



Select Committee on the Social and Economic Impact of the Gambling Industry

Corrected oral evidence: The Social and Economic Impact of the Gambling Industry

Tuesday 23 July 2019

3.25 pm

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Members present: Lord Grade of Yarmouth (The Chairman); Lord Butler of Brockwell; Lord Foster of Bath; Lord Layard; The Lord Bishop of St Albans; Lord Smith of Hindhead; Baroness Thornhill; Lord Trevethin and Oaksey; Lord Watts.

Evidence Session No. 2

Heard in Public

Questions 18 - 28

Witnesses

I: Professor Jim Orford, Emeritus Professor of Clinical and Community Psychology, University of Birmingham; Dr Heather Wardle, Assistant Professor, London School of Hygiene and Tropical Medicine.

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Professor Jim Orford and Dr Heather Wardle.

- Q18 **The Chairman:** I think I can safely offer you a very warm welcome in this room. Professor Orford and Dr Wardle, we are very grateful for your time. There are a few parish notices. I was unable to be at the last meeting when the interests of the members of the Committee were declared, so I need formally to declare my interests for the record. I am a former director of Charlton Athletic Football Club, otherwise known as "Charlton Nil", former chair of the Camelot Group, operator of the National Lottery, former chair of ITV plc, which of course takes a lot of advertising. I am currently a director—this is a relevant declaration—of Northern Lights Arena Co Ltd, which is a start-up multi-function stadium developer with a particular interest in e-sports. That is just for the record. We move on.

This session is open to the public. We are broadcast live and our deliberations are subsequently accessible via the parliamentary website. A verbatim transcript will be taken of the evidence and will be put on the parliamentary website. A few days after the session, witnesses will be sent a copy of the transcript to check it for accuracy. It would be helpful if you could advise us of any factual corrections as quickly as possible. If, after this session, you wish to clarify or amplify any points that you have made during your evidence or have any additional points you wish to make, you are absolutely welcome to submit supplementary evidence to us. Would you introduce yourselves for the record?

Dr Heather Wardle: I am an assistant professor at the London School of Hygiene and Tropical Medicine. I am also the deputy chair of the Advisory Board on Safer Gambling, although I am in my independent research capacity here today. In the past, I have worked on projects funded by GambleAware, most recently on a project that we published last week looking at the relationship between gambling and suicidality.

Professor Jim Orford: I am emeritus professor of clinical and community psychology at the University of Birmingham.

- Q19 **The Chairman:** Thank you. We are going to share the questions around. I will kick off with the first one. Please feel free to cox and box relevant to your particular skills.

Prevalence studies are of great interest to us. Are static rates of problem gambling a justification for business as usual? What percentage of revenue comes from harmful gambling in the UK—and internationally, if you can help us with that? Do we need prevalence studies to be commissioned to help us further understand what is actually happening?

Dr Heather Wardle: I will start with the business-as-usual question. My opinion is that it is absolutely not business as usual, because although the prevalence rates have been broadly static since 2012, when we had a consistent methodology by which to measure them, that potentially masked a great deal of movement in and out of problematic behaviour.

We do not know the incidence—new cases occurring over time—of problem gambling. We see from other jurisdictions, such as Victoria in Australia, that when you measure the incidence rates through longitudinal studies you see that about half of the prevalence rate is made up of new cases, which means that some new people have been defined as problematic in a cross-sectional survey and others have moved out of problematic behaviour.

That might be related to the episodic nature of gambling problems, as we know that this can be intermittent. It may also be that some people who have gambling problems have moved into institutions such as prisons or other care facilities as a result of their gambling behaviour and are therefore not captured through these studies. It may also be that some people are dying as a result of their gambling behaviour or its contribution.

These are questions that we do not know the answer to. This is why I believe it is absolutely essential that we have a longitudinal study of gambling behaviour in the UK: so that we can start to truly grapple with this kind of churn and behaviour.

The other thing that an understanding of that incident rate or churn indicates is that if you have a high level of people who are becoming problem gamblers you should be putting your resources into prevention efforts, because what you really want to do is stop people getting to that position in the first place. We can only do that if we have the best kinds of studies to be able to inform those decisions.

Also, the prevalence rates and the focus on problem gambling figures do not tell us about broader harms that people experience as a result of their gambling, which are not necessarily related to their own problematic behaviour. It does not tell us anything about the harms that people experience because they are adversely affected by other people's behaviour, so there is a point about the families of problem gamblers. I will let Jim have an opportunity to respond to the question.

The Chairman: Before Professor Orford answers, I just need a point of clarification from you, Dr Wardle. Is there a generally accepted definition of problem gamblers? How do you define and categorise them?

Dr Heather Wardle: There are a number of different ways in which you can categorise problem gambling.

The Chairman: That is the problem.

Dr Heather Wardle: There are over 20 different screening instruments. In the UK, we have tended to use two, one based on the criteria in the American Psychiatric Association's *Diagnostic and Statistical Manual*, and the other one using the Problem Gambling Severity Index. They have been the instruments of preference since 2007, so they have at least been consistently measured in these various survey vehicles using the same definition.

Professor Jim Orford: I have just a couple of points to add to what Heather Wardle has said about the apparently static position. Not only do we not know about the new incidence, and therefore the churn, of people leaving and entering, but the whole field is very fluid. All sorts of things are happening in the field, and we do not know what effects they are going to have.

