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27 April 2018

Dear Tom and Jonathan,

## **LABOUR PARTY REVIEW OF NHS TREATMENT OF GAMBLING ADDICTION**

GambleAware is an independent charity tasked to fund research, education and treatment services to help reduce gambling-related harms in Great Britain. Guided by the [National Responsible Gambling Strategy](#), the charity works to broaden public understanding of gambling-related harms as a public health issue, to advance the cause of prevention of such harms, and to help those that do develop problems get the support and help that they need quickly and effectively.

We are pleased to respond to your policy review, and in doing so will draw on other submissions GambleAware has made in response to recent consultations by the UK Government, and draw upon the extensive research evidence we have commissioned in partnership with the regulator's advisors, the Responsible Gambling Strategy Board.

## **BEST PRACTICE AND CURRENT NHS PROVISION**

Your terms of reference state:

“The NHS says that there is evidence that gambling addiction can be successfully treated in the same way as other addictions, including with cognitive behavioural therapy. Specialised addiction services that mainly focus on substance misuse often treat gambling problems.

There is currently only one specialist NHS clinic for problem gamblers in England and Wales, in West London.”

GambleAware is currently the largest commissioner of treatment for problem gambling in Great Britain. The specialist clinic in West London which is part of Central and North West London

(CNWL) NHS Foundation Trust receives its funding from GambleAware, not public funds. Access to that clinic and the range of other counselling services located across Great Britain which we also fund, can be found via [BeGambleAware.org](http://BeGambleAware.org).

With over 400,000 problem gamblers in Great Britain and with more than 2 million adults at risk of becoming a problem gambler, GambleAware seeks to ensure that gambling-related harm be regarded by national and regional policymakers as a significant health issue.

We know that many problem gamblers also suffer from other physical and mental conditions; this is known as 'co-morbidity'. The NHS already has a responsibility to provide treatment for many co-morbidities that problem gamblers may have. GambleAware believes that statutory agencies ought also to be funding specialist treatment for those whose problem gambling is most severe, including those without a co-morbidity. This would allow GambleAware and others in the third sector to focus on early and brief interventions for a greater number of people, engaging and building skills in statutory universal services (e.g. primary and social care) and supporting recovery in the community. This shift of responsibility for treatment would be in line with the NHS constitution.

GambleAware is commissioning research to better understand what treatments are most effective and where the demand for services is most needed.

We believe policy should not just be about tackling headline problem gambling rates, but about managing the risk of gambling-related harms to the player and more widely to families, friends, employers and neighbourhoods. We agree that now is the time to think carefully about how to ensure that those who are experiencing gambling-related harm receive the help they need.

We are pleased that the Department of Health, working with Public Health England, is considering what scope there is for commissioning further research to better understand the impacts of gambling-related harms on health and well-being. We understand that similar work is emerging in both Wales and Scotland.

It is significant that the National Institute of Clinical Excellence (NICE), Department of Health and National Health Service England (NHSE) are jointly considering whether NICE should produce treatment guidance on gambling. We look forward to contributing to this work, just as we are collaborating with the Local Government Association to promote the inclusion of gambling-related harm in local authorities' Joint Strategic Needs Assessments.

## **Is the current level of provision of mental health and other health services for those experiencing gambling addiction adequate?**

The NHS does not provide specialised treatment services for problem gambling; it may be treated alongside other conditions which do qualify for NHS treatment but, while recognised by the World Health Organisation as a mental health condition, the NHS does not fund any specialised clinics such as the National Problem Gambling Clinic located at Central North West London Foundation Trust (CNWL); this is funded by GambleAware.

Last year, GambleAware funded services that collectively helped 8,800 clients referred for treatment – this represents just 2% of the estimated number of problem gamblers in Great Britain, and perhaps only one-fifth of the number some academic studies suggest would seek treatment if they were aware of how to find it and it was available.

