

GAMBLING COMMISSION

Gambling Commission Business Plan 2011-12

Introduction

- 1.1 This document sets out the Gambling Commission's (the Commission's) plans for the financial year 2011-12. The business plan reflects the statutory framework in which we operate, with a clear focus on the licensing objectives set out in Gambling Act 2005 (the Act).

The licensing objectives

The Act requires the Commission to permit gambling in so far as reasonably consistent with the following licensing objectives:

- to keep crime out of gambling
- to ensure that gambling is conducted fairly and openly
- to protect children and other vulnerable people from being harmed or exploited by gambling

- 1.2 The Commission is a Non-Departmental Public Body (NDPB), sponsored by the Department for Culture, Olympics, Media and Sport (DCMS). The work of the Commission is funded through licence fees paid by gambling operators. In previous years, the Commission also received Grant-in-Aid to fund the triennial British Gambling Prevalence Survey. Following the Spending Review concluded in October 2010, the Commission will not receive this funding from 2011-12 and our plans have been revised accordingly.

The Commission's approach

- 1.3 As a principles based regulator, we will licence the gambling industry in Great Britain in partnership with licensing authorities. We are committed to the principles of better regulation, meaning that we will regulate in a transparent, accountable, proportionate, consistent and targeted manner using a risk based approach. We will regulate licensed operators and individuals to ensure compliance with the Gambling Act 2005 (the Act) and with the licence conditions and codes of practice (LCCP); taking enforcement action where necessary. We will also combat illegal gambling activities and corrupt sports betting. We will seek to provide clarity about our interpretation of the Act, where needed, and will support our compliance and enforcement activity through clear regular communications.
- 1.4 We will permit gambling and, through effective regulation and public engagement, we will ensure that crime is kept out gambling; that gambling is fair and open and that children and the vulnerable are protected. By gathering information and intelligence and, with advice from the Responsible Gambling Strategy Board (RGSB) on the research, education and treatment components, we will maintain an evidence base from which we will advise government.

Strategic objectives

- 1.5 The programmes we have developed are the way in which we will deliver our strategic objectives. Each programme sits beneath one of the strategic objectives, although given that the strategic objectives are not mutually exclusive, most programmes will contribute to the delivery of more than one strategic objective.

The Commission's strategic objectives

- **Strategic objective 1: regulating gambling in the public interest** – Delivering a proportionate regulatory regime consistent with the licensing objectives which

delivers best practice licensing and enforcement and ensures compliance by licensees

- **Strategic objective 2: providing authoritative advice on gambling and its regulation** – Building the Commission’s knowledge base through knowledge management, intelligence and research
- **Strategic objective 3: engaging with stakeholders** – Ensuring that the Commission is accountable, properly balanced and informed in its work
- **Strategic objective 4: developing our employees and organisation** – Delivering professional, responsive, accountable and fair regulation.

1.6 This business plan sets out for each programme what we are seeking to achieve; how we plan to achieve it; and the key outputs we will deliver which will indicate that we are making appropriate progress towards the delivery of outcomes. In the business plan, we have expressed this for each programme in terms of:

- the **objectives** set for each programme. These are objectives geared towards our outcomes and so may be short, medium or longer term in nature, depending on the programme and the nature of the workstreams within it.
- the **workstreams** of the programme. Each programme is a portfolio of workstreams which we are undertaking in order to make progress towards achievement of the programme objectives.
- the **key milestones** for each programme. These are key deliverables, intermediate outcomes, progress checkpoints or key events which need to take place in order to deliver the stated outcomes. The key milestones form the basis of more detailed delivery and resourcing plans which programme managers and workstream teams develop and maintain.

Managing our performance

1.7 This business plan sets out the way in which the Commission will deliver its strategic objectives. Delivery of the objectives described in the business plan is monitored by the Commission’s senior management team, overseen by the Board with regular in depth scrutiny sessions of programmes in addition to formal quarterly reporting of progress overall.