In some of the latest Gambling Commission figures, spread betting had shown an increase over the last few years, and that is a particularly dangerous form of gambling. We know that online gambling has been shooting up, and we know that particularly young people are now using mobile devices; they are not using laptops any more. The use of social media is a grey area of gambling, with gambling-like games and, of course, the accessing of online gambling sites through social media. There is a lot of fluidity in the picture.

Even if everything were completely static, we have the previously hidden problem of very high prevalence. The prevalence of gambling problems in this country is apparently very similar to the prevalence of drug problems. The European Monitoring Centre for Drugs and Drug Addiction estimates that drug problems in this country affect somewhere between a third and half a million adults, so they are very similar.

We are dealing with a big problem. Even if it were completely static, the fact remains that it is not coming down, and the question is why it is not coming down. It is a huge problem and it is not coming down.

Lord Layard: You have told us where the definition comes from, but can you tell us what the definition is? What is the cut-off in severity that makes somebody deemed to be a problem gambler? Professor Orford raised the very interesting question of the very different approach that we have to alcohol and drugs. Could you compare it with the cut-offs they use for drugs and alcohol?

Dr Heather Wardle: In one of the instruments, there are 10 questions that people are asked, and they are asked to report how often in the past 12 months they have experienced each one of these 10 items. They are scored against the DSM score to give a score between zero and 10, and against the Problem Gambling Severity Index to give a score of between zero and 27.

The conventions that have been used are that if people have a score of three or more on the DSM criteria, they are categorised as a problem gambler. If they have a score of eight or more on the Problem Gambling Severity Index, they are categorised as a problem gambler.

The types of questions that people are asked are, for example, how often they return another day to try to win back what they have lost, how often they have risked a relationship or a job because of their gambling, how often they are preoccupied by their gambling, and whether they need to gamble with increasing money to get the same kind of excitement. There is some read-across between some of the items that are within those

criteria to some of the ways in which things like alcohol and drugs are thought about.

To answer your second question, we know that people who experience those types of problems experience a great many harms. In the most severe incidence, they can consider taking their own life as a result of their gambling harms and behaviours. We are really just making parallels as to what proportion of the population is experiencing that kind of difficulty and how that relates to other things that we know about, like alcohol and drugs.

Q20 Lord Watts: Is not part of the problem that people bandy figures around both for and against on this issue, when there is very little research that you can test to see whether it has been conducted properly in the UK? I am not talking about other countries now, because other countries—you give Australia as an example—have a long history and culture of heavy gambling and readily acceptable gambling. If you go into a social club in Australia, you can have a pint and play poker. I think there is a difference between them.

Do we not need to start again, do the research that we need to do and set some targets for what we want to achieve and how we want to achieve it? It seems to me that there is a lack of research here. You have picked two for problem gambling which you say are commonly used, but we need to decide on the back of the research that needs to be done. Is that not the case?

Dr Heather Wardle: I do not believe that is the case, because we have some evidence from the UK that shows a very high rate of incidence of problem gambling among certain population groups. One of the pieces of research I could point to is a study conducted by Ian McHale and David Forrest, who looked at changes in rates of problem gambling between people aged 17 and people aged 20. They found that when people turned 20, 85% of the problem gamblers were new cases, an extraordinarily high incidence rate.

That tells us that it is commensurate with what other jurisdictions are finding. I mentioned Australia, but there have also been longitudinal studies in Canada which show the same things. When you put these things together, it would seem unusual for us not to have a similar relatively high incidence rate in the UK. I do not believe it would necessarily be the best course of action to do nothing until we find the research and then make a plan for action. People are developing problems now and getting into problems now, and the onus is on us to step up and take action now.

Lord Watts: I was not suggesting that we do nothing. I was suggesting that you cannot deal with this issue until you have the proper research that can be tested, and a strategy built around it. That seems not to be the case at present. We have heard about a lack of research.

Dr Heather Wardle: You can build a strategy and do the research concurrently. I do not think there is an order whereby you do one and then the strategy follows. I think you can do them at the same time.

Lord Watts: Perhaps you could send us the stuff that you are talking about.

Dr Heather Wardle: Absolutely. We would be happy to.

Q21 **Lord Trevethin and Oaksey:** I have two short questions on which I should like your help. There are surveys and reports, some from the Gambling Commission and some health surveys, which provide estimated figures for the number of problem gamblers in the country. I think one figure was 250,000 in 2012 or thereabouts.

Can you help us as to how those figures are arrived at? Is it by opinion poll where they take 1,000 gamblers, ask the questions, see how many of the diagnostic boxes are ticked and extrapolate out? If that is what they are doing, are they taking account of the possibility that some people are answering those questions inaccurately?

Dr Heather Wardle: That is not what they are doing. The Health Survey for England is one of the finest survey vehicles that we have in this country. It is based on the gold-standard methodology of random sampling operated at the level of the Postcode Address File—addresses are sampled randomly and interviewers are sent to those households to recruit those people. It has exceptionally high response rates for a household survey of this nature of up to between 60% and 70%. It is widely regarded as one of the best survey vehicles in Britain and it has national statistic status. The methodology is absolutely robust.

There is a self-completion element in the health survey, because with very sensitive questions like problem gambling you do not want to ask those questions interviewer to respondent, because that increases the opportunity, as you have said, for the respondent not to tell the truth. We give them a paper booklet and they complete it for themselves in private and give it back to the interviewer.

