



department for  
**culture, media  
and sport**

# Proposal to introduce a levy under section 123 of the Gambling Act 2005: Consultation document

January 2009

Our aim is to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence, and champion the tourism, creative and leisure industries.

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# Section 1: Introduction

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- 1.1 The Secretary of State is considering introducing a levy on operators licensed under the Gambling Act 2005 (the Act) to be used to fund gambling research, public education and treatment.
- 1.2 The levy would be introduced under section 123 of the Act, which gives the Secretary of State for Culture, Media and Sport the power to make regulations setting a levy to be paid to the Gambling Commission (the Commission) for use in respect of:
  - Addiction to gambling.
  - Other forms of harm or exploitation associated with gambling.
  - Any of the licensing objectives.
- 1.3 The Secretary of State intends to ensure that if a levy were introduced it is set in accordance with the Act, is fair and equitable, and at a level that ensures that work on gambling research, education and treatment is funded effectively.
- 1.4 Expenditure of a levy by the Commission would be subject to the consent of the Treasury and the Secretary of State. Money collected by the Commission under the levy will be subject to the rules and governance standards which apply to public money and will be accounted for by the Commission's accounting officer in accordance with relevant Treasury rules and guidance.
- 1.5 This consultation follows the publication on 20 October 2008 by the Commission of its review of the current voluntary arrangements for the industry's funding for gambling research, public education and treatment. This review was requested by the Department in September 2007.
- 1.6 This consultation paper sets out the proposals for a levy to apply from 1 June 2009 and invites comments. The necessary regulations will be subject to approval under the "affirmative resolution" procedure in Parliament. An initial Impact Assessment (IA) is published alongside this consultation.
- 1.7 We will consider further with the National Lottery Commission (NLC) what arrangements it would be appropriate to apply under section 10c of the National Lottery etc Act 1993 (as amended) to Camelot as the operator of the National Lottery.
- 1.8 This consultation document is confined to consideration of the structure and administration of the levy. For the avoidance of doubt, this consultation does not address the question of whether or not there should be a levy. A levy will only be introduced if the Government considers it necessary. This paper is designed to explore the issues arising should that necessity arise. The Commission's report urged the industry to come forward with firm funding commitments over the next three years and improved voluntary arrangements if a levy is to be avoided.
- 1.9 In proposing a levy, we have been mindful of the challenges facing the industry as a result of the current economic climate, in particular the burden that would

fall on small businesses. The proposals seek to balance the need to provide an equitable system for collecting adequate funding for gambling research, education and treatment from those who provide gambling with the economic realities faced by the industry in common with the rest of the economy. The Department will continue to keep these issues under review throughout the consultation period.

1.10 The paper sets out:

- A summary of the levy proposals.
- The statutory basis for a levy.
- The background to the decision to propose a levy.
- The purpose of the levy.
- The funding to be raised.
- The basis of the levy.
- Transitional arrangements.
- Costs of collection and administration.

1.11 A draft Statutory Instrument which would give effect to the proposals contained in this consultation will be published shortly.

1.12 For comments, feedback or further information please contact:

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**1.13 The consultation period will run from 6 January 2009 to 31 March 2009**

1.14 A summary of responses will be published shortly after the closing date. Please note that all information in responses, including personal information, may be subject to publication or disclosure under the Freedom of Information Act 2000. Confidentiality cannot be guaranteed to any correspondents, and will only be possible if considered appropriate under the legislation.

# Section 2: Proposals for consultation

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## Summary

2.1 The key proposals set out in this document are:

- The introduction of a levy on holders of operating licences issued under the Act to fund gambling research, public education and treatment. Some smaller operators may be zero rated, particularly those where the cost of collection would match or exceed the levy amounts. Possible exceptions are outlined further below.
- The establishment of transitional arrangements to manage the transfer from a voluntary to a compulsory funding arrangement. These arrangements would ensure that voluntary donations made in 2008/09 are recognised and allow for phased payments over the first two years.

## The statutory basis for a levy

2.2 The Secretary of State has powers under section 123 of the Act to require holders of operating licences under the Act to pay an annual levy to the Commission. Section 123 provides:

**Proposals to introduce a levy under section 123 of the Gambling Act 2005**

- 1) The Secretary of State may make regulations requiring holders of operating licences to pay an annual levy to the Commission.
- 2) The regulations shall, in particular, make provisions for –
  - (a) the amount of the levy;
  - (b) timing of the payment of the levy.
- 3) The regulations may, in particular, make provision –
  - (a) determining the amount of the levy by reference to a percentage of specified receipts of an operating licence holder,
  - (b) determining the amount of the levy by reference to a percentage of specified profits of an operating licence holder,
  - (c) determining the amount of the levy by reference to a percentage of the annual fee under section 100,
  - (d) providing for the determination of the amount of the levy according to a specified formula, or
  - (e) providing for the determination of the amount of the levy in some other way.
- 4) Any sum due by way of levy by virtue of this section shall be treated for the purposes of this Act as if it were due by annual fee under section 100.
- 5) The Commission shall, with the consent of the Treasury and of the Secretary of State, expend money received by way of levy for purposes related to, or by providing financial assistance for projects related to –
  - (a) addiction to gambling,
  - (b) other forms of harm or exploitation associated with gambling, or
  - (c) any of the licensing objectives.
- 6) In subsection (5) the reference to financial assistance is a reference to grants, loans and any other form of financial assistance, which may be made or given on terms or conditions (which may include terms and conditions as to repayment with or without interest).
- 7) The Secretary of State shall consult the Commission before making regulations under this section.

## Background

- 2.3 The current voluntary arrangements for research, public education and treatment emerged following the report of the Department's Gambling Review Body (the Budd Report). The Budd Report recommended the establishment of a gambling trust, which would ideally be funded voluntarily by the industry, but, failing that, should be funded by a statutory levy.
- 2.4 Following the Budd Report, a charitable trust was established, funded voluntarily by the gambling industry. This was initially known as the Gambling Industry Charitable Trust but changed its name in 2004 to become the Responsibility in Gambling Trust (RIGT).
- 2.5 This arrangement was reflected in the Act, which recognised the voluntary arrangement operating through RIGT, but provided a power for the Secretary of State to introduce a compulsory levy if required.
- 2.6 On 19 September 2007, the Government announced that the Department had asked the Commission to carry out a review of the current voluntary arrangements for the industry's funding for gambling research, public education and treatment. In a statement, DCMS Minister, Gerry Sutcliffe, said that, whilst the results of the British Gambling Prevalence Survey 2007 showed that problem gambling still affects only a small minority of people, it remains a serious issue and one which must be addressed. The Minister also stated that the gambling industry has a responsibility to make the right level of funding available to treat those who are harmed by its products and that the public should have ready access to the facts they need to make informed choices about gambling, to help reduce the risks.
- 2.7 The terms of reference for the review were to:

- estimate the funding needed for each of research, public education and treatment
- identify the most appropriate organisational arrangements (including governance and management) for:
  - distributing such funding
  - the commissioning of research, education and treatment
- consider the merits of different methods of raising such funding (including consideration of the statutory levy provided for in the Gambling Act 2005).

2.8 The Commission conducted the review between September 2007 and October 2008. The report was submitted to the Minister on 17 October 2008 and published on 21 October 2008. The report and the exchange of letters between the Commission Chair, Brian Pomeroy and the Minister, Gerry Sutcliffe in response to the Report are available from the Department's website ([www.culture.gov.uk](http://www.culture.gov.uk)).

2.9 The review involved extensive consultation exercises and discussion with stakeholders and experts in this field. In reporting, the Commission concluded that the current arrangements are not working effectively and the report made the case for improved voluntary arrangements to ensure that:

- the industry's funding is firmly committed, sufficient and sustainable
- the Commission, DCMS and other stakeholders have access to expert, independent and authoritative strategic advice on research education and treatment, and
- the distribution of funds to projects and providers is based on clear priorities with outcomes that are properly evaluated.

2.10 The Commission proposed improved voluntary arrangements and these were encapsulated in a draft memorandum of understanding. This would provide for a tripartite structure – a Strategy Board, together with a new fundraising body (for which the industry would be responsible) and a new Distributor.

2.11 Despite protracted discussions with RIGT and with individual industry stakeholders, and substantive modifications to meet the industry's concerns, it has not been possible to secure agreement to acceptable, effective voluntary arrangements or obtain satisfactory funding commitments for the next three years.

2.12 The report expressed a strong desire that arrangements might still be developed which would allow the continuation of a voluntary funding arrangement. However, recommendation one of the report was that, "Ministers now move immediately to prepare for the introduction of a statutory levy, as provided for in the Gambling Act 2005, with a view to implementation if necessary from April 2009; the transitional arrangements for any levy on individual operators would take into account the voluntary funding contributions made by them this financial year, providing operators with no incentive to continue to defer making such contributions." The full recommendations are at Appendix A.

2.13 Ministers accepted this recommendation and this consultation makes proposals for a compulsory levy from 1 June 2009.