1.8 Progress against the business plan as a whole will continue to be reported to the Board on a quarterly basis through the business plan progress report. To enable appropriate Board scrutiny, the report will focus on the Commission’s progress towards delivering the objectives set for each of the programmes and any risks or issues which arise and need to be managed as part of that successful delivery.

1.9 In addition, many of the Commission’s core business activities are underpinned by more detailed performance reporting, including key performance indicators. Such measures will continue to be reported through the Balanced Scorecard which is compiled monthly as part of the Commission performance report.

Key programmes for 2011-12

1.10 The following sections set out details of all the Commission's key programmes for the coming year. Each programme comprises a portfolio of workstreams that contribute to our objectives. Much of the activity relates to maintaining the essential business of the Commission. Within each programme, however, are some elements that are designed to improve the way the Commission works. For example, by making us more efficient, helping us to provide an improved service or otherwise improving our performance.

<p>Strategic objective 1: regulating gambling in the public interest</p> <p>Resources: 140 FTE approx, £8.5m</p>	<p>Strategic objective 2: providing authoritative advice on gambling and its regulation</p> <p>Resources: 25 FTE approx, £1.5m</p>
<p>Key programmes</p> <p>Risk-based regulation</p> <p>Improving regulatory effectiveness</p> <p>Innovation</p> <p>Better regulation and simplification</p> <p>Betting integrity</p>	<p>Key programmes</p> <p>Evidence and Analysis</p>
<p>Strategic objective 3: engaging with stakeholders</p> <p>Resources: 30 FTE approx, £1.6m</p>	<p>Strategic objective 4: developing our employees and organisation</p> <p>Resources: 12 FTE approx, £1m</p>
<p>Key programmes</p> <p>Stakeholder engagement</p> <p>Enquiry and contact management</p>	<p>Key programmes</p> <p>Financial control</p> <p>Performance management</p> <p>People support</p> <p>Organisational effectiveness</p> <p>Business development</p>

Strategic objective 1: Regulating gambling in the public interest

Programme SO1.1: Risk-based regulation

Accountable director: Nick Tofiluk

Programme objectives

- To assess and act to mitigate the risks to the licensing objectives created by the activities of licensed and unlicensed individuals and operators by providing guidance and advice and delivering effective licensing, compliance and enforcement processes.

Key workstreams

- **Licensing:** assessment of individual and operator suitability to be licensed for the provision of gambling facilities and, where appropriate, to grant or refuse licences to manage risks to the licensing objectives.
- Compliance:
 - Undertake remote compliance assessments of licensed operators to determine the need for action by licensees and/or the Commission in order to identify and mitigate risks
 - Undertake non remote compliance assessments of licensed operators to determine the need for action by licensees and/or the Commission in order to identify and mitigate risks
- The Commission will undertake compliance assessments of licensed casino operators anti-money laundering (AML) arrangements and responsible personal management licence (PML) competence - to determine the need for action by licensees and/or the Commission in order to identify and mitigate risks. Commission will undertake through Relationship Management activity, the promotion of operator understanding and activity to identify and manage risk to the licensing objectives created by their business operations*. Ensure compliance with the requirement to submit timely Regulatory Returns. Enforcement:
 - Conducting regulatory enforcement activity to mitigate the risks to the licensing objectives created by the actions of licensed individuals and/or operators
 - Conducting criminal enforcement activity, including application of the Commission's powers under the Proceeds of Crime Act (POCA) to mitigate the risks to the licensing objectives created by the actions of licensed and unlicensed individuals and/or operators

Programme scrutiny/reporting

- Quarterly operations report to Board in May, August, November 2011 and February 2012

Strategic objective 1: Regulating gambling in the public interest

Programme SO1.2: Improving regulatory effectiveness

Accountable director: Nick Tofiluk

Programme objectives

- To ensure that our structures and competencies, regulatory processes and systems are efficiently aligned to deliver accurate and timely information and work products.
- To develop the risk assessment mechanisms to focus activity to mitigate risk to the licensing objectives.

