

# Digital, Culture, Media and Sport Committee

## Oral evidence: What next for the National Lottery?, HC 154

Tuesday 5 July 2022

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Clive Efford; Julie Elliott; Damian Green; Simon Jupp; John Nicolson; Jane Stevenson; Giles Watling.

Questions 323 - 376

### Witnesses

I: Chris Philp MP, Minister for Tech and the Digital Economy, Department for Digital, Culture, Media and Sport, and Ben Dean, Director of Sport, Gambling and Platinum Jubilee, Department for Digital, Culture, Media and Sport.



## Examination of witnesses

Witnesses: Chris Philp MP and Ben Dean.

Q323 **Chair:** This is the Digital, Culture, Media and Sport Select Committee and this is our final hearing on what is next for the National Lottery. We are joined by the Minister, Chris Philp MP, and by Ben Dean, the director of sport, gambling and the platinum jubilee at DCMS. Chris and Ben, thank you very much for joining us today.

Do any Members wish to declare any interests at this point? I received hospitality recently at Royal Ascot.

**Kevin Brennan:** I had hospitality earlier this year from the Betting and Gaming Council.

**Chair:** No one else? Brilliant, okay. Minister Philp, as I say, thank you very much for joining us this morning. The Gambling Commission failed to secure Camelot's promised good cause returns under successive licences. What action will you take to ensure, that this time around—presuming that Allwyn eventually enacts the licence once legal challenges have finished—enough money gets to good causes?

**Chris Philp:** Thank you, Chair, for the opportunity to appear before the Select Committee.

The main mechanism through which that important objective will be achieved is the structure of the fourth National Lottery licence itself. There has been quite a lot of criticism of the structure of the third licence, and I think there has been some justification to that criticism. The way the fourth licence has been constructed is designed to ensure that a higher proportion of proceeds go to good causes.

There are a couple of ways that it secures that. The first is that the structure is a lot simpler than the previous version—the fourth National Lottery licence structure is much simpler than the third National Lottery licence structure. It essentially provides that the operator has to first pay a fixed amount of money to good causes and then, secondly, after deduction of reasonable costs, the residue—the remaining money—is divided in an agreed ratio, which is obviously one element of the bid, between good causes and the lottery operator itself, by way of profit. So there is a clear incentive on the operator to maximise the profit and, therefore, maximise the money going to good causes, because that is, essentially, the source of their own profit: as the money going to good causes goes up, so the profit to the operator goes up as well.

Under the old lottery scheme, conversely, we saw situations where the operator at the time, Camelot, made more profit while not delivering commensurate increases in funding to good causes. The structure of the licence is the critical element in making the change that you are, quite rightly, calling for.



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They have run some indicative figures. They took the figure for the profit made by Camelot for last year, which I think was about £95 million before tax, or £78 million post tax, and they applied the template of the fourth National Lottery structure to that. Had the fourth National Lottery structure been applied to last year's sales, that £95 million of profit would have gone down to £30 million, and all of that £65 million saving would have gone to good causes. Clearly, the details of how that works depend on the exact details of the bid, but that illustrates, structurally, that the fourth National Lottery licence is designed to deliver more money to good causes and to create better alignment between the operator and the people receiving the money.

Q324 **Chair:** Do you think that the public are as aware as they used to be about the link between the National Lottery and the money that goes to good causes? Is the structure of the fourth licence an opportunity to reboot that relationship in the public's mind?

**Chris Philp:** I think that you raise a very good point. We do need to do more to promote the fact that various different projects are ultimately funded by the UK National Lottery. It is the grant-giving bodies, rather than the actual lottery operator, that attach the branding conditions as they give out grants. The lottery operator—Camelot, and in the future, we expect, Allwyn, subject to litigation—runs the lottery itself. The money is given out by the various distributing bodies. They set the conditions, and I think there is a case for making those conditions stronger, so that when an organisation receives UK National Lottery money, the branding and the association and the publicity that go with it are made stronger. Then, when people go to the local community centre, a local sports club or whatever it may be that has the money, they can see more clearly where it comes from than they do at the moment.

Q325 **Chair:** Obviously, we are in a period of high inflation, unfortunately. How is this fourth licence potentially going to protect good causes from that, or is there basically no protection in place?

**Chris Philp:** Clearly, the structural changes that I mentioned a moment ago mean that the fourth National Lottery licence, structurally, is designed to give higher returns to good causes than was the case previously. Secondly, it is worth observing that the grant-giving bodies have quite significant reserves, which are designed to cover future disbursements. There is a certain amount of flexibility if next year or the year after the people bidding for money say that they need more for a particular project because their costs have gone up. There are levels of reserves that are available to cover that.

Beyond those two things, we would expect that, so long as inflation persists, yes, the costs of delivering the good cause projects will go up, but there is also some prospect that people might spend more money on the lottery as well if wages and general prices are going up as well. Really, it is the better structure and the fact that there are these reserves that are the key points. We hope, of course, that inflation is going to be



transitory. Obviously, I do not have a crystal ball and this is not the Treasury Committee, but we hope that the high inflation we see now is not going to be a long-duration phenomenon. I hope that we are not going back to the 1970s.

**Q326 Chair:** Yes, I think that we all know that. I am obviously not expecting you to talk about the case that is ongoing now, and we expect further clarification on it imminently. But there has been talk of a potential damages claim of, I believe, £600 million. Has the Department given thought to exactly how that £600 million would be funded if such an eventuality happened?

**Chris Philp:** Obviously, we hope very fervently that that eventuality will not arise. We are very disappointed that Camelot is choosing to pursue this litigation. They have had the licence for 28 years now, which is an extremely long period of time—nearly three decades—so for them to litigate is disappointing.

There are clearly a number of ways that damages could be funded if they are awarded. One is that they could come out of good causes. Another, of course, is that they could be funded by the Treasury. But given that no damages award has been made, and I fervently hope that none is, that is not a question that we have directly decided or discussed with the Treasury.

**Chair:** The two options are that it is either Treasury or it is good causes if that is the case.

**Chris Philp:** Yes.

**Chair:** Obviously, they are quite adamant that it would not come from good causes, but frankly they cannot say that, because they do not know at the end of the day.

**Chris Philp:** That is correct.

**Chair:** It is good to get that clarity out there. I have Clive Efford and then Kevin Brennan.

**Q327 Clive Efford:** Welcome. Thanks for coming to give evidence to us today. Can I move on to gambling harms? What assessment have you made of the gambling harms posed by lotteries, including instant win games?