There is not a vast number of questions on gambling. They simply ask if people have participated in one to 18 activities in the past year. If they have, they are directed to complete the 19 questions that help us to score them as to whether they are a problem gambler or not. It is a very robust methodology. It is obviously not without its limitations, but I would query anyone who said that it was not to be relied on.

Lord Trevethin and Oaksey: That is very helpful. Professor Orford, very quickly, you were the co-author of the paper in 2012 which concluded that there were certain forms of British gambling to which problem gamblers contributed as much as 20% to 30% of the spend, if you like to call it that, and moderate-risk gamblers a further 10% to 20%. Which forms of gambling are particularly attractive to problem gamblers?

Professor Jim Orford: I am glad you asked me about that, because I wanted to talk about it and it is relevant to one of the questions you posed. Incidentally, we were able to use data which the Health Survey for England does not collect now. The previous national problem gambling surveys, which Heather Wardle was involved in, were able to collect information about estimated spend or losses on gambling and estimated time spent on gambling, which does not happen in the surveys at the moment.

Using those sorts of data, we estimated, and we think we were taking a fairly cautious approach, that there are roughly four groups of types of gambling. One was the National Lottery and other lotteries. We thought that the percentage of takings coming from people with gambling problems was somewhere between 1% and 2%—pretty low, in other words. There were a number of what you might call traditional British forms of gambling—bingo, the football pools and betting on horses—where we estimated that about 5% to 6% was being taken. There was a whole clump of what you might loosely call modern forms of gambling—poker, gambling machines of various kinds, casino games—almost all of which were taking somewhere in the region of 11% to 12% of their takings from people with gambling problems.

Two stood out. The fixed odds betting terminals stood out from the others, lo and behold, and there was betting on dogs. I am not quite sure why betting on dogs should be so high, but those were the two where we estimated that in the region of 25% of the takings were coming from people with gambling problems.

We thought that we were being fairly cautious. There had been other estimates elsewhere in the world. The Canadian research estimates that, overall, 28% of takings in Canada from all gambling together comes from people with gambling problems. The Australian Productivity Commission estimated about 35%, but they do a lot more gambling in Australia than we do. Canadians gamble about the same amount we do on average.

Lord Smith of Hindhead: Can I go back on some of those answers? Where did online gambling come in? Was that number three?

Professor Jim Orford: I am sure Heather will explain this in more detail, but online gambling has increased enormously in the last few years. It was still a relatively minor mode of gambling in 2009-10. This study was done 10 years ago, and I do not think we really separated out online betting and the various other things.

Lord Smith of Hindhead: These studies are basically 10 years old.

Dr Heather Wardle: Yes.

Lord Smith of Hindhead: When you say 1% to 2% of people with problem gambling on the National Lottery, that is 1% to 2% of a significantly higher number than 25% of betting on dogs or FOBTs, is it not?

Professor Jim Orford: Absolutely.

Lord Smith of Hindhead: When you say 1% to 2% of National Lottery spend, it comes across as though it is not really a difficulty, but if the National Lottery took £6.9 billion in 2017, 1% to 2% of that is quite high. Dog racing probably took a fraction of that, so 25% will still be less than 1% to 2% of the National Lottery income.

In actual fact, these figures are slightly misleading, because they lead you to think that the lottery is not a difficulty at all, but 1% to 2% of £1.6 billion is a huge amount of money. Without online gambling, are these figures relevant at all to what this Committee is looking at today?

Professor Jim Orford: They are relevant in the sense that they point to the fact that not all forms of gambling are the same and some forms of gambling are more dangerous than others, something which, incidentally, has not been taken much notice of in this country. There are a number of schemes for rating the dangerousness of different forms of gambling, but on the whole in this country we have ignored those and rather assumed that all forms of gambling were equally dangerous.

Lord Smith of Hindhead: In a year's time, if this Committee is making a recommendation to government as to how gambling should perhaps be looked at, the benefits as well as the burden, the figures you have just given us here have no use at all.

Professor Jim Orford: I would not say they have no use at all, because a lot of the forms of gambling that I mentioned are still there in much the same form.

Lord Smith of Hindhead: I am not convinced.

Professor Jim Orford: And some of those percentages will be similar. It was 10 years ago and it needs updating, of course.

Lord Smith of Hindhead: Are there any plans to bring this up to date?

Professor Jim Orford: No, because we do not have the British Gambling Prevalence Survey any more. We only have questions put into the Health Surveys for England, Scotland and Wales, and there is no capacity to introduce the kind of questions that are standard in alcohol epidemiology. You do not just ask people whether they ever drink alcohol; you ask them how much they drink and how often they drink.

Lord Smith of Hindhead: And I always lie to my doctor when he asks me that.

Professor Jim Orford: That comes down to the methodology.

Q22 **The Lord Bishop of St Albans:** May I take you on to gambling and public health for a few moments? Will measuring gambling harm be more accurate than attempting to estimate the social and economic costs of gambling? In other words, will it provide a robust evidence base for

policy?

Dr Heather Wardle: It is probably useful to start this response by outlining what we mean when we talk about gambling-related harms. Essentially, all we are talking about are the adverse consequences that are related to gambling and which people can experience because of gambling. It might be the individual experiencing those harms. It might be their families or communities and broader society.