Key workstreams

- Quality assurance project: establishing a right first time approach in:
 - Licensing

- Compliance
- Regulatory enforcement
- Risk assessment and management information:
 - Risk reporting and analysis
 - Development of operational guidance notes and related training
 - Management information

Key programme milestones

- Design Licensing and Compliance customer survey by September 2011
- Complete delivery of quality assurance project plan by January 2012
- Evaluate programme outcomes by February 2012

Strategic objective 1: Regulating gambling in the public interest

Programme SO1.3: Innovation

Accountable director: Matthew Hill

Programme objectives

- To implement any reforms that come from the DCMS consultation proposals to incorporate into the remote regulatory framework overseas-based online gambling operators that target customers in Britain, including appropriate transitional arrangements. To embed (in conjunction with other regulators and law enforcement bodies) the Commission's approach to better regulation by exploring scope for extending exchange of information to minimise any duplication of regulation on licensees. To improve the Commission's capacity to identify and respond positively to technological, commercial and other innovations in the gambling industry (in GB and overseas), while ensuring maintaining the integrity of the regulatory regime

Key workstreams

- Implementing any reforms following the review of regulation for overseas-based online gambling operators that target customers in Britain, which may include:
- Developing the remote regulatory regime that incorporates all UK facing remote gambling operators into the regulatory framework
- Influencing international developments in gambling and related regulation, to enhance the scope for information sharing arrangements between the Commission and overseas regulators of UK facing remote gambling operators
- Developing a consistent approach to regulating business to business gambling products where currently one product is offered in multiple jurisdictions
- Sharing good practice and agree consistent approaches to regulation where possible
- Early identification and assessment of technological and business model developments, particularly within machines and remote sectors:
 - Assess the implications for gambling regulation of a proliferation of channels and devices (eg social media, mobile devices)
 - Assisting DCMS in implementing changes to category B3 gaming machines framework
 - Implementing changes to the category C gaming machine technical standards

Key programme milestones

- In the event of policy changes, implement any necessary changes to the regulatory framework to incorporate overseas-based online gambling operators that target customers in Britain, including appropriate transitional arrangements by March 2013
- Implement changes to the category C gaming machine technical standards by December 2011
- As Chair of IAGR eGambling working group, lead the development of:
 - common approaches to regulating business to business arrangements by September 2011
 - common specifications for games/software testing including the use of output and source code testing by January 2012
- As co-chair of GREF eGambling working group, lead development of framework for exchanging regulatory information by November 2011.

Strategic objective 1: Regulating gambling in the public interest

Programme SO1.4: Better regulation and simplification

Accountable director: Matthew Hill

Programme objectives

- To ensure that the Commission undertakes its statutory functions effectively and acts in accordance with its legal powers and duties.
- To embed the Commission's approach to better regulation.
- To improve delivery co-ordination between the Commission and its partners in the regulatory system and through that to improve the efficiency and effectiveness of the regulatory arrangements.

Key workstreams

- Regulation with local authorities: provision of information and support to licensing authorities and collection of information eg through licensing authority returns
- Collaboration with other regulators and agencies including:
 - Financial Services Authority, particularly in relation to spread betting operators
 - Serious and Organised Crime Agency
 - Association of Chief Police Officers
- Leading the continuous improvement of the Commission's approach to better regulation, and liaising with the Department of Business Innovation and Skills/Better Regulation Executive to keep abreast of better regulation developments
- Providing high quality policy and legal advice to the Commission and ensuring that the Regulatory Panel is managed effectively.

