Great Yarmouth should be able to experience the entertainment of having such a range of gaming machines that their European cousins can access and have done so for many years without any evidence of increased social harm.

The economic impact of the new machines

The key motivation behind this submission is to provide the casino industry with the ability to jump start investment into the three, yet to be operating, Large casino licences (Southampton is not operating but will be in 2023). They remain un-opened because they are located in areas where the investment is considered more high risk than those areas where the

³⁵ <http://www.casinos.at/en/casinos-austria/company/about-us#topHeader>

³⁶ <http://www.casinoseurope.com/belgium/>

³⁷ <http://www.worldcasinodirectory.com/denmark>. <http://www.casinoseurope.com/denmark/>

³⁸ Information from La Police Des Courses Et Jeux

³⁹ <http://www.spielbankendeutschland.com/>. <https://www.casinosavenue.com/en/>.
<http://www.spielbank.com.de/>. accessed 13/11/16

⁴⁰ <http://www.casinocity.com/greece/> accessed 16/11/16

⁴¹ <http://www.casinocampione.it/>. <http://www.casinosanremo.it/>. <http://www.saintvincentresortcasino.it/en/>.
<http://www.casinovenezia.it/>. <http://www.worldcasinodirectory.com/italy>. <http://www.casinocity.it/english/>.
<http://www.casino2k.com/>. accessed 13/11/16

⁴² https://www.hollandcasino.nl/sites/default/files/hc_annual_report_2015_digitalversion.pdf accessed 12/11/16

⁴³ <http://todoeljuego.com/wp-content/uploads/2015/06/informe-anual-juego-2014.pdf> accessed 12/11/16

⁴⁴

⁴⁵ <http://www.esbk.admin.ch/esbk/fr/home/spielbanken/spielbankenliste.html> accessed 16/11/16

Large casinos are already operating. An obvious solution would be to move the Large casino licences to more commercially viable locations. This is obviously politically impractical and therefore the next best solution, is to utilise the available levers of table: machine ratios and maximum number of slot machines to make the business case for these licences more appealing. Since we are a decade on from the enforcement of the 2005 Act and these licences have no prospect of ever opening, it would appear that the choices are stark, either miss out on the opportunity of much needed jobs, taxes and revenues to areas that need them more than most or provide a small increase in the number of slot machines in the country, specifically to the best supervised premises there are and incur minimal social costs.

The reason that Aspers is making this submission is that if these proposals were accepted and implemented, we would actively consider investment into one or more of these licenses. For obvious commercial reasons, we cannot state more than this, but we can assure the government that there is a desire for casino licences, the casino market being in aspic, and thus our interest in these licenses would undoubtedly be echoed by many other operators, both domestic and foreign.

What this all means is that, arguably, the only economic impact that really matters from our proposal to increase the table: gaming machine ratio from 5:1 to 8:1 and increase the maximum number of slots to 500 is that it will bring c. 200 jobs to each of these three licensing areas (Great Yarmouth, Kingston upon Hull and Middlesbrough) – 600 jobs in total and jobs that favour those who usually find it difficult to find employment, as casinos require minimal academic qualifications, provide professional training and offer hours that are beneficial to those with responsibilities such as caring or education.

To put this in the slightly less emotive language of the Ernst & Young report, '*Stimulating growth in the UK Casino Industry - Maximising the potential of the casino industry for the UK economy*, 18 March 2016' which has been submitted as part of the National Casino Forum's submission, we estimate that our proposal will have the following impact:

- GVA of £138.6 million
- Employment of 978 (this implies additional employment in the supply chain)
- Taxes of £65.2m
- Investment of £105.9 million

This is based on there being an additional 1,896 machines under our proposals. The Ernst & Young Report predicts in its Scenario 1 forecast that there would be an additional GVA of £85m, employment of 600, taxes of £40m and investment of £65m from an increase of 1,160 slots.⁴⁶ We have simply taken the 63% increase in slots between their scenario and our proposal and applied it to these economic factors. We appreciate that this is a very simplistic approach, but we believe that the forecast is definitely within an acceptable range of possibilities.

Social Responsibility

The Government and British casino industry's number one concern about any extension of gambling provision is the impact it may have on society, more specifically on the incidence

⁴⁶ Ernst & Young (2016), '*Stimulating growth in the UK Casino Industry - Maximising the potential of the casino industry for the UK economy*, 18 March 2016. p.10

of problem gambling. Casino operators don't want problem gamblers as customers from an ethical standpoint, and from a commercial one, they are bad customers. Thus we are in concert with the Government in doing everything we can to prevent them.