I and my colleagues, Gerda Reith and others have been working quite hard on explaining the difference between problem gambling as measured by the quite narrow set of 10 criteria on which you identify someone as a problem gambler, the broader range of consequences that people might experience from their gambling behaviour and how we might go about thinking about that and measuring that.

From a public health perspective, it is incredibly useful to look at other methodologies that people in public health apply to understanding harms related to alcohol, for example, and other health conditions. There are very standardised ways of doing this. If, for example, you are looking at the costs and benefits of an intervention and working in the Department of Health, you will look at the impact on someone's quality-adjusted life years.

You also need to think about your different policy audiences. If you are talking to Treasury, Treasury invariably wants some kind of pounds and pence measure. There is work to be done on the best way of measuring gambling-related harms, but we know from other public health areas like mental health, alcohol and suicide that there are quite standardised ways of measuring these things which are robust and are currently used to make policy decisions.

I see no reason why we cannot apply those methodologies to gambling in the best way we can by getting in the experts that we need. That is the critical point, being able to do so, and then have a platform for robust policy decision-making going forward.

The Lord Bishop of St Albans: Why do you think we do not have that up and running already?

Dr Heather Wardle: It has been a very slow process. The whole gambling field has been very much predicated on the idea of individual responsibility and a focus on problem gamblers. There was a belief that it is only a very small minority of people, that 99% of people experience no harm and 1% of people experience harm, and if we could just get people to take responsibility for their own actions we would all be okay.

The tide has changed in the past five years in our ways of thinking about this. When we apply a public health perspective, we know that people do not make choices in a vacuum. A whole range of things influence the decisions that people make, including how we regulate gambling, what we legislate it to be and how the corporations act. We need to think

about all these things in the round in assessing what the impact might be on people's lives.

I and colleagues are very much pushing this approach and think this is the right direction for us to go in. We are supported by other colleagues in other jurisdictions who are making the same move, but it is always difficult when you have had a very entrenched position to turn it round and say that we need to think about this in a slightly different way.

Professor Jim Orford: I am very much in favour of a harms approach, and I agree we have not had one up until now. I still think that addiction is one of the big central harms, and we should not throw the baby out with the bath water by looking at all the other harms. We should look broadly at the harms, some of which are family harms.

The estimate from the 2010 British Gambling Prevalence Survey was that for every person who has a significant gambling problem there are likely to be four other people, in the family particularly, who are very significantly affected. Family harm is particularly important, and some of that is quite subjective. It is what it does to relationships if a person has a serious gambling problem in the family. That will be hard to measure. It will be a test for Heather's methodology here to get a good grip on that, but it is very important.

Understanding what it does to communities—the presence of betting shops down the high street and the capacity of the local authority to be able to control the mix on the high street—is very important. There is the effect on social inequality. There is very good evidence, both British and internationally, to suggest that the unemployed, people on low incomes and those living in poorer areas are proportionately more likely to have gambling problems. It is contributing directly to inequality, and, again, we need to get a grip on that.

The Chairman: Before I move on to Baroness Thornhill, could I come back to prevalence for a second with a simple question and a simple answer? Do you think we need more comprehensive and more up-to-date prevalence studies to be commissioned? If so, who should do it?

Dr Heather Wardle: We need an excellent longitudinal study. If it is developed in accordance with the most robust methodology, the first year would essentially be a re-run of something like the British Gambling Prevalence Survey, so it would provide that up-to-date information and data. When you have longitudinal studies, often you can have designs such that after four, five or six years you refresh the sample so that you have another cross-sectional wave. There are definite ways in which you could design this to have both.

The Chairman: Who should do it?

Professor Jim Orford: I think we should. We were in the lead internationally at one time. I think we were the first country in the world to have a succession of three proper British National Gambling Prevalence

Surveys, and although good data are being collected there are things that a prevalence survey can do that health surveys cannot do.

The Chairman: Do you see it as a job for the Gambling Commission?

Dr Heather Wardle: It could be. In an ideal world, I would like to see the policy responsibility for gambling moved to the Department of Health, and—coming back to the questions we had earlier—it would be part of a national strategy that is owned by central government.

The Chairman: Baroness Thornhill. Sorry to have held you up.

Q23 **Baroness Thornhill:** We are obviously grappling a little with the levy. The statutory power to introduce a compulsory levy is clearly there, but successive Governments have been rather unwilling to make it compulsory. Perhaps part of that problem is that we do not actually know, and have no solid evidence to suggest, how much money we need to fund the three prongs of research, prevention and treatment.

The figures that we have had from the responsible gambling strategy—and I have nothing to compare it with—seem to me minimal: £6 million for treatment and £1.5 million for prevention. That does not sound like a lot of money at all. Could we build up some evidence so that we could make some sensible proposals about the levy and how much we would need it to fund?

Professor Jim Orford: There is no simple answer to that question except to say we need a lot more than we have at the moment. You are quite right that some of the figures one hears are comparatively trivial compared to the need. Such a huge amount needs to be done. The figure of £150 million a year is often mentioned, but for no better reason than it is roughly 1% of total gross gambling yield. That is an arbitrary figure. Because it has been such a neglected area, there is a huge amount to be done.

I will take two areas. The first is the area of research generally. At the moment, on the research side, there is very piecemeal research and no national structure pursuing a programme of research. I would like to see a programme of research that really looks at what is particularly dangerous about particular ways, types and modes of gambling.