## Purpose of the levy

- 2.14 The purpose of the levy will be to ensure that the overall level of funding available for a gambling research, public education and treatment programme is adequate. The level of funding required was considered in the Commission's report. The report recognised the continuing difficulties in obtaining the necessary level and certainty of funding from voluntary contributions and the unacceptable impact of this uncertainty on securing an effective programme of gambling research, education and training.
- 2.15 The Commission was asked to estimate the funding needed for research, education and treatment. This included taking account of the current arrangements and other relevant national and international models to consider the resources required to secure :
- research needed in relation to all three licensing objectives but paying particular attention to the requirements in relation to reducing the risk of problem gambling.
  - education of the public in how to minimise their risk of problem gambling.
  - treatment of problem gamblers, assuming, for this purpose, that such facilities are financed directly or indirectly by the industry.
- 2.16 In considering the levels of funding required, the Commission's report has taken account of the various estimates made by RIGT and the level of requests made to RIGT for funding. The Commission's report has arrived at an estimate of required funding that:
- Reflects RIGT's business plan.
  - Makes a realistic estimate of the capacity of funded bodies to spend funds effectively.
  - Challenges the level of funding sought by providers.
  - Establishes an equitable balance between the need for gambling research, education and treatment and the ability of the industry to fund this, particularly in the current economic climate.
  - Continues to expect that additional contributions may be made on a voluntary basis by operators and by providers who are based overseas or do not require a Commission licence.
- 2.17 The funding required from the levy for the 2009/10 and 2011/12 are discussed in detail in the Commission's paper and summarised in the table below. The Commission's report emphasised that the new Strategy Board will be tasked with reviewing the estimates, particularly for 2010/2011 and 2011/12. These are based on RIGT's business plan and are at the lower end of the range suggested by providers of research, education and treatment.

**Table 1: Overall funding targets for 2009/10 to 2011/12**

Area	2009/10	2011/12
	£ms	£ms
Research (excluding a longitudinal study and assuming match-funding available) <sup>1</sup>	0.85	0.95
Education	1.05	1.40
Treatment	3.10	4.20
<b>Subtotal</b>	<b>5.00</b>	<b>6.55</b>
Administration costs	0.34	0.44
<b>Total</b>	<b>5.34</b>	<b>6.99</b>

2.18 These estimates assume that the funding required for 2008/09 and April – May 2009 is met in full to allow work in progress on research, education and treatment to be delivered effectively and to ensure that there is adequate working capital to support the roll forward of commitments into the new arrangements. However, the required level for donations in 2008/09 is £4.5 million and current estimates suggest that there is likely to be a shortfall of £1.3m against that amount. At current rates of donation, we estimate a further shortfall of £0.24m in April/May 2009, giving an estimated shortfall of £1.54m at 1 June 2009. Such a shortfall would have unacceptable consequences for the effective delivery of gambling research, education and treatment.

2.19 Nevertheless, it is right for current research, education and treatment plans and commitments to be maintained, as it is a reasonable assumption that funding will be available, whether from improved voluntary arrangements or the proposed levy. This assumes that operators continue to make donations under the voluntary arrangements, pending the introduction of the levy and may involve some use of reserves and working capital by RIGT in the first half of 2009 if disruption to services and research are to be avoided. The Department will monitor the current funding arrangements during this transitional period and consider whether any further steps are necessary to support providers.

2.20 The proposed approach to ensure that there are adequate funds for the remainder of 2009 and beyond and that the collection of such funds is equitable is set out later in this paper.

## The basis of the levy

2.21 There are a number of options for how a levy would be calculated. Each approach could have a differential impact on different industry sectors and operators of differing size. An explanation of the different approaches that have been considered and an analysis of their likely impact are set out below. .

## **Continuation of current RIGT arrangements**

- 2.22 At present, RIGT suggests a range of suggested donation levels, based on different formulae for different types of operator. For most operators, the suggested level of donation is based on a contribution of 0.07% of their Gross Gambling Yield (GGY). The Commission defines Gross Gambling Yield for its purposes as the money gambled minus any winnings paid. For other operators, the suggested level of donation reflects, for example, turnover or the number of gaming machines.
- 2.23 Reliable information is not available to the Department or the Commission on individual operator levels of Gross Gambling Yield in key sectors, machines in operation or turnover and there is no reliable estimate currently available of the aggregate level of funding that the RIGT framework would generate. The accurate calculation or assessment and verification of GGY by the Commission would add a significant burden to both parties. Therefore, we do not consider the current arrangements to be a viable basis for a compulsory levy at present. Over time, if, as proposed, the Commission's licence fees are more closely tied to GGY and the data provided, for example through regulatory returns is demonstrated to be reliable enough, the discrepancy between the two approaches may diminish and this approach to the levy could be revisited.

## **Levy calculated by reference to the impact of the individual operator**

- 2.24 It would be theoretically possible to calculate the levy based on the measured relative impact of different forms of gambling upon problem gambling. However, such an approach is not currently practicable, given the present limitations in measuring the impact of different types of gambling upon problem gambling. To attempt to devise such a system would require a considerable additional cost and burden on the Commission and operators and may in fact not be possible with the current lack of knowledge about what leads to problem gambling. For these reasons, this arrangement is not considered to be a viable basis for a compulsory levy at present.

## **Levy based on the Commission's fee structure**

- 2.25 Given the need for the levy to be based on a clear and transparent structure which will allow operators to know their commitment in advance, for the Commission to have reasonable certainty as to the likely aggregate level of the levy and for the least burdensome arrangements for calculation and collection, at present the simplest option would be for a levy that reflects the current Commission fee structure.
- 2.26 Such an arrangement could apply a percentage levy based on fees across all operators. This would represent a straightforward levy as a flat percentage of fees based across all operators and would have the same proportionate impact upon all types of operator. The Commission's annual licence fees are based on regulatory effort and recover the Commission's costs in regulating a particular sector and size of operator. Different sectors are categorised by varying means according to the way in which the sector is organised and the information currently available to the Commission – for example, some sectors are categorised by number of premises, others on Gross Gambling Yield. Basing a levy entirely on the fees therefore has the disadvantage that the relative burden of the levy would be linked to the cost of regulation for that type of operator,

rather than directly to the size of gambling turnover or the impact of the industry on problem gambling.

## Levy based on combination of sub-divided fee bands and per premises rates

2.27 **This is the preferred option.** It is proposed that two different approaches are combined to set a levy for all operators which more accurately reflects the scale of gambling involved. The approach to be applied would depend on whether the operator falls into a fee category that is premises-based or gross gambling yield or revenue based.

2.28 For premises based categories, two possible approaches are proposed for consideration:

- **Option 1:** Setting a fee for bands of operators, based on the average number of premises within the band. This is similar to the licence fee band arrangement, but the number of bands would be increased to refine the relationship between the rate of levy and the amount of gambling provided. Operators would assess the band into which they will fit for a year, based on the number of premises at the due date. This approach allows flexibility to operators to adjust volumes in year and gives the Commission greater administrative certainty and convenience, but gives a poorer fit between the levy and level of gambling provided and is arguably less equitable.
- **Option 2:** Setting a flat rate levy per premise, based on the number of premises at 1 April of the year in question. This gives a better relationship between levy and volume of gambling and is likely to be considered a more equitable approach in the industry sectors affected. However, this is more administratively complex and less certain for the Commission. Implementing this approach would have an impact on the Commission's processes and IT systems and would add to the administration costs of collecting the levy.

2.29 At this stage, we seek views on both Option 1 and 2 for those licence categories which fall into a premises-based fee category – that is non-remote betting, bingo, Adult Gaming Centres (AGCs) and licensed Family Entertainment Centres (FECs). The figures set out in this paper illustrate the impact of both Options 1 and 2.

2.30 For operators which do not fall into a licence category that is premises-based, it is proposed that the Commission uses the same basis as the licence fee structure to assess the level of gambling provided. However, the fee bands as they currently stand are not sufficiently flexible to accommodate the levy structure, because operators at the bottom of a band would be paying a levy which is much higher as a proportion of their Gross Gambling Yield or sales than those at the top of the fee band. It is therefore proposed that for these sectors, each fee band would be subdivided into three ranges (R1, R2 and R3). The levy for each range would then be calculated using the range midpoint and applying a standard contribution level (for example, 0.07% which is currently recommended by RIGT).

2.31 This approach of using the fee categories split into sub-categories would apply in the following sectors:

- non-remote casino operators where operators are banded according to Gross Gaming Yield.

**Proposals to introduce a levy under section 123 of the Gambling Act 2005**

- non remote pool betting and betting intermediaries and for those providing most types of remote gambling, where banding is again set by Gross Gambling Yield.
- for those supplying gaming machines and software on a business to business basis, where the bands are set by the value of gross sales.
- society lotteries and ELMs, where the proceeds of the lottery determines the bands (although only the largest lotteries will pay the levy because of the exceptions mentioned below).

2.32 In future, the availability of better information from research and other sources and changes in the Commission's fees regime may enable the levy rates to be revised to even better reflect the scale and nature of the gambling provided and its potential impact on the licensing objectives.

2.33 It is expected that voluntary donations will continue to be made to support research, education and treatment in addition to any compulsory levy. Such donations are expected to come from, for example, UK based operators who wish to make contributions beyond the level of the levy and overseas operators with significant customer bases in the UK. It is assumed that such donations will be used to support the proposed industry social responsibility council and its work, for example supporting Gambleaware.co.uk. The success of the proposed council in raising voluntary funds and using them effectively will be reflected in the amount needed from the levy in future years.

