

NORTHERN IRELAND ASSEMBLY ALL PARTY GROUP ON REDUCING HARM RELATED TO GAMBLING

Response to the Department for Culture, Media and Sport's
Consultation on the statutory levy on gambling operators

14 December 2023

Response summary

- The UK-based gambling industry has had minimal voluntary contributions to fund research, prevention and treatment in Northern Ireland. This suggests that the previous system has been superficially adopted regarding Northern Ireland, leaving individuals and communities here at higher risk.
- The APG questions the decision to exclude Northern Ireland from all considerations of a statutory levy on gambling operators in the UK, when remote operators must be licensed by the Gambling Commission to advertise here.
- The APG urgently requests that a share the proposed statutory levy on gambling operators be allocated to help fund research, prevention and treatment in Northern Ireland in line with other parts of the UK.
- To facilitate the extension of the levy distribution mechanism to Northern Ireland, the APG recommends that remote gambling operators advertising in NI, by means of remote communication, should be required to submit GGY data in their regulatory returns for their operations in both Great Britain and Northern Ireland.
- As regards funding towards prevention, the APG recommends that the government reassess the level at which the levy is set, to ensure parity with what the gambling industry is prepared to spend to counteract any measures.
- The APG recommends that all the commissioning bodies on the levy board are statutory bodies, such as the Public Health Agency in Northern Ireland, to provide rigour and accountability to how significant public funds are spent.

Introduction

The Northern Ireland Assembly All Party Group on Reducing Harm Related to Gambling welcomes the opportunity to submit a response to the DCMS' [consultation on the statutory levy on gambling operators](#). We trust that our perspective will be taken into account as you consider the implications of the proposed statutory levy.

The [All Party Group \(APG\) on Reducing Harm Related to Gambling](#) was established to address issues associated with gambling harm in our communities. All Party Groups provide a forum in which MLAs and outside organisations and individuals can meet to discuss shared interests in a particular cause or subject. The content of this submission is informed in part by two inquiries the APG has completed: the first on the [Future Regulation of Gambling in Northern Ireland](#), and the second on [Gaming Machines in Northern Ireland](#). The APG is currently undertaking an inquiry on [Public Health Approaches to Tackling Gambling Harm](#), which is due to conclude in the coming weeks. [Chambré](#) is the Group Secretariat, and Secretariat support is funded by Derek Webb.

Gambling regulation is a devolved matter in Northern Ireland, where it falls under [The Betting, Gaming, Lotteries and Amusements \(Northern Ireland\) Order 1985](#) and [The Betting, Gaming, Lotteries and Amusements \(Amendment\) Act 2022](#). As such, much of the UK Government's white paper on Gambling Regulation '[High Stakes: Gambling Reform for the Digital Age](#)' will not cover regulation here, apart from the issue of certain forms of advertising and promotion of gambling, which is a reserved matter (discussed below). One of the key proposals in the White Paper is the introduction of a statutory levy, paid by operators and collected and distributed by the Gambling Commission under the direction and approval of Treasury and DCMS ministers, and introduced via secondary legislation.¹ It is worth noting that the [2005 Gambling Act](#) already contains the provision for a statutory levy², and that since that legislation was implemented nearly 20 years ago, this was not done, despite calls from those with lived experience, charities, academics and clinicians.³

Response

The statutory levy is intended to represent “a generational shift in the funding system for research, prevention and treatment,” replacing the current system of voluntary industry contributions.⁴ It is striking that since its inception in 2005, the UK gambling industry - most notably members of the Betting and Gaming Council (BCG)- have had minimal participation in the voluntary funding scheme as it relates to Northern Ireland.

One would hope that this situation would be improved with the introduction of a statutory levy. However according to the UK Government, this levy, as it is currently proposed, will not apply to Northern Ireland.⁵ⁱ We question this decision to exclude Northern Ireland, as although gambling is a devolved matter, there are certain aspects of gambling regulation which remain reserved, and there is a strong argument that some of the funds from the levy should rightfully be used for research, prevention and treatment here.

The Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985 does not reference remote or online gambling, and no licences have been issued to remote online gambling operators to permit them to operate in this jurisdiction.⁶ The Gambling (Licensing and Advertising) Act 2014 partially addressed this gap, by making it an offense to advertise in Northern Ireland without a GB licence.⁷ As a result, remote gambling operators must be licenced by the Gambling Commission to advertise in Northern Ireland. It is logical to assume that if the Commission is licensing activities in Northern Ireland, then part of the funds which it collects from the operators should also be directed here. However, under the current proposals, individuals in Northern Ireland who gamble remotely do not contribute to the annual levy through the percentages charged on gambling gross yield (GGY), and therefore they would not be subject to any of the benefits and protections arising from that levy. The APG would remind the DMCS that the UK Government has a duty of care to individuals and communities not just in Great Britain, but in Northern Ireland, as our communities are affected by the same addictive gambling products.

This situation is made all the more urgent by the fact that Northern Ireland has a much higher rate of gambling harm when compared to GB. The last [Gambling Prevalence Survey](#) undertaken between the Northern Ireland Statistics and Research Agency (NISRA) and the Department for Communities was done in 2016, and identified 2.3 per cent of the population as having a gambling problem.⁸ While this likely underestimates

ⁱ Indeed, in the online survey which has been offered as part of this consultation, in Section 2b, respondents from Northern Ireland can only respond under the “Outside of Great Britain” option.

the number of problem gamblers here,ⁱⁱ it is still more than four times higher than that recorded in Great Britain.⁹ Yet despite the fact that the prevalence of gambling harm is much higher here, we have been left out of the conversation when it comes to the funding and provision of research, prevention and treatment.