There were clearly several things that we could learn from the fixed odds betting terminals: they were highly accessible, and fast, and they had high stakes and a variety of casino-type games. We can see why that might have been particularly bad, but we need to know much more about the dangerousness and what makes individual people more vulnerable or what protects people from gambling harms. We need core research funding for that, and I would say that we need a national gambling research centre. We do not have such a thing at the moment, and I think we should have at least one of those.

Secondly, on the treatment side, we know that at the moment the proportion of people who could do with treatment and advice and who are

actually getting it is something like one in 20. We want to increase that figure enormously, and there will be costs involved in that. It is not just a case of special treatment units. I know you have heard about those, and there is a suggestion that we will get more of them, but to increase that figure of one in 20 to more like what it is for alcohol—I think that is about one in five, which is not brilliant, but at least it is four times as great—we need an enormous amount of input, not just through specialist treatment but by raising the awareness of general practitioners, nurses, social workers, debt counsellors, people in education and people in the criminal justice system.

There is an enormous amount of work to be done in raising awareness about gambling problems so that people know where to refer on, what to do and what advice to give. I do not know what the figure is, but £10 million is certainly nothing like enough.

Baroness Thornhill: Why do you think this is? I was shocked to find that New Zealand spends 99 times more per capita on harm prevention than we do. That culture and everything else was quite surprising. What is this reluctance? What do you think is going on?

Professor Jim Orford: There are two issues. The first is that gambling has been a hidden addiction. All addictions are hidden, but it has been a hidden addiction par excellence, and many people, particularly in the United States of America for some reason, still think that addiction problems and dependence involve only substances, whereas we are rather further ahead in understanding that you can have behavioural-type addictions and dependencies. The fact that science has had to catch up is one thing.

The other thing is that we have a very inadequate and unsatisfactory regulation system here. I hesitate to say that, because I think the Gambling Commission does very good work. But the system we have of the Gambling Commission, GambleAware, and what is now called the Advisory Body for Safer Gambling, working together, and government really taking a backseat and saying, "We want you to get on with it", is a thoroughly unsatisfactory system. That, together with the science catching up, are probably two of the reasons.

Dr Heather Wardle: May I add a third, which is the funding? You cannot invest in prevention if there is no money to do so, and there has been no money to do so. Nearly all the funding that has been raised has been based not on any kind of need but on what it has been possible to raise. In some respects that has, quite rightly, gone into funding treatment, and what has been left over is a paltry amount for research and very little on prevention. I could give you some examples of what small-scale prevention pilots actually cost and you would not be able to afford to do anything systematic with the money that is currently available.

Lord Foster of Bath: I was going to ask this later, but something Professor Orford said might make it relevant now. In your evidence so far, you have both referred to areas of research where there are gaps.

We have heard, for instance, of the urgent need for a longitudinal study on gambling behaviour. We have heard that the prevalence data that we get is nowhere near as good as it is in relation to drugs and alcohol, and that the spend on gambling data is 10 years out of date and does not help us to decide which aspects of gambling are more dangerous than others.

Professor Orford, you said a minute ago—you slipped it in—that what we really need is a national gambling research centre. More generally, could you give us your thoughts about how we deal with this whole problem of commissioning, co-ordinating and evaluating research so that policymakers can make the policy and we can get an answer to the question of how much money we need for that research? Could we have your thoughts on how we do it rather better than we appear to do it at the moment?

Professor Jim Orford: Whatever the solution to the levy problem is, whether or not it is mandatory, and how much money there is, I certainly think that on the research side at least, and perhaps for research, treatment and prevention all together, there ought to be a body that is independent as far as possible from government, and certainly independent from industry and independent from the regulator.

You might call it a national gambling council or, if it is specifically about research, a national gambling research council, run on the model of the big research councils—although obviously somewhat smaller—because its independence is the single most important thing and the biggest thing we have got wrong so far.

Lord Layard: Is there any reason why treatment should not be approached within the NHS in just the same way as it is for anxiety and depression, for example?

Going back to the question that was asked, there was an assessment some 12 years ago. What is the fastest rate at which we could feasibly, with the quality assured, expand the treatment facilities to a desirable level? The desirable level is a long way away, as you said, but it is really important for people on the treatment side to come up with suggestions for a planned feasible expansion. Who is in a position in the gambling world to come up with a proposal of this kind? We need to know from that world what would be feasible if the money was available.

Dr Heather Wardle: From my perspective I would like to see the Department of Health and Public Health England, their respective agencies, and the NHS step up and put their full power into this question, because at the moment it is being left to be answered by the gambling regulator. That is not what it does. It is there to regulate the industry. What the right mix of treatment provision should look like and how it should be funded are questions that are well beyond its remit and, again, should be sent back to the agencies that have the expertise, the skills and the personnel to be able to answer these questions.

Lord Layard: Meaning who, the NHS, because it has to form an expert reference group or something of this sort?

Dr Heather Wardle: The NHS and—

Professor Jim Orford: Yes.

The Chairman: Before we move to Lord Smith's question, could I ask a tangential question that may or may not be within your remit, as it were? There is a blithe assumption that the reduction of the FOBT limits and the reduction and removal of a lot of betting shops have meant that money has gone for ever from betting. Are the people who were addicted to those machines no longer gambling? Are we deluding ourselves?