2.34 The levy proposed has been set to give equitable levels of contribution from different industry sectors as well as from the licensees within those sectors. As the Commission does not currently hold data on the Gross Gambling Yield for each operator, we have used available data from HMRC, initial information available to the Commission from regulatory returns and information provided to the Commission by, for example, the trade bodies, but usually for other purposes. This includes, for example, information about levels of Gross Gambling Yield, or equivalent, or the number of premises for a licence category. Based on this information, the indicative division of the levy between sectors would be in the ranges set out in table 2. However, the actual breakdown of activity in the industry will drive the contributions made in practice.

**Table 2: Division of the levy between sectors, indicative ranges**

	Range	
	Lower	Upper
Casino	9.2%	11.2%
Bingo	9.6%	11.8%
Betting	41.8%	51.0%
Betting intermediaries	0.0%	0.0%
Pools	0.8%	1.0%
AGC	8.1%	9.9%
FEC	6.5%	8.0%
Machine supply etc	5.2%	6.3%
Lotteries	0.0%	0.0%
Remote	8.8%	10.8%

2.35 Because of the limited data available to us on Gross Gambling Yield or its equivalent, comments or suggestions, based on better information, on the

proposed proportions of the levy to be met by different sectors of the industry would be particularly welcome.

- 2.36 Given the confidentiality of information on the level of individual contributions made under the current RIGT arrangements, it has not been possible to make any informed comparisons of the proposed levels of contribution and the notional RIGT levels. Because all operators (with a few minor exceptions outlined below) would be paying the levy, the relative contribution required from some larger operators is expected to be less than their recent level of donations has been – though of course, as indicated above, voluntary contributions will still be needed from the larger industry players if the proposed industry council is to be viable.
- 2.37 The proposed base levy has been set at a lower aggregate level than originally set out in RIGT's business plans to take account of the current economic climate and, in particular, challenges facing the smallest operators. The smallest betting shop and AGC operators that had contributed in line with the recommended basis in 2008/9 and any new operators in these categories would pay less than £5 per shop per week, with the smallest FEC operators paying nothing. Those who had not contributed to RIGT in 2008/09 or had contributed much less than the recommended level would pay roughly twice as much in 2009.
- 2.38 The proposed net and gross levies for 2009 for option 1 are set out at Appendix B and for option 2 at Appendix C, together with the proposed levy for 2010 and 2011. Appendix D sets out the bands proposed for levy purposes.

## Exclusions

2.39 The levy is intended to apply to almost all operators and is proposed at levels which are considered proportionate to the scale of gambling activity involved. In some circumstances however, the levy is not relevant or the costs of collection would broadly match or exceed the amount collected. In addition, all licensees will be contributing via their licence fees to the costs of the Strategy Board's planning and strategic direction of the research, education and treatment programmes. It is proposed that the levy will be set at zero in the following categories:

- Ancillary remote licences, linked gaming machine technical (supplier) and linked gambling software licences: these licences are only issued in circumstances where an operating licence is in place and an appropriate levy will already be paid by the operator.
- Single machine permits: the number of single machine permits issued by the Commission is very small and the associated gambling does not justify charging a levy and incurring the administration costs involved.
- Operators where the levy would be below a specified minimum level. For 2009 it is proposed that this lower limit would be £75. (This reflects the fact that all operators will be contributing, via their fees, to the Strategy Board and the costs of collection and management of the levy.) Under these proposals, this would include smaller society and converted lotteries, smaller on course bookmakers, some betting intermediaries and operators with a single FEC.

2.40 Consideration has been given to whether the zero rating arrangement should be extended to other small operators. The estimated impact of excluding all singleton operators and the smallest businesses (those with a Gross Gambling Yield of less than £n, or value of sales of less than £?m) would be to shift £ of the levy onto other operators. Our view is that this shift of the burden is not warranted given the nature and extent of gambling provided, but we would be pleased to consider evidenced representations in areas where an extension of zero rating might be justified.

## The levy

2.41 The following table shows the level of the aggregate levy that would need to be raised in two scenarios. The first assumes the current estimates on contributions and shortfall, the second shows the extent of the levy if all requested 2008/09 contributions are made to RIGT.

**Table 3: Funding scenarios**

Description	Current assumptions (£ms)			Full contribution position (£ms)		
	1 Apr 08 - 31 Mar 09	1 Apr 09 - 31 May 09	Total	1 Apr 08 - 31 Mar 09	1 Apr 09 - 31 May 09	Total
RIGT contributions sought	4.50	0.83	5.33	4.50	0.83	5.33
RIGT contributions made (est)	3.20	0.59	3.79	4.50	0.83	5.33
Shortfall to be funded 2008/09	1.30	0.24	1.54	0.00	0.00	0.00
Funding required 1 Jun 09 - 31 Dec 09			3.22			3.22
Net levy required 2009			4.76			3.22

2.42 On the basis of current estimate of the RIGT spending and funding shortfall, it is estimated that the 2009 levy would need to generate £4.76m. This would cover funding requirements for the period June – December 2009 and provide necessary working capital. Depending on the availability of RIGT reserves to the new distributor body, the net levy payable in 2009 could be reduced commensurately.

2.43 The levy will be payable to cover the year 1 January – 31 December. After the transition period (described below) payments for all operators will fall due on or after 1 April each year.

## Transition arrangements

2.44 It is proposed that transitional arrangements are put in place to take account of the following:

- There is a need to ensure that adequate funding for gambling research education and treatment is available over the years 2008/09 and 2009/10 to ensure a smooth transition from the voluntary to the levy funded system. Current forecasts indicate that the current voluntary arrangements are unlikely to generate the required level of funding and do not provide the level of certainty required for effective delivery of research education and guidance. The levy must be set to cover projected programme requirements in 2009 and to ensure adequate working capital for the proposed new regime to prevent any hiatus in service provision.

- The final amount of levy required will reflect the level of contributions to RIGT in 2008/09 and in April - May 2009, working capital requirements and the extent to which any remaining RIGT reserves are made available to the new distributor. The latter issue will be a matter for RIGT trustees, but the levy requirement to fund 2009's programme would be reduced in line with any such reserves made available.
- The Commission's report recommended that arrangements should be put in place to ensure that those who made a contribution for 2008/09 should have that contribution taken into account. Accordingly, arrangements are proposed under option 2, below, to ensure that those operators which contributed in 2008/09 are not asked to cover inherited liabilities or working capital deficiencies attributable to lack of voluntary contributions from others. The extent of this offset will, however, be limited to the notional amount of the levy calculated under these proposed arrangements that would have been required from a licensee had the levy been in force in the previous year. The same arrangements will apply to any donations made in April – May 2009.
- Under the current arrangements, donations can be made in arrears. This means that an operator whose contribution was not made until the end of the period (May 2009), would also then be required to pay the first levy in the following quarter. Transitional arrangements are proposed to smooth this transition between the voluntary and compulsory schemes.

2.45 Two options have been considered for the transitional arrangements.

#### Transitional option 1:

2.46 Under this option, the Commission would raise a levy to cover the funding requirements for 2009 and the estimated shortfall in available resources as a result of failures to make donations under current arrangements. The resultant levy would be calculated on the basis of this funding requirement and spread over all operators. No account would be taken of an operator's previous donations to RIGT or other organisations.

2.47 Such an arrangement would provide the required level of funding, deliver certainty and make a clear break with the past arrangements. However, it would place an additional burden on those operators that had made a donation compared to those who had not, because the burden of dealing with inherited liabilities and working capital deficiencies would be met by all operators.

#### Transitional option 2:

2.48 **This is the preferred option.** Under this option, the Commission would also calculate a funding level which covers the funding requirements for 2009 and the estimated shortfall in available resources and working capital as a result of failures to make donations under current arrangements. The aggregate levy payable would therefore be the same as in transitional option 1. However, in line with the proposal in the Commission's report, the amount payable by individual operators would be adjusted, subject to a maximum element of the total levy due, to reflect donations they had made in 2008/09 and April – May 2009. This would ensure that individual operators would make an equitable contribution to the funding requirements in line with the recommendation in the Commission's paper.

2.49 This is the preferred transitional option and its operation is discussed below. If option 1 were adopted, the transitional arrangements could also be adjusted to

allow for phased payments in the initial period (see further information about phasing below).

## Setting the transitional levy

2.50 The levy collected for the first year (Jan – Dec 2009) will be set at such a level as to ensure that planned funds are available to meet current and planned commitments to gambling research education and treatment, reflecting the current RIGT business plan as described in the Commission’s paper and the funding already made available during the year through RIGT. This will include ensuring that any inherited liabilities and working capital deficiencies for the proposed new regime that arise as a result of failures to make contributions to RIGT in the period to June 2009 are made available to the new distributor.

2.51 The expected income from voluntary donations for 2008/09 was £4.5m. The current estimate from RIGT is that only some £3.2m will be raised, leaving a shortfall of £1.3m. RIGT have had to curtail their programme as a result. It is currently estimated that this shortfall will increase by £0.24m by June 2009 when a levy would become payable. These figures will be updated to reflect actual donations and the best estimate of the final position in April 2009.

