

Peter Hannibal: "Someone has got to join the dots on government and regulatory departments strategy boards - they are all increasing their costs and charges at the same time to individual businesses battling in a sinking economy"

It's been a week since the Government announced the framework for the new Statutory Levy - and we all know the saying that a week's a long time in politics. So how long is a week in the amusements, gaming and gambling sector, especially the last week as the industry ponders the Levy's impact. **Peter Hannibal**, CEO of the Gambling Business Group, talks to Coinslot about the mood around the industry.

I think it was pretty clear how the industry feels about the format of the levy," Peter Hannibal told Coinslot. "It's a further significant blow on top of a number of significant blows already meted out by the Government since the election result."

Hannibal is a trade group leader who isn't afraid to speak out, and he was in no mood to change that habit. But this time round, there was a determined effort to measure his words. "I want to make it clear from the start that the industry and the GBG is an advocate of the Levy; we have been driving responsible gambling for years and directly and indirectly supporting charities who help the vulnerable," he noted. "But, the levy as outlined last week lacks balance and an understanding of how it sits in the bigger picture."

How so?

"There is a numbness in the industry to the recent wave of economic hits businesses are having to take. All our companies from the largest to the smallest operators look at their businesses in the whole: their budgets and investments are calculated with a global vision. The Government departments and the regulator fail miserably in that respect. The Levy; National Insurance; National Minimum Wage; the Employment Act; the GC's licensing conditions; the proposals for changes to Tech Standards; Business rates - they all function in isolation. And the departments, the Commission and local authorities are all demanding more money totalling in the tens to the hundreds of thousands of pounds - from the one single source: each and every individual business in our industry," Hannibal warned.

"Someone has got to join the dots on government and regulatory departments strategy boards - they are all increasing their costs and charges at the

same time to individual businesses battling in a sinking economy. And yet they are providing no opportunities for growth to generate the money to help fund this cost. This is just basic poor governance."

Hannibal cited the varying range of levy charges as an example. "The government has doubled its levy surcharge on AGCs and bingo clubs (0.2 pc) and also increased rates for bookies and casinos (0.5 pc) from what was recommended last year. Only weeks earlier the Treasury had hiked up National Insurance and NMW. That's several hits already. Inflation has not been tackled by this government - so don't expect any help from interest rates anytime soon. And consumer confidence is down, so it's reasonable to expect less leisure spend and revenue coming into our businesses."

All of which leads Hannibal to a worrying conclusion: "It doesn't take a financial genius to assess the impact that this will have on an aspiring 'growth economy' and our industry in particular. For many businesses, the money is simply not there to pay all these increased commitments. And just watch the devastating impact all of this will have on our already declining high streets."

It's a painful picture, concedes Hannibal, but it's a realistic one. "The government has options to release the pressure valve, but it doesn't seem to want to go there. A rise in stakes and prizes is the obvious injection for a start - we have a triennial review that hasn't been touched in ten years. That's inconceivable in any other area. Try telling MPs or the Gambling Commission staff that they can't have a pay rise for a decade. That's how it feels for an industry that cannot raise its prices whilst everyone else around it are raising theirs."

The industry is clearly distressed following a

wave of announcements that are raiding the cash-flow of businesses, and Hannibal is making the message clear to Government. "We are determined to work with the Government at every step of the way of this growth plan. But we need a Government that listens and acts on the evidence that we put forward. It cannot be take, take, take without some giving," he noted. "There's very little more to take."

So, where does this leave us in what seems to be an increasingly disjointed, almost dysfunctional economic tangle? Hannibal was definitive ... and persuasive. "We need liberalisation of regula-

tions, modernisation on stakes and prizes and technology, and a joined up strategy between government, regulator and the industry. It's not that complex a formula; if we focus more on legislation and regulation that facilitates responsible growth, then there will be more funds for the levy and player protections, more income for the Commission, more tax returns for the Treasury, more resources to invest in people and product for our businesses - and a far better offering for our customers."

Sounds like a win-win-win. The government and Commission will never go for that!

Take, take take

Peter Hannibal said...

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