



Department
for Culture,
Media & Sport

Consultation outcome

Government response to the consultation on the structure, distribution and governance of the statutory levy on gambling operators

Updated 27 November 2024

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Foreword: Baroness Fiona Twycross



The evolution of the gambling landscape in Great Britain has been unprecedented. The Gambling Act 2005 was introduced to a world still years away from the smartphone and the dominance of online gambling. Gambling behaviours have likewise undergone huge change with the new developments in the gambling industry impacting the way people access gambling, the way gambling operators provide their customers access and the products themselves. This comes with both risks and opportunities when it comes to the government's responsibility to the public to minimise gambling-related harm. We recognise the impact that harmful gambling can have on individuals, families and communities across our country and our commitment in this area is clear: reforming gambling regulation and strengthening protections for those at risk.

The statutory levy is a key part of this agenda for change and I am proud to publish this important document today to set out our vision for the future of research, prevention and treatment of gambling harm. The levy represents a watershed moment in not only the level of investment dedicated to this area, but also for the renewed commitment to improving efforts to further understand, tackle and treat harmful gambling.

The significant contributions that the gambling industry has made to support research, prevention and treatment since the introduction of the Gambling Act have been crucial. However, it is clear that we now need a sustainable and equitable funding system so that all licensed gambling operators are paying their fair share towards key projects and services, with government oversight and clear objectives for the system as a whole. For the first time,

the statutory levy will guarantee increased, ringfenced, and trusted funding is being used across Great Britain for treatment, but also to tackle the sources of gambling harm through vital investment in research and prevention. Of course, greater funding is not the only requirement for an equitable system. It is equally important that transparent commissioning and governance arrangements are in place to ensure necessary funding is being effectively directed where it is needed most, and that we have the data and evidence needed to monitor our progress in reducing gambling harm.

We are mobilising world-leading expertise and infrastructure, and introducing a system which will deliver quality research to inform policy, build a truly national approach to prevention, and integrate a treatment system for harmful gambling with the highest standards of care. Working with UK Research and Innovation (UKRI), NHS England, the appropriate bodies in Scotland and Wales, the Gambling Commission, and the third sector, we are transforming the current system to deliver better access, outcomes and services for people across our country.

It is equally a priority for us that in this crucial transition period, we protect the valuable experience and services in the current system, particularly treatment and support services which help people in need across Great Britain. We intend for the levy to come into force in April 2025, once we have laid the necessary legislation. We are clear that operators must continue to provide financial contributions at their current levels until the levy is in force. It is also vital that all parts of the current system, whether statutory or third sector, continue to collaborate to ensure that people in need are able to access services they need as we move towards the new system.

I want to thank all those who provided invaluable evidence and engagement with the consultation process. Built on principles of transparency, innovation and, crucially, evaluation, I am confident that the levy will deliver a step change in work to prevent and reduce harm much earlier, while ensuring the right services are available for those who need them across our country. Coordinated investment and collaboration to tackle harmful gambling is more important than ever. Today marks a huge step in securing the long-term future for a revitalised system, further delivering on our vision for a responsible gambling industry and a better protected public.

Baroness Fiona Twycross

**Parliamentary Under-Secretary of State, Minister for Gambling and
Lords Minister**

Foreword: Professor Tom Crick



Technological advances continue to shape innovations in the gambling industry — and the way in which adults across the country now engage in gambling. It has never been more important for the government to have timely access to the latest data and rigorous research to inform effective, proportionate gambling policy and decision-making.

This publication marks a step change in our efforts to broaden and strengthen the evidence base, exploring key questions to better understand the drivers and behavioural patterns behind harmful gambling, and assessing the economic and wider societal value of the sector. The levy is more than a funding mechanism; with the independence of the funding beyond doubt, it also presents a significant opportunity to put innovation and evaluation at the heart of our commitment to address gambling-related harm.

The new system will make possible an evidence-led approach which can assess trends in existing research, while also proactively catalysing the production of original insights, research and evidence to deliver lasting impact. The possibilities with better data on gambling are manifold: from investment in digital analytics and data science to help us better understand gambling-related harm online, to an integrated treatment system with a deeper understanding of patient access and outcomes so we know what works, where and for whom.

Today marks the beginning of a new chapter for research, prevention and treatment of gambling-related harm, and a stepchange in DCMS's commitment to the government's gambling agenda. It is vital that evidence

is rigorous, robust and independent, ensuring that science and research is at the heart of decision-making. But it is also crucial that we engage with new and diverse audiences, environments and communities to foster responsible research and innovation — including participatory approaches — for it to have meaning in people’s lives and, ultimately, to help deliver meaningful change.

Professor Tom Crick

Chief Scientific Advisor, Department for Culture, Media and Sport

Executive summary

Following the Department for Culture, Media and Sports’s (DCMS) review of the Gambling Act 2005, the gambling [white paper](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age) (<https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age>) published in April 2023 set out the previous government’s plans for modernising the regulation of the gambling sector. One of the key proposals in the white paper was the introduction of a statutory levy on gambling operators using existing powers under the Gambling Act 2005 to provide increased, trusted and sustainable funding for research, prevention and treatment (RPT) of gambling-related harms.

Following a public [consultation](https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators#executive-summary) (<https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators#executive-summary>), which ran from 17 October to 14 December 2023, and analysis of the responses to the consultation, the UK government will now introduce a statutory levy charged to all licenced gambling activity at varying levels depending on the sector and nature of the gambling activity to ensure impacts are proportionate.

The statutory levy will be introduced via secondary legislation and commenced in April 2025 with funding flowing later that year. The levy will be collected and administered by the Gambling Commission (‘the Commission’) under the strategic direction of the UK government, replacing the current system of voluntary industry contributions. Levy funding will be directed in specific proportions for the purposes of research, prevention and treatment. Each stream of the levy system will also have a lead commissioning body:

- **Research:** 20% of funding to UK Research and Innovation (UKRI) for the establishment of a bespoke Research Programme on Gambling (RPG), and to the Gambling Commission to direct further research in line with the licensing objectives

- **Prevention:** 30% of funding to develop a comprehensive approach to prevention and early intervention across all three nations of Great Britain. Further consideration of the evidence is needed in order to appoint an appropriate body to lead this critical part of the government's approach to tackling gambling-related harm.
- **Treatment:** 50% of funding to NHS England, and appropriate bodies in Scotland and Wales, to commission treatment and support services, working collaboratively with the third sector

DCMS consulted broadly on the topic of prevention in order to get the best evidence. Ultimately, prevention is a crucial part of this government's efforts to tackle gambling-related harm and it is important we take the time to get this right. However, the statutory instrument introducing the levy is silent on the distribution of levy funding, and our overriding priority is to ensure the statutory levy is in force by next year. We have published this initial response to set out key aspects of the future system as we make further progress on the legislative process and will continue to work at pace to finalise our decisions on prevention soon. We will publish a further response document setting out our final decisions on prevention in the near future.

To guarantee sufficient accountability and transparency within the new system, we will establish appropriate governance arrangements consisting of a Levy Board for the UK, Scottish and Welsh governments to monitor the health and impact of the levy system, and an Advisory Group to provide informal advice to lead commissioning bodies regarding strategic and funding priorities. These arrangements will allow us to take an agile approach to track the effectiveness of the new funding and commissioning model. The UK government will formally review the statutory levy system within five years with the first formal review expected by 2030.

While the levy represents a unique opportunity to expand RPT provision through a landmark change to the funding arrangement, supporting us to deliver on the UK government's aim to reduce gambling-related harms, it is imperative that disruption to existing services throughout the transition is minimised. The expertise and experience within the current system, as well as the crucial treatment services delivered by the third sector through the National Gambling Support Network (NGSN), must be preserved throughout the transition period.

As such, the government is clear that operators should continue to make financial contributions maintaining current levels of funding in the system, in line with requirements under existing Gambling Commission licence conditions, until the commencement of the statutory levy. Likewise, it is important that all parts of the current system, statutory and third sector, should continue to collaborate, ensuring that people experiencing harm continue to be able to access services they need as we move towards the new system. For example, the NHS and treatment providers in the NGSN should continue to work together, within the parameters of the existing

funding regime to provide relevant services for those in need, and to support a smooth transition.

Since the consultation, we have made minor changes to levy rates to those proposed originally, but we are confident that impact on operators will be minimal. Gambling Commission analysis of industry data has shown that the levy rates as previously proposed would raise c.£84 million each year. We have therefore proposed slightly increasing rates for each category - to 1.1% for online operators, 0.5% for casinos and bookmakers and 0.2% for bingo - to raise approximately £90 million to £100 million per year

This document sets out the government's decisions regarding the key aspects of the design and implementation of the statutory levy, summarised in the table below:

Area	Detail
Structure	Levy applied to all Gambling Commission operating licence holders
	Levy rates (% charged on previous year Gross Gambling Yield):
	<ul style="list-style-type: none"> • 1.1% from all online operators (excluding remote betting intermediary trading rooms, society lotteries with remote licences and External Lottery Managers) • 1.1% from all software licences • 0.5% from land-based casinos • 0.5% from land-based betting • 0.2% from on-course bookmakers • 0.2% from Adult Gaming Centres • 0.2% from land-based bingo • 0.1% from Family Entertainment Centres • 0.1% from pool betting licences • 0.1% from all machine technical licences
	Levy rate (% charged on proceeds retained after good causes and prizes paid out)
	<ul style="list-style-type: none"> • 0.1% from society lotteries and local authority lotteries licensed by the Gambling Commission
	Levy rate (% charged on fees charged to society lotteries minus any prizes paid out)
	<ul style="list-style-type: none"> • 0.1% from External Lottery Managers

Those with levy payments below £10 will not be expected to

pay the levy.

Levy will come into force April 2025 and be paid by 1 October each year (from 2025/26)

Expected to raise approximately £90 million to £100 million per year (based on Gambling Commission data). Slight adjustments in levy rates when compared to the original consultation have been made to raise sufficient funding.

Distribution As gambling is substantially reserved in Scotland and Wales, levy distribution will be administered by the Gambling Commission across Great Britain for research, prevention and treatment of gambling-related harm, under the strategic direction of the UK government.

Research: 20% of funding to UK Research and Innovation (UKRI) for the establishment of a bespoke Research Programme on Gambling (RPG), and to the Gambling Commission to direct further research in line with the licensing objectives and taking account of its current [Evidence Gap and Priorities](#).

Prevention: 30% of funding to develop a comprehensive approach to prevention across Great Britain. Further consideration of the evidence is needed in order for the government to appoint a lead commissioning body in this area.

Treatment: 50% of funding to NHS England, and appropriate bodies in Scotland and Wales to commission treatment and support services, including in the third sector.

Governance Distribution of levy funds administered according to strategic direction set by the UK government will be a condition of DCMS and HM Treasury approval, supported by a central government Levy Board, including the Department of Health and Social Care (DHSC), the Department for Science, Innovation and Technology (DSIT), and representatives of Scottish and Welsh governments.

An informal Advisory Group convening experts across disciplines will support commissioning bodies' decision-making on how levy funds are spent across Great Britain.

Levy will be reviewed within 5 years, covering the funding split across research, prevention and treatment, and whether the principles guiding this spend are effective.

2023 consultation

DCMS received 163 responses to the consultation, including 29 individual respondents and 131 from organisations. The responses received represented a wide variety of stakeholders, including: gambling industry trade associations, gambling operators, researchers, clinicians, charities, parliamentary groups, individuals, local authorities, public health practitioners and responses from the wider gambling industry.

In general, there was strong support for the levy which was widely welcomed as an important change to RPT funding and commissioning arrangements. Gambling industry respondents frequently highlighted the need for the structure of the levy to take into account the complex licensing regime and for the levy rates to reflect operational pressures on businesses, particularly on the land-based sector in recent years. Respondents from the third sector and representatives of public health emphasised that greater funding was needed to reflect the scale of gambling-related harm. There was also broad consensus that it was essential for the government to ensure the transition to the levy is managed effectively, and that new commissioning arrangements do not undermine the crucial work that has been delivered by the third sector in recent years. A range of respondents also called on the government to provide greater evidence on the level of funding needed to address gambling-related harm and provide the right projects and services to tackle it.

Next steps

This consultation response provides licensees in scope of the levy with clear notice of our intention to introduce the measures set out within this document. Regulations will now be laid before Parliament following the affirmative procedure. If approved by Parliament, this will impose a new requirement on licensees in scope to pay the levy as directed from 6 April 2025, which the Gambling Commission will then be responsible for enforcing.

This consultation response relates to funding raised by the statutory levy directed for the purposes of research, prevention and treatment of gambling-related harms across Great Britain. Gambling policy is substantially reserved in Scotland and Wales but devolved in Northern Ireland. However, as health and education policy is devolved in Scotland and Wales, due consideration will be given to levy funding allocated for these purposes, including through the strategic direction provided by the UK government and representation of Scottish and Welsh governments on the Levy Board, to ensure a fair allocation is made across all three nations of Great Britain.

Introduction

In April 2023, DCMS published the [white paper](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age) (<https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age>) on gambling, setting out the then-government's plans for bringing the regulation of the gambling sector into the smartphone age. One of the key proposals in the white paper was the introduction of a statutory levy on gambling operators using existing powers under the Gambling Act 2005 to provide increased, trusted and sustainable funding for research, prevention and treatment of gambling-related harms (RPT).

Under the [Licence Conditions and Codes of Practice \(LCCP\)](https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/3-1-1-combating-problem-gambling) (<https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/3-1-1-combating-problem-gambling>), the Gambling Commission currently requires operators to make an annual financial contribution to one or more organisations which deliver or support research into the prevention and treatment of gambling-related harms, harm prevention approaches, or treatment for those harmed by gambling. The amount is not specified, as this is a Gambling Commission licence requirement rather than a levy. The Commission does not have the statutory power to set an amount and, as such, the amount individual operators voluntarily contribute varies widely.

