

Board performance pack

For Board approval	<input type="checkbox"/>
For Board briefing	<input checked="" type="checkbox"/>
For Board steer	<input type="checkbox"/>
	<input type="checkbox"/>
For Board information	<input type="checkbox"/>

Prepared by:

Date: 30 November 2016

Publish in full	<input type="checkbox"/>
Subject to minor redaction	<input checked="" type="checkbox"/>
No publication	<input type="checkbox"/>

Introduction

1. This Performance Pack provides an overview of the Balanced Business Scorecard (BBS) and includes information pertaining to our current casework, planned events, and communications.

Balanced business scorecard

2. The BBS presented below consists of two dashboards, each of which offer perspectives of the business:
 - Organisational management (our employees, their wellbeing and their performance)
 - Operational delivery and efficiency (our licensing and compliance processes)
 - Stakeholder satisfaction (our reputation)
 - Strategic measures (our impact on our strategic objectives and outcomes-reported quarterly)
3. The first dashboard provides the quantitative performance indicators for each of the four perspectives. To assist with monitoring performance, each of the indicators is also allocated a RAG status. The status is based on performance comparable to the target for the period.
4. The second dashboard on the BBS provides explanatory commentary for the quantitative performance indicators. The intention is that the BBS commentary will report by exception in future, although baselining information continues to be included here for your information.

Balanced business scorecard summary and commentary

ORGANISATIONAL MANAGEMENT					This period	YTD	Target/b'm ark	2015/16 Actual
Staffing	Voluntary turnover rate (rolling 12 months)	Quarterly	%	●	8.8		9.8	8.6
	Time to fill vacancies	Quarterly	Days		Reported from January 2017			
	Longest outstanding vacancy (actively recruited)	Monthly	Days	●	194		45	
	Capacity utilisation rate (total hours available)	Monthly	%	●		92.2	TBC	TBC
Training	Allocated training spend per capita	Monthly	£	●		551	1,598	TBC
Employee wellbeing	Diversity ratio of employees (sex)	Quarterly	Ratio	●	0.9:1		1:1	0.8:1
	Diversity ratio of employees (ethnicity)	Quarterly	Ratio	●	1.5		1:5	1:5
	Employee survey engagement score	Annual	%	●	60.0		55.0	55.0
	Formal grievances	Monthly	#	●	1	2		3
	Disciplinarys	Monthly	#	●	1	1		3
	Dismissals	Monthly	#	●	0	0		0
	Employee survey score (those experiencing bullying & harassment)	Annual	%	●	13.0		10 [?]	16.0
	Sickness absence rate	Quarterly	%	●	4.1	3.8	3.6	3.8
Stress related sickness absence rate	Quarterly	%	●	1.2	0.9	0.7	1.0	
Performance	Employee PMR results (improvement needed)	Annual	%	●	1.4		TBC	2.9
	Employees with PIP (formal stage)	Annual	#	●	0.0		TBC	0

Key	This period
Performance on target ●	Monthly: Oct-16
Performance may require attention ●	Quarterly: July 16 - Sept 16
Performance requires urgent attention ●	Annual: April 16 - March 17

• This is the civil service average and acts as a benchmark only

ORGANISATIONAL MANAGEMENT

The longest outstanding vacancy is Senior Manager- Anti-Money Laundering (AML). Despite several offers being made, this post remains unfulfilled. Our Talent Sourcing Manager and members of the Leadership Team are working together to source a suitable candidate for this difficult to recruit, specialist position. A wholesale review of the requirement is now taking place.

Both the female to male ratio and the ethnicity ratio are comparable to the economically active population of the West Midlands and are therefore within target parameters.

There are 4 employees who have been identified as improvement needed, they will have their performance monitored under the standard process. This equates to 1.4% of the total Commission headcount.

Bullying and harassment scores have reduced slightly overall, an area we have focused on through our dignity at work programme. We had expected this to rise as colleagues became more aware of the issues and felt able to speak out but this did not materialise. Those colleagues who felt able to challenge unacceptable behaviours and felt that it would be dealt with appropriately increased by 9% and 16% respectively. A welcome improvement but clearly still some way to go in this important area which has such an impact on colleague health, wellbeing and engagement. Dignity at work will continue to be a focus of our cultural change and organisational development over the coming months and indeed years. An increase of 5% is considered a significant change and within only a year this is a huge success with regard to employee engagement levels. Our target contained within the people strategy is 65% within 3 years.