- **Current GambleAware Treatment Services** - The National Gambling Helpline offers immediate support via the telephone and online from 8am to 12am, 7 days a week. This includes 'brief interventions', offered over the telephone by trained specialists.

GambleAware commissions a treatment system providing community-based psychosocial interventions for problem gamblers and 'affected others', and a residential rehabilitation service for both men and women with severe gambling problems. Community-based psychosocial interventions include up to 12 weeks/sessions of psychosocial interventions, such as cognitive-behavioural therapy (CBT) or counselling:

- GamCare provide services in London and on-line and via a national network of 'partner' services located throughout Britain
  - CNWL NHS Foundation Trust's National Problem Gambling Clinic provides individual and group work CBT-based treatment to clients with complex needs from across Britain
  - The Gordon Moody Association is the sole provider of GambleAware-commissioned residential rehabilitation and provides residential assessment and a 3-month residential programme for men with the most severe gambling problems in two 9-bed units, and a women's mixed-mode service incorporating both residential and community-based treatment.
- **Broadening treatment services** - We are investing urgently in increasing the availability of early interventions – these may be one or two sessions with trained staff – not necessarily counsellors or medical professionals – which have been shown to be highly effective at preventing and reversing the harm suffered by a large share of the problem-gambler population, and affected others e.g. family members.

We are focusing all our services to be recovery-orientated. This means using the social capital available to clients, and is defined by three core concepts – hope, agency and opportunity. Also, we are looking at how we can fund relapse prevention and facilitate mutual support such as SMART recovery schemes.

**How far are existing mental health services, including the Improving Access to Psychological Therapies (IAPT) programme and addiction services which do not specifically focus on gambling, capable of supporting people with gambling problems?**

The evidence shows that the current range of treatment for problem gamblers (and affected others) is effective. The majority of treatment is in the form of community-based, psychosocial interventions, delivered by counsellors trained to the standard of the British Association of Counselling and Psychotherapy (or equivalent). This is predominantly cognitive-based therapy, but other talking therapies are also used effectively. With minimal specialist training, counsellors

can address gambling disorders, so both IAPT and addiction services would be in a position to support people with gambling problems.

There is a current question of capacity, given the significant waiting lists and times to be seen for NHS mental health services across Great Britain. Whilst we cannot be sure, we understand people with a gambling problem do present to statutory services with other conditions, like depression and anxiety. However these services are often unfamiliar with detecting, and treating this condition, due to lack of NICE guidance and formal training within this type of mental health issue.

There is increasing recognition that suicidal ideation can occur in problem gamblers. Better identification of problem gamblers by statutory agencies could play an important part in national and local suicide prevention initiatives.

## **Would treatment for those experiencing gambling addiction be best provided through specialist gambling addiction services or through more general mental health provision?**

Provided the underlying quality of the counselling is good, then there is no evidence that specialist services are better or worse than general mental health services for clients presenting primarily with a gambling problem. Co-location of gambling treatment services with other addiction services may put off some clients.

We should note that there is no single answer as to whether problem gambling causes co-morbidities, e.g. depression, or whether a consequence of such conditions may be problem gambling. Treatment can simultaneously address a number of co-morbidities because the underlying therapeutic approach is complementary. However, for more complex cases where, for example, a client is taking medication for a psychological disorder, then qualified medical practitioners are better placed to provide holistic treatment.

We would favour specialist gambling treatment services for non-complex cases, and referral to general and specialist NHS mental health treatment for complex cases. This could serve to reduce overall demand on IAPT and other NHS services by diverting some cases to specialist gambling services.

GambleAware has introduced a Common Screening Tool across all the treatment services providers we fund, designed to support decision-making by professionals and direct clients to the most appropriate form of treatment.

## **Would the establishment of more specialist NHS clinics for problem gamblers be useful and cost-effective?**

In the last three months of 2017, local counselling services assessed clients referred to them an average of 9 days later, and they then began treatment within on average 12 days. However, the more specialist National Problem Gambling Clinic, had a total average waiting time of 118 days – almost 17 weeks. Clients on this waiting list are assessed within 6 weeks. GambleAware is putting

in place processes to provide local support from other services while they are waiting, but there is a clear need for additional complex care of this nature.