Despite the licence condition on operators to make annual contributions, many operators do not pay their fair share, and there is a perception that the destination and use of existing funding is inappropriately influenced by industry. This erodes the trust in current service provision, impacting the overall quality of research and integration of treatment services. In line with the Gambling Commission's recommendation in its [formal advice](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-design-and-implementation-of-a-statutory-levy) (<https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-design-and-implementation-of-a-statutory-levy>) to the DCMS Review of the Gambling Act that a new funding model was needed, evidence received through the Review and the subsequent bespoke consultation, as well as extensive engagement with the sector, the government has committed to use existing powers under the Gambling Act 2005 to introduce the statutory levy to improve and expand the RPT across Great Britain.

To finalise policy details, including the precise structure, distribution and governance for the statutory levy, the previous government conducted a public consultation exercise from October to December 2023. During this time, 163 submissions were received, including 36 by email and 174 via our survey platform. One organisation submitted multiple responses which have been combined and treated as one response. Respondents ranged from industry stakeholders representing a number of gambling sectors, stakeholders from charities and campaign groups, clinicians and academics, other interested organisations such as parliamentary groups and individual members of the public. A list of responding organisations who agreed to attribute their response to their organisation is included in [Annex](#)

[A \(https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#annex-a-list-of-responding-organisations-who-agreed-to-attribute-their-response-to-their-organisation\)](https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#annex-a-list-of-responding-organisations-who-agreed-to-attribute-their-response-to-their-organisation).

Parts 1 to 3 of this document sets out respondent views and evidence on each section of the consultation before outlining the government response and intended action in each area. The 'summary of consultation responses' including the figures and percentages in each section reflect only the respondents who engaged with each specific question, rather than the overall respondent body.

Overview of previous evidence and research

In addition to the views and evidence provided through the consultation, DCMS has considered a wider body of background information and evidence to guide decision making. This includes academic research, parliamentary reports, government publications and official statistics. Further specific consideration was given to the below:

Gambling Act 2005 review call for evidence respondents

In December 2020, the then Department for Digital, Culture, Media & Sport ran a 16 week [call for evidence](https://www.gov.uk/government/publications/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence) (https://www.gov.uk/government/publications/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence) on the Review of the Gambling Act 2005. The call for evidence asked 45 questions across the full range of gambling regulation, including online protections, advertising, consumer redress, and land-based gambling.

Question 22 and 23 of the section 'Gambling Commission powers and resources' specifically asked for evidence on the barriers to high quality research to inform policy and regulation, and how best to recoup the societal and regulatory costs of gambling, including through levies. A number of the 16,000 call for evidence respondents addressed these issues, and specifically supported the introduction of a statutory levy on gambling operators. Respondent views were summarised in the [white paper](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age/high-stakes-gambling-reform-for-the-digital-age) (https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age/high-stakes-gambling-reform-for-the-digital-age). Given the number of respondents to the call for evidence, we have continued to consider their views where relevant to the current consultation.

Stakeholder engagement

To ensure we have considered a wide range of views and the best available evidence, we have continued to engage extensively with a range of stakeholders through roundtables, workshops and technical discussions on the proposals. This has helped us understand in greater detail the landscape and has informed our policy direction. We are grateful for the time and effort stakeholders have committed to help inform and strengthen our policy position.

Regulator

In its formal [advice \(https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005\)](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005) to the previous government (<https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005>) published in April 2023, the Gambling Commission recommended that the mechanism for funding research, prevention and treatment should no longer be based upon a system of voluntary contributions. DCMS has continued to work closely with the regulator in considering the appropriate design of the levy system, and considering how any new approach will overlap with the Gambling Commission's regulatory role. As part of developing the proposed approach to the levy set out in the consultation, DCMS asked the Commission to provide advice, primarily on practical issues associated with the administration of a levy, in line with requirements under the Gambling Act to consult the Commission if introducing Regulations. See the Commission's [initial advice on the design and implementation of the levy \(https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-design-and-implementation-of-a-statutory-levy\)](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-design-and-implementation-of-a-statutory-levy).

Commissioned research

To further inform the government's policy decisions, in January 2024, DCMS commissioned Professor Heather Wardle to convene a research team from the University of Glasgow to undertake targeted engagement with key stakeholders on the topic of prevention. Professor Wardle, along with Professor Gerda Reith and Dr Christopher Bunn hosted a series of workshops with a range of key practitioners, academics and third sector professionals involved in the gambling sector or related health areas such as alcohol, drugs and tobacco.

DCMS funded the Glasgow team to prepare, facilitate and report on findings from these workshops. This was directly funded as the value of the project did not meet the threshold for competitive tender processes. On 18 March, Professor Wardle and her team [published a report \(https://www.grg.scot/resources/2024/03/FINAL-Gambling-Prevention-and-the-Statutory-Levy-18.03.2023-to-DCMS-.pdf\)](https://www.grg.scot/resources/2024/03/FINAL-Gambling-Prevention-and-the-Statutory-Levy-18.03.2023-to-DCMS-.pdf) which summarised the main themes emerging from these workshops. The views represented in the report were those of the report authors and did not represent the views of DCMS nor the government's policy position.

Limitations

The consultation findings are not necessarily representative of the views of the general public or those involved in the gambling sector. There were not enough responses to claim representability, neither were there specific sampling methodologies applied to ensure representativeness or generalisability to any specific group.

Response bias may be a further limitation. Individuals or organisations with stronger views on gambling-related harm and the statutory levy may have been more likely to respond to the survey. Thus, the results may be skewed towards individuals or organisations who strongly agree or strongly disagree with the levy and the proposals in the consultation. The analysis below therefore sets out the range of opinions on the statutory levy provided in response to the consultation questions, rather than assuming that the findings are entirely representative of the full range of views on the levy.

Part 1: The structure of the levy

Summary

The government priority in this area is to ensure levy rates are fairly and proportionately set to raise the £90-£100 million we think is needed for research, prevention and treatment. The consultation made proposals in a range of key areas regarding the structure of the levy, including the amount and timing of payment of the levy, as well as a de minimis threshold for licensees to be in scope of the levy. Based on the responses to the consultation, we intend to implement a fair, proportionate and streamlined regime with the following requirements:

- **Amount:** The levy will be charged at a set rate for all holders of a given Gambling Commission licence, ranging from 1.1% to 0.1% of Gross Gambling Yield (GGY), or equivalent, depending on the sector. Society lottery operators will pay the levy as a proportion of proceeds retained after good causes and prizes paid out, and External Lottery Managers as a proportion of fees charged to society lotteries minus any prizes paid out from fees.
- **Timing:** Licensees' levy payments will be based on a past-year datapoint to avoid unnecessary complexity and any potential for under/overestimation of levy obligations. We no longer believe that a phased approach to the levy is needed. The levy will be paid at a set rate following commencement in April 2025 to ensure that the increased investment flows to priority projects and services as soon as possible. We

think this consultation response provides licensees with sufficient notice of our approach to the structure of the levy and ultimately delivers simplicity for all parts of the new system.

- **De minimis:** Following close consideration of the evidence, we think a lower de minimis threshold of £10 is needed. Where licensees' levy payments are £10 or less, they will be exempt from the levy.

The consultation

[Section 123 \(https://www.legislation.gov.uk/ukpga/2005/19/section/123\)](https://www.legislation.gov.uk/ukpga/2005/19/section/123) of the Gambling Act 2005 ('the Act') sets out the broad framework for the statutory levy, including the operators in scope, the purposes for which levy funding can be used and the need for secondary legislation to set out the amount of the levy and the timing of the levy payment. Section 123 requires that the levy applies to all holders of operating licences which means that the levy cannot be applied to particular classes of operating licences only (as emphasised in the [explanatory notes \(https://www.legislation.gov.uk/ukpga/2005/19/notes/division/5/3/7/3/48\)](https://www.legislation.gov.uk/ukpga/2005/19/notes/division/5/3/7/3/48)).

However, a wide range of activities are licensed by the Gambling Commission which necessarily produce a variety of licensing arrangements given the nature of the business i.e. business-to-consumer versus business-to-business licences, with implications for how best to define the amount and timing of payment of the levy. Nonetheless, we believe that the statutory levy should aim to provide independent, sustainable funding for research, prevention and treatment of gambling-related harms (RPT), ensuring that it is directed where it is needed most without disproportionately impacting the sustainability of gambling businesses.

To ensure the statutory instrument introducing the levy is fully effective in delivering on this principle, the structure of the levy must be sensitive to the operational and practical realities of businesses required to fulfil levy obligations each year. There needs to be common understanding of our rationale for the amount of funding we think is needed via the levy. The consultation therefore asked questions regarding proposed levy rates for different classes of operators and three options regarding the timing of payments:

The government proposes to raise around £90 million to £100 million per year for RPT through a levy charged to licensed operators' GGY. We propose the levy is charged at different rates for different categories of gambling operator to take into account the association of different sectors to harm and the higher fixed operating costs incurred by different parts of the industry.

1a. Do you agree with the proposal for how the levy should be charged? (Yes/No/I don't know)

1b. Please explain your answer. (Free text box)

1c. Do you agree with the proposed total that the government estimates the levy needs to raise? (Yes/No/ I don't know)

1d. Please explain your answer (Free text box)

1e. Do you agree with the proposed de minimis threshold for the levy? (Yes/No/I don't know)

1f. Please explain your answer (Free text box)

1g. Please provide any additional views or evidence in this area the government should consider here. (Free text box)

On the timing of payment of the levy, the government's priority is to maximise the certainty and predictability of the amounts raised by the levy each year, and minimise administrative burden in both payment operators and collection by the Commission. The government has explored two options but recognises the issue is finely balanced and does not have a final proposal at this stage.

2a. Should the government pursue option 1 or 2 in setting the timing of payment of the levy? (Option 1/Option 2/I don't know)

2b. Please explain your answer. (Free text box)

2c. Do you agree that the levy with the proposal that licensees should make levy payments in advance i.e. based on projected GGY? (Yes/No/I don't Know)

2d. Please explain your answer. (Free text box)

2e. Please provide any additional views or evidence in this area the government should consider here. (Free text box)

Summary of consultation responses

Amount of the levy

Overall, 35% of respondents who answered Question 1a agreed with our proposal to charge levy payments as a proportion of Gross Gambling Yield (GGY) or equivalent, which is defined as stakes minus winnings paid out. 50% of respondents disagreed with our proposed approach. However, there was considerable variation depending on the type of stakeholder. For example, 60% of public health and treatment providers agreed with the government's proposals whereas 24% of industry respondents agreed.

There was concern among industry respondents that the government's proposal to charge the levy on licenced activity (with many operators holding multiple licences) would result in double taxation e.g. a gambling operator licensed for non-remote (land-based) gambling facilities such as a casino will also require a remote gaming machine licence in order to manufacture, supply, install, adapt, maintain and repair machines on its premises. Based on the levy rates proposed in the consultation, this would mean a casino would pay a lower rate for its actual gambling facilities than for its ancillary licence. Further, the category of the 'big four' operators who, under the current voluntary regime, provide the vast majority of donations each year criticised the proposal as unworkable and unfair. There is a risk that these four companies would in effect be penalised because of their previous, voluntary decisions to increase funding, and which would not be future-proofed against any consolidation or divestment in the market involving these operators or broader market dynamics of GGY share.

Some respondents felt that society lottery operators should be exempt from the levy (or be charged at a 0% rate) given contributions to charitable/good causes. Respondents with this view felt that the government's decision to exempt the National Lottery but include society lotteries in scope of the levy was unfair.

Public health and campaigning organisations, on the other hand, felt that a lower levy rate for land-based operators was not justified given the

prevalence of harmful gambling which occurs in land-based settings and advocated for the levy to introduce a 'polluter pays' approach, thus making a de minimis threshold of any kind inappropriate. Some respondents also felt that the government should first establish the level of need across research, prevention and treatment to inform estimates for a target amount of levy funding, or a clearer justification for the £90-£100 million range proposed in the consultation. Others felt that the proposed amount did not reflect the scale of gambling-related harm.

Timing of payment

Section 123 of the Act does not expressly deal with the timing of payment of the levy. Instead, it requires that regulations introducing the levy set out when it is to be paid. Our consultation proposed two possible approaches to the timing of the levy payment. The first approach would be to have licence holders pay the levy at the same time as they pay their annual fee. The second approach would be to have all licence holders pay the levy on the same fixed date.

42% respondents who answered Question 2a who expressed a preference on the options said payments should be made on a fixed date. 16% preferred for the levy to be paid alongside operators' licence fees which are paid on the anniversary of the date that the licence was granted, hence are paid by operators throughout the year. There was a strong preference for levy payments to be based on a historic data point i.e. calculating the levy as a proportion of actual, earned, past-year GGY rather than forecasted GGY. Forecasted GGY would bring additional challenges and unnecessary complexity such as requiring a process to refund overpayments or enforce a second levy charge for underestimates. Overall, it was clear that a priority for the structure of the levy is to guarantee clarity and minimise administrative burden for operators, while ensuring the transition to the new system minimises disruption to existing services, and that bodies in receipt of levy funding under the future system have funding certainty each year.

De minimis

There are additional administrative costs for businesses in the calculation and payment of the statutory levy each year, as well as costs for the Gambling Commission in the collection and enforcement of the levy. We proposed a minimum threshold for the statutory levy to reduce the risk of disproportionate costs or administrative burdens falling on smaller operators and reduce the risk of the levy acting as a barrier to operators entering the market. We proposed that licensees in scope of the levy with GGY - or the equivalent, now defined for society lotteries as proportion of proceeds retained after good causes and prizes are paid out, and for External Lottery Managers (ELMs) as proportion of fees charged to society lotteries minus prizes paid out - which total less than £500,000, would not be expected to pay the levy. This would also include those operators who are licensed by the Gambling Commission but are registered as not trading.

Responses to the consultation question regarding the De Minimis threshold were finely balanced. 45% of respondents agreed with our proposal to set the threshold at £500,000 and 52% disagreed. Many of those in support of the proposal felt it provided an appropriate balance between ensuring operators in scope of the levy were paying their fair share without cancelling out the benefits of levy funding with the costs of payment and/or collection. Among those who disagreed with the proposal, respondents felt that a £500,000 threshold was too high and that there is a risk of operators finding loopholes to avoid paying the levy. Others argued that it is inappropriate to exempt operators from the levy as a rule, including smaller operators, and that all profits made through licensed gambling activity should be subject to levy payments.

