



**Rt Hon Lisa Nandy MP**

Secretary of State,

Department for Culture, Media and Sport

100 Parliament Street

London

SW1A 2BQ

United Kingdom

7<sup>th</sup> April 2025

Dear Secretary of State,

**Governance of the Statutory Levy for Research, Prevention and Treatment of Gambling Harm**

I am writing to you in response to the appointment of commissioning bodies for research, prevention and treatment ahead of the introduction of a statutory levy on gambling scheduled to take effect on 6<sup>th</sup> April 2025.

The government has estimated that the levy will raise circa £100m per annum which if actualised represents a 66% expansion of the amount of funding available under the current system. Combined with the appointment of NHS, OHID and UKRI as statutory commissioners this represents seismic change for the sector and whilst increased funding will often be seen as a positive step, the fact that this is now taxpayer funds means that it is imperative that an effective governance process is in place to ensure that it is the end user, the UK public that remain the primary beneficiaries of this funding and that the levy provides quality of service and value for money.

I represent Better Change, an organisation founded in 2021 with the purpose of preventing gambling harm through Positive Play. In my previous experience I have worked within the gambling industry as a manager of betting shops as well as having the privilege of spending five years working as part of the National Gambling Treatment Service with Gordon Moody, an organisation who for over 50 years have provided residential care for those most affected by gambling harm.

Throughout my career I have always prioritised the experience and the wellbeing of the end user. Working in gambling I was recognised for my commitment to customer service and responsible gambling. During my time at Gordon Moody we used voluntary industry contributions to keep our services open throughout the pandemic earning praise from Dudley department of health for going above and beyond the required standards in testing and safety modifications in the care community, as well as opening the first purpose-built treatment centre for women affected by gambling. We published our own data and also contributed to the GambleAware annual treatment statistics so that we could provide both evidence of the effectiveness of our work and also insight into the future demands and changing trends in the research, education and treatment of gambling harms.



It is for this reason that I feel compelled to write to you to express my grave concern that funds raised through the statutory levy are at risk of misuse by both its recipients and those appointed as statutory commissioners.

Given my position now with Better Change where we work with the gambling industry on the early prevention of gambling harm, it is unlikely that we will be beneficiaries of the levy. There have been numerous statements made claiming that the levy will be independent of industry involvement as well as organisations who work with the industry. Whilst this is disappointing as we will lose the insight and experience of thousands of people who work in safer gambling everyday either in operator roles or with organisations such as Better Change, it demonstrates that the motivation for this correspondence is not for financial gain, instead it is to ask that given the extraordinary increase in funding that the levy will bring, that there is a transparent and robust governance framework that will ensure public money is well spent and provides the best possible service for those who need it.

Whilst there have been welcome assurances from the Gambling Commission, the gambling minister Baroness Twycross and the shadow minister Stuart Andrew MP at recent events of the importance of the 3<sup>rd</sup> sector bodies that have been instrumental in tackling gambling harm for over half a century, there remains an alarming lack of transparency or accountability around how the levy will be managed and distributed with justifiable concern from organisations affected that they will be at a disadvantage due to their participation in the previous voluntary scheme. This would undoubtedly have an effect on the service users who have benefitted from these organisations for many years both in accessibility as well as quality of service.

With this in mind I would like to ask the following questions which iterate my cause for concern and that the answers to which would provide an assurance that the governance of the levy will be fair, transparent and open.

#### **How was the size of the levy determined?**

As previously stated, the levy represents a 66% increase in funding compared to the current system with 50% earmarked for treatment. Despite the NHS claiming that admissions for treatment have “doubled” in the last year this is from a relatively low base of less than 1,000. The latest treatment statistics released from GambleAware show that the number of clients referred last year has fallen by 24% from its pre-covid high in 2019 of over 10,000. Even combined with NHS data demand for treatment has fallen in the last 5 years. The Gambling Survey for Great Britain (GSGB) from the Gambling Commission has suggested that the percentage of people classed as problem gamblers could be higher than previously thought at 2.5%. This however does not represent a large spike in gambling related harm. By the Gambling Commission’s own admission, the number could be lower and has advised that it should not be used in comparison with previous data. Previous data collected by the Gambling Commission between 2018 and 2023 has shown a steady decline in problem gambling from 0.7% to 0.3%. This was also mirrored in the Public Health England report of 2018 which estimated problem gambling to be at 0.4%.

