

## Summary: Intervention & Options

Department /Agency:  
**Gambling Commission**

Title:  
**Draft Impact Assessment of Gambling Levy 2009**

Stage: Consultation

Version: 1

Date: 26 November 2008

**Related Publications:** Proposals to introduce a levy under section 123 of the Act (DCMS - Dec 2008); Review of Research, Education and Treatment (GC – Oct 2008)

**Available to view or download at:**

<http://www.culture.gov.uk>

**Contact for enquiries:** Jane Glastonbury

**Telephone:** 020 7211 6483

**What is the problem under consideration? Why is government intervention necessary?**

The Secretary of State has powers under section 123 of the Gambling Act 2005 to require holders of operating licences under the Act to pay an annual levy to the Commission, the body responsible for regulating gambling in Great Britain. Amounts raised by way of a levy would be used for purposes related to, or by providing financial assistance for projects related to – addiction to gambling; other forms of harm or exploitation associated with gambling; or any of the licensing objectives.

It has not been possible to secure fundraising commitments for an improved voluntary regime and therefore a statutory levy is being considered.

**What are the policy objectives and the intended effects?**

The objective of the levy is to ensure adequate funding is available for a gambling research, education and treatment programme, while ensuring fairness across the gambling industry. The levy will provide the resources 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; and treatment of problem gamblers. The industry has previously committed to raising at least £3m in a voluntary regime, whilst it is proposed that a statutory levy will raise in the region of £5m (see figures below), spreading the cost across the entire industry in an equitable burden across sectors and size of operators.

**What policy options have been considered? Please justify any preferred option.**

Option 1 – Levy based on the RIGT funding formula

Option 2 – Levy based on the impact of the gambling activity

Option 3 – Levy based on the annual fee categories

Option 4 – Levy based on combination of sub-divided fee bands and per premises rates. This is the preferred option as it bases levy amounts as closely as possible to the amount of gambling associated with the operator – it is as close to a GGY-based levy as is currently feasible and does place undue burdens on individual sectors or sizes of operators.

**When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?** The levy will be kept under review by DCMS and the Commission but will initially be established on a three year cycle.

**Ministerial Sign-off** For consultation stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:

Minister for Sport

.....Date:

Gerry Sutcliffe

## Summary: Analysis & Evidence

<b>Policy Option:</b>	<b>Description:</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' Set up costs for new collection costs (that are assumed to be marginal to Commission's current activity) Annual costs of collection, including depreciation on ICT investments		
	<b>One-off</b> (Transition) <b>Yrs</b>			
	<b>£ 50,000</b>		2	
	<b>Average Annual Cost</b> (excluding one-off)			
	<b>£ 13,000</b>	<b>Total Cost (PV)</b>	<b>£ 136,005 (over 3 Yrs)</b>	
Other <b>key non-monetised costs</b> by 'main affected groups' Costs of establishing base information for operators (minimal)				

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups' <b>Minimum saving of £138,500 on fundraising costs</b>		
	<b>One-off</b> <b>Yrs</b>			
	<b>£</b>			
	<b>Average Annual Benefit</b> (excluding one-off)			
	<b>£ 138,500</b>	<b>Total Benefit (PV)</b>	<b>£ 400,607 (over 3 Yrs)</b>	
Other <b>key non-monetised benefits</b> by 'main affected groups'				

<b>Key Assumptions/Sensitivities/Risks</b> Assumptions on relative burdens on industry sectors Assumptions on scale of industry activity going forward
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Price Base Year	Time Period Years	<b>Net Benefit Range (NPV)</b> £	<b>NET BENEFIT (NPV Best estimate)</b> £ 264,602 (over 3 Yrs)
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What is the geographic coverage of the policy/option?	Great Britain			
On what date will the policy be implemented?	1st April 2009			
Which organisation(s) will enforce the policy?	Gambling Commission			
What is the total annual cost of enforcement for these organisations?	£ n/a			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	N/A			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ N/A			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes	No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)			(Increase - Decrease)
Increase of    £	Decrease of    £	<b>Net Impact</b>	£