Our response

We have closely considered feedback from respondents, including the concerns raised by operators in relation to the challenges posed by a levy to operators who hold multiple licences, and the need for a clear justification of the total funding required by the levy for RPT.

Amount

We want to avoid unnecessary administrative burden or disproportionate impacts of the statutory levy, while raising increased investment for projects and services to further understand, tackle and treat gambling-related harm. We do not intend for the levy to be a punitive mechanism by which to raise funding, nor can there be a pure 'polluter pays' approach to the levy given the inherently complex nature of harmful gambling. However, in following the statutory framework which requires the levy to be charged to all holders of a Gambling Commission licence, regardless of whether a single operator holds multiple licences, we want to ensure levy rates are charged fairly, proportionately and in a way which accounts for the operational realities and complex licensing regimes of the sector.

Through the consultation process, we considered the range of levies on gambling operators in other jurisdictions. However, the nature of the gambling markets and regulatory systems mean they are not necessarily comparable for the purposes of our approach to the statutory levy. For example, in New Zealand, [a levy is charged to New Zealand's four main gambling operators](https://www.legislation.govt.nz/regulation/public/2023/0082/latest/LMS839227.html) (<https://www.legislation.govt.nz/regulation/public/2023/0082/latest/LMS839227.html>): gaming machines in pubs and clubs; casinos; the New Zealand Racing Board; and the New Zealand Lotteries Commission, with a specific formula for calculating the levy rate for each of the four sectors set out in [section 320 of the Act](https://www.legislation.govt.nz/act/public/2003/0051/latest/DLM210258.html) (<https://www.legislation.govt.nz/act/public/2003/0051/latest/DLM210258.html>). Levy

rates are required to take into account the level of customer presentations to problem gambling services attributed to gambling in a sector as well as the approximate cost to the government of the integrated problem gambling strategy. [For the period](#)

https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Reports-Publications-Problem-Gambling-Levy-2022-2025!OpenDocument) 2022-25, the levy was set at \$76.123m paid to the New Zealand Gambling Commission https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Reports-Publications-Problem-Gambling-Levy-2022-2025!OpenDocument).

In Victoria, Australia, casino operators are required to pay 1% of total gaming revenue each month as part of the community benefit levy, whereas in New South Wales, the [Casino Control Act 1992](#) <https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-1992-015>) requires casinos to pay 2% of gaming revenue to a responsible gambling fund.

In the Netherlands, remote gambling operators pay a levy set at 1.95% charged to gross gaming revenue with 0.25% earmarked for [the Addiction Prevention Fund \(APF\)](#) <https://kansspelautoriteit.nl/nieuws/2021/maart/instanties/>). In March 2021, the Dutch gambling regulator, Kansspelautoriteit (KSA) decided on the three agencies which would receive money from the Fund: the Human Assistance Network for Daily Support (HANDS), ZonMw, a healthcare research institute; and The National Healthcare Institute. The Fund will facilitate the anonymous treatment of gambling addiction, support research into prevention and treatment, and create a national support service for those experiencing harmful gambling and their loved ones. In 2023, <https://www.zonmw.nl/nl/programma/preventie-van-kansspelverslaving>) ZonMW confirmed the first six research grants <https://www.zonmw.nl/nl/programma/preventie-van-kansspelverslaving>) awarded through APF funding.

The table below sets out the structure of statutory levy rates, establishing a clear framework for the future system which we estimate will raise £90-£100 million in 2025/26. In deciding on the structure of the levy, we have been led by the best available evidence and guided by the overarching objectives of the [Review of the Gambling Act 2005](#) <https://www.gov.uk/government/publications/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence>) of ensuring an equitable approach to the regulation of online and land-based gambling.

Structure of the levy

The table below sets out the structure of statutory levy rates,

Licence Type - Online gambling licences	Levy Rate	Licence Type - Land-based gambling licences	Levy Rate
Remote bingo	1.1%	Adult Gaming Centre	0.2%
Remote bingo game host	1.1%	Family Entertainment Centre	0.1%
Remote casino	1.1%	Non-remote bingo	0.2%
Remote casino game host	1.1%	Non-remote 1968 Act casino	0.5%
Remote general betting standard (real events)	1.1%	Non-remote 2005 Act Casino	0.5%
Remote general betting standard (virtual events)	1.1%	Non-remote general betting standard	0.5%
Remote betting host (real events)	1.1%	Non-remote general betting limited	0.2%
Remote betting host (virtual events)	1.1%	Non-remote betting intermediary	0.5%
Remote general betting limited	1.1%	Non-remote pool betting	0.1%
Remote betting Intermediary	1.1%	Non-remote gaming machine technical - full	0.1%
Remote betting intermediary (trading rooms only)	0.5%	Non-remote gaming machine technical - software	0.1%
Remote pool betting	0.1%	Non-remote gaming machine technical - supplier	0.1%
Non-remote gambling software	1.1%	Non-remote linked licences gaming machine technical	0.1%
Non-remote linked licences gambling software	1.1%	Remote gaming machine technical - full	0.1%
Remote gambling software	1.1%	Remote gaming machine technical - software	0.1%

Licence Type - Online gambling licences	Levy Rate	Licence Type - Land-based gambling licences	Levy Rate
Remote linked licences gambling software	1.1%	Remote gaming machine technical - supplier	0.1%
		Remote linked licences gaming machine technical	0.1%

Society lotteries and External Lottery Managers

Licence type	Levy rate
Non-remote society lottery operating licence	0.1%
Remote society lottery licence	0.1%
Non-remote external lottery manager operating licence	0.1%
Remote external lottery manager operating licence	0.1%

As set out in the table above, we have maintained the distinction between online vs land-based licenced activity, except for society lotteries where we concluded that would not be appropriate. We want to account for the higher 'problem gambling' rates associated with some online products compared to some land-based products, and the higher operating costs of the land-based sector. Overall, online operators will be required to pay the levy at 1.1% of GGY and land-based operators at 0.5%, 0.2% or 0.1% GGY.

Further considerations

Charging the levy fairly across the industry

We have also listened carefully to respondents who raised concerns about double taxation. For those ancillary licences which are needed in order to provide core gambling facilities e.g. machine technical or software licences, the levy will be charged at an appropriate rate and as a proportion of GGY. Software licences, both remote and non-remote, are needed to facilitate online gambling facilities and as such will pay the levy at 1.1%. On the other hand, gambling machine licences, both remote and non-remote, are needed to facilitate land-based gambling across the full range of land-based activity. We have therefore decided to charge these licences at 0.1%, in line with Family Entertainment Centres (FEC) to streamline the statutory framework and avoid an overly burdensome system. Our approach is sensitive to the reality that machine manufacturers supply a range of operators across the

land-based sector and avoids the unnecessary complexity of requiring these licensees to isolate specific profits derived from e.g. machines they have supplied to casinos and/or bookmakers from bingo halls, adult gaming centres (AGCs) and FECs.

Further, we have listened to concerns regarding the category and definition of the 'largest four operators' in the structure of the levy proposed in the consultation. Creating a legislative distinction between the largest four operators and the rest of the industry would not be future-proofed against any consolidation or divestment in the market involving those operators, nor responsive to the inherent fluidity in the market. Overall, this approach would be unnecessarily complex and potentially unfair on those operators which fall into this category based on previous commitments to voluntarily increase their contributions to harm prevention in recent years. As confirmed in the table above, the levy will be charged at a set rate for all holders of a given Gambling Commission licence to avoid these risks and ensure that the levy is being charged fairly and proportionately.

We are also aware that the traditional GGY calculation of stakes minus winnings paid out does not strictly apply to business-to-business (B2B) licences, which use Gross Value of Sales (GVS) as their standard reference point e.g. for licence fees. B2B operators typically provide gambling software to one or more traditional business-to-customer (B2C) businesses or other B2B operators. B2B operators may also provide facilities for gambling to one or more B2C as in the case of platform or network providers.

A form of B2B GGY is captured under Part B of the GGY calculation (see definition on the [Gambling Commission's Definition of terms](https://www.gamblingcommission.gov.uk/about-us/guide/page/definitions-of-terms) (<https://www.gamblingcommission.gov.uk/about-us/guide/page/definitions-of-terms>)) $A \text{ (stakes)} + B - C \text{ (winnings)}$, where B is 'the total of any amounts (exclusive of value added tax) that will otherwise accrue to the licensee in the relevant period directly in connection with the activities authorised by the licence'. GVS is therefore a close equivalent to GGY and achieves our objective of avoiding administrative burden for licensees.

Finally, we have closely considered responses to the consultation which argued for the exclusion of society lotteries from the scope of the levy, or for their contribution rate to be set at 0%. However, as set out in the consultation, the power to introduce the levy is a blanket power and we are unable to exclude particular classes of licence holders, such as society lotteries. A 0% rate would equally amount to an exemption and so, in recognition of the low rates of harm associated with participation in society lotteries and the important benefits they bring to good cause fundraising, we will charge the levy to society lottery licensees, including local authority lotteries licensed by the Gambling Commission, at the lowest rate of 0.1% as a proportion of proceeds retained after good causes and any prizes paid out. Our approach seeks to minimise disruption to the sector in line with our wider aim of proportionality.

Likewise, External Lottery Managers (ELMs) will also be charged the levy on the lowest rate of 0.1% as a proportion of the service fees charged to the society lottery, minus any prizes funded through the fee, in line with our approach to society lotteries.

Regulatory settlements

The Gambling Commission takes a range of approaches following compliance and enforcement action – this can result in revocation of licences, a financial penalty which is paid to the Consolidated Fund or, in some cases, regulatory settlements. Regulatory settlements, which include an element of financial payment for socially responsible purposes following enforcement action, have not and should not be seen as part of the core funding system of research, prevention and treatment (RPT). However, should there be any such future regulatory settlements following enforcement action, the Commission has indicated that it will consider the extent to which the process (should it be needed) can ensure coordination with the new levy system to avoid a dual commissioning system or duplication of work across RPT. The Commission has also indicated that if there were any future regulatory settlements, that it would not consider it appropriate for the Commission to receive these to deliver on their research objectives.

Assessment of need

We also recognise that it is right for the government to provide sufficient detail regarding our initial assessment of funding needed for RPT. As set out in the consultation, we have set a target amount of £90-100 million for RPT based on our assessment of the comparable cost of projects and services in other health areas to support our objective to reduce gambling-related harm. However, it is clear from the Review, our statutory levy consultation process, and our analysis of the responses to the consultation, that a better, more developed evidence base on gambling and gambling harm is required in order for us to make a comprehensive assessment of the specific amount of funding needed across RPT, both now and in future years. These evidence gaps mean we cannot, for example, introduce the levy as a mechanism to recoup the societal and government costs of gambling harm or confidently estimate with any precision the impact a particular levy-funded project or service will have on reducing gambling-related harm.

To maximise impact at pace, our initial focus is on ensuring that initiatives which the evidence shows are effective in comparable sectors, including other health areas, are developed for gambling and that sufficient funding is appropriately ringfenced for those purposes. The Review and subsequent consultations have significantly furthered our understanding of gambling harm and what is likely to work in tackling it. The suite of protections that we and the Gambling Commission are in the process of bringing into force have been informed by that improved understanding. However, there are also a range of non-regulatory mechanisms which we think are needed to support

the government's efforts in this area, and which the statutory levy can and will deliver. The levy represents a landmark intervention which will in turn produce greater quality evidence to help develop a more granular understanding of gambling-related harm, the costs associated with it and the necessary action needed to reduce both harm and costs.

Nonetheless, the ultimate priority for the government is to increase the level of investment in line with need, and to strengthen the provision of projects and services to further understand, tackle and treat gambling-related harm, improving outcomes for the public. We want to see levy funds directed where they are needed most and delivered in a way which maximises impact on the ground. We think c.£90-£100 million in funding is needed to deliver priority projects and services across research, prevention and treatment, which together we hope will reduce gambling-related harms across Great Britain. This will effectively double the level of funding in the current voluntary system, while also putting in place commissioning, governance and oversight arrangements which ensure projects and services are trusted and deliver value for money.

However, we also believe it is important that this is kept under review to ensure transparency and accountability for how the levy has been spent, and to ensure such expenditure is effective. We also recognise that a sufficient quantum of funding is not the only requirement for effective arrangements in this area. The introduction of the levy will increase the demonstrable independence of spending, the level of government oversight regarding commissioning decisions and the available investment in RPT. Further detail regarding our strategic objectives across the system and the planned use of funding for RPT is provided in [Part 2](#) (<https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#part-2-the-distribution-of-the-levy>) of this response, and the governance arrangements which will provide robust transparency and accountability mechanisms are detailed in [Part 3](#) (<https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#part-3-the-governance-of-the-levy>).

Timing

We have considered the evidence received through the consultation and have concluded that introducing projected GGY as a reference point for levy payments will create undue complexity, risk undermining the overall efficiency of the system and distract from the priority to maximise available funding for RPT. Further, the Gambling Commission is in the process of implementing ongoing reform of regulatory return requirements on licensees. The Commission has consulted on and amended [licence condition 15.3.1 \(general and regulatory returns\)](#)

<https://www.gamblingcommission.gov.uk/consultation-response/frequency-of-regulatory-returns-consultation-response/summary-of-responses-frequency-of-regulatory-returns#:~:text=Amendment%20to%20licence%20condition%2015.3,to%20quarterly%20for%20all%20licensees.>) to increase the frequency of regulatory returns from some operators, so that all operators are now required to submit returns quarterly and to harmonise the reporting dates..