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OPERATIONAL DELIVERY AND EFFICIENCY								
					This period	YTD	Target/b' mark	2015/16 Actual
Customer contact centre	Enquiry response time (percentage on target)	Monthly	%	●	72.7	72.2	95.0	N/A
	Contact centre customer satisfaction	Monthly	%	●	95.2	84.4	90.0	82.1
	Average contact centre contacts per day	Monthly	#	●	217.1	202.3		166.2
Licensing	OL application determined within 12 weeks	Monthly	%	●	46.2	65.2	80.0	69.0
	PL application determined within 4 weeks	Monthly	%	●	65.5	62.7	85.0	76.0
	OL applications outstanding	Monthly	#	●	70		60	
	PL applications outstanding	Monthly	#	●	336		170	
	Oldest licence application outstanding	Monthly	Days	●	252		84	
Compliance	Proactive compliance assessments completed to plan	Monthly	%		Reported from January 2017			
	Non-complex cases open	Monthly	#	●	20			18
	Non-complex cases managed to plan	Monthly	%	●	100.0	94.1	85.0	100.0
	HIO operators internal desktop review	Bi-monthly	%	●	100.0		95	
Enforcement	HIO operators review	Monthly	%	●	100.0		95	
	Complex cases open	Monthly	#	●	31	32		
	Number of open complex cases exceeding 6 months	Monthly	#	●	9	11		N/A
	Days (effort) per open case	Monthly	#	●	10.2	9.5		N/A
	Days required from other supply pools	Monthly	#	●	2.8	2.5		N/A
	National Lottery referrals considered by IMG	Monthly	#	●	1	1		N/A
	National Lottery cases referred by IMG to CMG	Monthly	#	●	1	1		N/A
	National Lottery CMG cases exceeding 6 months	Monthly	#	●	1	1		N/A
Quality	Non-remote compliance QA (proactive)	Quarterly	%		Reported from January 2017			
	Remote compliance QA (proactive)	Quarterly	%		Reported from January 2017			
	Regulatory returns QA flags	Six-monthly	%	●	76.1			
Business	The cost of back office functions per FTE	Monthly	£	●	1,735	12,858	TBC	
	CBP Milestones not completed to schedule	Monthly	#	●	0	2		17
Financial	Debtor days outstanding	Monthly	#	●	10.1			
	Expected annual fees currently outstanding	Monthly	£	●	355,338		TBC	
	Forecast expenditure FY against budget	Monthly	%	●		101.6	<100	

TBC Not available or appropriate for reporting purposes
To Be Confirmed

¹ The HIO measures are being refined by the Compliance programme to better reflect the information they are collecting. By way of explanation about the two measures, the **HIO internal desktop review** will happen on a Bi-monthly basis. This review will consider intelligence, regulatory returns data and other data collected from operators and other sources. This will enable emerging risks to be identified and understand if the risk posed by the operator has changed or there are emerging issues which may impact on the licensing objectives. **The HIO operators review** will be conducted to review the status of any corporate evaluation and any other engagement with HIO operators. The perceived risk to licensing conditions for each operator is considered and corporate evaluations or HIO interactions are then scheduled according to priority.

² The Compliance measures for proactive compliance assessments and compliance QA will be reported on from January 2017 (after Quarter 3 finishes in December). This will enable Compliance to redefine the measures that exist and better capture the work that is currently being done.

³ The Regulatory Returns system is currently awaiting implementation of a new IT system. This is now likely to be April 2017, but will allow us to use the systems, in-built tools and allow for a more informative and sophisticated use of the data we collate.

OPERATIONAL DELIVERY AND EFFICIENCY

Licensing

The number of Contact Centre contacts increased this month (by 7% on the previous month), representing a five-fold increase in the last 2 years. Enquiry response time improved slightly this month by 2.1% on the previous month although it remains below the 95% target. A significant volume of calls, some 70%, are not Licensing calls but are consumer calls.

The percentage of Operating Licence (OL) applications determined within Key Performance Indicators (KPI) standard decreased this month and now stands at 46.2%, remaining below target Year to Date (YTD). Personal Licence (PL) performance decreased slightly during this period by 4.9% to 65.5% and remains below target YTD. Outstanding applications for both OL and PL remain above expected levels. In 2016, Licensing is receiving on average around 189 PL applications and 22 OL applications per month (170 and 17 respectively were expected levels). The performance being below KPI levels and the high volume of outstanding applications for OL and, in particular, PL applications, is due to a number of factors: higher than anticipated volume of applications; staff turnover (meaning that Licensing has a significant number of less experienced staff); training of less experienced staff. KPIs previous to the 1st November were not reflective of the actual capability to process applications (new interim KPIs were introduced in November 2016 to reflect accurately the complexity of some applications as well as staff constraints). The dip in performance in respect of applications is also due in part to Licensing devoting 75 days effort in reissuing all operating licences (just under 3000) due to the changes in LCCP which came into force at the end of October. All licences were successfully reissued by the end of October as planned.