#### **What is the purpose of the increase?**



Without seemingly the demand for additional treatment space, the decision has been made to increase funding by 66%. Other areas of preventing or addressing harm such as self-exclusion schemes, player tracking and customer interactions as well as industry staff training are all paid for by the gambling industry and to the best of my knowledge will continue to be so. The National Gambling Helpline has seen steady increases in users due to moving to a 24hr service as well as including other forms of contact such as text chat and social media but its annual usage of 50,000 calls is not an expensive resource. It is noticeable that more NHS clinics have been set up as well as new organisations affiliated with the NHS that will expect to benefit from the levy, but without the proven demand is funding this growth in the provision of service compared with the existing network a good and sustainable use of funding.

### **What process exists for those who wish to access levy funding?**

To date there has been no indication from any of the commissioning bodies as to how an organisation may request access to or tender for levy funding. Better Change are a listed provider on the Gambling Commission's list of organisations approved to access voluntary funding for prevention but there has been no correspondence from OHID or any other organisation as to how to access the levy. There has only been a letter from the Gambling Commission confirming the voluntary scheme will come to an end on the 6<sup>th</sup> April. This is also an area of concern for other organisations that form the National Gambling Support Network. At Better Change we are not advocating for our own access to the levy nor do we favour any other organisation, but we ask that at the very least a fair and open process should be in place and communicated to all stakeholders, many of which are listed on the Gambling Commission's website.

### **How are we assured of transparency and avoiding conflict of interest?**

A fair and open process is paramount to ensuring the most effective services are commissioned as well as instilling public confidence from day one that the funds are to be used ethically and without undue influence, favouritism or prejudice. The narrative that those organisations who have benefitted from voluntary industry funding in the past will be at a disadvantage or excluded has permeated the third sector and caused unnecessary uncertainty and disruption. There also needs to be assurances that should the NHS emerge as the main provider of treatment this is as a result of a rigorous process and not simply because it is also the NHS that is the treatment commissioner. This breeds distrust amongst the public and other service providers. Much has been said about gambling industry influence in the previous scheme which in my seven years in the sector I have never experienced but what about other invested individuals or bodies? A clear process needs to be put in place so that any conflict of interest is declared and that this is reviewed regularly.

### **Because this is public money, how do we know it will not be re-purposed?**

Despite assurances being made by the Gambling Commission that monies raised through the statutory levy will be solely used for the research, prevention and treatment of gambling harm there needs to be an official position from the levy board and its commissioners that this will be the case. Will the recipients of the levy and the amounts awarded be published as was the case with the voluntary scheme?



**Do we have a clear purpose for the funding? What is the strategy for research, prevention and treatment?**

The levy board and commissioners for research, prevention and treatment respectively have now been appointed. What is their collective and individual visions for the use of levy funding assuming this was part of the selection process? Understanding of this will be paramount in services being able to align with and help develop a plan that will benefit the general public. The Gambling Commission published The National Strategy to Reduce Gambling Harms which ran between 2019 and 2022 which contributed to a successful and collaborative effort to reduce harm at this time.

**What are the goals or outcomes?**

Do the Levy board and the commissioning bodies have any targets ahead of the introduction of the levy? Whether this is a reduction of harm, access to more diverse communities, a deeper understanding of gambling harm or treatment statistics. The sizable increase in funding suggests that these should be ambitious and that if governed well, present a huge opportunity to make a positive impact in this space.

**How will the effectiveness of the levy be evaluated?**

Future levels of funding and demand for the services that are funded by the levy will be determined on the commissioners being able to demonstrate the effectiveness of the services. The transition to the levy does represent a significant transition in the providers of research, education and treatment and it is important that before future funding decisions are made there is a clear evaluation process. The impact of the levy in terms of a cost to the gambling industry should be balanced between the need for services but also the contribution the industry makes to the economy through jobs and taxes. Gambling is a legal and legitimate pastime in the UK enjoyed safely by millions of people and their experience should not be diminished through costs being passed on because of unnecessary charges. Evaluation despite organisations and charities' individual impact reports as well as statistics published by GambleAware was an opportunity missed by the Gambling Commission and the voluntary system.

I sincerely hope that this letter is welcome in highlighting some of the grounds for concern around the implementation of the levy and as an attachment we humbly submit a proposal of what we think a good governance framework would be. The team at Better Change would be honoured if you would consider our recommendations and we would welcome any further correspondence.