Key:    Annual costs and benefits: Constant Prices    (Net) Present Value

## Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

### Summary

1. Under the Gambling Act 2005 (the Act), the Secretary of State has powers under section 123 of the Gambling Act 2005 to require holders of operating licences under the Act to pay an annual levy to the Commission, the body responsible for regulating gambling in Great Britain. Amounts raised by way of a levy would be used to fund gambling for purposes related to, or by providing financial assistance for projects related to – addiction to gambling; other forms of harm or exploitation associated with gambling; or any of the licensing objectives.
2. In the consultation, paper ‘Proposals to introduce a levy under section 123 of the Act’ the Commission and the Department set out proposals for setting a statutory levy coming into force on 1<sup>st</sup> April 2009. This Impact Assessment looks at the impact of the proposals on the gambling industry.
4. The Act put in place new arrangements for regulating gambling in Great Britain and repealed previous legislation, such as the Betting, Gaming and Lotteries Act 1963, the Gaming Act 1968 and the Lotteries and Amusements Act 1976. The Act also established the Gambling Commission as the body responsible for regulating all gambling in Great Britain, except the National Lottery and spread betting which are regulated by the National Lottery Commission and the Financial Services Authority respectively.
5. Government policy on fees, charges and levies charged by public bodies is set out in Managing Public Money published by HM Treasury in July 2007. As with other fees and charges, levies of this kind should be designed to recover the full costs of the service provided. This applies to the levy and the service provided in this case is the projects or work completed as a result of the levy in relation to addiction to gambling; other forms of harm or exploitation associated with gambling; or any of the licensing objectives.
6. The current voluntary arrangements for research, 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.
7. 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).
8. 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.
9. 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.
10. The terms of reference for the review were to:
  - estimate the funding needed for each of research, education and treatment

- identify the most appropriate organisational arrangements (including governance and management) for:
    - a. distributing such funding
    - b. 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).
11. 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.
12. 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.
13. 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.

### **Why is government intervention necessary?**

14. 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.
15. Ministers accept the recommendation made by the Commission, 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."

### **Policy Objectives**

16. The objective of the levy is to ensure adequate funding is available for a gambling research, education and treatment programme, while ensuring fairness across the gambling industry. The levy will provide the resources 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; and
  - treatment of problem gamblers.
17. The licensing objectives set out in the Act are:
- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime,
  - ensuring that gambling is conducted in a fair and open way, and
  - protecting children and other vulnerable persons from being harmed or exploited by gambling.

### **Intended effects**

18. The intended effect is to set a levy for each category of operator, which adequately funds the research, education and treatment programme, whilst ensuring fairness across the gambling industry.

## **Consultation**

18. The gambling industry and a wide range of other stakeholders who have an interest in this area are asked to consider the proposals in the document 'Proposals to introduce a levy under section 123 of the Gambling Act 2005', published alongside this draft Regulatory Impact Assessment in December 2008.

19. Further text and information on representations made once consultation is concluded and representations analysed will be added here.

20. Further text and information on DCMS/Commission response to representations once that response has been issued will be added here.

## **Assessment of the policy options**

### **Options**

#### **Option 1:**

21. At present RIGT's funding reflects 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 their 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 machines.

#### **Option 2:**

22. 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.

#### **Option 3:**

23. A straightforward levy based on fee categories across all operators would have the same proportionate impact upon all types of operator. The Commission's annual 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 GGY.

#### **Option 4:**

24. Under this proposal, levy rates would be set within the Commission's fee framework to reflect the relative level of gambling activity covered by the licence bands and categories. For operators which fall into a fee category which is premises based, the levy would be set at flat rates per licensed premise. For other operators, each fee band would be subdivided into three ranges (R1, R2 and R3) and a set rate applied for each of the three sub-divided categories.

25. This option would introduce a levy which is closest to the current voluntary regime and which is based on the closest assessment available to the Commission on the amount of gambling associated with each operator.

## **Economic impact**

26. The introduction of a levy as outlined in the options above will have various impacts upon the industry.

### **Levy collection costs**

27. There will be a cost associated with the collection of the levy regardless of the option that is implemented.

28. The cost to the Commission of collecting the levy is estimated at between £13,000 and £52,000. The amount will depend on the method by which the levy is calculated, the number of installments that the levy is paid in, the introduction of the Commission's improved IT system and the compliance levels of operators paying the levy.