We have considered the evidence received through the consultation and have concluded that introducing projected GGY as a reference point for levy payments will create undue complexity, risk undermining the overall efficiency of the system and distract from the priority to maximise available funding for RPT. Further, the Gambling Commission is in the process of implementing ongoing reform of regulatory return requirements on licensees. The Commission has consulted on and amended [licence condition 15.3.1 \(general and regulatory returns\)](https://www.gamblingcommission.gov.uk/consultation-response/frequency-of-regulatory-returns-consultation-response/summary-of-responses-frequency-of-regulatory-returns#:~:text=Amendment%20to%20licence%20condition%2015.3,to%20quarterly%20for%20all%20licensees.) (<https://www.gamblingcommission.gov.uk/consultation-response/frequency-of-regulatory-returns-consultation-response/summary-of-responses-frequency-of-regulatory-returns#:~:text=Amendment%20to%20licence%20condition%2015.3,to%20quarterly%20for%20all%20licensees.>) to increase the frequency of regulatory returns from some operators, so that all operators are now required to submit returns quarterly and to harmonise the reporting dates.

As such, the government is introducing the levy at a time of wider changes to regulatory returns and so it is, therefore, particularly important that the levy system aligns itself with data provided and relevant data points used in operators' regulatory returns, maximising the accuracy and administrative simplicity of levy payment and collection.

We therefore propose that operators' levy payments are based on a past-year datapoint i.e. actual, earned GGY made in the previous year once fully operational. This will avoid any potential for under/overestimation of GGY and the possibility of refunding overpayments or requiring supplementary payments.

The issue of the commencement of the statutory levy is also finely balanced. It is a government priority to ensure delivery of crucial services, including support and treatment provision, through the National Gambling Support Network (NGSN), is maintained throughout any transition period, ensuring those experiencing harm are able to access the help they need. We also want to manage the handover between the current funding arrangements and the future statutory one to ensure that operators are not double-charged and have sufficient notice of the forthcoming system to prepare.

To balance these factors, we will introduce the statutory levy via secondary legislation later this year. We expect it to come into force on 6 April 2025 and expect operators to make their first levy payments by 1 October in the

2025/26 financial year. The government and the Gambling Commission are clear that operators must maintain annual financial contributions at their current levels, in line with the LCCP until the levy is in force. Once the levy is created, the Commission will remove this requirement and therefore it is likely that the [LCCP RET list \(https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/list-of-organisations-for-operator-contributions\)](https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/list-of-organisations-for-operator-contributions) will no longer be relevant or needed. The Commission has recently consulted on this and will publish their response in due course.

Transition

It is equally a priority that in this crucial transition period, we protect the valuable expertise and experience in the current system, particularly for support and treatment. The government and the Gambling Commission is absolutely clear that industry should continue to provide much-needed financial support for projects and services to sustain the NGSN in line with LCCP, and that all parts of the system, whether statutory or third sector, collaborate to ensure that people experiencing gambling-related harms are able to access services they need as we move towards the new system. For example, the NHS and treatment providers in the NGSN, should continue to work together, within the parameters of the existing funding regime to provide relevant services for those in need, and to support a smooth transition. Further details on our funding and commissioning plans, and expectations for how different parts of the system will work together are provided in [Part 2 \(https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#part-2-the-distribution-of-the-levy\)](https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#part-2-the-distribution-of-the-levy).

Further, in the consultation, we proposed the introduction of the levy to take a phased approach whereby the largest four operators would maintain contributions at 1% (in line with their public commitments) and other licensees incrementally raise contributions to their maximum rate in the final year of a three-year transition. We closely considered the evidence received through the consultation and, in particular, through extensive stakeholder engagement with representatives of a wide range of sectors in developing our final decision on how best to manage the transition to the new funding arrangement.

It is a priority for the government that the increased investment delivered by the levy is flowing to projects and services as soon as possible to help stabilise the system following the final year of the voluntary system, and that it allows us to move at pace to improve and expand work to tackle and treat gambling harm. While we acknowledge that there will be some impact on operators in moving to the levy system, we think this is necessary, proportionate and will likely be minimal, given the streamlined approach we are taking to levy rates.

As such, we no longer believe that a phased approach is needed and could result in unnecessary ambiguity when our aim is to provide clarity, consistency and certainty for operators in paying the levy, the Gambling Commission in collecting the levy and those commissioning bodies in receipt of the levy funding. The levy will instead be paid at their maximum level (as set out in the table above) following the commencement of the levy in April 2025. We think this consultation response provides sufficient notice to licensees of our approach to the structure of the levy and ultimately delivers simplicity for all parts of the new system.

De Minimis

In line with our overarching objectives regarding proportionality and equity across the online and land-based sectors, we have carefully considered the evidence around the estimated impacts of a de minimis threshold for both operators and statutory levy funding. In our consultation, we used the example of the Horserace Betting Levy (HBL), which is charged at 10% of operators' profits accrued through leviable bets and includes a provision which exempts operators' first £500,000 GGY from being in scope of the levy to manage impacts, particularly for smaller operators. The [Horserace Betting Levy Board's statutory objectives \(https://www.hblb.org.uk/page/1\)](https://www.hblb.org.uk/page/1) are to collect the HBL from bookmakers and to apply the funds so raised to one or more of the following:

- the improvement of breeds of horses;
- the advancement or encouragement of veterinary science or veterinary education;
- the improvement of horseracing.

The legislation is therefore clear that the HBL is a mechanism designed to support the important national sport of horseracing.

The Gambling Act 2005, on the other hand, sets very different purposes for the statutory levy which are more directly focused on the potential harms of gambling and the statutory objectives of the Gambling Commission. As such, the balance between proportionality of levy rates and ensuring licensees are paying their fair share is finely balanced. Further, the evidence shows that if a De minimis was set at £500,000 roughly 80% of licensees would be out of scope of the statutory levy. In developing this response, we also explored de minimis limits of £250,000 and £100,000 to consider the most appropriate way to balance administrative costs of collection with the principle of licensees fulfilling their levy obligations. The evidence showed that all three de minimis thresholds would result in c.80% of licensees being exempt from the levy.

We think it is inappropriate that the majority of licensees are exempted, however, we also want to adopt an approach which does not result in levy payments being cancelled out by the administrative costs of collection.

Therefore, following close consideration of the evidence, we have decided to reduce the proposed de minimis threshold to £10 meaning those licensees with levy payments of £10 or less will not be subject to the levy. We feel this approach best delivers on the statutory framework for the levy set down in the Gambling Act 2005 and guarantees a fair contribution across all licensees.

Part 2: The distribution of the levy

Summary

We want the use of the levy to be led by the evidence on what works to prevent and reduce gambling-related harm. The priority for the government is to increase the level of investment and strengthen the provision of projects and services to understand, tackle and treat gambling-related harm to improve outcomes for the public. As gambling is substantially reserved in Scotland and Wales, the statutory levy will be applied across Great Britain and, as such, provides for potential spending on projects and services across all three nations. The legislation requires for the levy to be collected and administered by the Gambling Commission. Based on the responses and evidence received through the consultation, the levy will be distributed for the purposes of research, prevention and treatment under the strategic direction of the UK, Scottish and Welsh governments. Further, each strand of the RPT system will have a proportion of levy funding allocated to it through a commissioning lead(s):

- **Research** will be allocated 20% of levy funding and the majority of the funding will be overseen by UK Research and Innovation (UKRI), which includes the Research Councils, Research England and Innovate UK, to deliver a bespoke Research Programme on Gambling. We will now work with UKRI to set a coherent and ambitious research agenda through the Programme to deliver a comprehensive inter- and multi-disciplinary approach that contributes to the government's vision for the gambling sector. Separately, some funding will be provided to the Gambling Commission to direct further research in line with its licensing objectives and taking account of its current [Evidence Gaps and Priorities \(https://www.gamblingcommission.gov.uk/about-us/guide/evidence-gaps-and-priorities-2023-to-2026\)](https://www.gamblingcommission.gov.uk/about-us/guide/evidence-gaps-and-priorities-2023-to-2026).
- **Prevention** will be allocated 30% of levy funding to develop a comprehensive approach to prevention and early intervention across all three nations of Great Britain. Further consideration is needed in order to appoint a lead commissioning body in this critical part of the

government's approach to tackling gambling-related harm. We will publish a further response document setting out our final decisions on prevention in the coming months.

- **Treatment** will be allocated 50% of levy funding and be overseen by NHS England and appropriate bodies in Scotland and Wales to commission the full treatment pathway, from referral and triage through to aftercare. We will continue to work with NHS England in collaboration with the Scottish and Welsh governments, as well as third sector providers in all three nations, to design and deliver a world-leading approach to treatment of gambling-related harms across Great Britain.

The consultation

In deciding how levy funds are to be allocated, the government is seeking to ensure levy funding is distributed where it is needed most and based on an assessment of need by organisations with sufficient expertise, capacity and trust. Ultimately, the levy represents a landmark opportunity to take a Great Britain-wide approach to reducing gambling-related harms and it is essential both the allocation of funding and approach to commissioning help to deliver on that ambition. The consultation therefore asked the following questions regarding the proposed areas for levy funding distribution, a fair allocation of funding across GB, especially for health purposes, and future commissioning arrangements.

The government has a clear objective to minimise the disruption to existing service provision in bringing the levy into effect while providing independent, sustainable funding for key projects and services to further understand, tackle and treat gambling addiction. Given the existing structure of funding for projects and services, we propose levy funding should be allocated across the three categories of research, prevention and treatment.

3a. Do you agree with the proposal that levy funding should be allocated across the categories of research, prevention and treatment? (Yes/No/I don't know)

3b. Please explain your answer. (Free text box)

3c. Please provide any additional views or evidence in this area the government should consider here. (Free text box)

This Great Britain-wide consultation addresses potential spending on projects and services in England, Scotland and Wales, and as such a fair allocation of levy funding will need to be made across all three nations.

3d. Is there any evidence the government should consider as to how a fair allocation of levy funding might be implemented across all three nations of Great Britain, whether by reference to the Barnett formula or some other mechanism? (Free text box)

The statutory levy is an important part of the government's wider efforts to further understand and reduce gambling-related harm. To guide the strategic priorities for the levy, we propose the outcomes listed above as preliminary objectives for the levy.

4a. Do you agree with the proposed objectives? (Yes/No/I don't know)

4b. Please explain your answer. (Free text box)

4c. Please provide any additional views or evidence in this area the government should consider here. (Free text box)

The government proposes 10-20% of funding raised by the statutory levy should be allocated for quality, multidisciplinary research to inform policy and regulation. The government proposes a new bespoke Research Programme on Gambling led by UKRI is established to provide clear investment for gambling research and build excellence, diversity and capacity in the research field.

5a. Do you agree with the proposal that 10-20% of funding raised by the levy should be allocated for sustained, high-quality, independent research? (Yes/No/I don't know)

5b. Please explain your answer. (Free text box)

5c. Do you agree with the proposal for levy funding to establish a bespoke Research Programme on Gambling led by UKRI?

(Yes/No/I don't know)

5d. Please explain your answer. (Free text box)

5e. Is there any additional evidence in this area the government should consider? (Free text box)

Government recognises that the statutory levy represents a major change for the range of organisations currently delivering projects and services to educate at-risk audiences regarding the risks of gambling-related harms and raise awareness across the wider public. We propose that 15-30% of funding raised by the levy should be allocated for broader prevention activity focused on population level interventions, as well as tailored measures to better protect those at-risk groups. This significant investment provided through the levy will facilitate the expansion of work in this area, led by the latest evidence of what works and ensure coordination of activities across Great Britain.

6a. Do you agree that 15-30% of funding raised by the levy should be allocated for the described prevention activity?
(Yes/No/ I don't know)

6b. Please explain your answer. (Free text box)

Government also invites views on the following aspects to help design the future prevention system:

6c. How should the commissioning system for prevention be organised under the statutory levy? (Free text box)

6d. What are the priority projects, services and outcomes the government should consider in the prevention of gambling-related harm? (Free text box)

6e. What evidence is there, including from other health areas, that prevention is effective at reducing gambling harms? (Free text box)

6f. Please provide any additional views or evidence in this area the government should consider here. (Free text box)

The government proposes that 40-60% of funding raised by the levy should be allocated for treatment each year. This will facilitate the NHS having a major role in commissioning services across the full treatment pathway and building a 'no wrong door' approach for gambling harms.

7a. Do you agree with this proposal that 40-60% of funding raised by the levy should be allocated for treatment? (Yes/No/I don't know)

7b. Please explain your answer. (Free text box)

7c. Do you agree that the NHS should have a major role in commissioning the treatment pathway to improve and expand treatment provision? (Yes/No/I don't know)

7d. Please explain your answer. (Free text box)

This Great Britain-wide consultation addresses potential spending specifically on health matters in Wales and Scotland which are devolved matters. As with the levy more broadly, the government will look to achieve a fair and effective allocation of levy funding for health purposes, including treatment, across Great Britain (whether by reference to the Barnett formula or some other appropriate mechanism) after fully considering the evidence provided in responses to this consultation.

7e. Is there any additional evidence on the provision of treatment for gambling-related harm in England, Scotland and Wales the government should consider? (Free text box)

7f. Is there any additional evidence to support the establishment of an integrated system of treatment for gambling-related harm across Great Britain, particularly from

other areas of health, the government should consider? (Free text box)

Summary of consultation responses

Allocation across research, prevention and treatment (RPT)

84% of respondents who answered this question agreed that levy funding should be allocated across the categories of research, prevention and treatment, and 15% disagreed. Respondents who agreed argued that these categories provide room for a holistic approach to addressing gambling-related harm and were appropriately focused, which would help ensure effective use of levy funding. While in the minority, those who disagreed expressed concerns that these categories needed to be more clearly defined and that greater transparency was needed on the evidence used to determine the amounts allocated across RPT. There was, however, consensus across respondents that measurable outcomes to monitor progress were essential in assessing the impact of the levy in reducing gambling-related harm. Some respondents also called on the government to publish a National Strategy to reduce gambling harm to set the direction for the levy system and provide a framework through which to guarantee sufficient accountability and transparency regarding the government's aims and objectives.