**Chris Philp:** Thank you, Clive, for the question. Yes, we have considered gambling harm as part of the whole National Lottery set-up. Fortunately, gambling harms arising from the lottery are generally significantly lower than from gambling more generally; they are at the more benign end of the spectrum. The 2018 health survey for England suggested that problem gambling rates for draw-based games were about 0.9%, whereas for scratch cards they were about 1.4%, which is considerably lower than for various other activities surveyed, where the range went from 2.7% to 12.7% in terms of problem gambling rates. In fact, before



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FOBTs had their limit chopped down, the problem gambling rates for them were absolutely stratospheric.

So instant wins are at the lower end of the spectrum for problem gambling. The things that worry me most, as we think about the gambling White Paper, are things like online slots and online casinos, which are the areas where people can get heavily addicted to gambling. That said, although this is a lower-risk form of gambling, we do want to make sure it is done safely.

In recent years, the Gambling Commission and Camelot have made some moves in this area. For example, the scratch card price limit was dropped three years ago, from £10 to £5. The maximum stake limit for interactive instant win games was dropped two years ago from £10 to £5. Two years ago, the National Lottery was fully integrated with GAMSTOP to stop registered players, where they have registered with GAMSTOP, from playing the interactive instant win games. Last year, when the Government raised the minimum age for the National Lottery from 16 to 18, the operator introduced the change almost immediately, before the relevant legislation came into effect. Those things have been done, but there is also a duty on the Gambling Commission and the operator to make sure they pay regard to the interests of players, which includes preventing gambling harm. That is something that is rightly at the front of their minds.

**Q328 Clive Efford:** Allwyn has stated that they will reverse the slide towards scratch cards and instant win games, giving due consideration to the wider societal impacts these can have. Is that part of your future monitoring of the performance of Allwyn in their contract? If the slide towards scratch cards continues, will you be taking action?

**Chris Philp:** Taking action in what area?

**Clive Efford:** Will this be one of the areas of the contract that would require some form of enforcement if that move towards scratch cards continues?

**Ben Dean:** Part of this goes back to the three statutory duties that we and the Gambling Commission have. As the Minister said, one of those statutory duties is the public interest and player interest, and particularly protecting individuals from harm. We would expect the Gambling Commission, as the regulator of the National Lottery, to be ensuring that Allwyn, subject to the legal case, is making sure that they do protect players. If they have evidence that instant win games or any other form of game is causing harm to players, we would absolutely expect them to address that harm.

**Q329 Clive Efford:** We have just heard that these games do. In a sense, it is irrelevant to compare them with other forms of gambling. If they are causing a form of gambling harm, then we would want to minimise that as much as possible. It is also the case that good causes get a smaller



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proportion of the take from scratch cards, or done have under the previous contract. Allwyn has stated, while bidding for the contract, that they would reverse the slide towards scratch cards, and the very fact that they have stated that implies that that slide is undesirable. Will you be looking to the Gambling Commission to take action if it continues?

**Chris Philp:** Do you mean the move towards scratch cards?

**Clive Efford:** Towards scratch cards.

**Chris Philp:** It is up to the Gambling Commission to make their own independent assessment of where gambling harm lies. If they feel there are unacceptable levels of risk to individuals, whether from scratch cards or anything else, then we would expect them to take action.

In terms of Allwyn's motivation for what they said about trying to reverse that trend, I have not discussed it with them, because the Government have been keeping very independent from the whole bidding process, as you can imagine; we have not interfered or got involved in it at all—in fact, I have not even seen Allwyn's bid. The whole process is completely independent, so I am just speculating when I say that the motivation for Allwyn saying that could be harm-related, but I suspect that it may more likely be related to improving the financial performance of the give-back to good causes. As you just said a second ago, quite rightly, the yield to good causes is lower from the scratch cards than it is from the draw-based games. It may be the financial element as much as the harm element that they have in mind, but that is speculation—I don't know.

Q330 **Clive Efford:** Moving on slightly, the age limit for gambling was raised to 18 from April 2021, but 16 and 17-year-olds who opened online accounts before that date may still gamble up to £350 per week. Have you discussed that loophole with the Gambling Commission?

**Ben Dean:** We have. We think that is not correct. If you are under 18, you cannot use your account. Your account is still active, because you can withdraw money from it if you are under 18, but if you are between 16 and 18 you cannot actively bet, even if your account is still in theory active.

**Clive Efford:** So that information is not accurate?

**Ben Dean:** That is our understanding from the Gambling Commission.

**Clive Efford:** They have assured you that 16 and 17-year-olds, regardless of whether they have an online account, cannot gamble?

**Ben Dean:** Our understanding from the Gambling Commission is that, for all those people who are 16 and 17 who had active accounts, their account remains active, so they can withdraw money. If they turn 18, obviously, in that time period, then they can use it. Otherwise, they cannot bet during that time.



**Q331 Clive Efford:** Can I take you on to one other thing? Allwyn was granted the contracts back in March. Around that time, there was a lot of concern about the activities of Russia around Ukraine and then the invasion of Ukraine in February. That raised a lot of concerns about sanctions. Did you raise any concerns at all about, or were you aware of, the link of Mr Karel Komárek with Gazprom, which is run from the Kremlin? Did you ask the Gambling Commission to carry out any sort of deep dive into the background to make sure that this was not likely to be a sanctioned individual?

**Chris Philp:** Yes, obviously I was aware from the public reporting in the newspapers around that time that people were raising this question about the Gazprom joint venture. A number of companies, including UK companies—BP may be one of them—have joint ventures with Russian organisations like Gazprom. I understand that it was a joint venture in the Czech Republic, although I have not looked into it deeply, I should say.

Yes, I did raise the question with the Gambling Commission, and I received two specific assurances. The first assurance I received was that they had done background checks on all four applicants to make sure they were so-called fit and proper people to run the lottery, and that all of the applicants had passed that test. Secondly, they then subjected anyone with significant control over, I think, the winning bidder and also the second bidder, speaking from memory, to a form of vetting using Government agencies. That work was initiated as well. I received those assurances, and on that basis I was content that there was not an inappropriate link with the Russians.

**Q332 Clive Efford:** It was subsequent to what happened in Ukraine that you requested further information?

**Chris Philp:** The questions I just mentioned are questions that I asked of the Gambling Commission—for obvious reasons—after the invasion, which I think happened in late February, 24 February.

