



CONSULTATION ON PROPOSALS FOR CHANGES TO GAMING MACHINES AND SOCIAL RESPONSIBILITY MEASURES

EFL – Supporting Evidence:

Formed in 1888 by its twelve founder members, the EFL is the world's original league football competition and provides the template for leagues the world over. With 72 member clubs, it is also the largest single body of professional clubs in European football and is responsible for administering and regulating the Sky Bet EFL (which consists of the Sky Bet Championship, Sky Bet League One and Sky Bet League Two), the Carabao Cup and the Checkatrade Trophy, as well as reserve and youth football. It also represents its clubs' interests within the domestic football and wider political structure, including representation on the FA Board and Council.

As DCMS will be aware, the EFL responded to its previous consultation on the relatively narrow list of issues relevant to us. These were wholly contained within Question 7 which sought to examine whether existing rules on gambling advertising are appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising. Therefore in this follow-up consultation we will restrict our views to Questions 12-14 which essentially cover the same matters.

Overall, we took the view that the Government took a sensible, proportionate and well-considered approach to the issues raised. We therefore support the two packages of measures proposed to improve player protection measures for the online sector and to address concerns about gambling advertising. The intention clearly being to get the industry to raise its game in terms of protecting consumers and promoting responsible gambling. The EFL supports this objective as it is our desire to work with a well-regulated, socially responsible gambling industry.

The work being conducted by CAP and the Gambling Commission should help address public concerns about the tone of gambling advertising, while the industry led responsible gambling campaign should deliver a coherent message across the industry as a whole. The EFL will consider what it can do to promote the campaign's messaging once it has come to fruition.

For our part, our recently extended title sponsorship agreement with Sky Bet, which will take the length of our partnership into its eleventh season, includes a commitment to an enhanced Memorandum of Understanding (MoU) between the two organisations. The MoU will seek to establish an agreed set of commitments that aim to address the wider sporting integrity and societal concerns that often emanate from a commercial partnership between one of football's competition organisers and a betting company. For example, it will include:

- The arrangements put in place by the football authorities to protect the integrity of competition, such as the monitoring of global betting markets for irregular activity and the complete prohibition of football 'participants' betting on football.
- A commitment from both parties, enshrined in our commercial agreement, that marketing messages aimed at minors will not include reference to Sky Bet.
- The promotion of responsible gambling messaging, including on sleeve badges worn by all first team players for EFL matches from 2018/19 for at least two seasons.
- Education delivered to players on a range of personal and social education topics, including gambling.
- The EFL's commitment, working in conjunction with the PFA, to support players with addiction issues, including gambling.



It is also the EFL's intention to devise a version of this MoU for clubs to use with their own betting partners with it being suggested that they adopt this approach as part of our commitment to sharing best practice.

It is our view that this is a more proportionate response than that currently being proposed by those who wish to restrict gambling advertising around sporting events or prohibit shirt sponsorship of professional football clubs by betting brands. As the Government's response to the initial consultation highlights, the evidence base with regard to the link between gambling advertising and problem gambling has not changed since Per Binde's 2014 survey of the available evidence, which concluded that the prevalence of advertising did not appear to be linked with the prevalence of problem gambling.

As our initial response made clear, the effect of tighter marketing restrictions relating to gambling companies would disproportionality affect EFL clubs relative to their Premier League counterparts given their greater reliance on sponsorship income compared to broadcasting revenue. In addition to the EFL's partnership with Sky Bet, more than 60 EFL clubs have sponsorship arrangements with competitor betting brands delivering between £10m and £20m of revenue per season – a sum not easily replaced in a challenging sponsorship market that has recently seen both the FA Cup and League Cup, two of the game's major properties, each go unsponsored for a whole season (at a cost to football of circa £15m).

Despite this income from the betting industry, and contrary to the common perception that football is awash with money, many professional clubs continue to find it a struggle to remain financially sustainable and are therefore dependent on financial support from shareholders. According to the most recent set of accounts for our 72 member clubs, only 13 recorded a profit during the 2015/16 season. Therefore any further erosion of the sponsorship market would be hugely detrimental to club finances and we welcome the approach taken by the Government to date.

One final point where we would take issue with Government, however, is the recommendation that it should only implement a mandatory levy for research, education and treatment related to problem gambling if the industry does not step up to the plate voluntarily. In our view, we have reached that point already and the Government should ensure that the National Responsible Gambling Strategy is fully funded by a statutory levy to which all UK licensed operators make a fair contribution. Having a fully funded, progressive approach to tackling problem gambling is essential to restoring confidence in the betting industry, which is important to bodies like the EFL as we want to have a commercial relationship with bookmakers that is healthy for our clubs and not unhealthy for those fans that choose to gamble.