2.52 The total amount needed from the levy for first year, based on the current estimated level of donations, would therefore be:

**Table 4: Estimated total levy required in first year**

	<b>£ms</b>
2009 funding required (June - December 2009)	3.22
Working capital requirement	1.54
<b>Net levy proposed</b>	<b>4.76</b>

2.53 For individual operators, it is important that the collection of the levy reflects an equitable spread of the financial burden. This means that the burden of making up the working capital deficiencies should not fall unfairly on those operators that made a realistic donation under the former arrangements. It is proposed that individual operators will therefore be charged a gross operator levy, reflecting their assessed share of the levy burden, but subject to the offsetting arrangements outlined below.

2.54 It is proposed that operators will be allowed to offset relevant contributions against their individual levy, subject to the conditions and limits described below. These will be identified from the regulatory returns made in 2008 to the Commission by operators wherever possible. The following conditions will apply:

- The Operator’s Regulatory Return should identify the amount of donation made, the period covered by the donation and the organisation receiving the donation. (Regulatory Return, section 3). However in many cases this has not been done clearly or the period for which the payment has been made is unclear.
- The Commission recognises that operators could not have completed their Regulatory Returns in the knowledge of the potential impact of a levy. Therefore, where an operator wishes to provide a supplementary or clarifying return on donations made, the Commission will accept such a return to cover the period 1 April 2008 – 31 May 2009 up to 14 June 2009. The Commission will make arrangements to facilitate the submission of any such returns.

- Where an operator has not notified the Commission of any such donation the operator will be billed for the gross amount of the levy (ie with no amount offset). However, the Commission recognises that there may be reasons why an operator could not easily have made a supplementary or clarifying return (for example, for businesses which operate seasonally). The Commission will therefore allow an operator to deduct the amount of any contributed made in the period 1 April 2008 – 31 May 2009 from this gross amount (subject to the limits on deduction in paragraph 2.55) provided such donations meet the criteria set out below and independent written evidence of the donations having been made can be provided on request. The Commission will make such checks as it considers reasonably necessary on deductions made under this dispensation.
- Relevant donations will be confined to monetary donations made to RIGT and/or a charity clearly associated with gambling (for example, Gamcare or Gordon House) in respect of the period 1 April 2008 – 31 May 2009. Such contributions must be independently evidenced in writing. Donations in kind will not be offset.

2.55 The offset will be limited to the operator's proportionate share of the amount of the funding shortfall carried forward into 2009, i.e. 62% of the gross operator levy. No credit beyond this will be available.

2.56 The table below summarises the calculation of the net operator levy based on current forecasts from RIGT:

**Table 5: Estimated net operator levy based on current RIGT forecasts**

	<b>£ms</b>
Gross operator levy	8.55
Less:	
Relevant estimated contribution 2008/09	3.20
Relevant estimated contribution 1 April - 31May 2009	0.59
<b>Net operator levy payable 2009</b>	<b>4.76</b>

## Phasing payments

2.57 The move from a donation scheme, including the possibility of making payments in arrears, to a compulsory scheme requiring payment in advance will place a particular burden on some operators. This will be less so for those who have made timely donations under the voluntary scheme, and operators are urged to ensure that such donations are made in the period to 31 May 2009.

2.58 However, it is proposed to mitigate the impact of the switch, by phasing the payment of the levy for existing operators for a transitional period. The extent of the phasing is constrained by the need to ensure that the cash flow available to the Commission is sufficient to meet relevant research, education and treatment funding requirements through the appointed distributor.

**Table 6: Proposed timetable of levy payments during first 3 years**

Period	Dates	Payment due	Amount
1	1 January 2009 – 30 September 2009	30 June 2009	60% of 2009 net operator levy payable
2	1 October 2009 – 31 December 2009	31 November 2009	40% of 2009 net operator levy payable

**Proposals to introduce a levy under section 123 of the Gambling Act 2005**

3	1 January 2010 – 30 September 2010	30 April 2010	75% of 2010 net operator levy payable
4	1 January 2010 – 30 September 2010	31 November 2010	25% of 2010 net operator levy payable
5	1 January 2011 – 30 September 2011 (and succeeding years)	30 April 2011	100% of 2011 net operator levy payable

2.59 Where an operator's phased levy payment for period 1 or period 3 is less than £75, the operator can defer payment and make the full levy payment on the due date for period 2 or 4, as appropriate.

2.60 An example of how the transitional arrangements will work for individual operators is at Appendix E.

### **New Operators and inactive licences**

2.61 Because the levy is related to the level of gambling provided, arrangements are required for new operators, which have yet to offer gambling, and those holding licences for categories of gambling which are not yet being used, particularly those holding 2005 Act casino licences.

2.62 New operators are required to pay their application fee and, a month later, their first annual fee to the Commission, whether or not they commence operations immediately. However it would be disproportionate to require payment of a levy at the same time in advance of the provision of any gambling.

2.63 It is therefore proposed that, for new operators:

- Where an operator joins part-way through the transitional period, it would be required to pay the next transitional payment which falls due (para 2.58 above). Thereafter, payments would be in line with those required from other operators.
- After the transitional period, a new operator would be required to pay the full levy from the next due date following the issue of the licence.
- From January 2011, an operator joining the industry within 6 months of the previous levy date should pay 50% of the amount due that year, provided the amount equals or exceeds £75.

2.64 Operators that are not able to activate their licences (eg where they do not yet have premises licence for a casino), may notify the Commission of the reason for non-activation and apply for the deferral of any levy payment, pending the resolution of the issue which has delayed activation. Such a deferral will not be unreasonably withheld. Deferrals will not apply where an operator has simply decided not to operate or for seasonal closures since the banding arrangements proposed would already ensure that the levy amount due would not be disproportionate.

2.65 At the end of a period of deferral, the same levy arrangements will apply as though the operator were a new operator. This arrangement applies only to the initial activation of a licence, for example a new casino opening. It is not available where business is subsequently suspended for any period.

2.66 An additional levy is not payable by an operator where there is a change of control, as the levy for the relevant gambling will have already been paid.

## Section 3: Consultation questions

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You are invited to comment on any aspect of this consultation document. However, you may find it useful to refer to the questions below, which cover the main points on which we would particularly welcome views. Please be as specific as possible in your response.

**Question 1: Do you consider the proposed basis of the levy is appropriate to raise the funds required?**

**Question 2: In particular, for licences which fall into a premises-based licence fee category do you prefer Option 1) where bands are set at proportions of licence fee bands or Option 2) where actual number of premises is used to calculate the levy in relevant categories?**

**Question 3: Do you consider the proportions of the levy to be met by different categories of licence holders appropriate? If not, what adjustments would you suggest with your reasons?**

**Question 4: Do you consider the transition arrangements proposed provide an equitable means of moving to a statutory system. In particular, do you support the proposed arrangements for sharing the levy costs between those operators who have contributed under the current voluntary system and those which have not? If not, what alternatives would you propose?**

**Question 5: Do you consider the proposed way of dealing with new entrants and inactive licences appropriate or do you favour some other option (please specify)?**

# Appendix A: Gambling Commission's recommendations on research education and treatment

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## Recommendations

- 1.5** Our strongly preferred option remains that stakeholders work together to ensure that improved voluntary arrangements are put in place. However, time is running out and, for a levy to remain a viable option for 2009/10, detailed preparations need to start very soon indeed. Therefore, taking into account the considerations set out above and to avoid further, damaging delays and uncertainty, we recommend that:
- 1.10 Recommendation 1:** Ministers now move immediately to prepare for the introduction of a statutory levy, as provided for in the Gambling Act 2005, with a view to implementation if necessary from April 2009; the transitional arrangements for any levy on individual operators would take into account the voluntary funding contributions made by them this financial year, providing operators with no incentive to continue to defer making such contributions.
- 1.11 Recommendation 2:** In the meantime, the improved voluntary arrangements for funding research, education and treatment encapsulated in the final draft of the MOU and described in appendix A remain on the table should RIGT and the industry wish to take them up, since they represent, in the Commission's view, an effective and collaborative means of achieving the following objectives:
- separation of the three functions of determining strategy and priorities; managing and distributing funding; and fundraising
  - an effective framework for the development and determination of a responsible gambling strategy and associated priorities for research, education and treatment
  - improved distribution arrangements that will deliver cost-effective and evaluated programmes based on the agreed strategy
  - sustainable, three-year rolling funding from the industry.
- 1.12 Recommendation 3:** The Commission puts in hand without delay the creation, of a new Strategy Board, covering England, Scotland and Wales, to develop a strategic framework and priorities for the distribution of funding for research, education and treatment, to advise on the funding needed to deliver them, and to advise the Commission and DCMS on a national responsible gambling strategy; the first step will be the recruitment of a Chair. This is an

urgent requirement and stands alone, whatever option is adopted for securing future funding contributions.

