

Extract from email between Gambling Commission Colleagues

03/02/2014

Subject: Board paper discussion - see hard copy too

- Promoting economic growth – text should clearly indicate that the Commission is not promoting the industry; the Commission is promoting economic growth in relation to our statutory duty.
- May be consider widening the issue to cover proportionality and economic growth.

Extract from email between Gambling Commission Colleagues

05/10/2014

Subject: Statement of Principles Consultation 2014 response log + notes.docx

The industry/ trade association responses showed some common themes which were mentioned in responses a number of times:

- o GC needs to commit more to promoting economic growth.

A paper will be going to the December Board on the responses and the proposed changes as a result. Some of these may be addressed by drafting (REDACTED), whilst others are more about principles (eg the extent to which GC should 'promote growth').

Extracts from word document titled 'Statement of Principles Consultation 2014 response log – DRAFT 1'

Notes:

- the Government is clear that non-economic regulators such as the Gambling Commission should have a duty to support growth. In this document that duty seems to have been watered down to a regard to the desirability of promoting economic growth. While these paragraphs are welcome additions to the code, they do not go far enough.
- The promoting economic growth sections do not go far enough
- The phrasing of the text in the consultation should have stressed that the licensing objectives should never be compromised for the sake of the growth of operators, as the economic growth of certain operators is likely be at an economic cost to the economy as a whole.
- To protect UK economic growth, it is essential that the Government prevails against the parasitical offshore remote gambling sector trade body [3] that has initiated judicial reviews to fight against the provisions of the incoming Gambling (Advertising and Licensing) Act 2014.
- The REDACTED welcomes the reference to the new duty placed on the Gambling Commission by the government, along with other non-economic regulators, to have regard for economic growth in carrying out their functions.
- However, we feel that the wording in the document could be made clearer so as to add clarity and also better reflect the strength the requirement being placed on the regulator by the new duty.
- The consultation draft speaks only about the "desirability" of promoting economic growth, whilst the guidance to regulators on implementing the new duty goes further than this by omitting the word desirability and speaking solely of having "regard to

economic growth when making decisions”. We would ask that the word desirability be removed.

- REDACTED welcomes the Gambling Commission’s recognition of its duty to promote economic growth as set out in new sections 2.11 and 2.12 of its statement of principles for licensing and regulation. We believe this duty can be balanced successfully with the Commission’s licensing objectives and look forward to seeing this new commitment reflected in the Commission’s licensing and regulatory activities.

Extracts from a letter addressed from the Cabinet Office to the Chair of the Economic Affairs Committee and the Chair of the Reducing Regulation sub-committee

24/07/2015

ENTERPRISE BILL: REGULATORY REFORM

Our Better Enforcement Programme is intended to support a positive shift in how regulation is enforced by regulators, and consists of:

- Growth Duty: a statutory duty approved by the last Parliament that will require regulators in the exercise of their regulatory functions to have regard to the desirability of promoting economic growth (due to be implemented in 2016 following consultation)

Growth Duty

This was introduced by the Deregulation Act 2015. It is a statutory duty which will require regulators in the exercise of their regulatory functions to have regard to the desirability of promoting economic growth.

It makes economic growth a factor for a regulator to consider in their decision-making alongside their other statutory duties. It will not undermine the importance of the essential protections that regulators are there to deliver; it provides clarity that growth is an important factor to be taken into account in the delivery of those protections.

Guidance will give regulators three ways to have regard to the duty:

- Ensure that regulatory activities are as time and cost efficient as possible so that business productivity is not hampered unnecessarily;
- Ensure interactions with business are proportionate to risks posed and the capacity of the business to incorporate change; and
- Tailor their activity according to an understanding of the business environment and working with business to help them achieve compliance easily and cost-effectively.

Extract from Appendix A – Statement of principles for licensing and regulation

Consultation draft – Revised 16 04 14

Promoting economic growth

2.11 In deciding what action to take, and whether action should be taken at all, the Commission will have regard to the desirability of promoting economic growth and its duty to

permit gambling in so far as the Commission thinks it reasonably consistent with pursuit of the licensing objectives.

2.12 The Commission will seek to provide a fair regulatory framework within which existing operators and new entrants can compete and grow with the minimum of regulatory burden compatible with public protection and the licensing objectives.