**Q333 Kevin Brennan:** Good morning. Is the National Lottery the biggest form of gambling in this country?

**Chris Philp:** Is it the biggest form of gambling? If you are measuring gambling by gross gambling yield, I think that its gross gambling yield is in the order of about £4 billion a year. The rest of the gambling industry—and these are off-the-cuff, approximate figures, so please, Chair, forgive me if I am not getting these exactly right—

**Kevin Brennan:** We will give you a pass on that—don't worry.

**Chris Philp:** That is very kind, Kevin. Thank you. I think that the rest of the gambling industry has a gross gambling yield of, very approximately, £10 billion or £11 billion. On that basis, the National Lottery is about a quarter or a third of all UK gambling in extremely approximate, round



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terms—I am probably going to get told off by officials for giving off-the-cuff, approximate figures. That hopefully gives a sense of scale.

**Kevin Brennan:** It is a very large chunk of gambling in this country?

**Chris Philp:** Yes, I would estimate a quarter to a third.

**Ben Dean:** The only thing to add is that, of all the forms of gambling, about 30% of the population play the lottery in any given month.

Q334 **Kevin Brennan:** What percentage of the population undertake other forms of gambling?

**Ben Dean:** Over 40% of the population gamble but that includes the lottery.

**Kevin Brennan:** Three quarters of those who gamble do the lottery?

**Chris Philp:** It sounds like about 40% to 45% of the public gamble in some form; 30% of the public do the National Lottery.

**Kevin Brennan:** It is a pretty massive part of gambling in this country?

**Chris Philp:** A lot of people do it, yes.

Q335 **Kevin Brennan:** I know that the Government have made a point about saying that you can no longer gamble with a credit card. That is not true, though, is it, from what you have just told me? You can still gamble with a credit card, can't you?

**Ben Dean:** In terms of being able to—

**Kevin Brennan:** Play the lottery.

**Ben Dean:** One of the things we have been doing is making sure that we are taking action through—

**Kevin Brennan:** Sorry, what is the answer to my question? You can still gamble with a credit card, yes or no, in this country?

**Ben Dean:** If you can use your credit card to play the lottery, then that may be the case.

**Kevin Brennan:** There is a simple word you are looking for, and it has three letters in it.

**Ben Dean:** Well, if that is the case, then you are right.

**Kevin Brennan:** Can you actually utter that word? Can you say it? It begins with "y", it ends with "s" and it has an "e" in the middle.

**Chair:** Yes, please just answer the question.

**Kevin Brennan:** I do not want to play Wordle here, but you can still gamble with a credit card in this country, can't you? Shall we take a



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recess for a moment, Chair, because this is obviously a very difficult question?

**Ben Dean:** I think that what my official is saying is if you are doing a shopping round in Sainsbury's—

**Kevin Brennan:** Sorry, can you just stop?

**Chris Philp:** Okay. Let me try to clarify this.

**Kevin Brennan:** Can we stop for one minute? You just confirmed to me that the National Lottery is a very major chunk of gambling in this country, and I asked you a simple question: is it not therefore the case that you can still gamble in this country using a credit card, when you play the National Lottery? You seem incapable of—

**Chris Philp:** The answer I have just been given, and correct me if I get this wrong—

**Kevin Brennan:** Is it longer than three letters?

**Chris Philp:** It is longer than three letters. The information I have just been given is that if you are buying a lottery ticket on its own, you should not be able to use a credit card, but if you are buying a basket of goods, like when you are doing your weekly shopping for £100, and there is a lottery ticket in there, then you would be able to potentially use your credit card.

**Kevin Brennan:** I accept that the answer, then, should have been yes, as long as you buy a Mars bar. That is what your answer is, basically, isn't it?

**Chris Philp:** I honestly do not know what the rules are about whether one Mars bar is enough or whether you need to buy a loo roll and some Toilet Duck as well, but I—

**Kevin Brennan:** We are getting into the realms of surrealism here.

**Chris Philp:** For clarity, and given that there seems to be some uncertainty about this, it might be helpful if we set out in writing for the Committee the precise answer, just to make sure that there is no misunderstanding or confusion.

Q336 **Kevin Brennan:** I do not think that it is that hard a question, Minister, to be honest with you. I think that the answer is yes, and we could have moved on some time ago if you had just been able to say that.

For my next question I am going to tell you what the answer is: the answer is yes. The next question is, why are you allowed to use a credit card for that form of gambling and not for other forms of gambling? What is the policy reason that the Government have for distinguishing between those two forms of gambling in relation to the ability to use a credit card to gamble?



**Chris Philp:** If it is the case—as has just been suggested to me, but I think I should confirm that to the Committee in writing—that the circumstances in which a credit card can be used are where the purchase forms part of a wider basket of goods, then I can see that it would be not very practical or particularly reasonable to ask the customer to disaggregate their purchases and pay for their basket of goods with a credit card and then do a separate purchase with the debit card or with cash on the side. There is a practical consideration around that. The other point—

Q337 **Kevin Brennan:** What is the difference between that and walking into a casino, ordering a meal and a drink, and then gambling?

**Ben Dean:** There is a distinction. My understanding is that you cannot go on to the National Lottery website and use a credit card to buy a National Lottery ticket. What you cannot do is go into a betting shop and bet on a credit card. Clearly, if you are going into a supermarket and buying a range of goods, it would not be very practical to ask people to pay twice for those goods. It is trying to get that balance right.

Q338 **Kevin Brennan:** Okay. We may have approached an answer there, Chair. Can I ask you about Camelot? They have written to us, and I appreciate, Minister, that you have not seen the letter. They have written to us about the last session we had, with the Gambling Commission, saying that “members of the Committee made comments suggesting they had concerns about returns to Good Causes under the Third Licence and that Camelot is seeking a multimillion pound figure in damages,” which you will be aware of. Am I right in saying that what you were saying is that the Government’s estimate is that the new licence would generate £65 million more per year to good causes than the previous licence?

**Chris Philp:** Potentially, yes. Those figures were indicative figures based on the structure of the lottery licence that was set out. That does not reflect the details of the individual bid, which obviously we cannot really talk about, for the litigation reasons we know about. That is an estimate of the positive impact that it will have on the return to good causes, yes.

Q339 **Kevin Brennan:** In their letter to the Committee, Camelot has said that, “Camelot would prefer a non-monetary remedy,” and it goes on to say in brackets, “i.e. the award of the Fourth Licence to Camelot”. I know that you cannot get into the details of the court case, but is it still in doubt as to whether Camelot or Allwyn will be running the fourth licence?

