

# The Statutory Levy: the details



By Charlotte Meller

The Statutory Levy was unveiled by the government at the end of November as part of the Gambling Act Review. Centred on protecting vulnerable players, the levy will raise in the region of £100-120 million every year to fund research, launch player protection projects and provide treatment programmes for the vulnerable. It will draw funds from every gaming and gambling business, both in the operational and product distribution chain, and will be run by government appointed agencies including NHS England. There still remain some areas to determine, which both the Government and Gambling Commission are currently consulting on, but there is sufficient detail for local authority officials and councillors to get their teeth into. Here, Charlotte Meller, General Manager of the Gambling Business Group (GBG), takes IOL Link through the key areas of the Statutory Levy and answers some of the questions that licensing bodies might be raising as we enter a new era of player protection.

The Draft Gambling Levy Regulations 2025 were laid in Parliament just before Christmas and are due to come into force on 6 April 2025, although at the time of writing the date for the Parliamentary debate on these Regulations has yet to be set.

DCMS has advised that the Gambling Commission will be developing FAQs and guidance so for now we have little detail on the actual implementation, yet there is a considerable amount of interest in the Levy.

In the weeks leading up to Christmas there were a number of articles from around the country reporting on various local councillors and MPs urging the government to spend the money raised from the new Statutory Levy on supporting safer gambling initiatives. To the Gambling Business Group and others in the gambling arena, it was an odd flurry of commentaries: the Levy has been created for that, and only that very purpose. Furthermore, it's something the industry has been doing for years.

A requirement of an operating licence is for operators to make a voluntary contribution to one or more organisations which deliver or support research, education and treatment of gambling related harms. Over £53 million was contributed during 2022/23 to support such services.

By putting these contributions on a statutory footing, the Government is looking to double that to circa £100m plus each year. Moving to a statutory Levy will



guarantee increased, ringfenced, and trusted funding which will be used across Great Britain for treatment, and will be used to tackle the sources of gambling harm through vital investment in research and prevention

### Who will be paying the Levy?

Levy rates will be set at a percentage charged on the previous year's Gross Gambling Yield for all those holding a Commission issued operating licence. These rates are:

- 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
- 0.1% from society lotteries and local authority lotteries licensed by the Gambling Commission

### Where's the money going?

The Levy will be collected by the Gambling Commission (operators will pay annually on 1 October) and distributed from there to research, player protection measures and to the NHS as follows:

- Research: 20% of funding to UK Research and Innovation (UKRI) for the establishment of a bespoke Research Programme on Gambling.
- Prevention: 30% of funding to develop 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.

At the time of writing Government is still considering who to appoint as the appropriate body to lead the prevention strand of the Levy and an announcement

is well before April. The Levy will provide sustainable funding to tackling gambling-related harm.

- Treatment: 50% of funding to NHS England, and appropriate bodies in Scotland and Wales to commission the full treatment pathway, from referral and triage through to aftercare.

### What are the monitoring arrangements

Governance arrangements to ensure accountability and transparency will be in the form of a Levy Board for the UK, Scottish and Welsh governments to monitor the health and impact of the Levy system. This will bring together key Government departments, including DCMS, HM Treasury, the Department of Health and Social Care and the Department for Science, Innovation and Technology.

An Advisory Group will also be established to provide informal advice to lead commissioning bodies regarding strategic and funding priorities. There will be a formal review of the Levy system within 5 years.

### Transition arrangements

The impact of the delays in announcing the Levy proposals left many of the third sector charities in a state of limbo and nervous about their budgets beyond April 2025. The GBG has raised this concern with both the DCMS and with the Shadow Minister on several occasions over the past few months, seeking clarity on the transitional arrangements.

As a trade body, the GBG has built up expansive relationships with third sector charities, and our members, which range from the largest high street operators to smaller local businesses, have all been important funders of the current network of treatment and support services and we would not want those charities to stop supporting those seeking help.

It was encouraging therefore to see Stephanie Peacock, the Parliamentary Under Secretary for DCMS, respond to a Parliamentary Question in early January stating: "It is a priority that in this crucial transition period, the valuable experience and services in the current system, particularly treatment and support services which help people in need across Great Britain are protected. We are clear that operators must continue to provide financial contributions at their current levels until the levy is in force and have received reassurances from the industry that this will be delivered. The Government is also clear that the third sector, which has delivered important work to tackle gambling harm, will continue

to play a key role in the future system and contribute to the research, prevention and treatment supported by levy funding."

### How much is industry going to be involved?

Concerned local councillors and politicians rest assured: the only role of gambling businesses is to fund research, player protections and gambling harm treatment.

The Government has been very clear that the Levy puts the independence of funding beyond doubt and stressed that "industry will have no say over spending decisions."

Given the current trend toward player protection references in council observations in so many licence applications, £100-120 million per annum is a significant financial commitment and a powerful supporting case for our businesses, not least in allaying any fears regarding licence applications, and also, equally important, in their vision to work closely with licensing authorities in reviving the UK's high streets.

### What's the impact of the Levy in this economic climate?

The Levy will be a heavy burden on high street gambling businesses, especially in the current economic climate.

And in many cases, particularly for the smaller family run businesses, it could serve as an existential threat. However the licensed gambling industry has been and continues to be committed to player protection.

The Levy provides one very important message for government, both local and national, and the general public gambling businesses are not only the most regulated businesses on the high street, but also the most supportive of player protection programmes and keen investors in the local community and economy.



Charlotte Meller joined the Gambling Business Group (GBG) as General Manager in September 2022. The GBG represents a broad cross section of land-based businesses with a common goal of improving the land-based gambling business and consumer environment for all, with social responsibility at the heart of everything that they do. She has a wealth of regulatory services policy experience in local and central government having previously worked at the Gambling Commission for nearly 9 years as Local Authority Partnership Specialist and another 9 years as Team Leader at Local Government Regulation (aka LACORS) before that. After leaving the Commission in September 2020 and moving from London back to her home city of Swansea, Charlotte undertook contract work for Neath Port Talbot Council and the South Wales Police and Crime Commissioner's Office before joining GBG.

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