



Department for
Digital, Culture,
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Mr Christopher Hudson
President, British Racecourse
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Dear Mr Hudson,

Thank you for your correspondence of 26 October 2020 to the then Secretary of State for Business, Energy and Industrial Strategy, the Rt Hon Alok Sharma MP, and of 3 December 2020 and 15 March to the then Secretary of State for Digital, Culture, Media and Sport, the Rt Hon Oliver Dowden CBE MP, and of 9 April to the then Minister for Sport and Tourism, Nigel Huddleston MP, and the Minister for Small Business, Consumers and Labour Markets, Paul Scully MP, regarding support for on course bookmakers and Gambling Commission fees. All correspondence has been passed to the Department for Digital, Culture, Media and Sport as it falls within our remit. I am replying as the minister responsible for this policy area. This correspondence has just come to my attention following my recent appointment, but I sincerely apologise for the lengthy delay in you receiving a reply.

We recognise that the national restrictions were disappointing to many fans and for workers at sport events. However, we had to take difficult decisions that gave us the best chance of containing the virus last winter. We appreciate that at the time this would have economic consequences for sports that had been hoping for the return of spectators given its importance for bringing in income. The government has worked with sports to understand the issues faced by organisations facing the most challenging circumstances and what support they require.

The Chancellor announced in the Budget that local authorities would receive a £425 million top up to the Additional Restrictions Grant (ARG). This, combined with the £1.6 billion previous allocated, means local authorities have received over £2.1 billion of discretionary grant funding to support businesses which are not eligible for Restart Grants but which were nonetheless experiencing a severe impact on their business due to public health restrictions. This additional funding was allocated to local authorities once they have spent their existing allocation.

In taking decisions on distributing its ARG funding, and as outlined in the guidance for local authorities, the government encouraged local authorities to take into account businesses outside of the business rates system, businesses that had not received any other grant support, the level of fixed costs of the business, the number of employees the business has, whether it was unable to trade online and the consequent scale of COVID-19 losses.

However, this is a discretionary fund and local authorities determine the priorities for the use of the ARG, and the level of grant awards to individual businesses. The ARG fund is rightly a discretionary fund as local authorities are best placed to assess local economic need. Therefore, your members are encouraged to discuss with their local council and follow their usual appeals process.



In order to ensure that payments could be made quickly and efficiently to businesses facing high fixed property-related costs, eligibility for the Restart Grants has been tied to the business rates system. The government has allocated all local authorities in England £2.1 billion for the ARGs, which local authorities can use to support businesses which are not eligible for Restart Grants.

With regards to your correspondence concerning fees, the Gambling Commission's fees structure is set by the Secretary of State in light of advice from the commission via a public consultation process every 3-5 years. The fees structure takes into account the fixed costs of regulating operators, compliance costs (both direct and thematic) and the economies of scale in regulating the largest operators. The fees are structured so that the commission's costs are recovered proportionately from differently-sized operators within each sector.

The response to the latest consultation, which proposed a 15% increase to fee bands for on-course bookmakers and other land-based sectors, has been published on the gov.uk website [here](#).

I do understand the very detrimental impact that the COVID-19 pandemic has on on-course bookmakers, and in recognition of this, the increase to on-course bookmakers' licence fees has been delayed until 1 April 2022, as it has for other land-based gambling operators. I am pleased that COVID-19 related limits on spectator numbers at racecourses have been lifted and I hope that this is helping to ease pressures.

Regarding your view that any increases to non-remote fees should be linked to inflation, it should be noted that annual fees for on-course bookmakers have not increased since 2007 and, given inflation as well as the increasing complexity of regulatory activity in recent years for the Gambling Commission, it is no longer possible to maintain fees at their current levels.

The consultation response outlines forecasted costs and income for the Gambling Commission over the next three years, for both the remote and non-remote (land-based) sectors. While it is not possible to exactly match up income and costs each year, this should provide assurances that the land-based industry will not subsidise the regulation or increasing complexity associated with the remote industry.

The Gambling Act review is currently in process and will consider longer term changes to the way fees are set by the Gambling Commission. A white paper for this review will be published in due course.

I apologise again for the long delay in responding.

With best wishes,



Chris Philp MP

Parliamentary Under Secretary of State for Tech and the Digital Economy