29. The structure for collecting payments is already in place, therefore the collection cost represents the marginal cost to the Commission of handling the additional payments.

### **Benefits of a levy**

30. There are benefits associated with a levy regardless of the option that is implemented.

31. A levy gives a greater level of certainty for the funding of research, education and treatment.

32. The previous arrangements included a provision of £190,500 for voluntary fundraising. Therefore the introduction of the levy would lead to a minimum estimated saving of £138,500.

### **Disbenefits of a levy**

33. With the introduction of a levy, operators will lose the ability to demonstrate their commitment to social responsibility by making voluntary contributions to research, education and treatment. It is not possible to estimate the cost of this 'goodwill'. However, operators will still have the option to contribute above their required contribution if they wish to demonstrate the social responsibility commitment.

34. Any approach to the levy will require operators to send their contribution. The time required to do this would be no more than 15 minutes per operator per payment and would reflect an operators standard arrangements for making payments to the Commission.

### **Option 1 – Levy based on the RIGT funding formula**

35. Reliable information is not available to the Department or the Commission on individual operator levels of GGY, machines in operation or gross sales. The accurate calculation or assessment and verification of this information by the Commission would add a significant burden to both parties.

36. The Commission would have to make a levy contribution calculation for each individual operator based on verified information about that operator's GGY, number of machines or gross sales. This would add significant complexity to the collection process and would lead to the collection costs being at the higher end of the estimated scale.

### **Option 2 – Levy based on the impact of the gambling activity**

37. This approach would allow levy contributors to be based on the impact of a particular type of gambling and its contribution towards problem gambling. This would make the impact of the levy more equitable as it would be higher for those who operate the types of gambling that make a greater contribution to problem gambling.

38. The contribution of different gambling activities towards problem gambling is far from clear. Many problem gamblers participate in several types of gambling and at this time it is not known the extent to which each gambling activity contributes towards an individual's problem gambling. At this time there is insufficient information to use this approach to calculating the levy.

### **Option 3 – Levy based on annual fees categories**

39. This method would have the same proportionate impact upon all operators and would be a transparent means of structuring the levy. It would also give the Commission a degree of certainty on the aggregate level of the levy and would be the most straightforward method of calculation which would minimise the collection costs.

40. Basing a levy entirely on the fees therefore has the disadvantage that the relative burden of the levy would also be linked to the cost of regulation for that type of operator, rather than directly to the size of turnover or the impact of the industry on problem gambling. Because the bands cover a broad range, 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 would therefore impose a relative burden on smaller operators.

### **Option 4 – Levy based on combination of sub-divided fee bands and per premises rates**

41. This approach would reduce the burden for smaller operators as the levy would more closely reflect the level of gambling activity provided. Setting a flat rate per premises for relevant sectors will more accurately reflect the amount of gambling. Splitting the fee bands into 3 sub-divided categories gives a more flexible approach and also ensures that smaller operators do not pay significantly more levy as a proportion of their Gross Gambling Yield than larger operators.

42. This option would introduce a levy which is closest to the current voluntary regime and which is based on the closest assessment available to the Commission on the amount of gambling associated with each operator.

43. This approach could lead to larger operators (ie those in higher fee bands) paying proportionately more than smaller operators than in the other options considered.

## **Transition arrangements**

### **Transitional option 1**

44. This approach would involve raising a levy to cover the funding requirements for 2009/10 and the estimated shortfall in the 2008/09 funding as a result of the failure to make sufficient contributions under the current arrangements. It would not take into account contributions already made in the 2008/09 funding year.

45. This would be the lowest cost option for the Commission as it would avoid the need to make complex calculations or analyse previous contributions to identify which operators had made a contribution and the amounts involved.

46. 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**

47. This approach would involve raising a levy to cover the funding requirements for 2009/10 and the estimated shortfall in the 2008/09 funding as a result of the failure to make sufficient contributions under the current arrangements. The aggregate levy payable would therefore be the same as in option 1.