**Chris Philp:** It is subject to live litigation. The matter is in the hands of the courts. There are multiple streams, or at least two streams, of litigation, one seeking to address the question of implementation and what remedies might reasonably be available, and a second strand addressing the substance of Camelot’s claim. Given that the matter is in the hands of the courts and being considered by them, I don’t think it would be appropriate to comment on matters that are sub judice.

**Kevin Brennan:** In answer to my question, it is still in doubt?



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**Chris Philp:** It is subject to litigation.

**Kevin Brennan:** Therefore, it is still in doubt?

**Chris Philp:** I don't want to get into the details because it is subject to litigation.

**Kevin Brennan:** I am not asking you to get into the details. It is a simple question. You are saying it is subject to litigation.

**Chris Philp:** It depends on—

**Kevin Brennan:** Therefore, it is not certain that Allwyn will be running the fourth licence?

**Chris Philp:** It depends on the outcome of the court cases.

Q340 **Kevin Brennan:** Okay, so it is still in doubt. Camelot, in their letter to us, have also said that the Gambling Commission denied that any damages that could be awarded as a result of that case "would necessarily come from the National Lottery Distribution Fund," and also said that it would be "a matter for the Secretary of State, the Treasury and the Commission to decide the appropriate source of funds." If it were to come to that, who would decide where those damages would be paid from? I know we are speculating that damages may or may not be awarded, but ultimately who would decide? Camelot say that it might be the commission or the Secretary of State—that is, your Department—or the Treasury. Who would decide?

**Chris Philp:** Ultimately, if public funds are involved, the Treasury are ultimately the custodian of public funds. As I say, no such decision has been taken. I am very disappointed that Camelot are pursuing this litigation, which I do not think is good for anyone. I am very disappointed by it, and I hope that it does not come to that.

**Kevin Brennan:** Neither do I, because they have milked enough out of it already.

Q341 **Chair:** On that point, obviously Camelot is owned by the Ontario Teachers' Pension Plan. The Ontario Teachers' Pension Plan have quite huge resources in this country. They own airports and so on—my local airport, in fact, among others. Do you think they ought to take a keen interest in this right now and in the fact that there is potential damage, as we have established, to good causes—up to, I presume, £600 million. It is not just Camelot's name that is at stake here in this litigation, but also the good name of the Ontario Teachers' Pension Plan, Minister?

**Chris Philp:** As I say, we do not know. If there were damages, which I hope there will not be, we do not know where those would be funded from, as we established a moment ago.

Q342 **Chair:** It will not be the Ontario Teachers' Pension Plan paying for it, though, will it? They would be the ultimate beneficiaries of good causes



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potentially—we agree that it is potentially—losing out to the tune of £600 million. That is a very rich group of pensioners effectively taking money off British good causes, potentially, if this case goes through.

**Chris Philp:** As I say, I do not want to comment on the court case, because it is sub judice, but I will repeat what I said. I am very disappointed that this litigation is being pursued. I do not think it serves, frankly, anyone's interests. Camelot has had this licence for 28 years now. It is a very long time. I have been given every assurance by the Gambling Commission that this process was run properly and fairly. They were supported by very credible professional advisers from the legal and financial services sectors as they ran the process. I do not think this litigation serves anyone's interests, and I am extremely disappointed that it is happening.

Q343 **Giles Watling:** To follow on from some of Kevin Brennan's questioning and, indeed, Clive Efford's earlier, I am interested in gambling harms. There is a perception in some quarters that the lottery is not gambling and that it is something else. In fact, I know from personal experience that some people think that it is a game and it does good causes, but it is not gambling. I know people who disapprove of gambling who, nevertheless, take part in the lottery. Do you think that is a common perception?

**Chris Philp:** A common perception that?

**Giles Watling:** That the lottery is not really gambling?

**Chris Philp:** It is a good question. It is hard to know how individuals view the lottery. We obviously do consider it to be a form of gambling. It is a form of gambling, as I said earlier in response, I think, to Clive Efford's questions, where harm is very much at the lower end of the spectrum, compared to other forms of gambling. At the high end of the spectrum we would have things like online slots and online casinos, for example.

So it is a much lower-risk form of gambling. I suspect the public understand that. I suspect they understand that it is a game of chance—that you are spending money that you could lose. Typically, the amounts of money wagered are quite small by comparison to amounts wagered elsewhere, on horse-racing or in a physical or online casino. But I think the public do understand that it is a game of chance; you pay your money and you might lose it, and often you do lose it.

Q344 **Giles Watling:** My argument is that it could be part of the sell—that it is not really gambling that we are indulging in here; it is a fun thing that goes to good causes. We all remember the famous logo, "It could be you," so you are also selling a dream. What I am moving on to is: are there figures that you are aware of? I think it was Anna Powell-Smith who told us that we should be asking what percentage of revenues are coming from what percentage of gamblers, and whether it is possible that there



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is a relatively small number of gamblers on the National Lottery spending most of the money.

**Ben Dean:** I don't think that is the case. That goes back to our figure that 30% of the population played the lottery last month. The aim with the lottery, as the Minister said, is to distinguish it from other forms of gambling. To your comment on the slogan—I think it is, "Dream Big Play Small"—it is very much trying to emphasise doing small bits.

Q345 **Giles Watling:** As far as you are concerned, Mr Dean, we do not have gambling harms happening to relatively few people who are spending a lot of money chasing this dream? You think that is not the case?

**Ben Dean:** We know, factually from the health survey, problem gambling and harms associated with the lottery are lower than for other forms of gambling.

Q346 **Giles Watling:** All right, I will take that. Should the National Lottery operator make a higher contribution to GambleAware, Minister?

**Ben Dean:** As part of the fourth licence, one of the things we are doing is looking at their contribution to research and education and—

**Chair:** I am sorry, I think that this is a question for the Minister, really, to be honest with you. This is a political question. As we know, GambleAware are asking for a 1% levy as part of the gambling White Paper. I think that Giles's question is very simple. It is: do you think that the National Lottery should be made to give more to GambleAware?

**Chris Philp:** Not at the level of other gambling firms, because the gambling harms caused particularly by things like online slots and online casinos are significantly higher, as we have said already, compared to the National Lottery. I do not think it is reasonable or fair to ask the lottery, which is a relatively lower-risk form of gambling, to contribute at the same level as obviously more risky forms of gambling, particularly when the majority of that money would then come out of good causes. You have to match the risk to the contribution.