We genuinely wish you every success with the implementation of the statutory levy as with the increased resources and more secure funding, a lot of good and impactful work that benefits the public can be achieved. We at Better Change do feel however that given the dramatic increase in funding, coupled with the level of public interest in gambling and gambling harm there needs to an enhanced level of robustness that transcends the standards such as the Nolan Principles applied to those working in public office.

Yours Sincerely

Robert Mabbett

Better Change

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# GAMBLING LEVY GOVERNANCE PROPOSAL

Better Change  
April 2025



## Proposal Concerning Governance for Safer Gambling Levy 2025

### Executive Summary

Following the 2023 publication of the White Paper “High Stakes Reform in the Digital Age”, the British Government will be introducing a Statutory Levy on gambling which will take effect on 6<sup>th</sup> April 2025. The Levy will fund research, prevention and treatment (RPT) activities, with the intention of tackling gambling related harm. The Government has estimated this will raise circa £100m per annum. The potential quantum and allocation of funding represents a considerable expansion (nearly 66%) of the amount of funding available under the current system.

Ahead of the Levy coming into effect and the fact that this is now taxpayer funds, it is imperative that there is an effective governance process in place. This is to ensure that the Levy is collected, allocated and managed with transparency, accountability and with the optimum efficacy to prevent and tackle gambling harm. In lieu of proper governance, there is a material risk of mismanagement, inefficacy and improper funding. Although there will be a Levy Board, it is expected that the majority of decision-making will occur at the commissioning level between the NHS, OHID and UKRI, the respective commissioners for treatment, prevention and research.

This proposal seeks to outline and establish a set of principles to govern the use of levy funds, in addition to requirements for their administration and the conduct of those commissioning and overseeing the system. It is meant to provide a blueprint for Government to instil confidence in the system from day one.

## Introduction

A key component of regulated gambling in the United Kingdom is that licensed operators comply with laws and regulations designed to protect consumers and minimise harm.

Central to this regulation since the introduction of the Gambling Act 2005, has been a focus on funding the research, education, and treatment of gambling harms. In the current voluntary system, section 3.1.1 of the LCCP provides that licensees must make an annual financial contribution to one or more organisation(s) which are approved by the Gambling Commission, and which between them deliver or support research into the prevention and treatment of gambling-related harms, harm prevention approaches and treatment to those harmed by gambling. This system ends on 5<sup>th</sup> April 2025.

In its place the statutory levy must ensure that the funds raised are used in the public interest and in accordance with the ethos of the Gambling Act 2005, under which the levy is enacted.

The objectives of this governance system should centre on:

- > Quality and Public Interest,
- > Responsibility and Transparency
- > Fairness.

This is to ensure that maximum impact is afforded to the research, prevention and treatment of gambling harms, providing both quality and value for money. A value proposition that is shared by all stakeholders.

Principles surrounding this should establish high quality services that effectively reduce harm wherein the allocation of resources focuses on evidence-based initiatives that demonstrably provide benefits. Without focus on this key aspect, there is a material risk that inadequately managed and ineffective programmes squander funds or fail to protect those who are risk.

As the government set out in their White Paper, one of the objectives of a statutory levy is to ensure long-term certainty. The tackling of gambling related harm will indeed require sustainable investment over an extended

period of time. Paramount to achieving this must be a guarantee that cost-effective systems are in place to maintain the funds over time to utilise funding and avoid wastage.

We believe the following principles should apply to governance of the Statutory Levy and encourage the Government and the Levy Board to implement these principles to sustain public confidence.

### 1. Responsibility and Transparency

As with any system of governance, the need for ethical, fair and principled conduct is a fundamental necessity which must be upheld. To ensure public trust in the Levy, funds must be managed in a fair and transparent manner, free from corruption, conflicting interest and undue influence.

Both the Safer Gambling Levy Board and the Commissioning Bodies responsible for the stewardship and distribution of funds must act responsibly in ensuring that said funds are used efficiently and to the best effect in order to protect the public from gambling harms.

A clear system of accountability is vital to ensure levy funds are not mismanaged or misdirected to ineffective programmes or for purposes that do not directly further the research, prevention or treatment of those harmed by gambling. This includes its use for purposes of campaigning or lobbying.

