

## **ABSG Advice note on the dispersal of regulatory settlements**

*13 April 2023*

In June 2022, the DCMS Select Committee made clear that the Commission's distribution of £40 million of regulatory settlements under the National Strategy had not included sufficient metrics or assurance of either value for money or public good.

As fines have increased in volume and frequency, the Commission have been considering possible options for the dispersal of regulatory settlement funds that would ensure adequate oversight and management of risks as well as robust evaluation of impact.

Since [December 2020](#), ABSG have advised the Commission that the best option for future funding of research, prevention and treatment of gambling related harm is a statutory levy and an independent levy board. This board would provide the means to disperse regulatory settlement funds alongside income from the levy. Funds would continue to flow to non-statutory organisations but there would be a significant shift to statutory bodies such as NHSE, NIHR, OHID, UKRI, and the governments in Scotland and Wales. These bodies would oversee the distribution of funds to their non-statutory partners, providing the appropriate level of quality assurance, oversight and value for money checks.

In the absence of a levy, the Commission is seeking to change the current system for dispersal of regulatory settlement funds to multiple voluntary sector organisations and adopt the default position outlined in its 2017 [statement of principles](#) (para 2.14, vii). This statement was published at a time when the Responsible Gambling Strategy Board (now ABSG) was part of the Tripartite Arrangement between GambleAware, the Commission and RGSB, in which RGSB provided regular oversight of GambleAware's activities in research, education and treatment. The Tripartite Arrangement was discontinued at the start of the National Strategy in 2019.

### **Weak accountability**

GambleAware continues to be accountable to the Charity Commission, but at present has no independent [quality assurance](#) of its activities. For the last four years, ABSG has advocated for stronger accountability, in particular in relation to treatment services where clinical risk should be carried by a statutory service.

If the Commission chooses to adopt the default position and distribute all the current regulatory settlement funding to GambleAware, effectively merging industry voluntary contributions with regulatory settlement funds, it should be mindful of a number of risks;

1. The Gamble Aware system of accountability would be rated as weak compared to treatment services for other addictions across Great Britain in part because it has no independent quality assurance process for any of its activities. It remains largely

disconnected from statutory health and care services which means that gambling harm is treated in isolation when we know that it is often associated with other physical and mental health conditions.

2. Parts of the current treatment, education and research (RET) eco-system and the wider NHS and social care communities would, in all likelihood, react negatively to giving Gamble Aware too large a role in the funding of RET, perceiving the Commission's decision as inequitable and lacking in transparency.
3. Efforts to expand the pool of researchers and move gambling research towards a robust [independent funding model](#) will be impacted as regulatory settlement funds will no longer be available to a wide pool of academics who would not bid for funds managed by GambleAware. This would impact negatively on the range and quality of research.

A compromise position, pending a decision about the statutory levy, would be to stipulate what these regulatory settlement funds cannot be used for, as well as what should be in place. For example,

- They are not used to expand core treatment services without contractual agreement with statutory services
- They are not used to bolster current prevention work in schools and communities, as [evidence reviews](#) on youth prevention studies show little or no significant improvement.
  
- All projects in receipt of these funds must be registered prospectively with a research register, be subject to an independent evaluation and the outcome of all evaluations published via open access.
- Established projects in receipt of substantial regulatory settlement funds (such as BIT) should continue to be funded, subject to ongoing evaluation of their impact.

Our preference over these specific stipulations however would be that, in the event of the establishment of a statutory levy and independent levy board, subsequent regulatory settlement funds, along with levy income, should to be distributed via statutory commissioning bodies (NHSE, NIHR, UKRI and governments in Scotland and Wales), as outlined in our previous [advice](#).

In conclusion, ABSG has consistently recommended that the optimal safe place for all treatment oversight lies with statutory services, that prevention work must be independently funded and evaluated, and that research and research governance be funded via statutory bodies. The Commission's decision to disperse current regulatory settlement funds to Gamble Aware does not align with any of these.

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