Fair allocation of funding across Great Britain

The consultation sought views on how a fair allocation of levy funding might be implemented across all three nations of Great Britain. 58% of respondents who answered this question supported allocating funding across Great Britain according to the Barnett formula as a fair and widely accepted method for calculating and distributing funding to devolved governments. Some respondents argued that the Barnett formula risked overlooking special regional considerations where rates of 'problem gambling' are higher and which would need a greater, even disproportionate level of investment in order to reduce gambling-related harm. Others argued that a targeted allocation based on the prevalence of gambling-related harm would be more effective.

Objectives for the levy system

There was strong support for the government's proposed objectives, with 84% of respondents who answered this question agreeing and 15% disagreeing. Many felt that the objectives were appropriate for the

government's overarching aim to reduce gambling-related harms but it was particularly important for the levy system to ensure absolute independence from the gambling industry. However, respondents also called on the government to provide greater clarity as to how these objectives would work in practice and progress be monitored in order to deliver a strong harm reduction and prevention policy.

Research

81% of respondents who answered this question agreed with our proposed allocation of 10-20% of levy funding for research, with 93% of respondents supportive of funding being used to establish a bespoke Research Programme on Gambling led by UKRI. Respondents recognised that using UKRI as a well-established, statutory public body with significant expertise would represent an important step forward in commissioning high-quality, independent research, filling key gaps in the evidence base and creating a sustainable research ecosystem on gambling and gambling-related harm. Some respondents raised concerns regarding the risk of UKRI excluding research outside of academic institutions, such as grassroots organisations and charities, but also recognised that the relatively limited research on gambling hindered policy development. Some respondents also emphasised the importance of 'lived experience' in shaping and delivering research, and the importance of tying research to policy concerns. Other respondents called on the government to provide greater detail on the evidence to justify the allocation for research and the bespoke research programme on gambling in practice.

Prevention

The consultation proposed that 15-30% of the total amount raised through the levy should be used to fund a wide range of prevention activities, including through third sector organisations. 71% of respondents who answered this question agreed, while 24% disagreed. Those who agreed argued that prevention is a highly cost-effective way of reducing gambling-related harm and that prevention was cheaper/more effective than cure. A number of respondents argued that a campaign to raise awareness of gambling-related harm and reducing the stigma around it would be particularly effective in this area. Some argued that funding allocated for prevention should be directed to support existing services in the third sector which deliver services at the local level e.g. community-based services.

Those who disagreed argued that the category of prevention was too broad and risked becoming a 'catch-all' category and read as an objective to prevent gambling participation rather than gambling-related harm specifically. Some respondents felt the allocation for prevention needed to be at the highest end of the proposed range, or beyond given its importance, in order to have meaningful impact and called for a statutory body to take up the role of commissioning lead in this area.

Treatment

74% who answered this question agreed with the proposal for 40-60% of levy funds to be distributed across the category of treatment, while 22% disagreed. Respondents who agreed argued that treatment provides an effective method of reducing the burden of gambling-related harm on individuals and their wider communities. Those who disagreed argued that clinical treatment is not always the most effective course of action, as only a low number of people experiencing harm are identified and seen by a healthcare professional in a clinical setting. The lack of treatment in practice has been underpinned by a lack of clear and informative advertising and a reluctance among gamblers to admit problematic behaviour due to public stigma.

The consultation set out the intention for the NHS to act as the strategic commissioner of treatment activities, and sought views on this proposal. 84% agreed with the proposal, while 13% disagreed. Those who agreed argued the NHS has sufficient experience and expertise in providing treatment services and allows for the integration of gambling-treatment with broader healthcare needs.

Those who disagreed outlined the risk of the NHS monopolising treatment services, referencing a lack of community-led peer support programmes which could discourage deprived groups with special characteristics from seeking support. Others were concerned that the risk of high NHS waiting list times would mean that those who are experiencing harm would not get the right support when they need it, or risk a postcode lottery where certain parts of the country were better served than others.

Our response

In making our decisions regarding the distribution of levy funding, we recognise the need for the government to provide clarity on the way forward. Ultimately, we want to strike an effective balance between moving at pace to establish a future system delivering increased investment and improved standards, with the need for a robust, agile strategy for the future levy system. In order to monitor the effectiveness and impact of the statutory levy in reducing gambling-related harm, we need to set clear objectives which provide a useful measure through which to track and report outcomes and, if needed, support the government to adopt a different approach to ensure success. Following the best available evidence, the following section sets out our vision for the statutory levy, our rationale for the investment needed and how research, prevention and treatment can help deliver on our priority to reduce gambling-related harm.

We recognise that the statutory levy represents a generational change to funding arrangements and a significant transformation in the government's approach to strengthening efforts to understand, tackle and treat gambling-related harm. While the RPT system will no doubt evolve over time as evidence of what works, the changing needs of the public and demands on the system become clearer, it is essential that there are clear overarching strategic objectives from the outset to guide the new system.

Ultimately, the government's priority is to reduce gambling-related harm. We and the Gambling Commission are introducing a package of measures to prevent harm from occurring in the first place or to intervene earlier in the journey. We want the new levy system to support this aim but equally understand that while it is right that our aim remains to reduce gambling harm, it is one which needs to be underpinned by specific principles. These can then provide objective measures regarding the success and impact of the levy, and, if necessary, provide timely evidence of the need for an alternative approach.

A clear vision for the future

In line with the Gambling Act 2005, the levy distribution will be collected and administered by the Gambling Commission for research, prevention and treatment, under the strategic direction of the government. However, we also want to leverage world-leading expertise among existing bodies to maximise efficiency and see levy funding directed where it is needed most. Following analysis of the consultation responses and close consideration of the evidence, the government has decided that each strand of the levy - research, prevention and treatment - will have a commissioning lead(s). The government has asked the following organisations to lead their strands as follows:

- **Research** will be overseen by UKRI which will deliver a bespoke Research Programme on Gambling, alongside the Gambling Commission separately commissioning further research in line with its current Evidence Gaps and Priorities
- **Prevention** will receive 30% of funding to develop a comprehensive approach to education and early intervention across Great Britain.
- **Treatment:** 50% of funding will be jointly overseen by NHS England, and appropriate bodies in Scotland and Wales to commission treatment and support services, working in collaboration with the third sector.

We consulted broadly on the topic of prevention in order to get the best evidence. Ultimately, prevention is a crucial part of the government's efforts to further reduce gambling-related harm and it is important we take the time to get this right. However, our priority is to ensure necessary legislation has been passed to meet our commitment to having the levy in place by April 2025. We have published this initial response to make further progress

through the legislative process and will continue to work at pace to finalise our decisions on prevention soon.

To ensure that the levy system as a whole and the commissioning leads in particular are directing funding in a way which delivers on the government's vision for the future system, we have set the following overarching principles:

Increased, long-term, trusted investment: there needs to be an increased injection of funding available for projects and services on gambling and a secure, sustainable funding arrangement to enable long-term planning of services and programmes. In 2022/23, the main commissioning charity [GambleAware received c.£47 million in financial contributions from operators](https://www.begambleaware.org/sites/default/files/2023-12/GA%20Annual%20Report%202023.pdf) (<https://www.begambleaware.org/sites/default/files/2023-12/GA%20Annual%20Report%202023.pdf>), which was spent across [research, education and treatment](https://www.begambleaware.org/sites/default/files/2023-12/GA%20Annual%20Report%202023.pdf) (<https://www.begambleaware.org/sites/default/files/2023-12/GA%20Annual%20Report%202023.pdf>). Further, NHS specialist gambling clinics run at a total cost of £6.5 million each year. It is essential that the levy provides an efficient use of increased resources to facilitate an expansion of projects and services whilst minimising duplication across the RPT system and enables commissioning and delivery bodies to be able to function with the guarantee of future funding. The structure of the levy aims to provide this increased and ringfenced funding each year in a way that the sustainability and independence of the funding will be beyond doubt and will secure trust across the system.

More high-quality research on gambling in Britain: Research councils have directed relatively small sums for gambling-specific research and while greater funding for research via regulatory settlements has been available, as well as research funded via GambleAware, there has been less consistency or coherence in research aims than we would like. The levy will provide a dedicated and sustainable injection of funding for independently-commissioned research and research from the Gambling Commission. This will include rapid response and long-term projects, helping to build capacity in the field and attract a more diverse range of researchers to improve the evidence base. The Commission has outlined key evidence gaps and priorities in its recent [Evidence Strategy](https://www.gamblingcommission.gov.uk/about-us/guide/evidence-gaps-and-priorities-2023-to-2026) (<https://www.gamblingcommission.gov.uk/about-us/guide/evidence-gaps-and-priorities-2023-to-2026>) which could form the basis for a coherent research programme. However, we will ensure that there is no duplication between the aims and objectives of the UKRI Programme and any of the Commission's research activity. We want to see more research drawing on insights on the individual, social, environmental, commercial and political factors which impact on gambling behaviours, experiences and gambling-related harm, from a range of disciplinary and research backgrounds, including those of lived experience and local, grassroots organisations. This will support our ongoing work to fill key gaps in the evidence base and inform responsive policy and regulation in the future.

Increased awareness of risks and prioritising early intervention

measures: The levy will for the first time provide dedicated, statutory investment for prevention activity in the gambling space. Prevention activity encompasses a wide range of projects and services. These include raising awareness among the public and frontline workers of the risks associated with gambling and facilitating a cultural shift in our understanding of gambling-related harms to break down barriers to help-seeking behaviour such as stigma. The levy will provide sustainable funding to support the development of a coordinated approach to prevention, at the local, regional and national level, providing investment for organisations, including in the third sector, to develop and deliver harm reduction activities across Great Britain. We want to see more upstream interventions to address harms earlier and more effectively, particularly in frontline settings.

Increasing treatment access and integration: There have been significant steps taken in recent years to expand treatment provision for gambling-related harms. Delivering on its commitment in the 2019 Long-Term Plan, NHS England has now established all 15 specialist clinics providing comprehensive coverage across each region of England. The GambleAware-commissioned National Gambling Support Network (NGSN) has provided a suite of support and treatment services for people across Great Britain. While both parts of the treatment system play an important role, there have been longstanding issues of integration, data sharing and uniform standards across the full range of treatment provision. We want the levy to develop an integrated and comprehensive support and treatment system across Great Britain in the coming years, developing a 'no wrong door' approach for those experiencing gambling-related harms. We will ensure effective signposting and triage, provision of high-quality care, effective referral pathways between NHS and third sector provided services, and comprehensive data collection to measure demand and assess impact of treatment and support services to support future system improvements.

Guaranteed accountability: The process of maximising the impact of this new system will be iterative. We want the system to be underpinned by a clear sense of demand management and therefore aim to take an agile approach to funding allocation while ensuring stability for the system. Throughout the process we want to ensure that all parts of the system are accountable, transparent and there is sufficient government oversight to ensure levy funding is allocated and used effectively. We will therefore aim to update the public regarding the broad allocation and spending of levy funding each year, including on our progress against our objectives.

Setting objectives across the system

Research

Since 2019, UK research councils, overseen by UKRI, have provided c.£3 million in funding awards for gambling research. The quantum of funding

available through research councils is not the principal barrier. This alongside a lack of research interest amongst academics given the relatively low status of gambling as a research field, particularly when put alongside other health and public health areas, has resulted in a small number of researchers accounting for the majority of domestic studies on gambling.

By comparison, research councils have been more proactive in ringfencing funding for research in other health areas. The Medical Research Council has invested more than £140 million over the last five years in research directly addressing mental health questions. Likewise, UKRI has a [£20 million strategic priority fund dedicated to 'tackling multimorbidities'](https://www.ukri.org/what-we-do/browse-our-areas-of-investment-and-support/multimorbidity-or-multiple-long-term-conditions-mltc/#:~:text=Tackling%20multimorbidity%20at%20scale%20%E2%80%93%20a,pat hways%20was%20launched%20in%202019.) (<https://www.ukri.org/what-we-do/browse-our-areas-of-investment-and-support/multimorbidity-or-multiple-long-term-conditions-mltc/#:~:text=Tackling%20multimorbidity%20at%20scale%20%E2%80%93%20a,pat hways%20was%20launched%20in%202019.>) and [£18 million for 'protecting citizens online'](https://www.ukri.org/opportunity/protecting-citizens-online-complementary-projects-outline-stage/#:~:text=The%20UKRI%20Strategic%20Priority%20Fund,how%20their%20da ta%20is%20used.) (<https://www.ukri.org/opportunity/protecting-citizens-online-complementary-projects-outline-stage/#:~:text=The%20UKRI%20Strategic%20Priority%20Fund,how%20their%20da ta%20is%20used.>).

Separately, the charity GambleAware has commissioned research for over decade, including landmark reports such as the Final Synthesis Report by Ipsos MORI and a consortia of universities, and the Patterns of Play report by the National Centre for Social Research (NatCen). In 2022/23, GambleAware spent c.£9 million on research.

Our ambition is for a dedicated and sustainable injection of funding for independently-commissioned research, including rapid response as well as long-term projects, to help build capacity in the field and attract a more diverse range of researchers to develop the evidence base.

Therefore, in line with spending in other areas, we will allocate 20% of levy funding for research, including to UKRI to establish a bespoke Research Programme on Gambling (RPG) which will support efforts to raise the profile of gambling as an area of study, and support timely, rigorous, innovative research based on a coherent research agenda. Additionally, some of this funding allocation will enable the Gambling Commission to separately commission further research.

To provide clear and measurable outcomes for the research strand of the statutory levy system, we are setting the following objectives:

- **Filling gaps in the evidence base:** We know there are a number of key areas in which the evidence base needs to be strengthened, some of which have been outlined in the PHE evidence review into gambling related harms and the Gambling Commission's current '[Evidence Gaps and Priorities'](https://www.gamblingcommission.gov.uk/about-us/guide/evidence-gaps-and-priorities-2023-to-) (<https://www.gamblingcommission.gov.uk/about-us/guide/evidence-gaps-and-priorities-2023-to->

[2026#:~:text=At%20the%20Gambling%20Commission%20we,and%20the%20gambling%20sector%20itself.\)](#) paper, ranging from the impacts of advertising, the range and extent of harm experienced by affected others' and the potential positive consequences of gambling. The levy will see the UKRI-led Research Programme on Gambling set the wider research agenda on gambling to fill existing gaps, and the Gambling Commission direct further research in line with the licensing objectives over and above existing regulatory research that is funded via fees, ensuring there is no duplication.