**1.13 Recommendation 4:** The Strategy Board initially focuses its attention on:

- the components of a national responsible gambling strategy and the priorities for research, education and treatment
- the arguments for and against a longitudinal study and whether it should be a high priority
- a research gap analysis, with a particular emphasis on what is required to minimise the risks from problem gambling
- evidence of the value or otherwise of different types of preventive education programmes, including from the evaluation of current initiatives
- what is required in relation to a national telephone line
- reviewing the targets for increasing the volume of treatment delivered and the mix of treatments that should be made available
- the quantum of funding required from 20010/11 onwards to deliver the Board's priorities for programme spend.

**1.14 Recommendation 5:** If, as we would hope, during the coming weeks RIGT and the industry re-engage with the proposals for improved voluntary arrangements, and agreement is reached along the lines set out and the industry makes a firm and acceptable funding commitment on a three year rolling basis, the following steps are taken:

- RIGT is succeeded, as proposed by RIGT, by two bodies – the Social Responsibility Council, to carry out fundraising from the industry and elsewhere and to promote the industry's interest in the promotion of responsible gambling; and a new Distributor whose remit is the commissioning of services and the distribution of funds.
- This new, tripartite structure is put in place by April 2009.
- The interim Secretary to the Strategy Board works with the Chief Executive of RIGT/interim head of the new Distributor with a view to merging the executives of the two bodies and putting in hand the appointment of a Chief Executive by September 2009 to support the Strategy Board and direct the new Distributor.
- The Distributor, taking full account of the priorities recommended by the Strategy Board, develops a proactive funding approach with the emphasis on commissioning, the specification of outcomes and evaluation of impact.
- The target funding amounts for the three years from 2009/10 are agreed with the industry, with a firm commitment to a minimum amount (say, £5m per annum) on which the Distributor could rely and let 3 year contracts; these targets are reviewed annually by DCMS, the Commission and the Social Responsibility Council (on behalf of the industry) in the light of recommendations from the Strategy Board.

## Appendix B: Summary of proposed levy: Option 1

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**2009 gross levy**

This is the levy payable before deductions of any relevant contributions made in 2008/09 (see paragraph 2.47). Payments would be made in two phases in accordance with the transitional arrangements (see Table 6)

Operating licence type	Non Remote	A			B			C			D		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	Defn		19,766			99,290							
Casino: 1968 Act	GGmY	1,103	3,310	5,516	11,032	19,858	28,684	49,645	82,742	115,838	165,483	231,676	297,869
Bingo	Premises	255	511	894	1,702	2,553	3,404	9,220	14,042	18,865	25,106	31,915	38,723
General Betting (Limited)	Attendance	0.00	0.00	0.00	0.00	0.00	0.00	213	298	383			
General Betting (Telephone Only)													
General Betting (Standard)	Premises	397	794	1,589	2,648	3,972	5,295	8,605	13,106	17,607	30,052	49,645	69,238
Pool Betting	GGY	1,103	3,310	5,516	27,581	69,503	111,425	165,483	231,676	297,869			
Betting Intermediary	GGY	1,103	3,310	5,516	27,581	69,503	111,425	165,483	231,676	297,869			
Betting Intermediary: trading rooms													
Gaming machine general: AGC	Premises	284	567	993	1,891	2,837	3,782	6,147	9,362	12,577	16,737	21,276	25,815
Gaming machine general: FEC	Premises	0	227	397	756	1,135	1,513	2,459	3,745	5,031	6,695	8,511	10,326
Gaming machine technical: Full	Val gross sales	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Gaming machine technical: Supplier	Val gross sales	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Gaming machine technical: Software	Val gross sales	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Gambling Software	Val gross sales	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Lottery Managers	Proceeds	0	0	0	221	397	574	9,929	13,901	17,872			
Society Lotteries	Proceeds	0	0	0	0	199	287	414	579	745			

Operating licence type	Remote	F			G			H			I		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	GGY	1,103	3,310	5,516	27,581	69,503	111,425	154,451	198,580	242,708	330,966	463,353	595,739
Casino: 1968 Act	GGY												
Bingo	GGY	1,103	3,310	5,516	27,581	69,503	111,425	154,451	198,580	242,708	330,966	463,353	595,739
General Betting (Limited)													
General Betting (Telephone Only)	GGY	0	165	276									
General Betting (Standard)	GGY	1,103	3,310	5,516	27,581	69,503	111,425	154,451	198,580	242,708	330,966	463,353	595,739
Pool Betting	GGY	1,103	3,310	5,516	27,581	69,503	111,425	154,451	198,580	242,708	330,966	463,353	595,739
Betting Intermediary	GGY	1,103	3,310	5,516	27,581	69,503	111,425	154,451	198,580	242,708	330,966	463,353	595,739
Betting Intermediary: trading rooms	GGY	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Gaming machine general: AGC													
Gaming machine general: FEC													
Gaming machine technical: Full	Val gross sales	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Gaming machine technical: Supplier	Val gross sales	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Gaming machine technical: Software	Val gross sales	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Gambling Software	Val gross sales	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Lottery Managers	Proceeds	0	331	552	1,875	4,303	6,730	9,929	13,901	17,872			
Society Lotteries	Proceeds	0	0	0	221	397	574	827	1,158	1,489			

Proposals to introduce a levy under section 123 of the Gambling Act 2005

**2009 net levy**

This is the levy payable after the maximum allowance for deductions of any relevant contributions made in 2008/09 (see paragraph 2.47). Payments would be made in two phases in accordance with the transitional arrangements (see Table 6)

Operating licence type	Non Remote	A			B			C			D		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	Defn		9,363			47,032							
Casino: 1968 Act	GGmY	523	1,568	2,613	5,226	9,406	13,587	23,516	39,193	54,871	78,387	109,741	141,096
Bingo	Premises	121	242	423	806	1,209	1,613	4,367	6,652	8,936	11,892	15,117	18,342
General Betting (Limited)	Attendance	0	0	0	0	0	0	101	141	181			
General Betting (Telephone Only)													
General Betting (Standard)	Premises	188	376	753	1,254	1,881	2,508	4,076	6,208	8,340	14,235	23,516	32,797
Pool Betting	GGY	523	1,568	2,613	13,064	32,922	52,780	78,387	109,741	141,096			
Betting Intermediary	GGY	523	1,568	2,613	13,064	32,922	52,780	78,387	109,741	141,096			
Betting Intermediary: trading rooms													
Gaming machine general: AGC	Premises	134	269	470	896	1,344	1,792	2,912	4,434	5,957	7,928	10,078	12,228
Gaming machine general: FEC	Premises	0	108	188	358	538	717	1,165	1,774	2,383	3,171	4,031	4,891
Gaming machine technical: Full	Val gross sales	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Gaming machine technical: Supplier	Val gross sales	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Gaming machine technical: Software	Val gross sales	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Gambling Software	Val gross sales	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Lottery Managers	Proceeds	0	0	0	105	188	272	4,703	6,584	8,466			
Society Lotteries	Proceeds	0	0	0	0	94	136	196	274	353			

Operating licence type	Remote	F			G			H			I		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	GGY	523	1,568	2,613	13,064	32,922	52,780	73,161	94,064	114,967	156,773	219,483	282,192
Casino: 1968 Act	GGY												
Bingo	GGY	523	1,568	2,613	13,064	32,922	52,780	73,161	94,064	114,967	156,773	219,483	282,192
General Betting (Limited)													
General Betting (Telephone Only)	GGY	0	78	131									
General Betting (Standard)	GGY	523	1,568	2,613	13,064	32,922	52,780	73,161	94,064	114,967	156,773	219,483	282,192
Pool Betting	GGY	523	1,568	2,613	13,064	32,922	52,780	73,161	94,064	114,967	156,773	219,483	282,192
Betting Intermediary	GGY	523	1,568	2,613	13,064	32,922	52,780	73,161	94,064	114,967	156,773	219,483	282,192
Betting Intermediary: trading rooms	GGY	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Gaming machine general: AGC													
Gaming machine general: FEC													
Gaming machine technical: Full	Val gross sales	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Gaming machine technical: Supplier	Val gross sales	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Gaming machine technical: Software	Val gross sales	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Gambling Software	Val gross sales	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Lottery Managers	Proceeds	0	157	261	888	2,038	3,188	4,703	6,584	8,466			
Society Lotteries	Proceeds	0	0	0	105	188	272	392	549	705			

**2010 levy**

Payments would be made in two phases in accordance with the transitional arrangements (see Table 6)

Operating licence type	Non Remote	A			B			C			D		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	Defn		14,472			72,696							
Casino: 1968 Act	GGmY	808	2,423	4,039	8,077	14,539	21,001	36,348	60,580	84,812	121,161	169,625	218,089
Bingo	Premises	187	374	654	1,246	1,869	2,492	6,750	10,281	13,812	18,382	23,367	28,352
General Betting (Limited)	Attendance	0	0	0	0	0	0	156	218	280			
General Betting (Telephone Only)													
General Betting (Standard)	Premises	291	582	1,163	1,939	2,908	3,877	6,300	9,596	12,891	22,003	36,348	50,694
Pool Betting	GGY	808	2,423	4,039	20,193	50,887	81,582	121,161	169,625	218,089			
Betting Intermediary	GGY	808	2,423	4,039	20,193	50,887	81,582	121,161	169,625	218,089			
Betting Intermediary: trading rooms													
Gaming machine general: AGC	Premises	208	415	727	1,385	2,077	2,769	4,500	6,854	9,208	12,255	15,578	18,901
Gaming machine general: FEC	Premises	0	166	291	554	831	1,108	1,800	2,742	3,683	4,902	6,231	7,560
Gaming machine technical: Full	Val gross sales	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Gaming machine technical: Supplier	Val gross sales	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Gaming machine technical: Software	Val gross sales	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Gambling Software	Val gross sales	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Lottery Managers	Proceeds	0	0	0	162	291	420	7,270	10,177	13,085			
Society Lotteries	Proceeds	0	0	0	0	145	210	303	424	545			