Dr Heather Wardle: The answer to that is we do not know. In an ideal world, you would have had an evaluation of the policy, and the evaluation would have had the theory of change, the logic models, the outcomes that you expect to see set up well in advance of the policy being implemented. You would have collected data on individuals to be able to follow them over time. As I understand it, the evaluation plans are only just being created and generated now. That is four months after the policy was implemented.

Q24 **Lord Butler of Brockwell:** I want to ask you about the levy, and it is important to get the chronology right here, at least the recent chronology.

On 11 March, the Minister Mims Davies said that if the industry did not hit its voluntary target of £10 million she did not rule out a mandatory levy. The Gambling Commission then said in its strategy—I think this was on 25 April—that the voluntary levy was not working. The Minister contradicted the commission and said that the Government would not bring in a mandatory levy.

On 2 July, the five large gambling companies announced that they were upping their contribution. What I really want to get at is whether it is still the view that the voluntary levy is not working, or whether, encouraged by the fact that the big five have voluntarily increased their contributions largely, that is thought now to be a satisfactory basis for the research that is needed.

Dr Heather Wardle: My personal view is that it is not satisfactory and that we need a mandatory levy, because with the kind of funding that the big five are now offering you need to think about what sort of infrastructures you could have in an ideal world to make the best use of that money. If you are going to go for an infrastructure overhaul, you need to have surety and certainty of that funding coming in to be able to strategise effectively. It being voluntary creates uncertainty in that system.

There is also the issue of having absolute certainty that there is no possibility of industry influence in how that money is spent, or even the perception of industry influence. Again, in my opinion, that is achieved only through a mandatory levy. The big five have stepped up, which to

some extent is to their credit, but this is a whole ecosystem. There are many gambling operators who are promoting their brands and products to UK citizens and contributing very little to the prevention and treatment of harms. I think we ought to have a more level playing field.

Professor Jim Orford: A voluntary levy simply does not command respect. Around the world, it is considered very strange that Britain should be funding treatment, prevention and research into such an important issue out of a voluntary levy directly from the industry. It does not command respect simply because it puts the industry in the driving seat with regard to those areas of public policy when it should not be.

In the international literature on the subject, there is certainly debate as to whether it should be a levy at all or whether it should come directly out of taxation. Many people think that if it is levy at least it would be ring-fenced. One thing on which everybody seems to agree is that a voluntary levy is not right. To quote one person who looked at this, "It doesn't really matter whether it is taxation or a mandatory levy, as long as there is no prospect whatever of industry involvement, participation or public relations benefit". In other words, no wonder it does not command respect at all.

Lord Butler of Brockwell: You say that everybody agrees, but the Government do not agree. Why do you think they do not?

Professor Jim Orford: I think it has been part of their hands-off policy. One of your questions that we may look at later is about a national strategy. There has been no national government strategy on gambling. They have said, "Let this be a sin tax. Let those who are responsible for the problems pay for it, and at least we don't have to bother". I think that is where it is coming from.

The Chairman: Before I come to Lord Trevethin, I have a supplementary. You seem to be advocating the idea that the industry itself should be kept outside any governance or management of the spending of whatever money is raised through a voluntary or a mandatory levy. Do you not think that the industry itself, if it is contributing through taxation or the levy, is entitled to have some locus in deciding whether its money is being well spent or not?

Professor Jim Orford: No, not really. The problems are coming from the fact that the product that is being promoted and sold is dangerous, so from a public health point of view it is surely very important that there be no conflicts of interest when it comes to spending money and deciding what research should be done.

There is really good evidence—if we had longer, I could describe it to you—on the way the current system, with the voluntary levy going to GambleAware, has influenced the type of research that is done and the way the findings of the research are interpreted. That is standard in other areas of public health. Tobacco is, of course, the prime example. We know that if the tobacco industry is at all involved in the research, it will

not be neutral and the results will be somewhat skewed in its favour. I think that is pretty well understood, is it not?

The Chairman: Your views are very clear.

Dr Heather Wardle: I would echo Jim's views, but I would also say that there are other ways to scrutinise how well this money has been spent without having industry involvement. You can have different governance arrangements to scrutinise and ensure that money is spent effectively without having industry involvement in that process.

Lord Trevethin and Oaksey: Could I get your help on something that seems to me to be a bit of a mystery? When the Gambling Act 2005 came into force, it liberalised the gambling industry in all sorts of ways that you will both be familiar with. Section 123 of the Act gives the Minister—contrary to what the department has said recently, it is part of our law and has been enacted—the power to make regulations, as you will both know, to impose a mandatory levy.

The regulator has said recently, and I think on a number of occasions before, that the voluntary levy is not working for a variety of reasons. The mystery on which you may or may not be able to shed some light, as I see it, is why the Government, who are normally not slow to raise money where they can, have not used the power which the statute gave them to impose a mandatory levy. You may simply shrug your shoulders.

Dr Heather Wardle: It is a mystery to me as well.

Professor Jim Orford: I have no insight at all into that, I am afraid.

Lord Trevethin and Oaksey: It is a question for others.

Q25 **Lord Smith of Hindhead:** This leads on quite nicely to my question. Dr Wardle, you have mentioned on two, perhaps three, occasions that we should be getting the best research that we need. I agree, because I have been very frustrated with some of the research that we have seen and heard of so far which makes it quite difficult for us to establish the industry's exact position. The point I made earlier to you, Jim, highlights that. Data that is 10 years old with no reference to online gambling is not that great.

