

# GambleAware

## Lotteries Council Annual Conference – 19 April 2018

### Introduction

Thank you for inviting me to speak to you today. I have had the pleasure of meeting your Chair, Jo Bucci and some of your directors in recent times, but this will be the first time I have had the opportunity to meet many of you.

I want to focus on four issues:

- GambleAware – who we are and what purpose we serve, and
- Three misconceptions about the relationship of GambleAware and the Lotteries Council

### GambleAware

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

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effectively. Our vision is that fewer people in Great Britain suffer gambling-related harm.

Currently, GambleAware commissions:

- The National Gambling Helpline, offering immediate support via the telephone and online from 8am to 12am, 7 days a week.
- 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 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, National Problem Gambling Clinic provides individual and group work CBT-based treatment to clients with complex needs from across Britain.

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- 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.

In Great Britain, it is estimated that 430,000 people have a gambling problem. The fact that less than 2% of 'problem gamblers' are receiving treatment represents a significant gap in the provision of specialist services. There is a need to broaden the array of brief and early interventions as well as treatment services.

Over 2 million adults are at risk of becoming a problem gambler, and nearly half a million 11 to 15-year-old children gambling every week in England and Wales (including 9,000 defined as 'problem gamblers'). There is a need for significant investment in education and harm-prevention activity.

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This situation represents a public health issue that requires a broad array of organisations to work collaboratively to help reduce gambling-related harms.

We welcome the Gambling Commission's proposed review of the current arrangements for funding Research, Education and Treatment (RET), and hope it will lead to an increased and more reliable source of funding for the core elements of RET which we are tasked, through our partnership with the regulator, to commission. Also, we hope this will encourage additional, innovative contributions from other third sector and government bodies.

Our priority is to ensure that sufficient core funding is raised through the current voluntary donation arrangements and that the funds raised are strategically allocated in accordance with the priorities set by the Gambling Commission, as advised by Responsible Gambling Strategy Board (RGSB).

RGSB has judged that the implementation of the National Responsible Gambling Strategy requires GambleAware to raise a minimum of £10 million annually from the gambling industry. In order to raise this

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amount, we ask all those who profit from the gambling industry in Britain to donate a minimum of 0.1% of their annual Gross Gambling Yield (GGY) to GambleAware. I am pleased to report that in the 12 months to 31st March 2018 we achieved voluntary donations of £9.4 million, 16% up on the previous year.

However, you should be aware that in its advice to the Government, the Gambling Commission has made it clear that the cost of funding RET in the future is expected to increase significantly.

We would welcome additional funding towards RET as a whole, and recognise that it is neither practical nor necessary that GambleAware is wholly responsible for commissioning and delivering all RET activity in the future. However, our task is to ensure the core is delivered, and to set the standard for quality across all three areas of RET.

In the last two years, we have asserted our independence, strengthened governance arrangements, increased capacity, and sharpened our focus. Now we have a solid foundation to deliver our commissioning plans more efficiently and more effectively.

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Looking ahead, the goal is to close the gap between the number of those getting treatment and those who need it by increasing the range, quality and quantity of early interventions and treatment while reducing the number of people needing help by preventing them getting into trouble in the first place.

## Misconceptions

1. **The first misconception** is that GambleAware does not value lotteries' contributions to good causes.

It is clear to me that the lotteries sector occupies a unique place in the gambling industry. I know that many of you consider your lotteries as fundraising first and foremost rather than a form of gambling and you see yourselves as very different from the other operators in the gambling industry.

This includes Camelot as the operator of the National Lottery, who continue to rely upon what I understand to be the winning argument in the early 1990s that a national lottery was only politically acceptable on the basis that it was considered distinct from other forms of gambling. Consequently, it was legislated for and regulated

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separately. Today all lotteries share the same regulator and it seems to me that any future political debate would conclude that lotteries, all lotteries, are a form of gambling.

By the way, you will have seen that we are not happy with the current level of donations from Camelot or the lack of safer gambling messages at the point of sale across the 40,000 ticket outlets, and have said so publicly. Parliament's Public Accounts Committee has given Camelot six months to increase its donations, and we welcome that.

As a Chief Executive of a charity that does not receive public funding and relies on donations, I fully recognise and understand that you are operating in a different environment with different objectives to other gambling sectors. Nevertheless, despite those differences, lotteries are a form of gambling which is why the law requires a licence from the Gambling Commission (or registration with a local authority) and compliance with the licence objectives set by the Commission to keep play fair and safe.