Extract from GCP(14)03 Regulatory Policies and Processes – Appendix B – Draft Statement of Principles

Statement of principles for licensing and regulation

2014

Proportionality and promoting economic growth

The Commission will generally use the least intrusive regulatory tool to achieve compliance and will ensure that any regulatory action is proportionate to the importance of the matters to which it relates, having regard to its risk assessment. In deciding what action to take, and whether action should be taken at all, the Commission will have regard to the desirability of promoting economic growth.

Extracts from GCP(14)75 SOP Consultation Outcomes

27/11/2014

Outcome of consultation on amendments to the Commission's

- **Statement of principles for licensing and regulation**
- **Licensing, compliance and enforcement policy statement**

Executive Summary

5. The industry respondents (for this paper we include trade associations and operators in that category) broadly welcomed the principles and some of the amendments, such as the inclusion of a reference to economic growth. However, there were significant comments reflecting that the industry respondents considered that the Statement of Principles of licensing and regulation in particular does not go far enough in some areas, again such as in the reference to economic growth.

Background

15. In considering the new Regulators' Code, the Commission carefully considered the extent to which the promotion of growth should be embedded in our statement of principles. As we have explained in submissions to Parliament in the context of the Deregulation Bill:

'The conditions for economic growth (in the gambling industry) require public confidence in our role as an independent regulator. Fundamental to public confidence, and therefore growth, is that the regulator is, and is seen to be, wholly independent, impartial and objective... there is a risk that the concept of the desirability of economic growth becomes confused or conflated with the promotion of the commercial interests of specific economic sectors. If it appears to the public that

it is any part of the Commission's role to promote the industry - as opposed to permitting the industry to promote itself and grow so far as is compatible with consumer protection, the likely outcome is a reduction in public confidence and a consequent reduction in the public acceptance of gambling as a main stream leisure activity.'

16. This is a point which was also made very clearly by the Culture, Media and Sport Select Committee in its report The Gambling Act 2005: A bet worth taking?, 24 July 2012).

17. We therefore recommend (recommendation also appears in the table in the main body of this paper) that the responses document is used to reiterate, educate and explain the rationale for including references to economic growth in the statement of principles which in the industry's eyes do not go far enough to support their businesses.

Issues

Non-industry respondents

- REDACTED suggested that the Commission's 'laissez-faire' attitude to gambling represented a real risk to consumers; that the Commission was too keen to take account of economic growth that there was evidence of harm (B2 machines) and that this should be acted on.

Industry respondents

- the Commission needs to commit more to promoting economic growth. In particular, the reference to the 'desirability' of promoting growth 'under reaches' the Regulators' Code

Key points made during consultation and recommended action - for approval/ comment by Board

(Comments 1-4 are from non-industry respondents)

	Respondents' comments	Recommended action
2	The Commission's 'laissez-faire' attitude to gambling represents a real risk to consumers; the Commission is too keen to take account of economic growth; that there was evidence of harm (B2 machines) and that this should be acted on.	The response document will reiterate the key messages of the Commission's statement of principles which in no way represent a 'laissez-faire' attitude to gambling. We do not recommend that this response document addresses specific issues about B2 machines but we can point to the LCCP Social Responsibility consultation and the response document for that consultation which will follow shortly
7	The Commission needs to commit more to promoting economic growth. In particular, the reference to the 'desirability' of promoting growth 'under reaches' the Regulators' Code.	The consultation document included these new/ reworked paragraphs relating to the promotion of economic growth (bold added for this paper only): 'In deciding what action to take, and whether action should be taken at all, the Commission will have regard to the desirability of promoting economic growth and its duty to permit gambling in so far as the Commission thinks it reasonably consistent with pursuit of the licensing objectives. The Commission will seek to provide a fair regulatory framework within which existing operators and new entrants can compete and grow with the

	Respondents' comments	Recommended action
		<p>minimum of regulatory burden compatible with public protection and the licensing objectives.'</p> <p>We do not consider that we have 'watered' down the Regulators' Code and we will reiterate this in the response document. The response document will educate on the risks to public perception were our statement of principles to go too far to accommodate economic growth considerations.</p>

Extract from GCP(14)05 Regulatory Policies and Processes – update paper for Board – 17 04 14

Promoting economic growth (paragraphs 2.11 and 2.12): these additions deal with the Commission's approach to promoting economic growth in a manner that is compatible with the licensing objectives

Extract from GCM(14)01 minutes

Item 7: Review of Regulatory Policies and Processes: GCP(14)03

Key areas discussed and feedback provided included:

- Clarification of the definition of 'economic growth'