In Leeds, GambleAware is working to develop an inclusive and innovative 'one stop shop' approach across key stakeholders from primary care – universal access to community interventions in partnership with third sector, NHS and local authority/public health. GambleAware plans to evaluate the impact of this initiative and consider it as a possible model to be replicated elsewhere across the country to reduce the geographical disparity in the provision of current complex-care services.

## **PREVENTION**

Your terms of reference state:

“As well as improving treatment and support, we want to make it harder for people to be sucked into gambling addiction. This includes ensuring that children are not attracted into gambling or able to gamble before the legal minimum age of 18.

Labour has already announced that it will lower the maximum stake on Fixed Odds Betting Terminals (FOBTs) from £100 to £2, and work with the FA to ban football shirt sponsorship by gambling companies. We want to look at what further measures might be needed.”

## **What evidence is there on the impact of gambling advertising and sponsorship on problem gambling behaviour?**

We have commissioned research on the impact of gambling advertising and marketing of all kinds on children, young people and vulnerable people. The research commissioned will address two specific trends in gambling advertising which need regulatory attention:

- mass promotion of gambling via the 'gambification' of sport – i.e. presentation of gambling as an inherent part of sport through sports sponsorship, gambling-related advertising during sport, and the merging of sport with gambling content in online operator social media;
- highly targeted advertising and marketing using behavioural data on consumers gathered by operators themselves as well as via consumers' other online and social media behaviour, with concerns in particular about targeting of vulnerable people and those experiencing problems with gambling.

We note that there are calls for the 9pm watershed to be extended to cover all forms of gambling, removing the current exceptions which allow daytime advertising of bingo, and betting around live sporting events. This may help reduce the volume of advertising to which all generations are exposed, but caution should be applied in assuming this will be sufficient to protect children from exposure to gambling advertising. Some evidence suggests that 11¾ may be the average age when parents first allow children to regularly watch TV shown after 9pm, either live or recorded,

unsupervised.<sup>1</sup> Also, young people are increasingly consuming media via the internet and smartphone technology.

We are concerned about emerging evidence in relation to the extent to which vulnerable people consume gambling late at night, and the potential impact of gambling-related advertising at that time.

We welcome the commitment by the broadcasting, advertising and online gambling industries to fund and support a two-year multi-channel safer gambling campaign, on the basis that GambleAware will provide independent leadership. Subject to positive results from an independent evaluation of the impact of this campaign, we would wish to see a continuation of effective safer gambling campaigns, with sufficient funding to be effective across all identified vulnerable groups and young people.

## **What evidence is there on the effectiveness of “responsible gambling” messages in encouraging people to gamble more responsibly?**

We were concerned that the current requirement for reference to [BeGambleAware.org](https://www.begambleaware.org) on all broadcast advertising is not sufficiently prominent to be noticed. It is often shown amongst other compliance related text, or briefly and inconspicuously during advertisements. It needs to be shown clearly on screen for as long as possible to give it every chance of achieving the desired impact. We recommended as part of the recent policy review a permanent white banner on the bottom of the advertisements which contains the BeGambleAware.org logo so that it is unmissable and on screen throughout the advertisement. We therefore welcome the recent change to the industry-led advertising code of practice that will require a safer gambling message to be visible from start to finish of gambling advertisements on television. We believe such messages need to be based on independent advice from public health professionals.

The primary role of BeGambleAware.org in these advertisements is to raise the nation’s sense of caution about the nature of gambling and the associated risks; a general ‘BeGambleAwareness’. The secondary role is to signpost to more information and treatment. As such, our recommendation is that it is better to have the BeGambleAware.org logo bigger on screen so that the ‘Be Gamble Aware’ message has sufficient time to ‘land’ with the audience, rather than dilute it by giving people another message to take out i.e. the helpline number. We do not recommend the use of any additional slogan. In our view, ‘BeGambleAware.org’ says it all. Given how hard it is to land this message on another brand’s communication, we think it is important to be as single-minded as possible.