The element of transparency is vital for ensuring that funds are collected, allocated, and effectively used in a fair and open manner. This not only discourages misuse and the potential for undue influence, but promotes trust, accountability and integrity which is essential for the Levy to succeed. Given the sheer volume and breadth of stakeholders in the gambling sphere (both directly and indirectly involved in gambling), there will always exist concerns pertaining to conflicts of interest and the management of said interests. It is critical to have controls in place to



prevent the industry from influencing decisions that may weaken harm prevention efforts.

These conflicts of interest are by no means exclusive to commercial parties. Undue influence may also arise in relation to non-financial interests, such as membership of an advocacy group. Those involved in research, prevention and treatment may also be subject to financial conflicts of interest such as the promotion of certain theories or claims of facts as a justification for funding.

To this end The Levy Board should account for whether any applicant organisation also lobbies the Government and to seek assurances that such activities will be separate and not funded through funds provided under the levy. Government law requires all lobbying firms to register their interests.

In order to address this, there must be clear reporting on the source, quantum and destination of funds to ensure accountability. This visibility provides for decision makers to be held responsible for ensuring the funds are allocated on the basis that harm will be prevented. Such reporting should not be only through formal channels such as Companies House and the Charity Commission since such data is often months behind.

There should be a rolling register of projects approved by the three commissioning bodies which includes indicative budgets, purpose of the project, timeline and promise to commit to independent evaluation for projects above a de minimis level.

There should be an investigative process for eligible claims reporting violations of the above so commissioning is subject to a redress system for taxpayers.

## 2. Eligibility for Funding

To ensure that responsibility and transparency is an integral element of the new Levy system, the following principles should be adhered to.

Recipients of funds should:

2.1 Behave responsibly and ethically. This includes refraining from engagement in ad hominem criticism of other researchers or providers of treatment or harm prevention services.

2.2 Avoid deliberate or repeated misuse of official statistics.

2.3 Make conflict of interest declarations, including financial and non-financial COIs (e.g. sources of funding, involvement with advocacy groups, relevant religious beliefs)

2.4 Receive formal permission from the commissioning body if it wishes to change the scope of the work for which it has been funded.

2.5 Provide detailed disclosures on how funds awarded have been spent.

2.6 Publish a synopsis of the project, its funding request and a declaration of interests prior to submitting the application to a commissioning body. This shall be published on the Levy Board's web site.

By adhering to these principles there will be an assurance that funds are used wisely, transparently and ethically and will contribute to credibly and sustainably reducing gambling harm.

### 3. Fairness and Non-Discrimination

A successful and effective Statutory Levy needs to demonstrate fairness with regards to funding distribution. In a transparent system funds are allocated on a basis of evidence and necessity without external pressure. It is also imperative that Levy funds are not distributed with undue influence, favouritism or prejudice.

Organisations should be able to apply for funding without fear of discrimination. To prevent these issues, and to ensure that fairness is an

integral element of the new Levy system, the following principles should be adhered to;

3.1 Organisations that have supported the previous system, funded by voluntary contributions from licensees (known as the 'RET system) should not be treated differently from other organisations in applying for funding.

3.2 The levy should not prevent organisations applying for funding, from receiving funding from other sources provided these are separate from levy funded programmes as this would create dependencies on levy funding.

3.3 Conflicts of interest should be considered in broad terms, rather than assuming, for example that they only apply to single sets of stakeholders. COIs should include financial interests (direct and indirect), professional interests, personal interests and indirect interests<sup>1</sup>.

By adopting these principles it will allow organisations and individuals who have the potential to make life changing contributions to harm reduction a pathway to continue their good work without exclusion. By championing fairness, the Levy system retains the best expertise whilst maintaining credibility, integrity and public confidence.

#### 4. Governance Protocols

##### The Safer Gambling Levy Board

The government have proposed to establish an independent Safer Gambling Levy Board to oversee the distribution of funds collected by the Levy. The Levy Board is expected to collect and manage Levy funds, allocate the funds transparently and to provide oversight in the governance process.

The Board must operate under clear rules to ensure fairness, transparency, and accountability under the principles that have been detailed throughout

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<sup>1</sup> See for example the UKRI Conflicts of Interest: [www.ukri.org/who-we-are/how-we-are-governed/conflicts-of-interests/](http://www.ukri.org/who-we-are/how-we-are-governed/conflicts-of-interests/)

this document. In order to ensure the Levy is as effective as possible in providing protection to those harmed by gambling the following rules should be abided by:

4.1 All members of the Safer Gambling Levy Board and its Advisory Group must be bound by the Nolan Principles on Public Life.