I do not want to pre-empt the gambling White Paper, but we think that we do need to see more money going to research, education and treatment—the services that, broadly speaking, GambleAware currently commission, although others do as well—but that that should principally come from the firms whose gambling activities are causing the majority of the harm.

Q347 **Giles Watling:** Having said that, when we talk about the lottery, we are talking about huge sums of money, of course, because it is a massive concern. Yet in 2018 Camelot said that it would donate £300,000 annually to GambleAware. That seems to be totally out of kilter with the amounts of money we are talking about. GambleAware is there to protect against gambling harms, surely.



**Chris Philp:** GambleAware is there as part of the so-called RET—research, education and treatment—process. It does those three things. The research is academic research. The education is going into schools, teaching children about the risks of gambling. The treatment is commissioning therapy afterwards.

In terms of what the fourth licence bid contains on research, education and treatment contributions, that is part of the bid, but that is being litigated and I have not even seen it—it has not been opened up—it is not something that I can comment on. There may or may not be something in there addressing the RET contribution. Not having seen it, I don't know what it is.

Q348 **Giles Watling:** My takeaway from this, then, is that you are not inclined to push for a greater contribution from the lottery operator?

**Chris Philp:** Broadly speaking, no, because I think the people who contribute the most, and who should contribute more, towards research, education and training are the people running gambling operations that cause more harm—the most harm. Broadly, although there is some harm in the lottery, it is much lower level, and I think the money should come principally from the people who are causing the problem, which is not the lottery.

Q349 **Giles Watling:** I take that, absolutely. Talking about the BeGambleAware branding, does it concern you that the National Lottery advertising does not feature that branding, and should it?

**Chris Philp:** I think that questions addressing that sort of issue are going to be in the gambling White Paper. It does not concern me hugely, on the basis that the evidence we have just discussed, to repeat the previous point, suggests that the National Lottery contains problem gambling levels that are quite low and much lower than for other forms of gambling. As we think about directing our regulatory efforts and trying to make improvements to the safety of gambling, and if I think about my to-do list, the National Lottery is not at the top of the gambling harms to-do list. There are a lot of other forms of gambling—online slots and online casinos, which I have mentioned, being the two most obvious—where the harms are an order of magnitude, and possibly even two orders of magnitude, higher than for the lottery. So, really, I am focusing my guns, as it were, on those areas that are really causing serious problems.

Q350 **Giles Watling:** It would seem to me from your answers that Her Majesty's Government are quite content that we can think of the lottery as not really being gambling. Would that be fair to say?

**Chris Philp:** No, I didn't say that. It is gambling. We classify it as gambling. It is regulated and overseen by the Gambling Commission. We just recognise that it is a lower-harm form of gambling, so the interventions made are correspondingly lighter touch, although not zero, because there is some risk, and there is some harm, as we have said



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already in answer to Clive Efford. We are not ignoring it; we are just prioritising the areas that are higher harm.

Q351 **Chair:** To draw on what you have just said to Giles there, I can take it, therefore, that the 1% figure, which is the ask of GambleAware across the board, effectively, across the gambling industry, is dead in the water. What you have just said, effectively, is that it is going to be about the perceived harm of that gambling company—for example, slots online. What about physical gambling—let's say a bingo hall, for instance? Would they be categorised more towards the online slot side, or would they be categorised more towards the less harmful side and be less expected to contribute to GambleAware, like the National Lottery?

**Chris Philp:** Chairman, you are enticing me into the territory covered by the White Paper.

**Chair:** No, you have just said it to Giles so—

**Chris Philp:** Yes, that is right; I did say it to Giles. You are enticing me into White Paper territory, but you are making a reasonable observation that things like seaside adult gaming centres, for example, or bingo halls, which are another good example, are, like the lottery, much lower-harm forms of gambling. That is a good observation. I entirely agree with it, and you can expect that to be reflected in the way the White Paper as a whole is constructed.

**Chair:** Roger Gale will be delighted about that, I am sure.

Q352 **Julie Elliott:** I am very surprised at what you are saying there, Minister. As somebody who lives by the seaside and sees vulnerable people pouring their last pennies into slot machines, it is not really not dangerous gambling; it is the start of something.

**Chris Philp:** I did not say it was not dangerous. I just said that it was lower risk than other forms. We have quite good data on the risk posed by different forms of gambling, and we can see the problem gambling rates that different kinds of gambling pose. No gambling—not the National Lottery, not even seaside arcades, none of it—is zero risk at all. There are people who develop gambling addiction and gambling problems across all these forms of gambling.

The point I was making is that there are some kinds where the risk is a lot higher. The worst example, which we saw a few years ago, were the FOBTs. That was just off the scale, terrible. I do not want to get into the White Paper, but as we look at any of these regulatory interventions, we are just trying to calibrate them to make sure that the toughness, as it were, of the regulatory intervention, whether it is the safer gambling messaging or something else—I do not want to get into details, but you can imagine the range—is targeted to the right area, so it scales according to the risk that is being presented.

Q353 **Julie Elliott:** This is not what I want to ask my questions on today, but



could I suggest, Minister, that you do a bit of secret shopping and go to some of the poorer seaside resorts and watch people in arcades? You might also, perhaps, go into shops and see people who are very vulnerable, very poor, spending their last penny buying scratch cards on the lottery? Relative to their lives, I would completely disagree with what you are saying about risk. There might be less money involved but the impact on people's lives, which I pick up every week in my constituency casework, is hugely significant. A bit of secret shopping might be a good idea.

**Chris Philp:** I was in an adult gaming centre in Clapham on Friday, so it was not the seaside, but I will take up your suggestion. You feel that the seaside slot machines that you have seen are significantly problematic?

Q354 **Julie Elliott:** I think that vulnerable people spend their last penny on them. But, probably more importantly, if you go into any shop that sells scratch cards on the lottery, it is the people who can least afford to spend their last penny on these things who are buying them, and it causes absolutely significant harm. If you ask people who represent areas that are not as wealthy as others, this is a regular piece of the casework that we get. So I think you should do a bit of secret shopping; you should not arrive as Minister Dah Dah Dah, because you will get a different view, but you should dress down, wander about and have a look. Anyway, there we go.

I want to ask questions on society lotteries, so something entirely different. As you know, in recent years there has been significant reform to the regulation around society lotteries. What assessment has your Department done on the reforms of 2020?