Are you aware of any researchers who are unwilling to accept funding from the voluntary levy? We know that the National Institute for Health Research will not invite researchers who are funded by GambleAware at all. Is not this fragmented approach to research, and perhaps a rather sniffy attitude—that is my word, not an official one—to taking funds from GambleAware, not a rather short-sighted approach?

Dr Heather Wardle: To answer the first part of your question, I am absolutely aware that there is a failure to attract the best researchers to work on gambling studies. I now work at the London School of Hygiene and Tropical Medicine's public health and policy faculty, and some of my colleagues, who are experts in prevention in other areas that we would

want to learn from, absolutely would not take funding from GambleAware. That pattern is repeated in other public health policy units in other institutions, including the University of Sheffield.

The funding infrastructure definitely deters some of the people who I think are absolutely essential to helping us to measure gambling-related harms, look at the social costs and generate the best insight into this.

I guess the second part of your question is about why they do that. They are coming very much from a particular perspective, that of alcohol and tobacco, where there are very strict rules and regulations about who you work with and the influence of industry, and they apply that to gambling. I can absolutely see where they are coming from and what their viewpoints are. In some cases, they may have a more moral objection, because they personally do not feel comfortable with it, rather than it actually being bounded in the evidence.

However, as you know, I absolutely do think there is a problem here, because we are preventing ourselves from getting the people we need with the expertise that we need to work on this issue.

Lord Smith of Hindhead: Are we losing good researchers to working abroad?

Professor Jim Orford: Yes, we are. I can name two straight off. One is Professor Luke Clark, who was doing very good neuroscience work on gambling in Cambridge before he left to go to the new Centre for Gambling Research in British Columbia, Canada. He has given in print some of the reasons why he left. Among them, for example, was the fact that he did not get access to the gambling machines that he wanted to research on in this country. Canada is particularly good on that sort of research. It has led on it. He was emerging as one of the leading, if not the leading, mid-career gambling researchers in this country.

The second is Sean Cowlshaw, who has gone back to Australia. He led on one of the very few high-standard Cochrane reviews of gambling treatment, and he went back to Australia very critical of what he saw as the research structure that we have talked about here. Those are two I can name.

Dr Heather Wardle: I appreciate the examples, but Luke Clark's gambling research centre is funded by the British Columbia Lottery Corporation, so he has gone to an organisation that is still industry funded.

Lord Smith of Hindhead: So he was not sniffy about that.

Dr Heather Wardle: There are multiple reasons why people leave the country, but I think the failure to attract the skills we need into the field is critical.

Lord Smith of Hindhead: I agree. I believe that you cannot manage what you have never measured, and at the moment we should not be

talking about dog-racing; we should be talking about in-game casinos and loot boxes.

It seems to me that the research that is being conducted now is much like the Gambling Act: a cheque book in a digital age. You may or may not agree, but there needs to be some sort of joined-up research. We have heard so much conflicting evidence. Some of the evidence we have had is just extraordinary. We are not absolutely sure who to believe. How do you think we are going to resolve that?

Dr Heather Wardle: For me, the levy needs to be mandatory. There needs to be a proper research infrastructure and a strategy where the research questions contribute to the questions in the strategy. It needs to be completely independent. If it was up to me I would be running it partially through the research councils, because that infrastructure is already set up. You do not need to set up a new centre for gambling studies when that infrastructure already exists.

I would also look to model things like the policy research institute models that are run through the Department of Health, because some of the things that you are talking about, such as loot boxes, skin gambling and the emergence of eSports, are emerging really fast and you need to have rapid-response research to be able to deal with emerging policy questions. It takes a ferocious amount of time to get funding through the research councils. Then you have two years to do the work, and quite often the policy question has moved on by the time you have the evidence.

Lord Smith of Hindhead: And the gambling has moved on to some extent.

Dr Heather Wardle: And the gambling has moved on, so you need to have a dual infrastructure: the research council infrastructure to do some of the really big-ticket items such as the longitudinal study, and some kind of independent infrastructure for that rapid and agile response to the pressing policy needs. That would be my suggestion.

Professor Jim Orford: I agree that you have to have core sustained funding that can do exactly as you suggest so that it is on top of the game all the time and responding to what is happening all the time.

Q26 **Lord Foster of Bath:** You have answered in your last two answers more or less everything I wanted to ask about, which is great.

Can I urge you to go a bit further and first say absolutely clearly—I think this is what you are saying—that wherever the money comes from, whether it comes from gambling companies through a voluntary levy or a mandatory levy through taxation, as long as the use of that money is isolated from the gambling companies, we will not have the problem you are describing.

The independence that Professor Orford talked about is absolutely critical. In relation to the multifaceted structure for research, it will be the

research councils, the National Institute for Health Research, the DHSC policy research teams and so on, plus Dr Wardle's national gambling research rapid response team. Presumably above that you need a body that decides what research we need to have conducted and which then goes out into the highways and byways to find people to do it. Who would do that?

Professor Jim Orford: I absolutely agree with you that there should be such a body. The Advisory Board for Safer Gambling comes near to that but, unfortunately, because of the structure that has been set up, it is not sufficiently independent. Its constitution, as I understand it, requires it to work with GambleAware, so it is tied into this rather unsatisfactory structure.

Lord Foster of Bath: We are seeing them very shortly and we might ask about that.