Operating licence type	Remote	F			G			H			I		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	GGY	808	2,423	4,039	20,193	50,887	81,582	113,083	145,393	177,702	242,321	339,250	436,178
Casino: 1968 Act	GGY												
Bingo	GGY	808	2,423	4,039	20,193	50,887	81,582	113,083	145,393	177,702	242,321	339,250	436,178
General Betting (Limited)													
General Betting (Telephone Only)	GGY	0	121	202									
General Betting (Standard)	GGY	808	2,423	4,039	20,193	50,887	81,582	113,083	145,393	177,702	242,321	339,250	436,178
Pool Betting	GGY	808	2,423	4,039	20,193	50,887	81,582	113,083	145,393	177,702	242,321	339,250	436,178
Betting Intermediary	GGY	808	2,423	4,039	20,193	50,887	81,582	113,083	145,393	177,702	242,321	339,250	436,178
Betting Intermediary: trading rooms	GGY	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Gaming machine general: AGC													
Gaming machine general: FEC													
Gaming machine technical: Full	Val gross sales	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Gaming machine technical: Supplier	Val gross sales	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Gaming machine technical: Software	Val gross sales	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Gambling Software	Val gross sales	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Lottery Managers	Proceeds	0	242	404	1,373	3,150	4,927	7,270	10,177	13,085			
Society Lotteries	Proceeds	0	0	0	162	291	420	606	848	1,090			

**2011 levy**

Operating licence type	Non Remote	A			B			C			D		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	Defn		16,021			80,477							
Casino: 1968 Act	GGmY	894	2,683	4,471	8,942	16,095	23,249	40,239	67,064	93,890	134,128	187,780	241,431
Bingo	Premises	207	414	724	1,380	2,069	2,759	7,473	11,382	15,291	20,349	25,868	31,386
General Betting (Limited)	Attendance	0	0	0	0	0	0	172	241	310			
General Betting (Telephone Only)													
General Betting (Standard)	Premises	322	644	1,288	2,146	3,219	4,292	6,975	10,623	14,271	24,358	40,239	56,119
Pool Betting	GGY	894	2,683	4,471	22,355	56,334	90,313	134,128	187,780	241,431			
Betting Intermediary	GGY	894	2,683	4,471	22,355	56,334	90,313	134,128	187,780	241,431			
Betting Intermediary: trading rooms													
Gaming machine general: AGC	Premises	230	460	805	1,533	2,299	3,066	4,982	7,588	10,194	13,566	17,245	20,924
Gaming machine general: FEC	Premises	0	184	322	613	920	1,226	1,993	3,035	4,078	5,426	6,898	8,370
Gaming machine technical: Full	Val gross sales	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Gaming machine technical: Supplier	Val gross sales	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Gaming machine technical: Software	Val gross sales	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Gambling Software	Val gross sales	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Lottery Managers	Proceeds	0	0	0	179	322	465	8,048	11,267	14,486			
Society Lotteries	Proceeds	0	0	0	0	161	232	335	469	604			

Operating licence type	Remote	F			G			H			I		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	GGY	894	2,683	4,471	22,355	56,334	90,313	125,186	160,954	196,722	268,257	375,559	482,862
Casino: 1968 Act	GGY												
Bingo	GGY	894	2,683	4,471	22,355	56,334	90,313	125,186	160,954	196,722	268,257	375,559	482,862
General Betting (Limited)													
General Betting (Telephone Only)	GGY	0	134	224									
General Betting (Standard)	GGY	894	2,683	4,471	22,355	56,334	90,313	125,186	160,954	196,722	268,257	375,559	482,862
Pool Betting	GGY	894	2,683	4,471	22,355	56,334	90,313	125,186	160,954	196,722	268,257	375,559	482,862
Betting Intermediary	GGY	894	2,683	4,471	22,355	56,334	90,313	125,186	160,954	196,722	268,257	375,559	482,862
Betting Intermediary: trading rooms	GGY	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Gaming machine general: AGC													
Gaming machine general: FEC													
Gaming machine technical: Full	Val gross sales	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Gaming machine technical: Supplier	Val gross sales	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Gaming machine technical: Software	Val gross sales	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Gambling Software	Val gross sales	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Lottery Managers	Proceeds	0	268	447	1,520	3,487	5,455	8,048	11,267	14,486			
Society Lotteries	Proceeds	0	0	0	179	322	465	671	939	1,207			

# Appendix C: Summary of proposed levy: Option 2

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**2009 Gross levy**

This is the levy payable before deductions of any relevant contributions made in 2008/09 (see paragraph 2.47). Payments would be made in two phases in accordance with the transitional arrangements (see Table 6)

Operating licence type	Non Remote	A			B			C			D		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	Defn	19,275	19,275	19,275	98,047	98,047	98,047						
Casino: 1968 Act	GGmY	1,089	3,268	5,447	10,894	19,609	28,325	49,023	81,706	114,388	163,411	228,776	294,140
Bingo	Premises	280	280	280	280	280	280	420	420	420	420	420	420
General Betting (Limited)	Attendance	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84			
General Betting (Telephone Only)													
General Betting (Standard)	Premises	392	392	392	392	392	392	392	392	392	392	392	392
Pool Betting	GGY	1,089	3,268	5,447	27,235	68,633	110,030	163,411	228,776	294,140			
Betting Intermediary	GGY	1,089	3,268	5,447	27,235	68,633	110,030	163,411	228,776	294,140			
Betting Intermediary: trading rooms													
Gaming machine general: AGC	Premises	280	280	280	280	280	280	280	280	280	280	280	280
Gaming machine general: FEC	Premises	112	112	112	112	112	112	112	112	112	112	112	112
Gaming machine technical: Full	Val gross sales	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Gaming machine technical: Supplier	Val gross sales	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Gaming machine technical: Software	Val gross sales	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Gambling Software	Val gross sales	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Lottery Managers	Proceeds	0	0	0	218	392	566	9,805	13,727	17,648			
Society Lotteries	Proceeds	0	0	0	0	196	283	409	572	735			

Operating licence type	Remote	F			G			H			I		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	GGY	1,089	3,268	5,447	27,235	68,633	110,030	152,517	196,094	239,670	326,823	457,552	588,281
Casino: 1968 Act	GGY												
Bingo	GGY	1,089	3,268	5,447	27,235	68,633	110,030	152,517	196,094	239,670	326,823	457,552	588,281
General Betting (Limited)											0	0	0
General Betting (Telephone Only)	GGY	0	163	272									
General Betting (Standard)	GGY	1,089	3,268	5,447	27,235	68,633	110,030	152,517	196,094	239,670	326,823	457,552	588,281
Pool Betting	GGY	1,089	3,268	5,447	27,235	68,633	110,030	152,517	196,094	239,670	326,823	457,552	588,281
Betting Intermediary	GGY	1,089	3,268	5,447	27,235	68,633	110,030	152,517	196,094	239,670	326,823	457,552	588,281
Betting Intermediary: trading rooms	GGY	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Gaming machine general: AGC													
Gaming machine general: FEC													
Gaming machine technical: Full	Val gross sales	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Gaming machine technical: Supplier	Val gross sales	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Gaming machine technical: Software	Val gross sales	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Gambling Software	Val gross sales	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Lottery Managers	Proceeds	0	327	545	1,852	4,249	6,645	9,805	13,727	17,648			
Society Lotteries	Proceeds	0	0	0	218	392	566	817	1,144	1,471			

## Proposals to introduce a levy under section 123 of the Gambling Act 2005

## 2009 Net levy

This is the levy payable after the maximum allowance for deductions of any relevant contributions made in 2008/09 (see paragraph 2.47). Payments would be made in two phases in accordance with the transitional arrangements (see Table 6)

Operating licence type	Non Remote	A			B			C			D		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	Defn	9,130	9,130	9,130	46,443	46,443	46,443						
Casino: 1968 Act	GGmY	516	1,548	2,580	5,160	9,289	13,417	23,222	38,703	54,184	77,405	108,367	139,330
Bingo	Premises	133	133	133	133	133	133	199	199	199	199	199	199
General Betting (Limited)	Attendance	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40			
General Betting (Telephone Only)													
General Betting (Standard)	Premises	186	186	186	186	186	186	186	186	186	186	186	186
Pool Betting	GGY	516	1,548	2,580	12,901	32,510	52,120	77,405	108,367	139,330			
Betting Intermediary	GGY	516	1,548	2,580	12,901	32,510	52,120	77,405	108,367	139,330			
Betting Intermediary: trading rooms													
Gaming machine general: AGC	Premises	133	133	133	133	133	133	133	133	133	133	133	133
Gaming machine general: FEC	Premises	53	53	53	53	53	53	53	53	53	53	53	53
Gaming machine technical: Full	Val gross sales	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Gaming machine technical: Supplier	Val gross sales	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Gaming machine technical: Software	Val gross sales	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Gambling Software	Val gross sales	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Lottery Managers	Proceeds	0	0	0	103	186	268	4,644	6,502	8,360			
Society Lotteries	Proceeds	0	0	0	0	93	134	194	271	348			