**Chris Philp:** We have thought carefully about this. You are referring to the increase of the limit to £50 million per lottery? We have given that some thought. I met the People's Postcode Lottery—I think it was them—a few weeks ago to discuss the changes. Broadly speaking, because it is only a couple of years in, and because the changes mostly fell during the covid period, we think it is a bit early to reach definitive conclusions. Obviously, we are very aware of calls to lift that £50 million limit to £100 million—we have received representations about that—but our feeling at the moment is that it is a bit too early to reach conclusions, given that it has only been a couple of years and it has been affected by covid.

Q355 **Julie Elliott:** Have you looked at any change that might be possible around the 10% rule—the rule that the maximum prize is the greater of £25,000 or 10% of the proceeds at the moment? Have you looked at that or not?

**Chris Philp:** That is obviously part of the package, and there were some changes made a couple of years ago to the maximum prize limits, as well as to the £50 million. We are aware that the whole thing needs to be looked at in the round. On both questions—the £50 million limit and the prize limit—we think that it is too early to make changes, but we are in dialogue with the relevant companies.



Q356 **Julie Elliott:** When would you be thinking it was a reasonable time to look at changes? How long?

**Chris Philp:** We looked at it after about a year, and my expectation is that we would keep looking at it on an approximately annual basis just to see how it develops and how it evolves.

Q357 **Julie Elliott:** Do you think that society lotteries pose a threat to the charitable giving of the National Lottery?

**Chris Philp:** It is a good question. Clearly, by design they are supposed to be different and to be non-competitive, in the sense that the prizes are much lower. They often have a geographic focus or a particular purpose, like the Health Lottery, for example. They are supposed to do different things. Obviously, in creating a National Lottery, the licence is essentially a monopoly, and it is granted on that basis. It is supposed to have critical mass and everything else.

We want to make sure that the society lottery concept does not overlap or compete with that, and I think at the moment, broadly speaking, it doesn't. It does operate in a different space, for the reasons I mentioned a second ago. One of the main tests in thinking about these changes is making sure that it does not end up overlapping a bit. That is one of the key questions. At the moment, I think it doesn't. After the £50 million change, I think it is fine. We just want to make sure that if we do make those further changes it does not end up getting into National Lottery territory a bit.

Q358 **Simon Jupp:** Good morning, Minister. Thanks for coming before us today. I want to talk about funding grants and particularly how those are placed across the nations and regions of this country. Are you satisfied with the way they are distributed at the moment?

**Chris Philp:** Yes, I am, broadly speaking, satisfied with the way they are distributed in terms of their geographic spread around the country. We are keen to make sure that everybody all around the country—all regions—benefit equally. You will be interested to know that in your constituency of East Devon—that is right, isn't it?

**Simon Jupp:** Yes, that is right.

**Chris Philp:** Good, I have made a good start. Since the National Lottery started up in 1994, £29.4 million has been spent specifically in East Devon. If you look at the geographical spread of the National Lottery money around the country, it follows, broadly speaking, population. The south-west, for example, last year got £93.8 million—an increase over the previous year, when it was £85.3 million, so you got an extra £8 million that year. If I look at the geographical distribution, it does, broadly speaking, follow population and economic activity.

Q359 **Simon Jupp:** I am grateful for the data, of which I was not aware. Does that follow any Government edict? That is, how is this connected to



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levelling up? Obviously, the Government are attempting to level up the country. One would have thought that the money might be funnelled in the same direction as levelling-up funding, for example. Is that about right, or is there more grip required to achieve that?

**Chris Philp:** The answer could be yes to both questions. Yes, we are trying to get it outside London and the south-east, but yes, more grip might still be required to do it even more than is happening. There is some other rebalancing happening outside of the lottery. The Arts Council funding was significantly rebalanced just recently to move £75 million, I think, into areas outside the south-east, which was getting on towards about a quarter, I think, of the money they spend in total. That was expressly in support of the levelling-up agenda. Ben, do you want to comment on that question?

**Ben Dean:** One of the things we are trying to improve on is the data. For example, at the moment, the amount of lottery money allocated to you will record as to where your headquarters are. If the headquarters of an organisation is in Cardiff, for example, that money will be recorded there. I know that, in Mr Brennan's constituency, the figures are much higher, but that is partly because there are more headquartered organisations in Cardiff that may well be redistributing that money on to other parts of Wales.

**Chris Philp:** Are you sure it is not his brilliant lobbying?

Q360 **Simon Jupp:** Do you think that, in the future, there might be a tighter grip on how this money is spent across the country, Minister? You are indicating that there might be more work to do to make sure that the funding does sit quite comfortably with the Government's levelling-up agenda.

**Chris Philp:** Yes, I think that is an area where we can look carefully and see how we can influence that. Obviously, the grant-making bodies operate somewhat at arm's length, but it is an interesting opportunity that we want to make sure we are fully grasping. As I say, with the Arts Council that has happened already.

Q361 **Simon Jupp:** How do you do that without interfering too much in the lottery funding? Obviously, you could make it overtly political, couldn't you?

**Chris Philp:** We do not want to trespass on their independence or have political interference in the way that grants are given, because that would be inappropriate.

**Simon Jupp:** By having more grip you would surely be doing that?

**Chris Philp:** I think you can have discussions with the grant-making bodies about issues like geographic focus. You can produce research highlighting areas of economic or social deprivation that would particularly benefit from expenditure, and encourage them in that



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direction. We cannot have Ministers picking individual projects, but there is a lot we can do.

Q362 **Simon Jupp:** You would not see Ministers intervening on specific cases, would you?

**Chris Philp:** No, that would not be appropriate because that would be—

**Simon Jupp:** I just wanted to clarify that. Although you would imagine that the Government would want to have their levelling-up agenda aligned with how this money is spent, you would not want too much political interference. If those changes occur and we see the money distributed in a slightly different way in the future, as per our previous discussion, what will you do, and what do you do, to help places that previously received funding that do not now? They may have relied on it in the past.

**Chris Philp:** Of course, I am an MP in London, so I am very aware of that dynamic. There are many projects that are not ongoing multi-year projects. Very often they are one-off projects—building new facilities, for example. Particularly where you have one-off capital projects, the issue you raise about multi-year dependency obviously does not arise. That is one very obvious way of addressing that concern.

To take another, Lord Parkinson has been working with the Arts Council—this is his area rather than mine, so he should take the credit for this—to actively, where they can, move activity of different kinds that was taking place in London outside London. They are not firing people; they are simply moving activity into other parts of the country. There are ways that you can do these things that are about moving rather than discontinuing. But the point about the capital projects, I think, is the most important one.