Q27 **Lord Watts:** What evidence should be used to set the level of the mandatory levy? Should we use international comparisons to do that, or should we look at the different rates applied to different products? Depending on how addictive they were, should they be levied at a higher rate or lower rate?

Professor Jim Orford: I think that international comparisons would be useful. New Zealand has been mentioned already and it is useful to know how other countries are doing this. Whether some forms of gambling should be levied at a higher rate is a very interesting question, but that would be highly controversial in the absence of the research to prove that some forms of gambling are more dangerous than others, because we do not have anything like the class A, B, C types of dangerous drugs. Although there is enough evidence to suggest it, we do not really have the solid evidence at the moment to prove that.

Dr Heather Wardle: New Zealand has a mandatory levy that is divvied up in four different ways for four different sectors. Some of their algorithms are related to how many people present for treatment saying that they have a problem with that particular product.

There is international precedence for doing this. In the UK, we have one of the most sophisticated and complex gambling ecosystems in the world. The corporations that are involved in gambling in Britain are not just casino providers or people who do betting; they are across a whole range of sectors. The easiest and fairest thing to do may well be to have a flat levy, because we recognise the complexity of how the market is structured.

Lord Watts: You both agree that it should be a mandatory levy.

Dr Heather Wardle: Yes.

Lord Watts: Who should direct how that money should be spent? Should it be directed through a research centre? People have suggested having a national research centre. Should they be the people who decide how that

money is spent?

Professor Jim Orford: I say again that we need some sort of national body, perhaps a national gambling council—a national gambling research council if it is specifically about research—which makes some of those decisions and is completely independent of government and of the industry.

Lord Watts: So some form of trust.

Dr Heather Wardle: My perspective is that there ought to be a national strategy that is owned by central government, and the monies are then spent in accordance with the priorities in the national strategy, which is set by the civil servants in the relevant departments.

Lord Watts: My problem with that is that for government to set a national strategy it has to have the research to determine what policy it should pursue. I am looking to you to suggest the people who will conduct that and set that to give that to the Government to help them to make the policy that is needed.

Dr Heather Wardle: I would suggest something like the model of the 14 policy research institutes that currently exist to serve the needs of the Department of Health in various policy areas. It is an independent relationship, but there is a relationship so that you understand what the policymakers need, the research can then be commissioned and there is this directive responsive element.

Equally important is having a strand of research so that researchers can understand what is going on in the area, look to what is coming in the future, and do the horizon scanning and the innovative work that policymakers might not need right now but might need in five or 10 years in the future. Again, you need infrastructures for both elements to be able to do that.

You could direct part of that funding directly through the research councils and have a call that is just for people working on gambling studies. It might not need quite as much of the direct policy relevance at that point, because it is about looking to the future and understanding things that are of much more interest to future directions as well as having the more agile policy responsive unit that I have spoken about.

Lord Layard: Could I continue on this issue of a government strategy? Dr Wardle has said that she does not like the DCMS being in charge and wants it to be the DHSC. Do you have the same view on that?

Professor Jim Orford: Yes, I do. It has always been a surprise to me that the Department of Health is not more in the driving seat as far as national strategy is concerned. It touches on so many different departments.

Lord Layard: Particularly when it comes to public health, you are talking about education, regulation of the industry and promotion of behaviour

among adults—a whole range of things. Are you both saying that that should be done by the Department of Health? Obviously, the treatment, to come to the third stage, should be done by the Department of Health, but do you want all these other things co-ordinated by that department?

Professor Jim Orford: If there has to be a co-ordinating department, and I understand that perhaps there has to be, the Department of Health would be the appropriate one, because that is consistent with the idea of moving towards a public health model of gambling and problem gambling. DCMS being the lead department was consistent with the idea of gambling and problem gambling underlying the 2005 Gambling Act. We have moved on from that. We should be looking to a public health model, and if several departments are involved, health might be the one co-ordinating it.

Baroness Thornhill: Does that mean that you believe there should be a greater role for local authorities in this?

Professor Jim Orford: I was asked this question once before and I was not able to answer it. I suppose what I mean by public health model is a health model; one that sees it as potentially dangerous to health. In Britain, we have a structure whereby public health is to a large extent the responsibility of local authorities, but I do not think I am particularly suggesting that they should be the main organisation responsible.

Dr Heather Wardle: I do not think that local authorities should be the main co-ordinating organisation, but they are absolutely critical stakeholders in this process, particularly if you are thinking about a prevention approach. They know who their vulnerable communities are, they know where the spatial location of vulnerable people and communities might be. They are already working in this area. If they had a budget, they could set up a whole raft of community prevention pilots to try to reduce harms in their local area. They are the best placed people to do that, because they understand their local contexts, but they would need support to be able to do that.

Q28 **The Chairman:** Thank you very much. I have one last question for both of you. If you were given one recommendation to implement what would you choose?

Professor Jim Orford: To get the basics right and to get a public health model, with government moving forward and taking more responsibility, and industry taking a step back.

Dr Heather Wardle: I absolutely agree with Jim, but I would also like to see much greater attention given to how we understand the harms that are related to gambling, how we measure them and, crucially, how we prevent them, because only when we better understand the range of harms and their severity and their consequences can we have a fully realised debate about what level of protection we put in to prevent these harms to society vis-à-vis asking people potentially to give up their liberty to gamble in the way that they can currently.

The Chairman: On behalf of the Committee, thank you both very much indeed for your most useful contribution.