

Report on Gaming Machines in Members Clubs.

23rd September 2026

An often-overlooked implication of changes to Machines Games Duty is the impact it will have on Members Clubs including Sports Clubs, Social Clubs, Labour/Liberal/Tory Clubs, British Legions and what used to be referred to as Working men's Clubs – collectively in their tens of thousands in number. A considerable proportion of these local community venues rely on the income from their Category B4 gaming machines to help to keep their books balanced. When a business is run on a 'not for profit' or 'break even' financial model (which most of these venues are), then every penny counts. Every additional tax that is imposed on these businesses can determine whether many of them can keep the doors open – or not!

Unfortunately, the Gambling Commission does not record or publish the number of gaming machines in Members Clubs (or Pubs) as it does with other types of venues, however we understand there to be approximately 5,000 Category B4 machines located in Members Clubs across the UK. Not all clubs offer Category B4 machines to their members, but those that do will be relying on the income from the machines to maintain the viability of the venue confirmed by the quote from Sally Walker below.

The historical trend confirmed by the 21st Century Social Clubs website is a decline of Britain's social clubs, clubs which are a wide range of community assets under mutual ownership and managed by local members. Once numbering more than 4,000 at their peak in the 1970s, roughly half remain today, many of which are struggling to survive in historically disadvantaged and still economically neglected areas. Other types of Members Clubs are no different. In their 2025 National Survey of Social Clubs, 21st Century Social Clubs identified the following concerns;

- 83% described their financial health as poor (nearly 50%) to fair (35%).
- 35% have already had to borrow money in order to keep their businesses running.
- 73% said they will need to raise more funds over the next few years.

Any increase in machine games duty brings with it the risk of forcing members clubs to reduce their services on offer or worse still, force them to close altogether.

Dransfields Group Chairman Chris Haley who supplies many of the gaming machines to these venues has stated publicly that a Machine Games Duty hike will push many of the UK's Members Clubs over the brink. With clubs existing on wafer thin margins and with

little or no reserves he argues that higher taxes will lead to reduced investment, higher bar prices, a reduction in free or heavily subsidised social activities for vulnerable groups and ultimately, the closure of important venues that are invaluable community assets. The Club & Institute Union agrees that this is the reality of the situation we are facing.

According to Dransfields' analysis, fewer than 15% of clubs take up their full entitlement of three gaming machines, with the remainder fairly evenly divided between operating one and two machines. Depending on the size of the club and its membership, machine income can range from less than £100 a week to several hundred pounds.

The effect that a club closure has on a local community can be devastating, especially amongst the older generation who tend to use clubs more, and rely on them for social interactions. To lose all those games of bingo that help ease loneliness, all the sports teams supported by their club, the funeral teas, the family parties, the community events, the charitable fund raising: the list goes on.

One Club Manager said that “our gaming machine income pays for the upkeep of their cricket pitch, bowling green and football pitch and these facilities are the bedrock of the local community and used by all generations.”

MPs recognise the importance of clubs in their local community and are often members themselves and in some instances use them to host their weekly surgeries. Andy Burnham himself based his Makerfield election campaign from Stubshaw Cross Community and Sports Centre. The club famously remained fully open to its local regulars throughout the political campaign. It continued hosting community events including a wedding, a funeral, a christening, and a birthday party, while serving as the operations base where high-profile MPs and Cabinet ministers gathered.

Other relevant ‘experts by experience’ contributions;

Mrs Sally Walker

Club Secretary and Club Treasurer Lowton Social Club

“Lowton Social Club is a not-for-profit organisation that was formed in 1956 and now has 380 members, 60 percent of whom are pensioners. The club is in the heart of the community and relies on our loyal members and volunteers to keep the doors open. All of our gaming profits are used to contribute towards our free to use community facilities. These include a darts academy for adults and children – some of whom have additional needs – youth boxing through to afternoon dance sessions for senior citizens.

“Clubs and pubs have never really recovered since Covid and it has become incredibly difficult to run the club and to make ends meet. In the last three years our outgoings have jumped from £1,500 to £4,000 per month and that excludes the cost of beer, entertainment and wages. To cover that we have to sell £8,000 of beer.

“If gaming duty increases, we will have to reduce some of our youth and pensioners activities. We can’t just absorb price increases and continue to provide the facilities for free. Regarding jobs, we now employ two fewer staff and have reduced opening hours to reduce the wage bill. We were forced to increase prices by 20 percent this year – I don’t think our members could or would stomach any further increases.”

Ken Green

General Secretary, Working Men’s Club and Institute Union (CIU)

“An increase in MGD could well see clubs having to cease trading – after all MGD was introduced to be tax neutral. The fact is that in a lot of clubs gaming machine income represents the thin line between surplus and loss.

Clubs provide a huge range of invaluable community services and the more that cease trading the greater the demand on local authorities to provide the missing recreational facilities – a cost that they would have to foot.

The All-Party Parliamentary Group for Non-Profit Making Members’ Clubs and affiliated MPs need to know that an increase in MGD will sound the death knell for some clubs.”

Charles Littlewood

Chief Executive, Association of Conservative Clubs Ltd and Chair of CORCA

“We are very concerned about the potential impact of any significant increase in Machine Games Duty on Members’ Clubs. We will be highlighting these concerns in the appropriate places and making clear to Government and Parliamentarians the consequences that an increase could have for the club sector.

Gaming machine income helps clubs meet their day-to-day operating costs and support the wider facilities and activities that they provide for their members and local communities. It should not be regarded simply as additional or discretionary income. It forms an important part of the income required to keep the doors open and, in some cases, is crucial to their ongoing financial viability

Where gaming machine income represents an important part of a club’s finances, the loss of that income could require committees to review opening hours, staffing levels, services and other expenditure. For clubs already operating on very tight margins, it

could ultimately lead them to consider whether their existing operations remain financially sustainable.

It is therefore important that the impact of any increase in Machine Games Duty is considered in this wider context. Reducing the income available to clubs does not simply affect the provision of gaming machines. It reduces the resources available to organisations which are often providing valuable community facilities at little or no cost to the public purse.”

If the DCMS or HM Treasury would like further information or a conversation about Members Clubs and their gaming machines then we will be only to pleased to help, advise and support.

Kind Regards,

**Peter Hannibal
CEO**

The Gambling Business Group

07860 588680

www.gamblingbusinessgroup.co.uk