48. However, this option would involve adjusting the amount payable by individual operators, subject to a maximum element of the total levy due, to reflect contributions they had made in the 2008/09 funding year
49. This approach would be administratively more complex for the Commission as it would need to take into account contributions already made in the 2008/09 funding year.
50. Currently, 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. In order to introduce this transitional approach the Commission would allow operators to submit a supplementary Regulatory Return to declare the amount of their financial contribution. This will enable the operator to be billed for the correct net levy amount.
51. A supplementary Regulatory Return would add a burden to operators who chose to complete this but this should be no more than one hour's effort per operator. The Commission estimates that up to 80% of operators have provided either inaccurate or no information on their contribution towards research, education and treatment and therefore may wish to complete the supplementary Regulatory Return.
52. This approach would be more equitable for those operators that had made contributions under the current voluntary arrangements as it would allow them to contribute a lower amount than an operator who had made no donation. It would also not prevent an operator from contributing a higher amount than their gross annual levy.
53. The maximum level of offset would be limited to 53% of the gross annual levy so operators would not be given for credit above that amount. As stated above in the cost section, this would be a more expensive means of introducing the levy during the transitional period, as it would involve analysis of each operator's contribution and an individual gross levy amount being calculated for each operator. This additional cost would have to be reflected in the revised annual fees.

### **Phasing payments**

54. The current arrangements allow operators to make contributions in arrears, whilst the introduction of a mandatory levy will require funding in advance. Operators who make a voluntary contribution later in the 2008/09 funding year would have to make part of their mandatory 2009/10 contribution at the beginning of the 2009/10 funding year. It is proposed to minimise this burden for all operators by introducing arrangements for phasing in the levy. For the first two years (2009 and 2010) levy payments will be made in two tranches, one in April and one in November, unless the amount that would be due is less than £50, in which case the payment would fall due in full on the November date.
55. Operators would see an increase in annual fees in order for the Commission to provide the resources for collecting the two levy payments.
56. Allowing payments in April and November will minimise the cash flow burden for all operators, particularly small operators.

### **Exclusions**

57. 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.
  - Any operator whose net levy payment would otherwise be £50 or less. All operators will make an initial contribution to research and education through their



licence fees as the proposed Strategy Board will be fee funded. This will amount to some £50 per operator. In addition it must be cost effective to collect the levy. Therefore, in calculating the levy, this has been taken into account, which means that, for the smallest operators a 'zero rate' has been set. This could cover most on course bookmakers, singleton FECs and most society lotteries.

58. However, these licensees may see their annual fees increase along with other operators in order to pay for the establishment and running of the Strategy Board.

### **New operators**

59. New operators will all have their own individual circumstances. Some may commence operating as soon as they are granted their licence whilst others will not and the time between the grant of licence and commencement of providing facilities for gambling will differ.

60. The levy relates to the provision of gambling, so the aim would be to exempt those operators that hold a licence but which have not yet commenced trading. This could apply, for example, to those holding licences for 2005 Act casinos. The exemption would not apply where operators had commenced trading.

61. For those that have commenced trading, the preferred option is to allow operators who are granted their licence part way through the transitional period to only pay the later transitional payment which may amount to 40-60% of the annual levy amount. 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. 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.

### **Competition assessment**

62. The Department and the Commission do not expect any significant changes in the structure of the gambling industry as a result of the proposed levy. The requirement is applied across all of the commercial gambling industry in Great Britain, licensed by the Gambling Commission. While the cost of a new entrant to the market may increase, the Department and the Commission consider that the arrangements put in place for new operators will ensure that new entrants to the market are not deterred.

63. A simple competition assessment of this proposal has been undertaken in accordance with Better Regulation Executive/Office of Fair Trade guidance and has concluded that a full competition assessment is unnecessary.

64. The Act removes restrictions and statutory requirements for businesses that may act as impediments to entry. The proposed levy will in all probability be passed on to customers. It is unlikely to affect competition between firms in the same sub-sector of the industry.

65. This form of differential pricing is unlikely to affect the structure of the industry or the number or size of firms. This is because the charges will be small relative to turnover or profitability. Moreover, they will affect existing firms in the same way as new firms both in terms of set up and ongoing costs.