Q363 **Simon Jupp:** As a London MP, as you just mentioned, are you concerned that the Government could be seen as moving too much money away from London? It is the economic powerhouse of the country, after all.

**Chris Philp:** No. I think we need to govern for the whole United Kingdom, all four corners of it, and we need to make sure that we target Government spending of different kinds—I am not just talking about this; I am talking about everything—at the areas where it is most needed and where it will have the biggest effect. I may be a London MP, but first and foremost I am a citizen of the United Kingdom and a Member of the United Kingdom Parliament. My interest primarily is not a constituency interest or a London regional interest; my concern is the national interest, and that means deploying our national resources wherever they are needed, regardless of which of the four corners of the United Kingdom that need may be in.

Q364 **Clive Efford:** As a brief follow-up, you were talking about redistribution and the situation in London. London contains many national institutions that are funded through various Government bodies. They do not seem to



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be disaggregated from this figure that says that London gets a certain amount of funding. That can have an adverse effect on genuine grassroots organisations. Does that concern you?

**Chris Philp:** I think that is the point that Ben was making. It applies to Cardiff as well. Just looking at the constituency figures for Committee members, Kevin's are by far the highest—*[Interruption.]* Yes, he is happy about that. I assume that that is because lots of Wales-wide bodies are headquartered in Cardiff, which therefore get recorded in the data as being in Kevin's constituency. We do need to make sure that we do a better job of disaggregating that, because a body may be registered in Cardiff, in Edinburgh or in London, in particular, but the money actually gets spent across the whole country. We need to account for that.

**Ben Dean:** I totally agree. That is very much what we need to do and will be doing.

Q365 **Damian Green:** This is again a quick follow-up. You used a phrase that always makes my blood boil, which is "London and the south-east," as though that is one place. There is a lot of the south-east of England outside London where it is not as easy for people to get the benefit of the great national institutions in London. You have made the point about the Arts Council. At a constituency level, I am particularly grateful to the Arts Council for supporting one big project in my constituency—a dance company. I would hate to think that, whereas the Arts Council shows the subtlety and ability to distinguish between London and the rest of the south-east, the lottery would not. I hope that the lottery does not think of London and the south-east as one area.

**Chris Philp:** No, they are broken out. I have the south-east figure, which was £91 million last year, so it is a little higher—it is almost exactly the same as the figure for the south-west, in fact. There was £2 million between you.

**Damian Green:** I would guess that we have a bigger population in the south-east than the south-west does. Is that not true?

**Chris Philp:** But you were significantly higher the year before. It does also fluctuate year to year.

Q366 **John Nicolson:** Thank you for joining us, Mr Dean and Minister Philp—you are very well briefed, as always, with the facts and figures. Can I start with you, Mr Dean? I am interested in what the rules are for awarding funding to good causes, because some are more controversial than others. Are there any rules in place that prevent the funding of political organisations, with a small "p"?

**Ben Dean:** There are 12 grant-making bodies across the country, and each of those will have their own set of rules to follow. I am not aware of particular rules that ban any organisation being funded, but clearly that organisation needs to prove that the actual project that is being funded



meets the criteria of that organisation, be it Sport England, the Arts Council or the Scottish equivalent.

**Q367 John Nicolson:** I have had a lot of mail recently about a grant that has been given to one particular organisation, which I have mentioned here before. The organisation concerned is the so-called LGB Alliance, which the Speaker referred to Commons security because of its record of sending abusive tweets of the most egregious type to Members of Parliament, including myself. This organisation has just been given a grant to fund a helpline for young people. I cannot think of a less appropriate organisation. It has age verification on some of its tweets because they are so abusive. It has been taken off the country's two largest funding sites because it is regarded as a hate organisation. Does it seem appropriate to you for it to be given a grant? Could you answer first, Mr Dean, and then I am happy to bring the Minister in.

**Ben Dean:** I do not think that it is appropriate for me to comment on the individual grants given by individual organisations, but the Minister may well want to comment.

**Chris Philp:** I am aware of this case. This was a grant made by the National Lottery Community Fund and it was given to the LGB Alliance. The size of the grant was £9,000 and it was to scope out a national advice service for lesbian, gay and bisexual young people aged between 13 and 25. We have raised this issue, for the reason that you mentioned. We have been assured by the grant-making body, in this case the National Lottery Community Fund, which is an arm's length body—it makes the decisions, not the Government—that its decision-making process was in line with its policies and procedures. You say you have received personal abuse from this organisation.

**Q368 John Nicolson:** Yes. It has sent tweets saying that I am a rape enabler, that I am a paedophile—the most extraordinary, abusive tweets. Mr Speaker has raised these tweets, having seen them, with Commons security. I am a Member of Parliament and in the prime of middle youth, so I can cope with this, but can you imagine if you were a vulnerable young person of 14 and one of the people who had written those tweets, for example, was on the other end of a helpline? It just seemed the most unlikely and inappropriate organisation to get this funding. Do you know what? I suspect the money was given innocently. I suspect that it was probably a problem of due diligence. I imagine what happened is that they thought, "Oh, LGB Alliance. They sound very nice. It will be for gay young people". They probably did not know the history of abuse, because I cannot imagine that they would have given the grant.

**Chris Philp:** John, I suspect that you may be right in your supposition. I think that what I should do, given that you have personally been abused in this way—you think that that is representative of the tweets they send more generally, not just to you?

**Q369 John Nicolson:** Anybody who gave money to them was rewarded with a



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tweet from its account. If somebody who gave money to it sent something abusive to and about me, the LGB Alliance would then retweet that. That is why the country's two largest crowdfunding sites took down their accounts. They also had their blue tick removed by Twitter and, as I say, age limitations have been put on to some of their tweets because of the content.

**Chris Philp:** If you can send me copies of those tweets—I can give you my email address afterwards—I think that I should write to the relevant body again, the National Lottery Community Fund, asking about the due diligence process they may or may not have gone through, provide the tweets you refer to and ask that those are taken into account before any further funding decisions get made.

**John Nicolson:** Thank you. I appreciate that.

**Chris Philp:** I am very sorry to hear that you experienced that as well. No one should have to suffer that.

**John Nicolson:** Thank you, Minister.

Q370 **Damian Green:** I agree that any kind of hateful tweets should be stopped and are wrong, but I should also say, Minister, and ask you to comment on the fact that, the characterisation of the LGB Alliance that you have just heard is, I think, incorrect. You should be aware that Stonewall and its allies are trying to cancel this organisation because it strongly disagrees with Stonewall's policies on trans issues. This is a very live debate. In fact, when Lord Parkinson was here last week, we had questions and answers, and he made it clear that he thought the LGB Alliance were entirely appropriate to receive grants through the lottery. There is correspondence about this subsequently, before you reach a conclusion.