Key programme milestones

- Develop an operational guidance note for poker by May 2011
- Publish the Commission's approach to anti-money laundering supervision by October 2011
- Review of the Guidance for casinos on the prevention of money laundering following amendments to the Money Laundering Regulations by March 2012

- Casino gaming reserve - consultation from May 2011
- Review progress on the implementation of Hampton recommendations - August 2011
- Review approach to self exclusion including the code of practice by October 2011

Strategic objective 1: Regulating in the public interest

Programme SO1.5: Betting integrity

Accountable director: Nick Tofiluk

Programme objectives

- In collaboration with partners, to develop a shared understanding of the threat posed to the integrity of sports betting and further build on the Commission's capacity to advise on this threat and ways of tackling it
- To reduce the risk to the licensing objectives by supporting sports governing bodies and betting operators in their efforts to deter and disrupt attempt to corrupt sports betting
- To reduce risk to the licensing objectives by identifying and investigating criminal threats to sports betting integrity, where necessary, in collaboration with others
- To strengthen public confidence in the integrity of sports betting in Great Britain
- To establish with the International Olympics Committee (IOC) and other partners the capability to identify and manage any sports betting integrity risk to the 2012 Olympic Games

Key workstreams

- Developing and maintaining strategic collaborations with key stakeholders by:
 - Developing effective intelligence and information exchange arrangements in UK and abroad with key partners
 - Engagement with the Sports Betting Group in support of their efforts to address sports betting integrity issues
 - Develop effective operational coordination with collaborating bodies/agencies
- Managing investigations by maintaining the capability (capacity and competence) to undertake/support criminal investigations into betting integrity matters
- Ensuring that the national approach and the Commission's policy framework for ensuring the integrity of sports betting remains fit for purpose
- Enhancing confidence in the national approach and the Commission by publicising the role of the Gambling Commission Developing with partners a capability to identify and mitigate potential threats posed to the 2012 Olympic Games by sports betting integrity issues

Key programme milestones

- Issue a position paper on inside information by September 2011
- Evidence of the SBIU's and enforcement teams efficacy of approach to ensure a continued focus on higher impact issues by October 2011
Plan to support IOC and Police management of any threats to the 2012 Olympic Games by sports betting integrity issues. Establishment of information exchange mechanisms between the Commission/IOC/Police and 'gateways' through SBIU by April 2012

Strategic objective 2: Providing authoritative advice on gambling and its regulation

Programme SO2.1: Evidence and Analysis

Accountable director: Matthew Hill

Programme objectives

- To build the evidence base to advise on effective regulation.
- To enhance the Commission's ability to gather, create, organise and access reliable information needed to inform the Commission's risk based approach to regulation, its duty to advise the Secretary of State and to help improve the service we provide to stakeholders.
- To support the activities of the RGSB ensuring a source of independent advice to the Commission on the research, education and treatment elements of the national responsible gambling strategy.

Key workstreams

- Establishing a common approach to improve data usage including internal analysis of range of data sources to support Commission understanding and decision making.
- Improving the quality of data held by the Commission, by developing and embedding the approach to data retrieval and data cleansing.
- To provide intelligence to support operational activity
- Deliver the Strategic Assessment with a six-month update
- Implement an alternative approach to the funding, management, collection and reporting of gambling prevalence data, including future use of the Commission's omnibus survey
- Embed usage of the British Gambling Prevalence Survey 2010 results across the Commission and engage with stakeholders to enhance understanding and usage of the data in the UK data archive
- Maintaining effective policies and processes to maintain compliance with the Government's transparency agenda and ensure compliance with the Freedom of Information Act 2000 and Data Protection Act 1998
- Ensuring official statistics compliance is embedded across each of the Commission's official statistics
- Maintaining information management and information security to a level consistent with all relevant standards including those laid down by the Cabinet Office and the ISO 27001 Information Security Management standards
- Maintaining resilient business continuity plans

- Work with RGSB to ensure the Commission responds to the RGSB 2011 Strategy, engages in discussions regarding future funding amounts, and seeks and responds to ad hoc requests to the RGSB Board for advice on a range of policy matters.