Fortunately, British casinos are the safest places for people to gamble as they are the best supervised, with the highest number of well trained staff constantly vigilant to the needs of their customers.

Unfortunately there is not the data available to show what the impact the Large casinos have had on the levels of problem gambling amongst their players and local communities. This is not due to there being any reticence by Large casino operators to assist in evidence collection. Large casino operators have had to collect social responsibility data on a quarterly basis since the first Large casino opened its doors. This data, while useful for monitoring purposes, only measures the numbers of self-excluders and those refused admission or who have been removed from the casinos, which may give an indication of the incidence of problem gambling, but doesn't provide the desired level and depth of data necessary. The problem is that this kind of research is nigh on impossible to conduct on such a granular level. The industry sincerely wishes that this wasn't so.

Prevalence studies are conducted across populations, usually on a national level. This is because, primarily, the cost of conducting them on a smaller population is prohibitively expensive especially when the variable you are focusing on has incidences which occur in such a small number of the population. In such cases, as with problem gambling, you need a very large sample size to have them become statistically relevant. In the British Gambling Prevalence Study 2010, a sample of 7,747 was used, the equivalent of about 5 times what would be used for national opinion polls/ market research and in finding a problem gambling rate of 0.7% this equated to just 54 people in the survey. Such was the expense of conducting the survey that they were stopped and replaced by questions in the national (England, Scotland) health surveys.

If you were trying to identify the variance in problem gambling on a local borough level then there would be enormous difficulties in remaining statistical meaningful. If you then consider that a good proportion of customers to a Large casino come from outside the immediate community of a large casino, Aspers Westfield Stratford City customers come from as far as two hours' drive time away, then you can see how impractical such research would be.

The second key problem in identifying problem gambling incidence amongst specific casino customers is that the majority of problem gamblers gamble on multiple types of gambling. The *British Gambling Prevalence Study 2010* stated that: 'Problem gambling prevalence was highest among those who reported that they gambled on nine or more different activities on a regular basis (27.8%)'.⁴⁷ This means that it is very difficult to pinpoint which particular form of gambling was responsible for the problem gambling and, considering the existing research, whether it is possible to consider problem gambling in this way at all. It is highly questionable whether one form of gambling can be called responsible for causing a gambling problem as problem gambling is a very complex condition and manifests itself in many ways.

The third issue is obviously one of timeframes. The first Large casino opened in December 2011, the second in 2013 and the third in 2016. During this time there have been no Health

⁴⁷ National Centre for Social Research (2011). British Gambling prevalence Study 2010. p. 95

Surveys conducted, the last English Health survey (all the Large casinos being in England) being in 2012 and since it was conducted by surveying: '9,024 addresses [which] were randomly selected in 564 postcode sectors, issued over twelve months from January to December 2012', there is practically no chance that it could have picked up any Large casino customers.⁴⁸ Thus unfortunately it is impossible to state whether the impact of Large casinos has been negative or positive from a problem gambling perspective. There has been no public uproar, Parliamentary questions or even local complaints to suggest so. But, from a purely empirical research perspective, it is has just been impossible to prove the case one way or the other, given current research practices and the normal budgets available.

What we can do though is look at what the Large casinos do already to prevent problem gambling and then what is proposed if the extension in machines were given.

All Large casinos promote responsible gambling which includes:

- Providing information about help available for customers who have concerns about their level of gambling
 - We place Responsible Gambling information leaflets throughout the casino
 - We display the telephone number of the Gambling Problem Helpline on all ATMs and gaming machines
- Providing induction and refresher staff training so that all members of staff can identify observable signs that indicate persons may be experiencing difficulty with their gambling behaviours and to take appropriate actions
- Membership of Playing Safe and inclusion of the SENSE National Self-exclusion Scheme - where either a customer feels concerned about his or her gambling, or a member of staff has identified indicators suggesting an issue, there is a self-exclusion policy that permits the customer to self-exclude for a minimum of 6 months and requires a discussion with the General Manager or Gaming Manager prior to the customer being permitted to cancel their self-exclusion.

Aspers is committed to promoting responsible gambling in a safe and secure environment and in our Large casinos at Milton Keynes and Westfield Stratford City we provide a separate room for customers to withdraw into a completely non-gambling environment.