Given the scope of upcoming reforms in Northern Ireland and the current lack of an Executive, it will likely be many years until an updated set of gambling laws are passed at Stormont, and even longer before a hypothetical levy would begin to function here. Individuals and communities in Northern Ireland, already suffering from much higher rates of gambling harm than those in GB, cannot wait that long. **The APG therefore urgently requests that a percentage of the proposed levy on gambling operators be specifically allocated for the provision for research, prevention and treatment in Northern Ireland.**ⁱⁱⁱ

The HSC (NHS) in **Northern Ireland should, therefore, get a share of the levy allocated to fund treatment and support services in the NHS** in line with other parts of the UK. The region should also **benefit from the proposed establishment of a Gambling Research Programme (GRP) and be included in the proposed GB-wide approach to prevention, early intervention and education.**

This is not something that can be deferred to the first review of the levy, which is suggested to occur five years from when the levy is in force.¹⁰ It must be addressed in this round of consultation.

In the [consultation document](#), Section 3d asks if the Government should consider “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”.¹¹ **The APG suggests that the remit of any future distribution mechanism be extended to include Northern Ireland.** The funds deriving from this will be crucial for ensuring the necessary support for vulnerable people in Northern Ireland while we work towards establishing a self-sustaining mechanism capable of effectively managing and mitigating the impacts of gambling harm here.

ⁱⁱ This 2.3 per cent refers only to those classified as problem gamblers within a single year and ignores the reality that gamblers move in and out of gambling harm, meaning the longitudinal incidence of gambling harm is of course higher. A more accurate model would count the number of people who experience gambling harm at some time in their lifetime.

ⁱⁱⁱ It is noteworthy that bodies like GAMSTOP successfully take a UK-wide (including Northern Ireland) approach in their activities.

In terms of the distribution of the levy, the APG agrees that it is appropriate that the majority (40-60 per cent) be allocated for treatment. However, we again call for a share of this go to the NHS in Northern Ireland (Health and Social Care – HSC). This can be administered via the Department of Health here.

While 15-30 per cent of funding going towards prevention would provide some upstream support, the APG would remind the DCMS that even in the most optimistic scenario, the funds raised for prevention under the proposed level would be dwarfed by that which the industry is willing to spend on advertising, which by some estimates is at least £1.5 billion on online advertising alone.¹² By not raising and allocating enough of the levy to fund prevention, the Government risks swimming against an impossible tide, as gambling operators will easily be able to counteract any levy measures by continuing to pump billions of pounds into advertising. **The APG therefore recommends that the Government reassess the level at which the levy is set, to ensure parity with what the gambling industry is prepared to spend to counteract any prevention measures.**

The APG agrees that a Levy Board should be established. The APG recommends however that all the commissioning bodies on the levy board are statutory bodies. The introduction of statutory levy to “*put the independence of funding beyond absolute doubt*” will only be achieved by ensuring that decisions on funding and commissioning are taken via statutory bodies.

A consistent issue as regards tackling gambling-related harm in Northern Ireland concerns the lack of data. While the APG agrees that 10-20 per cent of the levy is appropriate for research, **we would urge that some of these funds be directed to NI-specific research projects** through the proposed GRP led by led by UK Research & Innovation (UKRI) .

Moreover, as the APG has alluded [elsewhere](#), the collection of data is an issue between jurisdictions. The Gambling Commission provides detailed data on gross gambling yield (GGY) for GB, but it does not do so for Northern Ireland. Instead, it provides combined figures for GB and other 'non-GB' jurisdictions. Remote gambling operators advertising in NI, by means of remote communication, should be required to submit GGY data in their regulatory returns for their operations in both Great Britain and Northern Ireland. This would allow the levy to reflect operators' GGY across the whole of the UK and allow NI to receive its fair share. This data also would be hugely valuable in understanding the prevalence of gambling here.

Conclusion

It will be several years before Northern Ireland has a fit for purpose regulatory framework for gambling and even when this is in place the authorities here will face immense challenges in putting in place a statutory levy on operators. The APG's proposals provide a glimmer of hope to a part of the UK that has the highest prevalence rates of problem gambling and currently faces a bleak outlook when it comes to addressing gambling related harms within its population.

References

¹ Department for Culture, Media and Sport (2023). [‘High Stakes: Gambling Reform for the Digital Age’](#), p. 8, 14.

² [Gambling Act 2005](#), Section 123.

³ Social Market Foundation (2022). [The Case for a Statutory Gambling Levy](#).

⁴ Department for Culture, Media and Sport (2023). [Consultation on the statutory levy on gambling operators](#).

⁵ Department for Culture, Media and Sport (2023). [Consultation on the structure, distribution and governance of the statutory levy on gambling operators](#).

⁶ [The Betting, Gaming, Lotteries and Amusements \(Northern Ireland\) Order 1985](#)

⁷ [Gambling \(Licensing and Advertising\) Act 2014, Section 5](#).

⁸ [Northern Ireland Gambling Prevalence Survey](#), 2016.

⁹ Karlsson, A., & Hakansson, A. (2018). [Gambling Disorder, increased mortality, suicidality and associated comorbidity: A longitudinal nationwide register study](#). Journal of Behavioural Addiction 7(4), 1091-1099.

¹⁰ 5, section 3

¹¹ 5, section 3

¹² GambleAware (2018). Press Release: [Gambling companies spend £1.2 billion marketing online, five times more than on television ads](#)