- **Increasing diversity:** The existing research on gambling is dominated by a small number of researchers from a narrow range of academic disciplines. The levy will provide funding to help expand the disciplinary reach and status of the gambling research field.
- **Robust evaluation:** Evaluation is equally as important as innovation when it comes to research. The levy will facilitate a robust programme of evaluation targeted at historic and emerging regulatory and market changes to help continually inform our vision for a responsible sector and protected public.

Next steps

We will now work with UKRI to set a coherent and ambitious research agenda through a bespoke Research Programme on Gambling. UKRI will build on a suite of mechanisms to deliver a comprehensive inter- and multi-disciplinary research and business-led innovation programme that contributes to the government's vision for the gambling sector. This will include a 'Research and Innovation Centre on Gambling'.

The Centre will be commissioned via an open competition to bring together expertise from a range of research communities. It will work closely with, and be guided by, cross-UKRI convened expert advice, with appropriate agile governance in place to ensure its independence. Making use of the range of tools and methods across disciplines, drawing from and building on existing internal and external expertise and experience of past programmes, the Hub will make targeted and proportionate commissions, to support research and business-led innovation on gambling and gambling-related harm to inform policy and regulation.

Following the introduction of the levy, UKRI will develop a research agenda and run open opportunities for research projects, drawing from multiple disciplines, including establishing mechanisms for the rapid commissioning of research that responds to urgent policy and societal needs. UKRI will also seek to explore how best to work with relevant industry partners to encourage data sharing to inform exciting and innovative research questions. Additionally, it will seek to develop new collaborations, and strengthen existing ones, with third sector and grassroots organisations to shape research priorities to better protect and support those at risk of gambling harm.

We will also work with the Gambling Commission, together with UKRI, to ensure that there is no duplication between the aims and objectives of the UKRI Programme and any of the Commission's research activity.

Prevention

An effective prevention plan seeks to identify the right mix of interventions to be applied at both population and individual level. Prevention in its broadest sense will include a wide spectrum of measures at population level, including but not limited to regulatory restrictions on products, place and provider, as well as tailored measures for at-risk groups, and more specific protections for at-risk individuals, including education and awareness-raising activities.

The regulatory framework is being further strengthened by proposals to implement a variety of protections at the product and population level, ranging from stake limits for online slots games and financial vulnerability checks, to strengthening informational messaging on the risks of gambling. In addition, there are also robust licensing requirements on gambling operators to prevent gambling harm as part of the Gambling Commission Licensing Conditions and Codes of Practice (LCCPs). The third sector also plays a vital role in raising awareness of and minimising the risk of gambling-related harms, whilst delivering support for those who might need help. However, it is clear that more can be done in this space.

It is now a priority for the government for the increased investment provided through the levy to facilitate a coordinated approach to harm reduction across Great Britain. We will allocate 30% of levy funding to the prevention stream.

In public health terms, there are three layers of prevention. These are:

- **Primary prevention:** Interventions to prevent harm before it happens, such as evidence-based population level messaging to raise awareness of the risks of gambling
- **Secondary prevention:** To identify and reduce the impact of harm at the earliest opportunity, such as increased screening programmes in a range of settings to identify people experiencing harms at the earliest stage.
- **Tertiary prevention:** To introduce interventions to reduce the long-term impact of harm, such as support to address the financial and other recovery needs of those who have experienced gambling related harms.

We want the levy to facilitate a total system response to preventing gambling-related harm at the population level, and at scale, drawing on multiple agencies at the national, regional and local levels. This will require engagement and integration across the statutory and third sectors, utilising the unique reach, experience and expertise of both in harm prevention. Third sector organisations in particular have the capacity to reach deeply

into communities and support people's diverse and often complex needs, while statutory services work at scale and thus provide frontline spaces in which prevention work can be crucial.

The levy presents an opportunity to test innovation, piloting interventions and comprehensive evaluation to support a better understanding of what works in this space. Nonetheless, we want prevention (broadened out from the previous focus on education) to have clear parameters from the outset, particularly given the levy will for the first time provide ringfenced statutory investment in this area. This may include, but not be limited to local/regional initiatives, national public health campaigns, education/awareness raising activity as well as training for frontline staff.

Local and regional initiatives

In recent years, prevention activity has been delivered by a range of organisations. In 2023, the charity GambleAware allocated c.£20m on prevention projects ranging from targeted prevention campaigns such as the [World Cup Campaign \(https://www.begambleaware.org/for-professionals/safer-gambling-campaign\)](https://www.begambleaware.org/for-professionals/safer-gambling-campaign) which aims to raise awareness of gambling-harms, the [Women's Harm Campaign \(https://www.begambleaware.org/womens-gambling-harms-prevention-campaign\)](https://www.begambleaware.org/womens-gambling-harms-prevention-campaign) which supported women to identify early signs of 'problem gambling', and the [National Stigma campaign \(https://www.begambleaware.org/stigma-programme\)](https://www.begambleaware.org/stigma-programme).

A handful of regional and local authorities have also undertaken work to design bespoke approaches to prevention in their areas, often with funding via regulatory settlements approved by the Gambling Commission. In 2021, Yorkshire and Humber ADPH (Y&H ADPH) received £800,000 in regulatory settlement payments. This funding enabled the development of [a three-year regional programme \(https://www.yhphnetwork.co.uk/links-and-resources/coi/gambling-related-harms/yh-adph-gambling-related-harm-funded-programme-2021-24/\)](https://www.yhphnetwork.co.uk/links-and-resources/coi/gambling-related-harms/yh-adph-gambling-related-harm-funded-programme-2021-24/) to prevent and reduce gambling-related harm by increasing awareness and understanding, helping to reduce stigma and increasing access to help, support and information. A similar 3-year programme was also established by the North East ADPH, who in November 2022 received £750,000 through regulatory settlements.

Likewise, in 2023, the Greater Manchester Combined Authority received c. £650,000 in regulatory settlement payments to deliver a four year project focused on a whole-systems population health programme, publishing the ['Gambling Harms Action Plan 23-26 \(https://www.greatermanchester-ca.gov.uk/media/8479/20230925-gm-gambling-harms-action-plan-vfinal.pdf\)'](https://www.greatermanchester-ca.gov.uk/media/8479/20230925-gm-gambling-harms-action-plan-vfinal.pdf) outlining their approach to intervene as far upstream as possible in gambling-related harm. This regional activity highlights the potential for an expanded approach to prevention which is tailored to local communities and that can work at scale.

Education initiatives

There are a range of education-based initiatives currently delivered by the third sector. In May 2020, [the Betting and Gaming Council provided £10 million to the charities YGAM and GamCare](https://bettingandgamingcouncil.com/news/10m-national-gambling-education-and-support-programme-launched-in-the-uk) (<https://bettingandgamingcouncil.com/news/10m-national-gambling-education-and-support-programme-launched-in-the-uk>) to deliver a national gambling education and support program with the aim to ensure all 11-19 year olds across the UK have access to gambling awareness education in school as part of their secondary or further education experience. Likewise, in 2022, [GambleAware awarded £2.5 million to GamCare, YGAM and partners, and Adferiad Recovery to expand The Gambling Education Hub Service](https://www.begambleaware.org/news/gambleaware-invests-ps25m-gambling-harms-prevention-education-programme-across-england-and-wales) (<https://www.begambleaware.org/news/gambleaware-invests-ps25m-gambling-harms-prevention-education-programme-across-england-and-wales>) across England and Wales as part of its commitment to help reduce gambling harms among young people. Other organisations active in this space, such as the charity Gambling with Lives and Betknowmore UK have annual expenditures of around £1m. We recognise that more can be done to enhance and improve the education of children and young people around the risks and harms associated with gambling, and the evidence which suggests that early initiation of gambling can increase the risk of problems in later life.

Frontline training

Frontline training can increase knowledge and capacity, across a range of services, to identify and intervene in gambling-related harm at the earliest possible opportunity, whether to provide brief advice or to triage to appropriate support and treatment services. Examples of previous activity in this space include: [GambleAware committed £1.5 million to fund Citizens Advice's gambling-related debt service](https://www.begambleaware.org/news/gambleaware-invests-15-million-in-partnership-with-citizens-advice) (<https://www.begambleaware.org/news/gambleaware-invests-15-million-in-partnership-with-citizens-advice>) concerted efforts to embed screening for gambling-related harm as part of routine questioning in custody settings, as well as an ongoing NIHR research project testing the feasibility of screening for gambling in mental health and substance misuse settings. However, we know there are a wider range of frontline services which come into regular contact with those experiencing gambling-related harms e.g. homelessness services and domestic violence services, which could benefit from capacity building.

While we welcome the efforts of all those involved in undertaking prevention activity, it is clear that coordinated work in this space is relatively underdeveloped, particularly when compared to prevention and early intervention in other areas, such as obesity, alcohol and drug use. We also need to consider closely the appropriate level at which prevention activity is commissioned under the new system. Our priority is to ensure a fair allocation across Britain, while developing an approach which meets the national and local needs of the public in England, Scotland and Wales.

Alongside any national prevention activity, the levy could encourage and support the delivery of more 'localised' interventions to help determine what works best in this new space. Regional and local authorities could play an effective role to embed a new approach to prevention given experience, expertise, proximity to the issues and understanding of the needs at play in local services and communities.

It is clear that the levy funding allocated to prevention should be at the highest end of the range proposed in the consultation, to begin to bring parity for how prevention is funded and prioritised in comparable public health issues. We also feel that effective intervention here will hopefully have a positive impact on the need for treatment and support.

In order to support efforts in this area, we will allocate 30% of levy funding to develop a comprehensive approach to prevention across all three nations of Great Britain. Ringfenced investment for these purposes will help to establish innovation in this area and support a strengthened, integrated and coordinated approach to prevention with an effective mix of interventions delivered at the national, regional and local level as appropriate.

Next steps

Delivering effective prevention activity at the local, regional and national levels with effective commissioning and oversight arrangements is highly complex and it is important we take the time to get the policy right. We consulted broadly on the topic of prevention in order to get the best evidence. Prevention is a crucial part of the government's efforts to tackle gambling-related harm, however, our priority must be to ensure necessary legislation has been passed to meet our commitment to having the levy in place by April 2025.

We recognise that bespoke approaches may also need to be taken in particular regions of England or in Scotland and Wales, to maximise impacts among specific at-risk groups and communities, while ensuring that spending decisions are led by evidence of need. We also want levy funding to drive coordination with the third sector, put the independence of funding and commissioning beyond doubt, and ensure prevention is led by the evidence of what works. DCMS will continue to carefully consider the most effective approach to prevention and will publish a further response document setting out our final decisions in the coming months.

Treatment

It is a priority for the government that the levy supports the development of a comprehensive treatment and support system for gambling-related harm, with an ambition to build a 'no-wrong-door' approach. We recognise that clinical treatment, such as through NHS specialist services is not right for everyone and that the vast majority of current support happens outside of the NHS. It is essential therefore that the levy guarantees funding for

services in the third sector meeting the full spectrum of needs, while the full treatment system is held to appropriate, uniform, and evidence-based standards.

This also means ensuring the location and spread of treatment services, the range of interventions available and the routes into treatment are evidence-based and are designed in a way which best supports the public's needs. Ringfenced statutory funding for treatment across Britain and a clear approach to commissioning across the full treatment system will help to improve and expand treatment services, advance standards of care, and embed a transparent approach to data sharing crucial for continuous learning and improvement. The levy presents an important opportunity to deliver on these priorities and, therefore, we will allocate 50% (up to c.£50 million) of levy funding across the NHS in England, and appropriate health bodies in Scotland and Wales for treatment and support services.

In England, gambling treatment is provided in clinical settings by the NHS and in community and residential settings by the third sector (charities and community organisations), who currently deliver around 90% of support and treatment activity (largely through GambleAware's National Gambling Support Network (NGSN)). The NGSN is currently the only route for gambling-specific treatment in Scotland and Wales. According to OHID, [35 of 153 upper tier local authorities in England had a treatment provider physically in the area](https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england) (<https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england>) in 2021/22, and there were treatment providers in all regions, except for the East of England (which has since seen an NHSE clinic open), but these are not evenly distributed across the country.

According to the Gambling Commission [Gambling Survey for Great Britain](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/statistics-on-gambling-participation-annual-report-year-1-2023-official) (<https://www.gamblingcommission.gov.uk/statistics-and-research/publication/statistics-on-gambling-participation-annual-report-year-1-2023-official>), the rates for adults considered to be experiencing gambling harm varies across the three nations. In England, 2.5% of adults are estimated to have a PGSI score of 8+, whereas in Scotland the estimated rate is 2.8% and 1.2% in Wales. However, we recognise the risk that the GSGB overestimates some gambling behaviours and its statistics are one data point among a range of others. For example, the [2021 Health Survey for England](https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/gambling) (<https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/gambling>) estimates that 0.3% of adults in England have a PGSI score of 8+ and the [2021 Scottish Health Survey](https://digitalpublications.parliament.scot/ResearchBriefings/Report/2022/12/12/bd948f62-f371-4af1-b54a-f1b2044a7eb4-1) (<https://digitalpublications.parliament.scot/ResearchBriefings/Report/2022/12/12/bd948f62-f371-4af1-b54a-f1b2044a7eb4-1>) estimates a 0.4% rate for adults in Scotland. The fieldwork for these surveys was conducted during the COVID-19 pandemic with reduced sample sizes and methodological changes. In Wales, [Public Health](https://phw.nhs.wales/news/harmful-gambling-early-education-key-to-addressing-urgent-public-health-issue/gambling-health-needs-assessment-for-wales/) (<https://phw.nhs.wales/news/harmful-gambling-early-education-key-to-addressing-urgent-public-health-issue/gambling-health-needs-assessment-for-wales/>) [Wale](https://phw.nhs.wales/news/harmful-gambling-early-education-key-to-addressing-urgent-public-health-issue/gambling-health-needs-assessment-for-wales/) (<https://phw.nhs.wales/news/harmful-gambling-early-education-key-to-addressing-urgent-public-health-issue/gambling-health-needs-assessment-for-wales/>)

[needs-assessment-for-wales/s \(PHW\) \(https://phw.nhs.wales/news/harmful-gambling-early-education-key-to-addressing-urgent-public-health-issue/gambling-health-needs-assessment-for-wales/\)](https://phw.nhs.wales/news/harmful-gambling-early-education-key-to-addressing-urgent-public-health-issue/gambling-health-needs-assessment-for-wales/) shows that 0.7% of adults in Wales were estimated to have a PGSI score of 8+ in 2018.