Key programme milestones

- Implement outstanding areas of official statistics compliance by June 2011
- Agree and implement new omnibus survey data collection by June 2011
- Data quality processes for regulatory returns agreed and embedded by July 2011
- Brief each sector team and sector team meeting on the findings of the BGPS 2010 by September 2011
- Pilot data building blocks, replace old data reporting system and implement training on new approach by October 2011
- Publish response to RGSB 2011 Strategy by December 2011
- Secure agreement on future funding and management of problem gambling prevalence measurement by March 2012
- Undertake business continuity exercises by January 2012
- Produce Strategic Assessment by October 2011.

Strategic objective 3: Engaging with stakeholders

Programme SO3.1: Stakeholder engagement

Accountable director: Julia Mackisack

Programme objectives

- To improve stakeholder and Commission mutual understanding of the regulatory framework and the Commission's role and risk-based approach
- To deliver key publications to stakeholders

Key workstreams

- Delivering a suite of key publications including the Commission's annual report and industry statistics.
- Developing and implementing an effective external communications, media and public affairs strategy, including continuous improvement of the Commission's externally facing communications
- Developing and implementing effective internal communication channels, including the intranet, to support the Commission's objective to develop effective employee engagement.

Key programme milestones

- Publish annual report by end of July 2011
- Develop policy on the Commission's use of social media by November 2011
- Publish industry statistics in May and December 2011

Strategic objective 3: Engaging with stakeholders

Programme SO3.2: Enquiry and contact management

Accountable director: Julia Mackisack

Programme objectives

- Improve the initial enquiry management function and provide advice at the first point of contact, improving levels of service for licensees and other stakeholders

Key workstreams

- Complaint and enquiry management: receiving and resolving complaints and enquiries relating the activities of licensed and unlicensed individuals and/or operators and providing information as requested relating to regulatory requirements.
- Improving the consistency of recording and management of contacts throughout the Commission, including the development of contact management arrangements for group and operator account management
- Improving the Commission's levels of service in telephone, email and postal enquiries

Key programme milestones

- Complete review of licensing authority compliance event system (LACE) by end December 2011
- Establish group and operator account management arrangements, including relevant training, by March 2012

Strategic objective 4: Developing the organisation and its employees

Programme SO4.1: Financial control

Accountable director: Julie Grant

Programme objectives

- To ensure effective control of the Commission's financial resources
- To deliver high quality management information which informs key strategic decisions
- To maintain and develop the Commission's fee structure

Key workstreams

- Managing and collecting all income due to the Commission
- Managing and maintaining effective systems for the management and control of the Commission's revenue and capital expenditure in line with agreed priorities
- Managing the Commission's relationships with DCMS and Her Majesty's Treasury
- Reviewing spending streams to ensure value for money and establish benchmarks for key costs/indicators with comparable organisations
- Delivering annual financial statements in accordance with statutory guidance and deadlines; produce the 2010-11 annual accounts in accordance with International Financial Reporting Standards (IFRS) requirements; provide final accounts for Parliamentary approval

Key programme milestones

- Deliver 2010-11 financial accounts for Parliamentary approval by end of July 2011.
- Issue bulk period fee demands by end of July 2011
- Collect fees relating to bulk period by end of September 2011
- Review of Commission's credit control policy by end of March 2012

Strategic objective 4: Developing the organisation and its employees

Programme SO4.2: Performance management

Accountable director: Julie Grant

Programme objectives

- To identify and manage business risk
- To develop and refine the Commission's suite of Key Performance Indicators to improve the effectiveness of the services we provide
- To deliver high quality management information which informs key strategic decisions

Key workstreams

- Identifying and managing business risk across the Commission
- Defining and developing Commission-wide Key Performance Indicators and measures of performance; developing tools, techniques, analysis, reporting and training
- Developing and managing an internal audit plan for the year, ensuring sufficient resources are allocated for its delivery
- Supporting the Accounting Officer and the Audit Committee in the exercise of formal accountability mechanisms, including through the management of the Commission's Risk Management Committee, which oversees the development, implementation and maintenance of risk management across the Commission
- Producing financial management reports and statements including monthly performance reports to the Board
- Developing the Commission's fees