Operating licence type	Remote	F			G			H			I		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	GGY	516	1,548	2,580	12,901	32,510	52,120	72,245	92,886	113,528	154,811	216,735	278,659
Casino: 1968 Act	GGY												
Bingo	GGY	516	1,548	2,580	12,901	32,510	52,120	72,245	92,886	113,528	154,811	216,735	278,659
General Betting (Limited)											0	0	0
General Betting (Telephone Only)	GGY	0	77	129									
General Betting (Standard)	GGY	516	1,548	2,580	12,901	32,510	52,120	72,245	92,886	113,528	154,811	216,735	278,659
Pool Betting	GGY	516	1,548	2,580	12,901	32,510	52,120	72,245	92,886	113,528	154,811	216,735	278,659
Betting Intermediary	GGY	516	1,548	2,580	12,901	32,510	52,120	72,245	92,886	113,528	154,811	216,735	278,659
Betting Intermediary: trading rooms	GGY	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Gaming machine general: AGC													
Gaming machine general: FEC													
Gaming machine technical: Full	Val gross sales	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Gaming machine technical: Supplier	Val gross sales	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Gaming machine technical: Software	Val gross sales	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Gambling Software	Val gross sales	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Lottery Managers	Proceeds	0	155	258	877	2,013	3,148	4,644	6,502	8,360			
Society Lotteries	Proceeds	0	0	0	103	186	268	387	542	697			

**2010 Levy**

Payments would be made in two phases in accordance with the transitional arrangements (see Table 6)

Operating licence type	Non Remote	A			B			C			D		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	Defn	14,112	14,112	14,112	71,786	71,786							
Casino: 1968 Act	GGmY	798	2,393	3,988	7,976	14,357	20,738	35,893	59,822	83,751	119,644	167,501	215,359
Bingo	Premises	205	205	205	205	205	205	308	308	308	308	308	308
General Betting (Limited)	Attendance	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62			
General Betting (Telephone Only)													
General Betting (Standard)	Premises	287	287	287	287	287	287	287	287	287	287	287	287
Pool Betting	GGY	798	2,393	3,988	19,941	50,250	80,560	119,644	167,501	215,359			
Betting Intermediary	GGY	798	2,393	3,988	19,941	50,250	80,560	119,644	167,501	215,359			
Betting Intermediary: trading rooms													
Gaming machine general: AGC	Premises	205	205	205	205	205	205	205	205	205	205	205	205
Gaming machine general: FEC	Premises	82	82	82	82	82	82	82	82	82	82	82	82
Gaming machine technical: Full	Val gross sales	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Gaming machine technical: Supplier	Val gross sales	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Gaming machine technical: Software	Val gross sales	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Gambling Software	Val gross sales	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Lottery Managers	Proceeds	0	0	0	160	287	415	7,179	10,050	12,922			
Society Lotteries	Proceeds	0	0	0	0	144	207	299	419	538			

Operating licence type	Remote	F			G			H			I		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	GGY	798	2,393	3,988	19,941	50,250	80,560	111,668	143,573	175,478	239,288	335,003	430,718
Casino: 1968 Act	GGY												
Bingo	GGY	798	2,393	3,988	19,941	50,250	80,560	111,668	143,573	175,478	239,288	335,003	430,718
General Betting (Limited)											0	0	0
General Betting (Telephone Only)	GGY	0	120	199									
General Betting (Standard)	GGY	798	2,393	3,988	19,941	50,250	80,560	111,668	143,573	175,478	239,288	335,003	430,718
Pool Betting	GGY	798	2,393	3,988	19,941	50,250	80,560	111,668	143,573	175,478	239,288	335,003	430,718
Betting Intermediary	GGY	798	2,393	3,988	19,941	50,250	80,560	111,668	143,573	175,478	239,288	335,003	430,718
Betting Intermediary: trading rooms	GGY	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Gaming machine general: AGC													
Gaming machine general: FEC													
Gaming machine technical: Full	Val gross sales	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Gaming machine technical: Supplier	Val gross sales	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Gaming machine technical: Software	Val gross sales	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Gambling Software	Val gross sales	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Lottery Managers	Proceeds	0	239	399	1,356	3,111	4,866	7,179	10,050	12,922			
Society Lotteries	Proceeds	0	0	0	160	287	415	598	838	1,077			

## 2011 Levy

Operating licence type	Non Remote	A			B			C			D		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	Defn	15,623	15,623	15,623	79,469	79,469	79,469						
Casino: 1968 Act	GGmY	883	2,649	4,415	8,830	15,894	22,958	39,735	66,225	92,714	132,449	185,429	238,408
Bingo	Premises	227	227	227	227	227	227	341	341	341	341	341	341
General Betting (Limited)	Attendance	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68			
General Betting (Telephone Only)													
General Betting (Standard)	Premises	318	318	318	318	318	318	318	318	318	318	318	318
Pool Betting	GGY	883	2,649	4,415	22,075	55,629	89,182	132,449	185,429	238,408			
Betting Intermediary	GGY	883	2,649	4,415	22,075	55,629	89,182	132,449	185,429	238,408			
Betting Intermediary: trading rooms													
Gaming machine general: AGC	Premises	227	227	227	227	227	227	227	227	227	227	227	227
Gaming machine general: FEC	Premises	91	91	91	91	91	91	91	91	91	91	91	91
Gaming machine technical: Full	Val gross sales	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Gaming machine technical: Supplier	Val gross sales	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Gaming machine technical: Software	Val gross sales	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Gambling Software	Val gross sales	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Lottery Managers	Proceeds	0	0	0	177	318	459	7,947	11,126	14,305			
Society Lotteries	Proceeds	0	0	0	0	159	230	331	464	596			

Operating licence type	Remote	F			G			H			I		
		R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3
Casino: 2005 Act	GGY	883	2,649	4,415	22,075	55,629	89,182	123,619	158,939	194,259	264,898	370,858	476,817
Casino: 1968 Act	GGY												
Bingo	GGY	883	2,649	4,415	22,075	55,629	89,182	123,619	158,939	194,259	264,898	370,858	476,817
General Betting (Limited)											0	0	0
General Betting (Telephone Only)	GGY	0	132	221									
General Betting (Standard)	GGY	883	2,649	4,415	22,075	55,629	89,182	123,619	158,939	194,259	264,898	370,858	476,817
Pool Betting	GGY	883	2,649	4,415	22,075	55,629	89,182	123,619	158,939	194,259	264,898	370,858	476,817
Betting Intermediary	GGY	883	2,649	4,415	22,075	55,629	89,182	123,619	158,939	194,259	264,898	370,858	476,817
Betting Intermediary: trading rooms	GGY	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Gaming machine general: AGC													
Gaming machine general: FEC													
Gaming machine technical: Full	Val gross sales	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Gaming machine technical: Supplier	Val gross sales	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Gaming machine technical: Software	Val gross sales	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Gambling Software	Val gross sales	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Lottery Managers	Proceeds	0	265	441	1,501	3,444	5,386	7,947	11,126	14,305			
Society Lotteries	Proceeds	0	0	0	177	318	459	662	927	1,192			

## Appendix D: Levy table bands

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See attached spreadsheet Draft levy bands.xls.

## Appendix E: Example of transitional levy payment

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Transition arrangements will be put in place to smooth the move from a voluntary system to the levy system. The transition arrangements are outlined in full in the paper above. The following tables illustrate the proposed transition arrangements and give examples for operators in differing circumstances.



## Option 1

## Large operator, full donations

	Levy bands	Prams	Levy		
			2009	2010	2011
Casino	C:R1		49,645	36,348	40,239
Casino Remote	G: R1		27,581	20,193	22,355
Bingo	E:R1	100	106,382	77,889	86,225
Betting	E:R3	1000	840,654	615,496	681,372
<b>Gross Levy</b>			<b>1,024,261</b>		
<b>2008/09 donations</b>			<b>541,583</b>		
<b>Net Levy</b>			<b>482,678</b>	<b>749,927</b>	<b>830,191</b>
<b>Payable:</b>					
<b>Transition arrangements</b> (see para 2.57)					
Period 1: 01/04/2009	60%		289,607		
Period 2: 01/11/2009	40%		193,071		
Period 3: 01/04/2010	75%			562,445	
Period 4: 01/11/2010	25%			187,482	
<b>Standard Arrangements</b>					
Due 01/04/2011	100%				830,191
<b>Total</b>			<b>482,678</b>	<b>749,927</b>	<b>830,191</b>

This example is for a large operator running a casino business with GGY in band C, range 1, remote casino activity with GGY in band G, range 1, 100 bingo halls (falling into band E, range 1) and 1000 betting shops falling into band E, range ).