66. The gambling sector is characterised by rapid technological change. Recent years have witnessed major changes in the mechanisation of many forms of gambling. This trend is likely to continue and is unlikely to be affected by the proposed introduction of a levy. In particular, there is nothing in the changes, which affects the ability of firms to choose the price, quality, range or location of their product. Indeed, the Act incorporates a high degree of regulatory flexibility making it less likely than in the past that the licensing regime itself influences the structure of the gambling industry.

67. The overall conditions of competition in the British gambling industry are unlikely to be materially affected by the proposed changes.

### **Small firms impact test**

68. The levy is designed to reflect the impact of operators in creating the need for research, education and treatment – basing this on the available information on the amount of gambling provided by the operator. Thus smaller operators are required to pay a lower levy than larger operators and this is underlined by the proposal that the levy for small operators is lower than for medium or large operators. In some cases, small operators will be charged a zero rate, since the costs of calculation and collection would exceed the amounts raised. This meets the principle of proportionate charging, which ensures fairness to smaller operators.
69. Trade organisations that have both large and small operators as members and the Department for Business Enterprise & Regulatory Reform (BERR)'s Enterprise Directorate will be consulted on the proposed changes levy structure. The Department and the Commission's objectives, within the overall framework for effective regulation, will be to minimise any disproportionate impact on small businesses.
70. Neither the Department nor the Commission consider that the regulation will unfairly impact upon small firms or new entrants into the gambling industry. This is in accordance of the Government's commitment through BERR's Enterprise Directorate support of small businesses.

### **Legal aid**

71. Neither the Department nor the Commission consider that the regulation will have any impact on demand for legal aid. Under the provisions of the Act, individuals are required by law to pay fees to purchase and maintain licences.

### **Sustainable development and environmental impact**

72. Neither the Department nor the Commission consider that there are any significant environmental considerations (such as in respect of sustainable development or carbon emissions) attributable to actions taken by the industry in complying with the regulation.

### **Health impact**

73. The levy will have a positive impact on health. This is a health matter to the extent that the problems associated with excessive gambling are evident not only in the finances and material well-being of those affected by it, but also in their physical and mental health. In particular, a proportion of the funds raised by the levy will be used to fund and evaluate treatment for problem gambling. In addition, a proportion of the levy will be allocated to education of the public in how to minimise their risk of problem gambling. It is intended that such education will reduce the negative impact of gambling on health. Finally, research in relation to problem gambling will be used by Government and the Gambling Commission to implement policies that will minimise problem gambling and its impact on public health.

### **Impact on equality and human rights**

74. As a public body, the Commission has specific responsibilities to promote equality and eliminate unlawful discrimination, and must assess all of its proposed policies and practices in relation to their consequences in this regard.
75. Neither the Department nor the Commission consider that the introduction of the levy will have any impact on equality or human rights issues; but the Commission will provide operators with any advice and support they may need to adjust to the new levy.

### **Impact on rural areas**

76. There is no reason to suppose that operators or outlets located in rural areas will be at a disadvantage from this measure. Neither the Department nor the Commission consider that the requirement will have a differential impact on rural areas.

### **Sectors and Groups affected by the regulation**

77. All sectors of the gambling industry, except the National Lottery and spread betting, are affected by the regulation. This includes anyone wishing to enter the industry or to sell specialist equipment to it and the potential and actual staff employed in key roles. This numbers some 4,000 operators, varying from some of the biggest entertainment companies in Great Britain to owner/operators of single arcades and betting shops.

### **Future considerations**

78. The levy will be kept under review by DCMS, the Gambling Commission and the Strategy Board.

79. As the consultation document points out new arrangements for the assessment of problem gambling strategy and the distribution of the levy funds will be introduced prior to the new levy. The new Strategy Board will be tasked with reviewing the estimates required for the levy, particularly for 2010/2011 and 2011/12. As a result, changes may be introduced in future years and may impact differently on the industry.

80. In future, changes in the Commission's fees regimes may enable the levy formula to be revised to reflect better the scale and nature of the gambling provided and its potential impact on the licensing objectives.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	Yes/No
Disability Equality	Yes/No	Yes/No
Gender Equality	Yes/No	Yes/No
Human Rights	Yes/No	Yes/No
Rural Proofing	Yes/No	Yes/No

## Annexes

No Annexes are currently included