We also recommend a requirement for broadcasters to make reference to BeGambleAware.org in future editorial content based substantively around sports’ odds or other forms of gambling. There can be extensive discussion of betting prospects within programmes, usually without any reference to advice and support.

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<sup>1</sup> <https://about.gambleaware.org/media/1560/begambleaware-campaign-results-icm.pdf>

## **What additional measures are needed to prevent gambling by children?**

In our response to the recent UK Government Green Paper relating to a draft Internet Safety Strategy, we made clear our concerns that it was a mistake not to include gambling-related harms in relation to the use of the internet by children. The Gambling Commission has reported that 25,000 children aged between 11 and 16 self-report as being 'problem gamblers'. Specifically, we are concerned that children are increasingly exposed to gambling and gambling-like activity online including by its promotion through social media, direct advertising, unregulated affiliates, betting on eSports, as well as the introduction of gambling-like activity to online video games.

From a public health perspective, we believe there is a clear case for adopting a precautionary approach to the normalisation of gambling for children. De-regulation has led to betting shops moving from back streets to high streets; gambling through the National Lottery is now a pillar of national life, and for many an early introduction to gambling; there has been an enormous growth in the volume of advertising, both conventional and online; and there is increased convergence between forms of gambling often considered less harmful, such as bingo, and hard forms of gambling such as electronic gaming machines in bingo clubs, and casino games just one click away from bingo websites, benefitting from the brand advertising still permitted for bingo throughout the day on television.

We are particularly concerned about the ever-growing relationship between professional sport and gambling, and specifically the exposure of gambling as a normal activity this gives to children. Nine of the twenty Premier League clubs carry gambling brands on their shirts, and recent studies demonstrate the high levels of exposure on both commercial television and the BBC.<sup>2</sup> Gambling is now clearly an important source of revenue that supports sport, but with that comes a high degree of social responsibility which is not currently addressed by regulations. We are concerned that sports' businesses ought to be doing more to counter-balance the prominence of gambling with clear messages about the nature of gambling and the associated risks. For example, giving equal prominence to BeGambleAware.org as to gambling brands at venues and in broadcasts, so a signpost to advice and treatment is always available. Also, we think it is incumbent upon all those who profit from commercial gambling including sports' clubs, venues, the advertising industry, broadcasters, media and social media companies to contribute financially to research, education and treatment.

## **Are there any changes to gambling legislation and regulation which would make an impact on the levels of problem gambling and gambling addiction?**

The factors that influence the extent of harm to the player are wider than one product, or a limited set of parameters such as stakes and prizes. These include factors around the player, the environment and the product. We consider that the most effective approach to reducing gambling-related harm is to take a wide range of actions which in aggregate, will have the desired impact:

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<sup>2</sup><http://research.gold.ac.uk/20926/1/Frequency%2C%20duration%20and%20medium%20of%20advertisements%20for%20gambling%20and%20other%20risky%20products%20in%20commercial%20and%20public%20service%20broadcasts%20of%20English%20Premier%20League%20football%20%283%29.pdf>

- **Education** – ensuring that everyone understands better how gambling works and the associated risks, and that we build resilience across society, in particular among young people
- **Public awareness** – ensuring the public know where to find help and advice when gambling-related harm arises for themselves or for others they care for
- **Detection** – ensuring that gambling businesses monitor consumers' behaviour, building systems to detect early signs of problematic gambling
- **Intervention** – ensuring appropriate action taken either by staff or systems or both, when signs of problematic gambling are detected
- **Breaks-in-play, limits and self-exclusion** – providing tools to assist consumers to break-in-play, limit or cease gambling
- **Consumer advice** – making brief interventions and self-help available online to help people to manage their own gambling
- **Treatment** – providing easy access to the right forms of advice and support and, when necessary, treatment at the right time for those experiencing problems
- **Mutual aid and relapse prevention** – providing ongoing support to maintain the levels of control achieved through treatment.

