



26<sup>th</sup> February 2021

The Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
11 Downing Street  
Westminster  
London  
SW1A 2AB

**By Email**

Dear Chancellor

**Budget 2021: Unlocking the Economy**

I am writing to you ahead of the Budget on behalf of members of the Betting and Gaming Council (BGC), the standards body for the UK's regulated betting and gaming industry, representing betting shops, online betting and gaming, bingo, and casinos.

Our industry employs over 100,000 people (including 46,000 in high street betting shops, 14,000 in casinos and 47,000 online). Furthermore, our members already contribute considerable taxes and duties to the Treasury of over £4.5bn each year and generate £7.7bn in gross value added for the economy. Our members also contribute over £350m each year to racing in levy and media rights payments and support many other sports including rugby league, cricket, snooker and darts through advertising and sponsorship. By any measure, the betting and gaming industry is an important contributor to Britain's economy.

It is our hope that the forthcoming Budget will be a springboard to recovery as the country begins to emerge from Covid-19, unlocking the potential of our businesses to return to growth and job creation.

With this in mind, we would make the following requests:

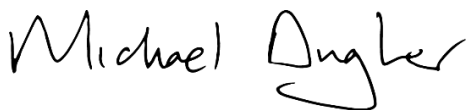
1. Extend business rates relief for another year to help hard pressed betting shops and casinos. With venues shut for much of the past year, this would help protect jobs and remove a major financial pressure on operators that have suffered a significant loss of income during the pandemic. For casinos, gross gaming yield (GGY) fell by 70% in 2020, resulting in a 20% reduction in their workforce. Licensed betting offices (LBOs) were also severely impacted by the various regional and national lockdowns, revenues for this sector fell by 45% in 2020.
2. After a torrid year, our sector needs period of stability and certainty, with no further increase in taxation or duties. While there has been an understandable increase in GGY for online operators as some customers switched from land-based gambling to online while shops and casinos remained closed, it is important to note that including the loss of sport for a period, total BGC member GGY for all sectors fell by £1.7bn in 2020. Many of our members also operate both online and land-based businesses therefore any increase in GGY online for these

operators has enabled them to help safeguard their land-based businesses and jobs for the future. Tax and duty increases would also threaten the regulated UK market and will only hasten the alarming growth of the illegal online black market – which has doubled over the past two years - and undermine efforts to further reduce problem gambling since these operators have none of the safer gambling safeguards put in place by the regulated industry. The Government-led review of the gambling industry is also obviously creating added further uncertainty.

3. Ensure that the Government adheres to its current timetable for easing restrictions, data permitting, and reopen betting shops in line with non-essential retail on 12 April, and casinos in line with hospitality venues and remove the damaging 10 pm curfew. For our part, our members will continue to adhere to best-in-class strict anti-Covid measures, as they have from the outset of the pandemic. There will be no let-up in our commitment to safety as we play our part in helping Britain get back on its feet.
4. Seek assurance that funding for devolved administrations is made available to all business sectors in need. The UK Government's backing for business stands in stark contrast to the refusal of the devolved administrations in Wales and Scotland to offer business rates relief to our members. This has sadly had a disproportionate impact on our smaller independent businesses, many of them family run, which have faced making staff redundant and an uncertain future.
5. Ensure that future betting and gaming regulation is measured and does not undermine the regulated market and the sports that it supports, particularly racing. The pandemic represents a serious financial challenge for UK racing and the coming months. As the MP for Catterick racecourse, you will be acutely aware of the concerns of the betting and racing sectors about proposals by the Gambling Commission to introduce arbitrary affordability checks on all customers, regardless of their risk profile, when they reach a low level of spend. Research has shown that ordinary customers would simply refuse to provide their pay slips and bank statements to a betting operator to perform these checks. This would have a devastating impact on racing with an estimated loss of £60 million to the sport. I firmly believe that work we are doing, using the latest technology to ensure that any affordability checks are targeted at vulnerable and at-risk customers, rather than the vast majority who enjoy a flutter perfectly safely is delivering the desired results of protecting the consumer.

Finally, on behalf of our members, I wish the UK Government continued success with its vaccination programme and its efforts to unlock the British economy. Our members, and their employees, are eager to play their part in the recovery. We look forward to working with you to return our industry, and the wider economy, to growth.

Yours sincerely



Michael Dugher  
CEO  
Betting and Gaming Council