

First Incorporated in 1923 as The Northern Bookmakers & Backers Protection Association  
**The British Racecourse Bookmakers' Association**

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Rt Hon Oliver Dowden CBE MP,  
Secretary of State  
Department for Digital, Media, Culture and Sport  
100 Parliament Street,  
London  
SW1A 2BQ

3 December 2020

Dear Mr Dowden,

As president of the British Racecourse Bookmakers Association (BRBA) I am contacting you at the request of members of the association to bring to your attention a matter of concern for bookmakers who operate on-course.

In order to be able to conduct business on a racecourse bookmakers are required each year to obtain an operating licence from the Gambling Commission. The fee paid by each bookmaker is calculated based on their anticipated attendances in the following year.

This year a number of bookmakers, having received an invoice requesting payment of the licence fee, contacted the Gambling Commission questioning the need to pay the licence fee based on the fact that they had been unable to operate from mid-March 2020 and, that at the time they were asked to pay their licence fee, there appeared to be little chance of them operating on-course in the foreseeable future.

Bookmakers who contacted the Gambling Commission asked if, given the circumstances resulting from Covid-19 restrictions, their licence fee might be waived for the forthcoming year, a number of bookmakers also asked if they could pay their licence fee by instalments. In addition some bookmakers asked if they were able to claim a refund in respect of the licence fee they paid in the previous year based on the fact that, due to the lock-down announced by the Government on 16<sup>th</sup> March 2020,

they had been unable to attend anything like the number of race meetings on which their licence fee payment was calculated in the previous year.

On-course bookmakers enquiries to the Gambling Commission resulted in them issuing the following statement:

*"As the situation with COVID-19 continues to impact daily life in Great Britain, we recognise these unprecedented circumstances will be having a significant impact on businesses and many will be facing uncertain and unsettling times".*

*"Our expectation remains that licensees ensure the maintenance of sufficient management, staffing and oversight in order to uphold the licensing objectives. Licensees should assess their ability to maintain compliance with the LCCP and consider voluntary partial or full suspension of their offerings should compliance not be achievable and until such time that a fully compliant service can be offered".*

*"We have received a number of enquiries asking for a reduction in fees or the option to pay by instalments. Unfortunately, due to the way that our fee system is structured we are not able to offer either of these options".*

At the request of a number of BRBA members I personally contacted the Gambling Commission regarding the matter of licence fees. I first raised bookmaker concerns with Neil McArthur the Chief Executive of the Gambling Commission, Mr McArthur directed my concerns to Anna Howe, Programme Director of Licencing at the Gambling Commission.

On Mr McArthur's recommendation I contacted Anna Howe and discussed with her the statement from the Gambling Commission that the fee system was structured in such a way that they were unable to refund fees, waive fees or accept payment by instalments. I asked for an explanation as to why this was so, and was told that the Gambling Commission was required to collect licence fees in accordance with the Gambling Act 2005 and had no power to make changes to fees, or the way in which they were collected. I asked Anna if she could direct me to the sections of the Act which dealt with licencing fees. As a result Anna provided me with the following information:

*The GC doesn't have the power to make any changes to fees ourselves*

*Legal advice is, this includes the ability to refund retrospective annual fees in whole or part.*

*The sections of the Act relevant are as follows:*

- *Section 69 part 2g relates to payment of fees with submission of an application.*
- *The Gambling Act 2005 (the Act) is clear (S 100(1)(b)) that operators shall pay their annual fee before the anniversary of the date of issue of their licence.*

*This means we are unable to accept instalments in arrears.*

- *It is also clear (S 119(2)) that if the Licensee does not pay their annual fee in accordance with section 100 of the Act, we shall revoke their licence. The statute is drafted in mandatory terms (not discretionary) which means that if operators do not pay we have to take action (we cannot pause our enforcement of this requirement without a change to legislation).*

Following receipt of the information above I again contacted Anna Howe enquiring as to who in fact did have the power to make changes regarding annual licence fees. Anna informed me that the Gambling Act 2005 confers on the Secretary for State the power to amend the Commissions fees.

Since the beginning of the first lockdown in mid-March of this year the Government has introduced a number of schemes aimed at helping small businesses survive the unprecedented times caused by the Covid-19 pandemic. These schemes include one-off cash grants to small businesses based upon the rateable value of the business premises from which they operate. Numerous businesses have also had their business rates waived for the current year. It is estimated that these business rates packages will cost the Government in excess of £20 billion. However, as on-course bookmakers do not operate from businesses premises they have been unable to benefit from this form of aid and it seems discriminatory that the Government can waive costs over which they have control for some businesses, whilst ignoring the hardship faced by other businesses by collecting fees from them in respect of a service from which, given the Covid-19 restrictions, they are likely to receive little or no benefit.

There are a handful of bookmakers who were able to get limited aid from the discretionary grant scheme announced by the Government in late May 2020. Some bookmakers have also had financial support from the self-employment support scheme, however, due to the way they have structured their businesses there are a number of bookmakers who have not qualified for any financial help at all from the time of the initial lock-down being introduced.

As referred to earlier in this letter the communication from the Gambling Commission regarding their inability to help with licence fees described the current situation for bookmakers as unprecedented and recognised that many businesses were facing unsettling and uncertain times. The Winter Plan announced recently by the Prime Minister means that outdoor sporting events in Tier 1 & Tier 2 areas in England are, as from 2 December, able to offer public attendance. This is obviously very welcome news for all concerned in the racing industry, including on-course bookmakers. However, within the maximum attendances set by the government, racecourses placed in Tiers 1 and 2 have calculated their own socially distanced spectator capacity. As a result of controlling attendances racecourses have temporarily reduced the bookmaker numbers allowed to attend race meetings.

On-course bookmakers accept that the measure to reduce bookmaker numbers is necessary in the interests of health and safety, and recognise that such arrangements, whilst temporary, will remain whilst public attendance restrictions remain in place. However, these restrictions mean that many on-course bookmakers will be unable to operate until such a time as conditions return to 'near normal'. Those bookmakers who are able to return to racecourses under the Tier 1 and 2 conditions are likely to find that the level of business is significantly affected during what could be a lengthy recovery period.

I therefore request on behalf of on-course bookmakers that some consideration be given by yourself to finding a measure which will result in the refunding of licence fees paid by bookmakers during the period of the enforced restrictions, and that an arrangement for refunding licence fee payments (or part thereof) for the previous year (2019-2020) also be considered. A gesture of any kind would currently be welcome by most on-course bookmakers (the majority of which fall into the small business category), and I look forward to hearing your views on this matter.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'C. Hudson'.

Christopher Hudson

President of The British Racecourse Bookmakers' Association