Together with the NGSN, the RCA Trust and GamCare, Castle Craig and Gamblers Anonymous Scotland provide vital support for those in need in Scotland. Those experiencing gambling-related harms can access support through the Addiction Recovery Agency which has been the NGSN service provider for Wales since 2019 and is funded by the charity GamCare. [Adferiad's Welsh Gambling Education Hub \(https://adferiad.org/services/welsh-gambling-education-hub/\)](https://adferiad.org/services/welsh-gambling-education-hub/) provides support for early identification and intervention services with young people with trained professionals and the [West Wales Action for Mental Health \(https://wwamh.org.uk/\)](https://wwamh.org.uk/) sponsored by the charity [Addiction Recovery 4 ALL \(https://www.recovery4all.co.uk/\)](https://www.recovery4all.co.uk/) provides community-driven and holistic support services.

It is clear that current treatment provision helps thousands of people in need each year and that the NGSN has been an important counterpart to the specialist services provided by the NHS in England. [In 2021 to 2022, there were 7,072 treatment episodes for residents of Great Britain across NHS and third sector providers, of which 6,467 were for English residents \(https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england\).](https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england) [The majority \(86%\) of episodes across Great Britain were for people experiencing issues due to their own gambling or risk of gambling harm for themselves and 14% were for people affected by someone else's gambling. With all 15 of the specialist treatment clinics committed in the \(https://www.longtermplan.nhs.uk/\)2019 NHS Long-Term Plan \(https://www.longtermplan.nhs.uk/\)](https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england) now accepting patients, we now have a system in England which provides a wide range of treatment options for people who are experiencing gambling-related harm, including affected others, and have some examples of strong working relationships between different parts of the system.

While we do not have national thresholds of harmful gambling, members of all these groups may benefit from accessing some form of treatment or support. [The Office for Health Improvement and Disparities' \(OHID\) assessment of the treatment system in England \(https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england\)](https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england) provides us with some understanding of who is showing up to gambling treatment from the NGSN annual reports. That report showed in 2021 to 2022, there were 55,853 total appointments across all treatment episodes. Most treatment episodes were for people with a gambling problem or for people who reported being at risk of developing a gambling problem (86%). The other treatment episodes were for affected others

(14%). The proportion of people being referred to treatment as an affected other has increased from a low of 9% in 2016 to 2017.

According to the Health Surveys, c.300,000 people in Great Britain are estimated to be experiencing 'problem gambling', defined as gambling to a degree which compromises, disrupts, or damages family, personal or recreational pursuits, and a further 1.8 million are identified as gambling at elevated levels of risk. While we think this represents a lower bound estimate and refers to 2016 data, the evidence shows that treatment access among those experiencing gambling-related harms is low and more needs to be done to get people the right help, when and where they need it.

Treatment seeking for alcohol and drug abuse appears much higher where [22% of dependent drinkers](#)

<https://www.gov.uk/government/statistics/substance-misuse-treatment-for-adults-statistics-2022-to-2023/adult-substance-misuse-treatment-statistics-2022-to-2023-report#peoplein-treatment-substance-sex-age>), and [42% of opiate and crack cocaine users](#) (<https://www.ndtms.net/ViewIt/Adult>) receive treatment.

Low awareness of gambling-related harm and the support available may have a role to play in the low numbers of people seeking help, as well as the stigma around harmful gambling discussed in the prevention section above. Evidence from those with lived experience shows that when people experiencing gambling harm did try to seek help, they found low awareness of the issue among these professionals, particularly GPs.

In 2022/23, as the strategic commissioner of third sector services, GambleAware allocated c.£25m to treatment services. The NHS England specialist gambling treatment clinics run at a total cost of c.£7 million per year. Naturally, costs differ across the NHS and third sector. In the NGSN, it costs £840 per person compared to £2000 per person in the NHS specialist gambling services (residential treatment services are by far the most expensive at £5,600 per person).

Given the limited awareness of gambling-related harm and available help and support, as evidenced by those with lived experience, it is reasonable to assume that through the prevention strand and activities to increase understanding and awareness, this will, in the short term, likely lead to greater demand for support and treatment services. Therefore, we also think that concerted effort is needed to improve the quality of and access to the entire range of support and treatment services which in turn requires greater initial investment.

The increased investment of up to £50 million offered by the levy, delivered through dedicated treatment commissioner(s) across Britain, will enable the development of an enhanced treatment and support system. This will cover the 15 NHS specialist services in England, and expand the coverage of third sector services which will continue to play a crucial role, supporting a transformation of treatment provision in Scotland and Wales, and delivering better treatment options, access and outcomes. Funding certainty and trust

in the independence of the funding will help us to introduce improvements across the full treatment pathway, from referrals through the [National Gambling Helpline \(https://www.gamcare.org.uk/get-support/talk-to-us-now/\)](https://www.gamcare.org.uk/get-support/talk-to-us-now/), to the full range of support and treatment services delivered by the NHS and third sector providers for those experiencing harms, either directly or as 'affected others', including primary care, peer support and aftercare services. This will enable many more people experiencing gambling-related harm to access the right care when and where they need it.

The UK, Scottish and Welsh governments are clear on the crucial role and expertise of the third sector in the future system. The third sector currently delivers the vast majority of support and treatment activity (largely through GambleAware's NGSN), and non-statutory services are currently the only route for gambling-specific treatment in Scotland and Wales. It is also the case that clinical forms of treatment, such as that provided through NHS England's specialist services is not necessarily right for everyone experiencing gambling-related harm.

However, with the commissioning oversight of NHS England and appropriate health bodies in Scotland and Wales supporting improved integration across the system, we will establish robust governance and data sharing structures allowing us to better monitor levels of treatment access and outcomes. We will share best practice across the system to create a culture of collaboration throughout the treatment and support system to better serve the needs of people experiencing gambling-related harm across Great Britain. Ultimately, we want absolute confidence, trust and accountability in the delivery, impact, quality and standards of care. The leadership of the NHS and appropriate health bodies in Scotland and Wales, working closely with an empowered and integrated third sector will help us to deliver the improvements we need.

Therefore we will allocate 50% of levy funding for treatment of gambling-related harms to NHS England, and appropriate bodies in Scotland and Wales, ensuring a fair allocation across the three nations to support the development of a world-leading treatment pathway to better serve the needs of those experiencing harms.

To provide clear and measurable outcomes for the treatment strand of the statutory levy system, we are setting the following objectives:

- **Driving access and integration:** we have come a long way in recent years in providing crucial support and treatment services for those who need it. However, improvements can be made in the levels of access and integration across the treatment system in Great Britain, ensuring provision of an appropriate mix of both clinical and non-clinical services. The increased investment through the levy will increase access for those experiencing gambling-related harm, ensuring they get the right care where and when they need it.

- **Improving data collection:** Closer integration across the gambling treatment system means improved communication and collaboration within the system. The levy will support effective triage and referral pathways across NHS and third sector services. It will enable improved data collection by facilitating a standardised or co-ordinated approach across NHS, other appropriate bodies in Scotland and Wales and third sector providers. Treatment commissioners will develop and implement uniform metrics to effectively monitor service provision, treatment need and demand, and service user outcomes to support continuous improvement.
- **Robust evaluation:** Monitoring the effectiveness of the new treatment and support system is vital. The levy will facilitate robust and regular evaluation of services to help continually inform our approach to treatment to ensure the needs of those in the treatment system are effectively met.

Next steps

We will work with NHS England and appropriate bodies in Scotland and Wales, in collaboration with third sector providers across all three nations, to design and deliver a world-leading approach to treatment of gambling-related harms across Great Britain.

An integrated approach across RPT

We recognise that while each of the commissioning leads outlined above will have responsibility for distinct areas of work, there is a need to ensure the Gambling Commission, UKRI, the NHS, and appropriate bodies in Scotland and Wales, take a collaborative approach to ensure alignment across the three workstrands. It will be essential that timely data and evidence developed across RPT shapes our overall approach to reducing gambling-related harm. However, it is equally important that each area of RPT has sufficient funding clarity and certainty for long-term planning. We will put in place robust governance arrangements through which commissioning leads will have an appropriate forum to collaborate, and provide and receive advice on strategic and funding priorities. Further details are provided in [Part 3](#)

<https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#part-3-the-governance-of-the-levy>.

Fair allocation across Great Britain

The statutory levy will be applied across Great Britain and as such this chapter addresses spending on projects and services across all three nations. As set out in the introduction, while gambling policy is substantially reserved in relation to Scotland and Wales, health policy is a devolved matter. Through this consultation we have given further consideration to a fair allocation of levy funding across Great Britain, with particular

consideration given to funding directed for health purposes such as treatment.

[The Barnett Formula \(https://lordslibrary.parliament.uk/the-barnett-formula-how-it-operates-and-proposals-for-change/\)](https://lordslibrary.parliament.uk/the-barnett-formula-how-it-operates-and-proposals-for-change/) is the traditional process through which the devolved governments (Scotland, Wales and Northern Ireland) receive grants from the UK Government that fund most of their spending. The Barnett formula takes the annual change in a UK government department's budget and multiplies it by two figures that take into account the relative population of the devolved government (population proportion) and the extent to which the UK department's services are devolved (comparability percentage). The calculation is carried out for each UK department and the amount reached is added to the devolved governments' block grant. The UK government provides other grants outside of the block grant. These are often for less predictable, demand driven spending. The UK government and devolved governments negotiate these grants. The Barnett formula does not determine their change.

It is a priority for the government that we strike an appropriate balance between following the legislative framework which is clear that levy funding must be ringfenced for gambling-related purposes, while protecting the overarching principle of the autonomy of the devolved government on health matters. While we recognise that there are country-specific factors which can drive treatment need and demand, and that gambling-related harm is often comorbid with wider social, health and mental health factors, our approach to distribution will deliver a system which is attentive to need and demand across Britain and provides for the delivery of projects and services at the appropriate scale, whether at the national, regional or local level.

[Treatment provision is particularly varied across the three nations. \(https://www.gov.uk/government/publications/gambling-treatment-need-and-support-prevalence-estimates/gambling-treatment-need-and-support-in-england-main-findings-and-methodology\)](https://www.gov.uk/government/publications/gambling-treatment-need-and-support-prevalence-estimates/gambling-treatment-need-and-support-in-england-main-findings-and-methodology) The treatment system in England is significantly more developed across both third sector and specialist NHS-delivered services. As such we have a better, though still incomplete, understanding of gambling-related harm and treatment needs in England compared to the devolved governments. However, there are ongoing efforts in Scotland and Wales to estimate treatment needs for their respective populations with Public Health Wales's 2022 [Gambling Health Needs Assessment \(https://phw.nhs.wales/news/harmful-gambling-early-education-key-to-addressing-urgent-public-health-issue/gambling-health-needs-assessment-for-wales/\)](https://phw.nhs.wales/news/harmful-gambling-early-education-key-to-addressing-urgent-public-health-issue/gambling-health-needs-assessment-for-wales/) and Public Health Scotland's needs assessment planned in the coming months.

It is nonetheless challenging to take a strictly needs-based approach to funding allocation across Britain, though this may become possible in future years as we develop the evidence base through the levy and improve and expand treatment provision across GB.

On balance, we think the Barnett formula is an efficient and well-established approach to fair funding allocation, especially for health purposes. We will adopt this approach for the direction of levy funding for treatment. As described above, NHS England, and appropriate bodies in Scotland and Wales will work together to build up treatment capacity, ensuring the National Gambling Helpline, specialist services and third sector services are easily accessible and are sufficiently integrated to ensure people experiencing harm across Britain can get the help they need where and when they need it.

Part 3: The governance of the levy

Summary

The government is committed to ensuring robust governance arrangements are in place for the levy. In line with our ambition to improve and expand RPT, effective oversight and critical expertise will constitute key aspects of the future levy system. Based on responses and evidence received through the consultation, we will introduce the following initial governance arrangements to ensure sufficient transparency and accountability:

- **A Gambling Levy Programme Board (LPB)** will be established as the central oversight mechanism for the government, bringing together key government departments, including DCMS, HM Treasury, DHSC and DSIT, as well as representatives from the Scottish and Welsh governments. We will monitor the membership of the Levy Board and assess whether membership needs to be broadened in the future as the levy system develops.
- **A Gambling Levy Advisory Group (LAG)** will be established to provide a forum through which relevant experts can provide advice on funding priorities and emerging issues in support of commissioning bodies' efforts to deliver on the government's objectives. The Advisory Group will be chaired by DCMS, with the Gambling Commission and commissioning leads as permanent members, and representatives from a range of stakeholder groups including, but not limited to, public health, lived experience, criminal justice, research, the third sector and local government.
- **We will conduct a formal review of the levy system within 5 years**, where the structure and health of the levy system will be assessed and any necessary adjustments made to ensure we are achieving our aims and objectives.

The consultation

A clearly defined governance structure is needed to ensure the long-term sustainability and effectiveness of the statutory levy system. It is a priority for government to avoid arrangements which are burdensome or convoluted. We also recognise the need to provide clarity and transparency for levy payers and the public, and to set out how levy funding is being used and ensure the statutory levy is delivering on its core objectives. The consultation therefore asked the following questions regarding the creation of robust governance arrangements, including a Levy Board and Advisory Group, and the need for a review of the levy every 5 years:

The government proposes that administration of levy fund distribution by the Gambling Commission and RPT commissioning bodies should have formal oversight from a central government Levy Board, and decision-making support from an expert Advisory Group.