The Responsible Gambling Strategy Board (RGSB) provides advice to the Gambling Commission and, via the Gambling Commission, to government in relation to responsible gambling in England, Scotland and Wales. Responsibilities for commissioning research are shared between GambleAware and the RGSB under the terms of an agreement signed in 2012. Since the current Government's Call for Evidence, we have had the opportunity to review the advice to the Gambling Commission from the RGSB<sup>3</sup>. **GambleAware fully supports the conclusions of the RGSB contained in its advice to DCMS.**

Notwithstanding our specific responses, in general terms we agree with the principle Government has adopted that unless industry can demonstrate improved safety for customers, uplifts to stakes and prizes should not be supported. However, we would also urge any Government to use and continue to invest in independent evidence on the risks and safety of gambling products and environments, including those currently in existence (such as set out in the RGSB's research programme). This should include requiring the industry to assess new products before they are launched and to pilot regulatory changes and harm-minimisation interventions, such as tracking and monitoring players, to allow evaluation of their impact and better understanding of the behaviour changes each provokes. We support the view that the precautionary principle is particularly justified in anything affecting children.

## Product safety

Analysis of loyalty card holders<sup>4</sup> showed that, amongst this group, there were relatively high levels of problem gambling at all staking levels including at £2 or less, and on both B3 and B2 machines in bookmakers. But at higher staking levels, there is a general trend towards higher rates of problem and risky gambling, including in minority ethnic and unemployed groups.

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<sup>3</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

<sup>4</sup> <http://about.gambleaware.org/media/1259/natcen-secondary-analysis-of-loyalty-card-survey-final.pdf>

Placing a higher bet was rarely an isolated and single event but would tend to occur several times during a session. In addition, betting shops (and hence B2 machines) are concentrated in areas of high deprivation<sup>5</sup>. We believe there is sufficient risk of high losses in a short period of time to vulnerable people to warrant a reduction in the maximum stake of B2 machines.

However, we do reiterate the importance of regulation considering the full range of product characteristics and how they interact to create risk in their current and future regulatory decisions. The UK Government's recent consultation document mentions spin speed, but a wide range of other product characteristics are important, including, for example, near misses, volatility (patterns of small and big wins), frequency and complexity of betting opportunities and game events, player involvement features, losses disguised as wins, etc. It should be acknowledged that the industry develops products which are intended to drive gambling behaviour. In turn, it is the role of the Gambling Commission to investigate the safety of gambling products in all gambling sectors, including both new products and those already in existence. We welcome that this is in line with the Gambling Commission's new strategy for safe and fair gambling industry. As in other industries, there should be proper regard for safety of products made available to consumers, rather than putting the onus predominantly on consumers to behave 'responsibly'.

## **Tracked play**

We do support the package of measures proposed. In particular, we support the call for mechanisms for tracking individual play, here and across all parts of the industry, as this is essential to understanding the interactions of individual, product and gambling environment in terms of risk and harm, and will enable improved consumer protection. This is reflected in the National Responsible Gambling Strategy and RGSB research programme that GambleAware is delivering. In addition, GambleAware is exploring the feasibility of a repository of such industry data in collaboration with an independent institution for use by researchers and policy makers.

## **Online gambling**

In addition, in considering changes to products and social responsibility measures in one sector (i.e. stakes on B2 machines) government and regulator alike should consider the issue of displacement of risky or harmful play to other gambling environments, and ensure parity of safety and controls across sectors and categories of machines. While evidence for displacement is mixed<sup>6</sup>, it would appear precautionary, given general movement to play online, that issues of stakes and prizes, accessibility, product characteristics, use of credit and instant depositing in the online sector be considered alongside policy for the safety of consumers in offline sectors.