Aspers have also set up the Community Action for Responsible Gaming programme, or CARG. This is a voluntary, not-for-profit group, funded by Aspers, which seeks to promote responsible gambling. This is our flagship initiative started in 2005 and operated at every casino operated by the Aspers Group. CARG is a voluntary body, comprising members of gambling charities, local law enforcement agencies, religious bodies and community representatives. It has an independent Chairman, Graham White OBE, who was formerly Chief Inspector of the Gaming Board of Great Britain and is a senior and well-respected figure in the gambling industry. Each CARG meets regularly to discuss any issues that may have arisen in the area from problem gambling and to put forward action programmes to deal with them.

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<http://content.digital.nhs.uk/searchcatalogue?productid=13887&q=gambling&sort=Relevance&size=10&page=1#top> accessed 15/11/16

Should the DCMS agree to our recommendations and allow Large casinos to have an increase in the number of gaming machines then we will create a new employment position in all of our Large casinos, that of Slots Counsellor. This will be an employee that has been trained as a problem gambling counsellor by GamCare. This means that they would have had far more training in problem gambling than is required by the Gambling Commission's Licensing Conditions and Codes of Practice. Furthermore, they will have no other role than to monitor the slots areas of the gaming floor, monitoring for any sign of problematic gambling behaviour. The individual will be in a different uniform to customer serving staff and will carry signage stating that they are a Slots Counsellor. They will be available, upon request of any customer, to talk in private about any concerns or issues the customer may have and through their training and information available be able to provide these customers with the information, advice, support and in many cases just being there to listen that a few of our customers may well need.

To our knowledge this will be the first time that any casino operator anywhere in the world will have brought such a level of support to those who may be at risk in their premises.

Conclusion

Aspers are proposing that the table: gaming machine ratio be increased from 5:1 to 8:1 and that the maximum number of machines allowed be raised from 150 to 500.

We argue that this will allow for the three Large casino licences that remain unopened (Southampton will be opened in 2023) to become commercially viable for investors and operators. This means an end to market failure in the Large casino market and that the local authorities of Great Yarmouth, Kingston upon Hull and Middlesbrough can finally benefit from the jobs, taxes and local authority payments they have been expecting for almost a decade. It will also mean that the experiment in having Large casino licences can finally start and the promises made in the passing of the Gambling Act 2005 become fulfilled.

We, at Aspers, have evidence of customer demand for increased numbers of slot machines in the safe and well supervised environment of Large casinos, we are unaware of any research that suggests that an increase of such a relatively small number of slots in such a secure setting increases the prevalence of problem gambling.

We strongly recommend that the Department of Culture, Media & Sport contemplate this submission as it easily provides for an economic boost to local authorities in much need of the jobs and revenues this proposal will bring.

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- Can you provide an estimate of additional investment created by any new machines allocation over the next three years?

Machine Categories	Additional number of machines				Projected Cost (£)
	2017	2018	2019	Total	
B1	416		1,480	1,896	£17,278,248 p.a.
B2					
B3					
B3A					
B4					
C					
D (Complex)					
D (Non-complex)					

- Can you outline the evidence and assumptions used to make these projections?
The current total cost of leasing a gaming machine, as operated in Aspers Westfield Stratford City is, with all the add-ons, Progressive Licences, Server Based Systems, Signage, Rev Share etc. on average £9,113 (inc VAT) per machine.

We would expect if there was an increase in ratio and maximum as we propose, the exiting licences would increase their machine numbers as quickly as possible. The three new licences would come on stream later – this has been put in for 2019, but could take longer.

Please refer above for our assumptions.

- Do you expect there to be an increase in spend or the same spend across a greater number of machines?
We don't forecast any increase in spend
- Please provide details on how the changes in stakes and prizes contributed separately to the changes in spend and can you outline any assumptions made and on what basis you believe these to be correct (e.g. based on market data or past trends)
N/A
- Can you provide the average machine earnings varying by places (e.g. public houses) not licensed by the Gambling Commission? Can you provide current and projected earning over the next three years?
N/A
- Do you own the gaming machines or do you rent them from a supplier? If owned, how much did it cost you for game/kit upgrades or replacement machines in the last stake/prize uplift in 2013? If not applicable can you estimate how much it cost to replace/upgrade?
N/A

Appendix A: Theoretical Gaming Area

Appendix B: Aspers Westfield Stratford City Floorplan