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As you know, according to the Gambling Commission's Social Responsibility Code Provision 3.1.1.(2), all *"licensees must make an annual financial contribution to one or more organisation(s) which between them research into the prevention and treatment of gambling-related harm, develop harm prevention approaches and identify and fund treatment to those harmed by gambling"*.

We believe that this contribution should acknowledge the valuable investment that you make to good causes. As stated on our donation FAQs for 2018/19, which are publicly available on our website, we ask society lotteries and ELMs to donate to GambleAware a minimum of 0.1% of your annual gross gambling revenue. This is your total lottery proceeds MINUS prizes MINUS contributions to good causes.

Just to be clear, a donation to GambleAware takes into consideration the contributions you make to good causes. In effect, what we ask for is 0.1% of your lottery expenses.

Based on the statistics provided by the Gambling Commission for the year ending March 2017, 0.1% of the expenses of the lotteries sector amounted to £185,000 (excluding the National Lottery). We believe

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that this would be a fair contribution to GambleAware from a sector that last year sold lottery tickets valuing almost £587 million. It would be not only proportional to the size of your market and scope of your activity, but respectful, I believe, of the contributions that you already make to good causes.

2. **The second misconception** is that the donation made by the Lotteries Council to GambleAware on behalf of its members reflects its membership and the size of the sector.

The total annual donation received by GambleAware from the Lotteries Council last year was £1,800 (same quantum since 2013/14). This donation is made on behalf of around 375 gold and platinum members, and amounts to an approximate annual donation of £5 per member.

As I mentioned earlier, based on the statistics provided by the Gambling Commission, if lotteries donated 0.1% of their expenses to GambleAware, we would have received over £185,000 from the sector last year. More than a hundred times the total annual donation of £1,800.

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Just to be clear, GambleAware is not targeting small and local charities struggling to survive, or aiming to undermine the amount of money that you invest in good causes. Indeed, I know that some of you have articles of association that do not permit you to provide donations to other charities. Simply put, GambleAware is asking for a contribution from the Lotteries Council that reflects fairly the nature of its membership.

Lottery Council membership includes the People's Postcode Lottery (PPL) and the Health Lottery (HL), numerous 'for profit' ELMs as well as some betting and remote gambling operators who do not hold a lottery licence. Our estimate is that the PPL and HL may account for as much as 45% of the lotteries market (excluding the National Lottery). It cannot be fair that these organisations and 'for profit' ELMs are counted as 'equal' to the majority of your membership, and 'get away' with a donation that is effectively no more than a fiver. This is a disparity that needs to be addressed.

**3. The third misconception** is that safer gambling measures are not relevant to lotteries.

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It is my contention that the lotteries sector has a particular responsibility when it comes to the promotion of safer gambling and the protection of your players. I say this on the basis that:

- Lottery products are gambling products;
- Lottery products in total are participated in by more people than any other gambling product;
- Given the overall number of participants, and the nature of 'problem gamblers' to play on multiple products, the lottery sector has more contact with 'problem gamblers' than any other gambling sector.

Let me expand on this point. We know that the more problematic your gambling becomes you will typically gamble on seven or more products or activities, which will likely include the most popular and easily accessible form, lottery products. It is on this basis that you most likely will have problem gamblers playing your products, and therefore have opportunities to intervene and help.

It is too narrow to look at this simply from a perspective of causation.

While the reported prevalence rates of problem and at risk gamblers

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in this sector may be relatively low, the large number of players means that lotteries do have a particular responsibility to promote safer gambling, especially as your products are legally accessible to 16 and 17 years-old.

Your sector and your membership are evolving and diversifying quickly. Many of you are now successfully promoting 'instant-win' products by selling scratch-cards or migrating your activities online. Driving growth of sales through technological innovation does change the hierarchy of harm as society lottery products move away from play that is lower risk (in relation to the licence objectives) towards gambling products with higher levels of risk to players.

## **Closing remarks**

In closing, I do wish to emphasise two points.

1. It is clear to me that lotteries are a vital part of the fundraising sector in Great Britain. But, at the same time, lottery products are gambling products, and, given their reach and accessibility, the protection of consumers and promotion of safer gambling must be a priority for all concerned; and,

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2. The current level of support received by GambleAware from the Lotteries Council on behalf of its members does not reflect fairly the nature of its membership. In short, there are some members making a disproportionately low contribution compared to the majority of the membership.

Thank you for listening. I am happy to take questions.