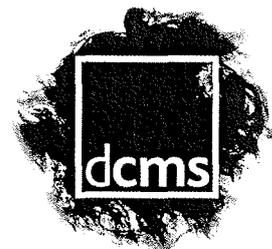


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department for
culture, media
and sport

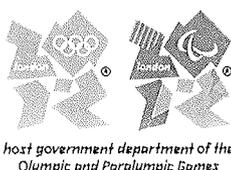
22 November 2011

As part of our commitment to create the conditions in which gambling businesses can thrive I announced in October my intention to carry out a review of stake and prize limits for gaming machines covered by the Gambling Act 2005. I'm writing now to let you know our timetable and ask for your views.

The review will be undertaken by the Department in partnership with the Gambling Commission. A timetable is attached to this letter, but at the moment it looks as though it will take around 18 months from start to finish, starting in December.

Frankly, this is longer than I'd like. From what we can gather, the old reviews used to take about 12 months in total, a timeframe which would also allow us to also take into account other relevant sources of information, including the Select Committee's report into the Gambling Act and the gaming machine research that is currently being undertaken as part of the programme recommended by the Responsible Gambling Strategy Board and the. Should any recommendations arise from these for further tightening of regulations around gaming machines, including decreasing stake and prize limits, then they will need to be considered as part of the review.

The rest of the timetable is designed to accommodate the legislative scrutiny requirements that will be necessary should we decide to bring forward any changes. These requirements are more stringent now than under the old regime and will include a 12 week public consultation and notifying the European Commission under the Technical Standards Directive (invoking a 12 week stand still period). We will also be required to prepare a detailed impact assessment of any proposals. These requirements are vital to ensure high quality regulation, but I also recognise the pressures businesses are under so I'd welcome proposals on where we can shorten this timeframe if possible.



On impact assessments, one of the clear lessons coming out of the recent category B3 review is the need for robust and relevant data from the industry to help us make the case for change. To help you prepare in preparing a business case we plan to host an event here at the Department that will be open to all stakeholders to discuss the sort of information we will collectively need to provide and to get an idea as to what is realistic to expect. Additionally, we will give stakeholders the opportunity to come into the Department during this period and present their proposals directly to us and the Gambling Commission and discuss any issues.

But now over to you. A lot of time has passed since the last full review, and the industry (plus its associated technologies) has changed a lot in that time. Are we on the right track? I'm keen to hear your views on the process outlined above, and especially keen to hear from industry bodies on what they might be able to do to help shorten the timeframe further. Key things here will be the quality of data provided to support proposals, and whether the industry as a whole can reach an agreed position on what is needed. I would also like to know your views on how often we should hold these reviews. At the moment we would be planning for the next one in 2015 in line with the old triennial process. But, given the way technology and the industry has changed since 2007 is a review based on three year cycle actually the best approach?

If you wish to let us have any views then please either write to us at the above address or email Alistair Boon at Alistair.boon@culture.gsi.gov.uk by 2 December. My officials would also be happy to discuss any issues with you directly. If you would like to do so then please ring Alistair on 020 7211 6486 to arrange a meeting.

A handwritten signature in black ink that reads "John Penrose". The signature is written in a cursive style and is underlined with a single horizontal stroke.

John Penrose MP
Minister for Tourism and Heritage

Triennial Review: Draft Timetable

Develop rationale, process and define roles and responsibilities

- November 2011: Develop rationale, criteria, process and roles/responsibilities with the Gambling Commission
- November 2011: Minister to write out to stakeholders setting out principles of the review and seek views
- November/December 2011: Discuss views with stakeholders
- December 2011: Minister to confirm final rationale, process and schedule for 2012 review

Implement and deliver 2012 review

- December 2011: Announcement of 2012 review and timetable; invite submissions from stakeholders; DCMS to hold general meeting with stakeholders to discuss 2012 review
- December 2011 – March 2012: Presentations from stakeholders; written submissions
- March – April 2012: Assess proposals with Gambling Commission; agree proposals to take forward with Minister;

Public consultation

- May 2012: Develop impact assessment
- May – June 2012: Submit impact assessment to Regulation Policy Committee for approval (up to 30 working days)
- May – June 2012: Prepare consultation document
- June – July 2012: Subject to RPC approval, Minister to seek cabinet approval to publish consultation
- July 2012: Subject to cabinet agreement, DCMS to announce final proposals; DCMS to hold general meeting with stakeholders to discuss proposals
- July 2012: Publish consultation
- October 2012: Consultation closes

Post-consultation

- October – November 2012: Subject to outcome of the consultation, DCMS to develop and agree final proposals to take forward with Gambling Commission
- December 2012: Develop Final Stage impact assessment
- January – February 2013: Submit impact assessment to Regulation Policy Committee for approval (up to 30 working days)
- January – February 2013: Draft regulations
- February 2013: Subject to RPC approval, Minister to seek cabinet committee approval to lay draft regulations in Parliament
- March 2013: Announce final proposals; DCMS to hold general meeting with stakeholders to discuss
- March 2013: Lay draft regulations in Parliament
- March – May 2013: Notify European Commission of draft regulations under technical standards directive (12 week standstill period)
- June – July 2013: Parliamentary debates
- July 2013: Subject to Parliamentary approval, implement new regulations