The importance of restriction of access to funds in gaming venues to safe gambling is well evidenced<sup>7</sup> and there is some evidence that electronic money can be viewed differently and more easily spent than cash<sup>8</sup>.

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<sup>5</sup> [https://about.gambleaware.org/media/1170/b2gamingmachines\\_finalreport\\_20150218.pdf](https://about.gambleaware.org/media/1170/b2gamingmachines_finalreport_20150218.pdf)

<sup>6</sup> <https://about.gambleaware.org/media/1362/pbhm-final-report-december-2016.pdf>

<sup>7</sup> <https://about.gambleaware.org/media/1362/pbhm-final-report-december-2016.pdf>

<sup>8</sup> <http://infohub.gambleaware.org/document/getting-grounded-problematic-play-using-digital-grounded-theory-understand-problem-gambling-harm-minimisation-opportunities-remote-gambling/>

The issue of parity across sectors is important as the same games can be played online using credit and debit cards, with evidence that the ease of deposit, reverse withdrawals and difficulty of withdrawal are issues in relation to problem gambling online<sup>9</sup>.

We agree with the Gambling Commission that the pace of change by the industry to enhance the measures currently in place to protect consumers and promote safe gambling has not been fast enough, and welcome the Gambling Commission's ongoing review.

We do not agree with allowing the current regulatory regime to continue while the industry develops improved player protection. Equivalent regulations, including limits on stakes and prizes, to the offline regime should be introduced as a precautionary measure, until the sector has successfully developed, piloted and evaluated new measures, at which point it can make its case for liberalisation.

The rationale for the more liberal regulatory regime online is that operators have access to much better data about players. Play is generally not anonymous, and it is possible for each operator to monitor the spending of each player, albeit on only their own site or sites, not across different operators. This is supposed to allow operators to intervene where patterns of play indicate the potential for harm.

This activity appears to be limited. Research commissioned by GambleAware and internationally suggests it is possible to identify markers of risky play using operator data.<sup>10</sup> However, at present, where methods to do this are used by operators, they tend to be rudimentary. As important, operator interventions to reduce risky play once identified are limited or of varied sophistication. Operators have not had such measures to identify and intervene in risky play independently evaluated or made any evaluations public, as is required by the National Responsible Gambling Strategy. In addition, such action is about intervening once risky play has been identified, rather than taking preventative measures, so risky play does not develop in the first place. Consequently, we are of the view that the current arguments that availability of data should allow a more liberal regulatory regime for the online sector are not justified.

There is emerging evidence on the specific and heightened risks of online gambling, including 24/7 accessibility, extent, variety and complexity of betting opportunities which enable continuous play without breaks, that being online can make certain product categories more risky (e.g. online sports betting patterns looking more like slot or casino game play). Ease of deposit and electronic nature of money spent emerge as issues, as well as slowness of withdrawals, ability to reverse withdrawal and targeting of gamblers with offers when they win to encourage further play<sup>11</sup>.

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<sup>9</sup> <http://infohub.gambleaware.org/document/getting-grounded-problematic-play-using-digital-grounded-theory-understand-problem-gambling-harm-minimisation-opportunities-remote-gambling/>

<sup>10</sup> <https://about.gambleaware.org/media/1549/gamble-aware-remote-gambling-research-phase-2-pwc-report-august-2017-final.pdf>

<sup>11</sup> <http://infohub.gambleaware.org/document/getting-grounded-problematic-play-using-digital-grounded-theory-understand-problem-gambling-harm-minimisation-opportunities-remote-gambling/>

Given the well-established principles and evidence in this regard for other sectors of the industry we believe gambling online with a credit card should be prohibited as this significantly increases the risk gamblers will gamble more than they can afford. Consumers should be able to withdraw funds as easily as they are able to deposit them and there should be controls placed on reverse withdrawals and targeting of offers which incentivise continued play following wins. In addition, products should not reward players for playing at higher stakes or playing for a longer time, with an increased return to player percentage or access to additional bonus content.