8a. Do you agree with the proposed role and remit of the Levy Board? (Yes/No/I don't know)

8b. Please explain your answer. (Free text box)

8c. Do you agree with the proposed role and remit of the Advisory Group? (Yes/No/I don't know)

8d. Please explain your answer. (Free text box)

8e. Please provide any additional views or evidence in this area the government should consider here. (Free text box)

The government proposes that DCMS and HM Treasury approval of expenditure of levy funding will be supported by a Levy Board, with levy receipts and sums distributed for the purposes of research, prevention and treatment reported each year.

9a. Do you agree with our proposal for DCMS and HMT approval of levy spending to be supported by a Levy Board to provide

broader government oversight of the allocation of levy funds?

(Yes/No/I don't know)

9b. Please explain your answer. (Free text box)**9c. Is anything further the government needs to consider in putting in place robust accountability mechanisms into the levy system?** (Free text box)

To provide sufficient time for the statutory levy system to build up to - and work at - full capacity, the government proposes that the first review of the statutory levy is conducted every five years from when the levy is in force. The review will assess levy rates and the target sum of around £90 million to £100 million, as well as the distribution of funds across research, prevention and treatment strands and potential to use levy funding for other projects related to the licensing objectives.

10a. Do you agree with the proposal for a review of the levy every five years? (Yes/No/I don't know)**10b. Please explain your answer.** (Free text box)

Summary of consultation responses

Levy Board

83% of respondents agreed with the proposed role and remit of the Levy Board, whilst 16% did not agree. Similarly, 84% of respondents agreed with the proposal for DCMS and HMT approval of levy spending to be supported by a Levy Board to provide broader government oversight of the allocation of levy funds, and 15% did not agree. Respondents recognised the importance of transparency and accountability in the allocation of levy funding, and of a guarantee that the Levy Board's independence is beyond doubt. Some respondents called for the Levy Board to be the independent body to oversee the disbursement of levy funding and take a leading role in the development and implementation of an overarching National Strategy.

Various respondents felt that the consultation did not offer enough clarity on the role and remit of the Levy Board. A number of respondents, particularly from public health organisations and treatment providers, called for the Department of Health and Social Care (DHSC) to have a more prominent leadership role on the Board and questioned the appropriateness of final approval of the expenditure of levy funding sitting with only DCMS and HM Treasury.

Some charitable organisations and think tanks also called for membership of the Board to be widened to include other government departments such as Ministry of Justice (MoJ), Department for Education (DfE), Children's Commissioner, Department for Work and Pensions (DWP), and Ministry of Housing, Communities and Local Government (MHCLG), in recognition of the comorbid and intersectional nature of gambling-related harm and the expertise held in those Departments. Various industry respondents also felt that membership should be broadened to give industry the opportunity to contribute alongside government officials and regulatory bodies.

Advisory Group

70% of respondents agreed with the proposed role and remit of the Advisory Group, and 29% did not agree. Respondents that were in favour of the proposal included public health organisations, treatment providers, local councils, academic and charitable organisations, which argued that such a Group would provide essential expert knowledge and ensure a well-rounded perspective. There was clear recognition that an Advisory Group would allow the government to convene experts in a broad range of relevant fields, including those impacted by gambling-related harm and across the third sector which have shown leadership in providing crucial services, to help shape strategic and funding priorities.

Further, there was a consistent call on the government to establish a clear definition of conflicts of interest and how these would be dealt with through appropriate governance arrangements. However, this was read in a number of ways with many respondents outside of the industry expressing the view that there should be no industry representation in the group, and that the Advisory Group must be independent as to not damage its credibility and trust. On the other hand, industry stakeholders argued for the inclusion of industry in the group as they felt industry could provide valuable insights and expertise, and there was a risk that an Advisory Group would have an inherent anti-gambling bias which the government should also consider a conflict of interest. Some argued that the exclusion of industry would therefore limit the knowledge base and undermine the Group's credibility.

Review of the levy

Overall, respondents were divided on the proposal for a review of the levy every five years: 49% of respondents agreed and 51% disagreed. For those respondents that agreed, with representation from local authorities,

charities, industry and industry stakeholders, the five year period would allow the system to be fully developed and tested, as well as to offer enough time to build evidence to make informed decisions. Some respondents argued that a longer review period was needed e.g. every seven years in line with the Horserace Betting Levy.

The majority of respondents who disagreed with the proposed review period called for review to happen every 3 years given the significant change to funding and commissioning arrangements and provide an opportunity to respond to operational issues that may arise post-implementation. Respondents also raised that the review period should be set in such a way as to allow the levy to respond to impacts of current financial climate, the continually changing nature of the gambling landscape across operators and different gambling products, and across changing technology and software. There were also arguments that governance arrangements needed to provide the levy system with sufficient fluidity to adjust its design in response to emerging evidence.

Our response

The government is committed to ensuring robust governance arrangements are in place for the levy. In line with our ambition to redouble efforts and raise standards across RPT, effective oversight and critical expertise will constitute a key aspect of the future levy system. We have listened carefully to stakeholders who have rightly called on us to provide greater clarity regarding the roles, responsibilities and outcomes we are planning for within the governance of the levy. After careful consideration of the evidence received through the consultation, we will introduce a Gambling Levy Programme Board and a Gambling Levy Advisory Group which together will deliver effective and transparent governance arrangements without creating burdensome or overly complex processes.

As above, it is important that there are clear principles in place to guide the initial governance and accountability mechanisms for the levy. In line with the consultation, the initial governance arrangements for the levy set out below will deliver on the following objectives:

Following the legislative framework: Despite the absence of statutory provisions on the levy's governance in the Gambling Act 2005, we recognise the importance of robust governance arrangements to ensure levy funding is used in line with the purposes set out in legislation. It is important that organisations in the system as well as the wider public have clarity on the planned use of levy funding.

Appropriate government oversight: It is crucial that there are appropriate oversight mechanisms for relevant government Departments and Ministers

regarding the performance of the levy system. While it is essential that spending decisions and priorities are led by the evidence combined with the expertise of the commissioning bodies, it is right that the government has a role in ensuring funding is having an impact on the ground for people across our country.

Engaging the experts: The government wants the priorities for the distribution of levy funding to be led by an ongoing assessment of the evidence of what works and where funding is needed most. We want governance arrangements to be designed to include relevant expertise, manage conflicts of interest, while recognising that a wide spectrum of views and insights will be needed to shape our objectives and monitor the outcomes of the levy system.

Gambling Levy Programme Board

The Gambling Levy Programme Board (LPB) will be the central oversight mechanism for the government, bringing together key government departments as well as representatives from the Scottish and Welsh governments. The LPB will have the following role:

- **Oversight:** Monitor the overall functioning and health of the levy system and ensure delivery of objectives and commissioning priorities in the distribution of the levy
- **Allocation:** Ensure funding is allocated appropriately and fairly across the research, prevention and treatment strands, and across Great Britain in line with the statutory framework.
- **Sign-off:** Provide formal sign-off for the Gambling Commission to administer the distribution of levy funds with appropriate conditions, where needed, to commissioning bodies

The LPB will leverage departmental expertise and ensure relevant public bodies are delivering on the government's aims to improve and expand research, prevention and treatment of gambling-related harm. It will consist of representatives from:

- DCMS, as government lead on gambling policy
- HM Treasury, as government lead on taxes
- Department of Health and Social Care, as government lead on treatment for gambling-related harm and public health
- Department for Science, Innovation and Technology, as government lead for research
- The devolved Scottish and Welsh governments as responsible for health in Scotland and Wales

We will monitor the membership of the LPB and assess whether membership needs to be broadened in the future as the levy system

develops and as we look to make progress against the objectives outlined in [Part 2 \(https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#part-2-the-distribution-of-the-levy\)](https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?preview=8326103#part-2-the-distribution-of-the-levy).

The LPB will be established ahead of the commencement of the levy in April 2025, when the statutory levy will come into force. We recognise that time will be needed to establish the LPB and ensure roles and responsibilities are understood and workable in practice. To support this, DCMS, with HM Treasury support has set out the initial allocation of levy funding for Year 1 of the new system (2025/26), establishing an appropriate baseline.

In subsequent years, the LPB as a whole will assume responsibility for confirming funding allocations across RPT, with final approval resting with DCMS Secretary of State and HM Treasury in line with provisions in the Gambling Act 2005. We expect the Board to meet on a quarterly basis with relevant government Ministers attending the final Board session each year. High-level spending and commissioning decisions made by UKRI, the prevention commissioner and NHS England, and appropriate bodies in Scotland and Wales will be provided to the LPB with decisions made on future allocations confirmed in the final Board meeting each year, subject to ministerial agreement.

To maintain transparency, we expect to publish an Annual Report setting out the use of the levy each year. The Gambling Commission will publish levy receipts and allocation across RPT each year. Further consideration will need to be given on the specific form this will take. Commissioning leads could publish annual spending and commissioning decisions as part of standard annual reports and accounts or a bespoke publication on the levy.

Gambling Levy Advisory Group

The gambling Levy Advisory Group (LAG) will be a key advisory mechanism and forum through which relevant expertise can shape funding priorities in support of commissioning bodies' efforts to deliver on the government's objectives. As such, we propose the Group will deliver:

- **Expert advice:** provide expert, informal advice for commissioning bodies on strategic and funding priorities
- **Innovation:** raise emerging issues in the gambling sector or relevant new evidence from other sectors and health areas to explore new areas of work.
- **Integration:** Facilitate appropriate integration and collaboration between commissioning leads and the RPT sector more broadly.

We understand that in order to maximise the effectiveness of this advisory mechanism, membership of the LAG should be related to specific questions

and priorities around which leading expertise can be mobilised. We want to ensure that the LAG provides a forum for a diverse range of expertise and perspectives. As the government lead on gambling policy, the Advisory Group will be chaired by DCMS, with the Gambling Commission and commissioning leads as permanent members. Members of the LAG may include representatives from the following categories:

- Public health
- Clinicians
- Local government
- Criminal justice
- Lived experience
- Research and academia
- Domestic and international regulators
- Charities and the third sector

The first Advisory Group will be established ahead of the commencement of the levy in April 2025, when the statutory levy will come into force. As part of this process, a decision will be taken on DCMS' approach to the membership of the LAG and whether members will be invited on an ad hoc basis depending on the key priorities for discussion, or serve as a group for a fixed period. The government recognises the importance of ensuring the independence of this group and appropriate steps will be taken to manage conflicts of interest. To align with the LPB, the Advisory Group will meet on a quarterly basis. Members of the Advisory Group can provide informal advice to commissioning leads as part of their role.

Review of the Levy

As set out in the consultation, we recognise that the needs, demands and priorities of the system may change over time as the projects and services funded through the levy begin to have an impact. We want the levy to be an important part of the government's wider objective of reducing gambling-related harm, and so we are committing to regularly monitoring the system to ensure it is delivering on its objectives.

The first review will occur within 5 years following the commencement of the levy, when the structure and health of the levy system will be assessed and adjustments can be made to ensure we are achieving our aims and objectives. This review could examine whether the allocations across research, prevention and treatment are working and whether the objectives for the system are effective. This will provide sufficient time for the system to develop and become fully functional. However, we will maintain an agile approach to monitoring and evaluation, in line with objectives set out in [Part 2 \(https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?\)](https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators/outcome/government-response-to-the-consultation-on-the-structure-distribution-and-governance-of-the-statutory-levy-on-gambling-operators?)

[preview=8326103#part-2-the-distribution-of-the-levy](#)) of this response, and should we see evidence of issues in the system, we will take appropriate action.

Annex A: List of responding organisations who agreed to attribute their response to their organisation

abrdrn Financial Fairness Trust

Al-Hurrayya

All-Party Parliamentary Group on Gambling Related Harm

Association of Charity Lotteries in Europe

Association of Directors of Public Health Yorkshire & the Humber

Association of Police and Crime Commissioners

Ara Recovery for All

Betknowmore UK

Birmingham City Council Public Health Division

Buzz Group Limited

BV Gaming Limited

Cats Protection

Citizens Advice

Clean Up Gambling

CLOSER, UCL

Department of Public Health (Manchester City Council)

Durham County Council

EPIC Global Solutions

Entain plc

Fast Forward

The Football Pools Ltd.

Flutter Entertainment

GambleAware

Gamban

GamCare

Gambling Harm UK

Gambling Research Group, Bournemouth University

Gambling Research Glasgow at the University of Glasgow

Gamesys Operations Limited

Greater Manchester Combined Authority (GMCA)

Guide Dogs for the Blind Association

Humberside Police

Jenningsbet

Local Hospice Lottery

London's Air Ambulance Charity

London Borough of Camden

Midlands Air Ambulance Charity

Midlands Partnership University NHS Foundation Trust

Macmillan Cancer Support

Money Advice Scotland

Newcastle City Council

NHS England

Peers for Gambling Reform

Postcode Animal Trust

Postcode Earth Trust

Postcode Education Trust

Postcode Global Trust

Postcode Innovation Trust

Postcode International Trust

Postcode Society Trust

Public Health Scotland

Public Health South Tees, on behalf of Middlesbrough Council and Redcar & Cleveland Borough Council

Rank Group

Sheffield Addictions Research Group, University of Sheffield

Shropshire, Telford & Wrekin NHS

Social Market Foundation

Sunderland City Council

Tameside Metropolitan Borough Council-Population Health

The Air Ambulance Service

The Bingo Association Ltd

The Gambling Business Group

Tower Lottery Partnership Ltd

UK Tote Group

United Council of Racecourse Bookmakers (UCORB) - formerly Federation of Racecourse Bookmakers

Videoslots Limited

Ygam (Young Gamers and Gamblers Education Trust)

West Midlands NHS Gambling Harms Clinic

888 / William Hill

OGL



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