**Chair:** May I make a suggestion at this point?

**Chris Philp:** I did not obviously reach any judgment in the comments I just made. I said that I would raise the issue with the grant-making body. The issue has been raised by a Member of Parliament, and I think it is right that I pass that on to the relevant grant-making body. I did not myself make any value judgment, because I am not in possession of all the facts.

**Damian Green:** I think that is very sensible.

**Chair:** Thank you, Damian, and thank you, John. Minister, if you could take those two opinions away, you can then write to both Members if that is okay. We are now going to focus on the matter in hand, and the final question will come from Steve Brine.

Q371 **Steve Brine:** On to happier matters and calmer waters. I have two things, Minister, the impact of the pandemic and then a little bit about prize draws.



As you know, nearly a quarter of charities had no reserves at the outbreak of covid-19, which obviously put them in an incredibly fragile position. The National Lottery Community Fund announced that its funding would prioritise organisations supporting people at high risk from covid, and I think the NLHF invested more than £400 million in the heritage sector. It was big news, and obviously there was the £2 billion Culture Recovery Fund. Can I investigate with you your plans for future crises? You will see that there is a lot of work going on today, epidemiologically, that Oxford is hoping to lead around future pandemics. What work is being done or starting to be done within Government around how we can be more nimble and move more quickly in the event of a future pandemic or crisis, building on what we have seen over the last couple of years? The CRF was great, but it took quite a while, understandably. What work is being done so that we can be more nimble in the future?

**Chris Philp:** Thank you for the question. Yes, we are committed to making sure that we learn lessons from the covid experience in the context of grant giving and particularly culture and sport. Last year, an evaluation of the Culture Recovery Fund was commissioned. It has not been published yet, but it has been commissioned and it is being worked on at the moment.

Q372 **Steve Brine:** When do you think that will be published?

**Chris Philp:** I am afraid I don't know. Do you know, Ben?

**Ben Dean:** I don't know.

Q373 **Steve Brine:** When would you like it published?

**Chris Philp:** It was commissioned in 2021, so I would think 12 to 18 months from the point at which it was commissioned would be a reasonable timeframe.

One of the purposes of that evaluation is to learn the lessons from covid. I think the response when it happened was pretty comprehensive. As you said, the Culture Recovery Fund since August 2020 has distributed £1.57 billion, so nearly £2 billion, to 5,000 organisations, which was a lifeline for regional theatres, museums, independent cinemas and so on.

It is also worth mentioning that the National Lottery itself. The 12 distributing bodies did step up very quickly and in the course of the covid response contributed about £1.2 billion. I mentioned earlier the fact that they carry reserves—so money they have collected from the National Lottery that they have not yet handed out. In the context of a situation like covid, having those reserves is so important, because you can respond when something unexpected happens that might depress ticket sales and create a financial need.

Q374 **Steve Brine:** In terms of my question, then, about work being done to make sure that the piping is in place, if you like, so that we can move



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quickly, that is about the review of the CRF?

**Chris Philp:** It is, yes.

**Steve Brine:** Maybe you will come back to us when that is out. Is there anything else that we need to know about preparation for future pandemics as far as the work that your Department is doing? By all means, come in, Ben.

**Ben Dean:** There is the wider public inquiry more generally on covid, which we are clearly, as a Department, feeding into. Following on from the Minister's comments, another example where I think it worked extremely well is that Sport England set up an emergency covid fund very quickly and put £35 million in it from its reserves, which was to give very quick grants through a very minimal process to organisations, many of whom it already had established relationships with. Clearly, one of the things we are looking at is how you get that balance right between being able to get money out the door quickly but being able to do enough due diligence to ensure that it is going to proper organisations that will spend it wisely.

Q375 **Steve Brine:** Okay, good. The other part is about the prize draws such as Omaze, which as you will know is a large American for-profit company. They are competitors to lotteries in some ways, but they face little, if any, regulation. You can imagine my excitement when, watching television with my children recently, I saw a sunshine-soaked villa that I could win. They said, "That looks nice, Daddy—let's enter that." Little did they know that we had very little chance of winning it.

If you look at the society lottery regulations, which you will know well, tickets are the same price, there is a maximum prize, and the prize is worth no more than 10% of ticket sales. Then, if you look at these prize draws, there are some free tickets and there are some paid tickets. Often you will enter once and you get one free entry. There is no limit on the value of the prize draw. There is no ratio of prize to ticket sales. There is no limit on the number of tickets sold per draw. There is no annual turnover limit. There is no actual requirement to donate to charity, although they obviously say on their website that they will donate a certain amount to charity. On one particular game, Omaze said they would give 80% of the net proceeds of the draw to the RSPCA, but there is no actual requirement on them to do that. What I am saying is that there is very little, if any, regulation. What threat do these prize draws pose to the charitable giving of the lottery sector? Are you concerned about the fact that they are unregulated?

**Chris Philp:** We are very aware of the issues that you are raising and the impact that activity in this area may have on other parts of the fully regulated sector. We obviously have a gambling White Paper due to come out, I hope, quite imminently. I do not want to pre-empt its contents, but this is the kind of topic that might feature in that.

Q376 **Steve Brine:** Might I be excited when that comes out? Excited is a



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limited word, of course.

**Chris Philp:** Regardless of this issue, I am sure you will be excited by it in general, because it is a very exciting document. I do not want to comment on the specifics that may be in it, but I will just say that this is an issue we are aware of and the White Paper might be a place where it gets addressed.

**Steve Brine:** As you know, Minister, I am a very cheery, half-full person, generally speaking. *[Laughter.]* I do not see why that is funny. Generally speaking, should they face similar regulation, in your personal opinion?

**Chris Philp:** I don't want to pre-empt the contents of the White Paper.

**Steve Brine:** I know that you do not want to, but my question is to try to get you to.

**Chris Philp:** Okay. Let me rephrase my response more emphatically. I am not going to pre-empt the contents of the White Paper, but it is an issue we are extremely aware of.

**Steve Brine:** That sounds promising.

**Chair:** Thank you very much. On the bombshell of the excited Steve Brine, I am going to bring this session to a conclusion. Thank you very much, Minister Chris Philp and Ben Dean, for your evidence today. We will take a short adjournment as we go on to our second panel on promoting Britain abroad.