The first part of the table illustrates the levy due for each type of activity for the years 2009 - 2011. The example assumes a significant donation in 2008/09 in line with RIGT recommendations.

The table then shows the payment schedule for the levy in line with the transitional arrangements described in para 2.57 of the consultation document.

## Large operator, no donations

	Levy bands	Prams	Levy		
			2009	2010	2011
Casino	C:R1		49,645	36,348	40,239
Casino Remote	G: R1		27,581	20,193	22,355
Bingo	E:R1	100	106,382	77,889	86,225
Betting	E:R3	1000	840,654	615,496	681,372
<b>Gross Levy</b>			<b>1,024,261</b>		
<b>2008/09 donations</b>			<b>0</b>		
<b>Net Levy</b>			<b>1,024,261</b>	<b>749,927</b>	<b>830,191</b>
<b>Payable:</b>					
<b>Transition arrangements</b> (see para 2.57)					
Period 1: 01/04/2009	60%		614,557		
Period 2: 01/11/2009	40%		409,705		
Period 3: 01/04/2010	75%			562,445	
Period 4: 01/11/2010	25%			187,482	
<b>Standard Arrangements</b>					
Due 01/04/2011	100%				830,191
<b>Total</b>			<b>1,024,261</b>	<b>749,927</b>	<b>830,191</b>

This example is for a large operator running a casino business with GGY in band C, range 1, remote casino activity with GGY in band G, range 1, 100 bingo halls (falling into band E, range 1) and 1000 betting shops falling into band E, range ).

The first part of the table illustrates the levy due for each type of activity for the years 2009 - 2011. The example assumes that no donations were made in 2008/09.

The table then shows the payment schedule for the levy in line with the transitional arrangements described in para 2.57 of the consultation document.

**Small operator, full donations**

	Levy bands	Premis	Levy		
			2009	2010	2011
Betting	A: R1	1	397	291	322
Betting remote	E: R1		1,103	808	894
<b>Gross Levy</b>			<b>1,500</b>		
2008/09 donations			793		
<b>Net Levy</b>			<b>707</b>	<b>1,099</b>	<b>1,216</b>
<b>Payable:</b>					
Transition arrangements (see para 2.57)					
Period 1: 01/04/2009	60%		424		
Period 2: 01/11/2009	40%		283		
Period 3: 01/04/2010	75%			824	
Period 4: 01/11/2010	25%			275	
<b>Standard Arrangements</b>					
Due 01/04/2011	100%				1,216
<b>Total</b>			<b>707</b>	<b>1,099</b>	<b>1,216</b>

This example is for a small operator running a betting shop (falling into band A, range 1) and providing remote betting with GGY falling into band E, range 1.

The first part of the table illustrates the levy due for each type of activity for the years 2009 - 2011. The example assumes that full donations in line with RIGT recommendations were made in 2008/09.

The table then shows the payment schedule for the levy in line with the transitional arrangements described in para 2.57 of the consultation document.

**Small operator, no donations**

	Levy bands	Premis	Levy		
			2009	2010	2011
Betting	A: R1	1	397	291	322
Betting remote	E: R1		1,103	808	894
<b>Gross Levy</b>			<b>1,500</b>		
2008/09 donations			0		
<b>Net Levy</b>			<b>1,500</b>	<b>1,099</b>	<b>1,216</b>
<b>Payable:</b>					
Transition arrangements (see para 2.57)					
Period 1: 01/04/2009	60%		900		
Period 2: 01/11/2009	40%		600		
Period 3: 01/04/2010	75%			824	
Period 4: 01/11/2010	25%			275	
<b>Standard Arrangements</b>					
Due 01/04/2011	100%				1,216
<b>Total</b>			<b>1,500</b>	<b>1,099</b>	<b>1,216</b>

This example is for a small operator running a betting shop (falling into band A, range 1) and providing remote betting with GGY falling into band E, range 1.

The first part of the table illustrates the levy due for each type of activity for the years 2009 - 2011. The example assumes that no donations were made in 2008/09.

The table then shows the payment schedule for the levy in line with the transitional arrangements described in para 2.57 of the consultation document.

## Option 2

## Large operator, full donations

	Levy bands	Preams	Levy		
			2009	2010	2011
Casino	C:R1		49,023	35,893	39,735
Casino Remote	G: R1		27,235	19,941	22,075
Bingo	E:R1	100	42,020	30,766	34,058
Betting	E:R3	1000	392,187	287,145	317,878
<b>Gross Levy</b>			<b>510,466</b>		
2008/09 donations			273,333		
<b>Net Levy</b>			<b>237,132</b>	<b>373,745</b>	<b>413,746</b>
<b>Payable:</b>					
<b>Transition arrangements (see para 2.57)</b>					
Period 1: 01/04/2009	60%		142,279		
Period 2: 01/11/2009	40%		94,853		
Period 3: 01/04/2010	75%			280,308	
Period 4: 01/11/2010	25%			93,436	
<b>Standard Arrangements</b>					
Due 01/04/2011	100%				413,746
<b>Total</b>			<b>237,132</b>	<b>373,745</b>	<b>413,746</b>

This example is for a large operator running a casino business with GGY in band C, range 1, remote casino activity with GGY in band G, range 1, 100 bingo halls (falling into band E, range 1) and 1000 betting shops falling into band E, range 1).

The first part of the table illustrates the levy due for each type of activity for the years 2009 - 2011. The example assumes a significant donation in 2008/09 in line with RIGT recommendations.

The table then shows the payment schedule for the levy in line with the transitional arrangements described in para 2.57 of the consultation document.

## Large operator, no donations

	Levy bands	Preams	Levy		
			2009	2010	2011
Casino	C:R1		49,023	35,893	39,735
Casino Remote	G: R1		27,235	19,941	22,075
Bingo	E:R1	100	42,020	30,766	34,058
Betting	E:R3	1000	392,187	287,145	317,878
<b>Gross Levy</b>			<b>510,466</b>		
2008/09 donations			0		
<b>Net Levy</b>			<b>510,466</b>	<b>373,745</b>	<b>413,746</b>
<b>Payable:</b>					
<b>Transition arrangements (see para 2.57)</b>					
Period 1: 01/04/2009	60%		306,279		
Period 2: 01/11/2009	40%		204,186		
Period 3: 01/04/2010	75%			280,308	
Period 4: 01/11/2010	25%			93,436	
<b>Standard Arrangements</b>					
Due 01/04/2011	100%				413,746
<b>Total</b>			<b>510,466</b>	<b>373,745</b>	<b>413,746</b>

This example is for a large operator running a casino business with GGY in band C, range 1, remote casino activity with GGY in band G, range 1, 100 bingo halls (falling into band E, range 1) and 1000 betting shops falling into band E, range 1).

The first part of the table illustrates the levy due for each type of activity for the years 2009 - 2011. The example assumes that no donations were made in 2008/09.

The table then shows the payment schedule for the levy in line with the transitional arrangements described in para 2.57 of the consultation document.

**Small operator, full donation**

	Levy bands	Premis	Levy		
			2009	2010	2011
Betting	A: R1	1	392	287	318
Betting remote	E: R1		1,103	808	894
<b>Gross Levy</b>			<b>1,495</b>		
2008/09 donations			791		
<b>Net Levy</b>			<b>705</b>	<b>1,095</b>	<b>1,212</b>
<b>Payable:</b>					
Transition arrangements (see para 2.57)					
Period 1: 01/04/2009	60%		423		
Period 2: 01/11/2009	40%		282		
Period 3: 01/04/2010	75%			821	
Period 4: 01/11/2010	25%			274	
<b>Standard Arrangements</b>					
Due 01/04/2011	100%				1,212
<b>Total</b>			<b>705</b>	<b>1,095</b>	<b>1,212</b>

This example is for a small operator running a betting shop (falling into band A, range 1) and providing remote betting with GGY falling into band E, range 1.

The first part of the table illustrates the levy due for each type of activity for the years 2009 - 2011. The example assumes that full donations in line with RIGT recommendations were made in 2008/09.

The table then shows the payment schedule for the levy in line with the transitional arrangements described in para 2.57 of the consultation document.

**Small operator, no donations**

	Levy bands	Premis	Levy		
			2009	2010	2011
Betting	A: R1	1	392	287	318
Betting remote	E: R1		1,103	808	894
<b>Gross Levy</b>			<b>1,495</b>		
2008/09 donations			0		
<b>Net Levy</b>			<b>1,495</b>	<b>1,095</b>	<b>1,212</b>
<b>Payable:</b>					
Transition arrangements (see para 2.57)					
Period 1: 01/04/2009	60%		897		
Period 2: 01/11/2009	40%		598		
Period 3: 01/04/2010	75%			821	
Period 4: 01/11/2010	25%			274	
<b>Standard Arrangements</b>					
Due 01/04/2011	100%				1,212
<b>Total</b>			<b>1,495</b>	<b>1,095</b>	<b>1,212</b>

This example is for a small operator running a betting shop (falling into band A, range 1) and providing remote betting with GGY falling into band E, range 1.

The first part of the table illustrates the levy due for each type of activity for the years 2009 - 2011. The example assumes that no donations were made in 2008/09.

The table then shows the payment schedule for the levy in line with the transitional arrangements described in para 2.57 of the consultation document.



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