## **Role of Regulation**

A further point relates not only to the online sector, but the industry in general. Our research report on 'responsible gambling' across the industry indicated challenges regarding operator culture in which lesser priority is given to 'safe gambling', where this function operates in a silo within companies and in conflict with other business functions, e.g. marketing<sup>12</sup>. This report emphasises that many of the skills within operators deployed to drive gambling behaviour (e.g. marketing and data analytics) are not being used to make gambling safer. It indicates the online and other gambling sectors have not achieved enough under the broadly self-regulatory approach to safer gambling taken thus far. It implies a more active role is required from the regulator in ensuring gambling is safe - as envisaged in the Gambling Commission's recently published strategy. Further, our experience suggests that the competitive nature of the gambling industry can mitigate against implementation of harm-minimisation measures. Levelling the playing field through greater stipulation of consumer protection measures by the regulator may be preferable than relying on industry self-regulation.

## **Local authority powers**

Given the clear concentration of betting outlets in deprived areas, we do not agree with the UK Government's assessment of current powers for local authorities, rather we support the calls by local authorities for use of cumulative impact assessments and additional licensing objectives in terms of prevention of public nuisance and improved public safety. We believe this is consistent with the Gambling Commission's strategy to minimise wider harms arising from gambling which can occur at community level, and prevention of exacerbation of inequalities by gambling.

Specifically, we are concerned that many councillors and officers doubt the effectiveness of Section 349 gambling planning policy statements in the face of legal challenges, which in theory offer the opportunity for local authorities to impose specific requirements and limitations on licensed premises directed at managing particular social problems. We intend to work with local authorities to improve the sophistication of the content of these statements as they are renewed, but need government support to ensure that this effort leads to enforceable policies which are not regularly challenged and defeated in the courts. For example, it should be possible for a local authority to require that a venue has at least two staff on shift at any point in time, preventing single-staffing, to ensure that there is the resource available to provide effective supervision and interventions in areas where there is a higher chances of vulnerable people engaging in gambling e.g. high levels of deprivation, homelessness or proximity to schools and colleges.

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<sup>12</sup> <https://about.gambleaware.org/media/1581/revealing-reality-igrg-report-for-gambleaware.pdf>

## A COMPULSORY LEVY ON GAMBLING COMPANIES

Your terms of reference state:

“Labour has already announced that it will introduce a compulsory levy on gambling companies to replace the current voluntary system. The Gambling Act 2005 provides for such a compulsory levy to be introduced.

At present, licensed gambling companies are required to make an unspecified contribution towards research, education and treatment of problem gamblers. GambleAware suggests a voluntary contribution of 0.1% of each licensed gambling company's Gross Gambling Yield.

The Gross Gambling Yield last year was a record £13.8 billion. In the year to 31 March 2017, GambleAware says that it raised over £8 million from the gambling industry. This is well short of the £10 million target set by the Responsible Gambling Strategy Board, and the suggested voluntary contribution of 0.1% of the Gross Gambling Yield. But companies do not have to make their contribution to GambleAware, and are not required to publish how much they contribute or where they contribute it, so we do not know how much they give.”

### **What would be the appropriate level at which to set a compulsory levy?**

Currently GambleAware asks all companies licensed by the Gambling Commission to donate a minimum of 0.1% of their annual Gross Gambling Yield (GGY) directly to GambleAware.

This recommended contribution is what GambleAware, as an independent charity, requires to deliver its current responsibilities under the National Responsible Gambling Strategy. On the basis of an industry total GGY of £13.8 billion, in essence, the total contribution ought to be £13.8 million<sup>13</sup>.