Key programme milestones

- Review and ensure continuing effectiveness of business risk management processes and methodology by June 2011.
- Facilitate a Board discussion around the Omand principle of risk management bi-annually (September 2011 and March 2012)
- Produce Statement on Internal Control by July 2011
- Provide quarterly income and expenditure forecasts to Management Board and the Board (end July 2011, October 2011, January 2012)

Strategic objective 4: Developing the organisation and its employees

Programme SO4.3: People support

Accountable director: Justine Kenny

Programme objectives

- To provide practical support to line managers through the provision of specialist advice and guidance on people management, HR issues, Commission policies, employment law and professional good practice
- To maintain an integrated set of up-to-date and appropriate HR policies, processes and guidance to ensure that common standards are applied throughout the Commission throughout the employee lifecycle
- To manage consultation and negotiation through the recognised trade union(s)

Key workstreams

- Ensuring fit for purpose approaches to employee resourcing, including effective recruitment processes, security clearances, diversity practices, and workforce planning
- Ensuring fit for purpose approaches to the development of employees, including skills and competency framework, leadership development programmes, and performance management systems
- Providing guidance and support to managers on the practical application of HR policies and processes in specific cases, taking the lead where appropriate (eg discipline and grievance)
- Managing the Commission's pay and reward system
- Manage employee relations agreements, policies, protocols and practical arrangements to underpin the Commission's ways of working with employees and trade unions

Key programme milestones

- Issue Total Reward Statements to all employees in April 2011 and apply any appropriate pay award in November 2011
- Upgrade Snowdrop and U:Access and convert all employee information to the new version by August 2011

- Identify learning & development(L&D) requirements across the Commission by August 2011
- Review People Strategy by September 2011
- Participate in the Sunday Times 'Best places to work in the public sector' survey by December 2011
- Ensure that all final performance reviews and employee objectives agreed by December 2011

Strategic objective 4: Developing the organisation and its employees

Programme SO4.4: Organisational effectiveness

Accountable director: Justine Kenny

Programme objectives

- To support the organisation to improve its effectiveness and deliver higher quality outcomes
- To coach and advise leaders and managers to make the best use of current capabilities and to develop those to meet future challenges.
- To ensure that the Commission's reward and performance management systems are well suited to secure the Commission's objectives
- To embed Commission values and develop more effective ways of working

Key workstreams

- Assessing and managing implications for the organisational structure of potential longer terms changes to the Commission's role and remit, including progressing the co-location of the National Lottery Commission and the development of shared common services in advance of full merger
- Reviewing the pay and reward structure, including job evaluation, to identify any scope for improved structure and processes and reduction of perceived anomalies
- Implement the Commission's approach to talent management
- Improve the Commission's approach to knowledge management and decision making
- Managing leadership and development programmes, the employee conference, and related activities

Key programme milestones

- Develop the Commission's approach to talent management by June 2011
- Review the competency framework by July 2011
- Conduct self assessment against Investor in People principles by end September 2011
- Review pay and reward system by end November 2011
- Facilitate National Lottery Commission co-location by end December 2011

Strategic objective 4: Developing the organisation and its employees

Programme SO4.5: Business development

Accountable director: Matthew Hill

Programme objectives

- To develop and manage effectively the Commission's business plan, and supporting infrastructure, including capital investments, ICT and secretariat services for the Commission and Executive Boards and Committees

Key workstreams

- Leading the Commission's business planning activity and providing programme management and secretariat support for the Commission
- Ensuring the provision of robust, secure electronic communications infrastructure and Information Technology (IT) services
- Continuing to improve efficiency through IT reconfiguration projects
- Overseeing the IT roll-out of customer relationship management (CRM) Commission-wide
- Delivering the Commission's contribution to e-Government initiatives and targets and e-Accessibility of its services

Key programme milestones

- Implement police national network (PNN) connectivity by September 2011
- Complete migration to Windows 7/Thin Client by end January 2012
- Implement ICT operational plan by April 2012
- Publish Commission business plan for 2012-13 by April 2012