4.2 No member of the Safer Gambling Levy Board or Advisory Group shall be permitted to engage in advocacy, campaigning or lobbying work related to the sector.

4.3 Safer Gambling Levy Board and Advisory Group agendas and meeting notes must be published within two weeks of meetings taking place.

4.4 All members of the Safer Gambling Levy Board and its Advisory Group must be required to make quarterly statements on relevant interests (financial and non-financial; direct and indirect).

4.5 A complaints and grievances process that is independent, easily accessible and transparent should be established and it should cover all domains of levy funding (treatment, prevention and research). A register of complaints should be maintained, including a publicly available record of how complaints have been resolved.

4.6 The Safer Gambling Levy Board must be equipped with powers to take action against organisations that misuse levy funds or in other way breach levy rules. This should include sanctions to disbar organisations and individuals from future funding and the ability to claw back mis-spent awards.

4.7 A formal, independent evaluation of the performance of the Safer Gambling Levy Board and the commissioning bodies should be conducted half-way through the initial five-year period.

Clear rules for the Board are integral to ensuring that the levy is managed fairly, independently and to the greatest efficacy. In the absence of these rules, the Board runs a material risk of failing its purpose, undermining public confidence and failing to address gambling harm.

## Commissioning Bodies

Under the Safer Gambling Levy, funding will be disbursed to a variety of organisations involved in treatment and support, harm prevention and research. The Government appoints commissioning bodies to determine how these funds are distributed to each arm. Where an organisation will act as both commissioner of services and provider of services, there must be considerations towards the potential (unintended though it may be) conflict of interest. There must be rules in place to safeguard and manage the commissioning bodies in order to ensure the Levy remains fair, transparent and ethical.

It is anticipated that commissioning bodies will already have in place systems of governance and codes of practice and that these will apply to their roles as levy commissioners. These codes should include the following:

4.8 All members of commissioning bodies must be bound by the Nolan Principles on Public Life.

4.9 No member of a commissioning body should be permitted to engage in advocacy, campaigning or lobbying work related to gambling.

4.10 Funding awards and relevant meeting notes to be published within [two] weeks of decisions to award funds.

4.11 All members of commissioning boards to make quarterly statements on relevant interests (financial and non-financial; direct and indirect).

4.12 Commissioning bodies should make complaints and grievances processes easily accessible; and to publish quarterly statistics on complaints and complaint resolution.

4.13 Each commissioning body shall publish, yearly, a full account of funding requests granted, delineated by individual organisation, the amount

awarded and a description of the project as taken from the applicants own proposal.

4.14 The Commission Bodies should publish their governance criteria and how they intend on selecting successful applicants including any voting mechanism and the outcome of those votes.

## 5. Purpose of Funding

Recipients of funds should:

5.1 Use approved quality assurance processes.

5.2 Provide robust and timely evaluations of work undertaken using levy funding, using a common agreed framework.<sup>2</sup>

5.3 Demonstrate why the work funded by Levy payments is in the public interest. Recipients must not use funds to gain a commercial advantage over competitors, to be used for research and development in the gambling industry or for the purposes of lobbying or campaigning<sup>3</sup>.

5.4 Any applicant for funding should publish their application online including all recipients of funding within the proposal.

5.5 All applicants must provide, as part of their applications, an independent evaluation within their proposal.

5.6 Where an application is granted as a block grant, the organisation must seek further approval from the commissioning body for individual projects undertaken within that block grant. These projects applications shall be published online.

Adhering to these principles will provide the public, government, regulators and stakeholders that Levy programmes are funded effectively and sustainably.

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<sup>2</sup> See, for example, the RGSB Evaluation Protocol or the GambleAware Evaluation Protocol or the HM Treasury Magenta Book

<sup>3</sup> <https://www.gamblingcommission.gov.uk/guidance/guidance-for-submitting-a-proposal-for-regulatory-settlement-funding/submitting-a-proposal-for-regulatory-settlement-funding-what-will-not-be>

## ANNEX – Nolan Principles

### 1. The Seven Principles of Public Life

The Seven Principles of Public Life (also known as the Nolan Principles) apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services.

#### 1.1 Selflessness

Holders of public office should act solely in terms of the public interest.

#### 1.2 Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### 1.3 Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### 1.4 Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### 1.5 Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### 1.6 Honesty

Holders of public office should be truthful.

#### 1.7 Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

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