

# GAMBLING COMMISSION

Ref: LET08/21

17 October 2008

Gerry Sutcliffe MP  
Minister for Sport  
Department for Culture, Media & Sport  
2 –4 Cockspur Street  
London  
SW1Y 5DH

*Dear Minister,*

**Re: Review of Research, Education and Treatment**

I am pleased to enclose a copy of the Commission's report on research, education and treatment in relation to problem gambling which you asked the Commission to prepare.

The report, which follows a lengthy consultation exercise, concludes that the current arrangements are not working effectively and makes 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.

The proposed improved voluntary arrangements (which we had encapsulated in a draft Memorandum of Understanding), provide for a tripartite structure – the Strategy Board, together with a new fundraising body (for which the industry would be responsible) and a new Distributor.

Despite protracted discussions with RIGT and with individual industry stakeholders, and substantive modifications to meet the industry's concerns, we have not been able to secure agreement to our proposals or obtain satisfactory funding commitments for the next three years.

The strongly preferred option in the report is that stakeholders work together to put in place improved voluntary arrangements. However, time is short and it is essential that new arrangements are in place by April 2009 to avoid further, damaging, delays and uncertainty.

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Taking that into account, the report recommends that you announce immediately that preparations are being put in hand for the introduction of a statutory levy from April 2009, but that you endorse the improved voluntary arrangements proposed by the Commission and that they remain on the table should the industry and RIGT wish to take them up. Furthermore, the Commission will without delay proceed to set up the Strategy Board, in collaboration with DCMS and the industry. (This is an urgent requirement, whatever option is eventually adopted for securing future funding contributions.)

The report also makes it clear that we recognise that determination of the funding targets would need to be sensitive to concerns about the impact of current problems in financial markets and the economy. We believe that the funding levels for the next three years (£5.4m, £6.35m, and £7.2m) which are set out in the report (and are based on RIGT's business plan) are appropriate and realistic. However, to reflect the fact that discussions about funding RET are coinciding with a period of wholly exceptional economic uncertainty, one approach might be to agree an amount representing a substantial proportion of the total over three years from 2009/10 (for example at least £5m per annum) to which the industry would make a firm and binding commitment. At the same time, all parties would explicitly adopt the higher funding targets and the industry would commit to using its best endeavours to meet them. As recommended in the report, the funding targets would be subject to annual review on a rolling basis by DCMS, the Commission and the fundraising body, following recommendations from the Strategy Board.

Finally, as the report indicates, we have made strenuous efforts to meet the industry's legitimate concerns but discussions with the industry about improved voluntary arrangements have highlighted the very real difficulties such a diverse industry inevitably has in finding an equitable way to commit funds on its behalf in the way needed to make the voluntary system work and avoid the need for a levy.

Unless these issues can be resolved within the next few weeks, we believe there will be little alternative but to recommend a levy to Parliament to secure the research, education and treatment needed to minimise the harm from gambling.

Yours sincerely



Brian Pomeroy  
Chairman, Gambling Commission