There is an assumption by some companies that this is the threshold by which companies measure their overall contribution to funding RET in general, including internal investments and direct donations to other organisations and initiatives, outside the strategic priorities set by RGSB. This misunderstanding serves to undermine both the delivery of the National Responsible Gambling Strategy and the work of GambleAware to commission efficiently and effectively. GambleAware does not seek to restrict what funds may be distributed over and beyond this threshold, but considers that any donation made to other responsible gambling initiatives or organisations should be additional to the recommended contribution of 0.1% of GGY to GambleAware, which supports the core national delivery of research, education and treatment services to help reduce gambling-related harms.

In the 12 months to 31 March 2018, GambleAware raised just over £9.4 million in voluntary donations from the gambling industry. The target is for a minimum of £10 million. Some companies free-ride. We estimate up to 20% of licensed operators do not contribute to

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<sup>13</sup> A legitimate adjustment to make an exception for the funds spent on Good Causes reduces this to £11m

GambleAware at all; historically between 30% and 40% of donors do so below the recommended minimum of £250 per annum. To address this, GambleAware's trustees have decided, in the interests of transparency, to publish details of donations on a quarterly basis.

Given the charity's objectives, trustees are mindful of what is in the best interests of those who it is committed to help when it comes to advocating for the continuation of the current 'voluntary donation' arrangements. Trustees think that the industry, collectively, has yet to demonstrate that it is sufficiently willing and able to financially support the National Responsible Gambling Strategy as it stands, much less that it is minded to voluntarily meet the increased funding that will be necessary to improve research, education and treatment services to the extent that GambleAware and others think appropriate. On this basis, **GambleAware supports the introduction of a statutory levy**, and is working to assess the scale of annual funding that will be necessary to make meaningful progress in reducing gambling-related harm in Great Britain.

The Gambling Commission has recently fulfilled its Corporate Business Plan commitment to: 'Review the arrangements for Research, Education and Treatment (RET), considering ways to make these arrangements more robust to meet future challenges.' It intends to revisit (and if necessary revise) its position on RET in light of the outcomes of the Gambling Review. We welcome this and look forward to participating in that process. The Gambling Commission has also signalled its intention to develop more detailed strategies in relation to both treatment and education, which will complement the clear advice it already offers on our research programme. This will ensure we are delivering the core of the Gambling Commission's National Responsible Gambling Strategy across all three areas of Research, Education and Treatment.

**How should the levy be distributed? Should gambling companies be allowed to decide where their levy should be spent or should it be paid to the Gambling Commission and allocated centrally? Should organisations conducting research, education and treatment of problem gamblers be able to bid for funding from the levy?**

With effect from 1 April 2012, the Gambling Commission, RGSB and GambleAware agreed the basis for the current arrangements for prioritising, commissioning, funding and evaluating research, education and treatment in Great Britain. In essence, RGSB publish a National Responsible Gambling Strategy and GambleAware raises funds and commissions work to give effect to RGSB's priorities.

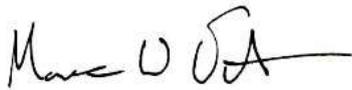
The intent of this agreement was to establish an agreed 'assurance and governance framework' that enables the Gambling Commission to assure itself, and therefore government, that the combined work of RGSB in setting substantive priorities for funding, and GambleAware in generating funds and commissioning work to give effect to RGSB's priorities is effective – including in the generation of evidence on which to base decisions about the regulatory framework – and thus that the voluntary system is working successfully to contribute to minimising the level of problem gambling in Britain and to ensuring that effective treatment is available to those who require it.

In conclusion, we are concerned there is a need for government policy and regulations to keep pace with the rapidly changing nature of gambling, especially with new technology, which may

stretch the boundaries of the current legislative framework to the point that it will require a more fundamental overhaul; and for the state to take responsibility for treatment and reducing gambling-related harm as it does for the consequences of alcohol, tobacco, sugar and other risky consumer products.

In the interests of transparency, we are publishing this submission on our website. My colleagues and I would be pleased to explore these issues with you more in person, and we can also facilitate introductions to the researchers whose work underpins our views.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Marc W. Etches', with a long horizontal flourish extending to the right.

Marc W. Etches  
**Chief Executive**