In a order to improve performance various initiatives have been/are being put in place:

- A re-structure within Licensing that has resulted in the re-evaluation of current job descriptions. The new job descriptions better reflect the types of work carried out within both Licensing and Contact Centre.
- The Change Programme is investing Licensing's skills, individual development and leadership capability.
- The Licensing and Contact Centre KPI's have been re-evaluated on an interim basis to reflect the significant change in complexity of the profile of the work.
- The Licensing Futures Change Programme initiative is being scoped in early 2017 FY, this will look at systems and end-to-end process redesign to begin activity later on next year.

The oldest OL new application, excluding Greene King (over 4 years old and subject to appeal), remains AllQuantum Gaming Limited at around 8 months old which was held up by the applicant, due to their personal circumstances, but upon which work has now recommenced. The oldest PL new application is 7 months old. The aim is both of these oldest applications should be determined in the next month.

Compliance and Enforcement

All operators defined as HIO will receive an internal desktop review Bi-monthly and a HIO management team review monthly. During the reporting period, 100% of both review were conducted.

There are 20 non-complex cases open at the moment and all are running within timescales. Of these, 9 are for operator licences (OL) and 11 for personal licence holders (PL). Four new cases were opened. Just one non-complex case was closed in October as an operator surrendered their licence during review. For complex cases there are currently no heightened risks. The Casework Team continues to receive, process and finalise cases at a consistent rate. Resources are regularly reviewed and managed with a view to maximising their effectiveness against ongoing casework. There is currently one National Lottery case and this is being progressed by Christine Belal. There is also one National Lottery Case Management Group (CMG) case exceeding 6 months currently being progressed (which is Operation Tungsten).

Quality

The figure (%) for quality of our regulatory returns data from operators is given for the first time in this report. The percentage with a data quality flag is given as 76%, although it often doesn't mean that the data is wrong, just that it has been flagged and should be reviewed.

Business and financial

No milestones related to activity published in the corporate business plan were missed during the reporting period. Forecast full expenditure is over target at 101.6%.

The debtor days figure has decreased due to the bulk billing that took place during this month of £4.8m. The annual fees outstanding figure has reduced due to the improved processes and joint working between Finance & Licensing resolving a number of outstanding queries and clearing a number of older debts. The increase in planned expenditure against forecast this month is due to additional agency costs to support the Change programme.

STAKEHOLDER SATISFACTION



					This period	YTD	Target/b'mark	2015/16 Actual
Reputation	Social media engagement - impressions per tweet	Monthly	#		6,883	2,574		N/A
	Tone of trade media coverage (positive/neutral)	Monthly	%		100.0	98.1		N/A
	Tone of social media coverage (positive/neutral)	Monthly	%		99.0	98.6		N/A
	Complaints about the Commission	Monthly	#		5	12		17
	Stakeholder perception (good or excellent)	Bi-ennial	%		67.7		>67.7	

STAKEHOLDER SATISFACTION

Social media comments continue to be positive (43% positive) with the commentary generally relating to consultations and changes to the Licence Conditions and Codes of Practice (LCCP). Negative comments (1%) relate to a perceived lack of action by the Commission in regards to Fixed Odds Betting Terminals (FOBTs) and a mistaken belief that the Competition and Markets Authority (CMA) is investigating because we wouldn't.

Five complaints were received in October. Three of the complaints were that the complainants were dissatisfied with the delays in responding to them and in one case that the response was unhelpful and condescending. Two of the complaints were upheld and the other partially upheld. The fourth complaint was upheld following the complainant raising his concerns that after lodging a complaint about an operator no action had been taken or response received from the Commission. In the final complaint, the complainant was dissatisfied with the Commission's lack of action in protecting consumers in regards to Smartlive. This complaint was not upheld.

STRATEGIC MEASURES

Progress against Outcome measures is reported quarterly, the next update is due end of January 2017.

Complex cases update

This is exempt under sections 30 & 31 of the Freedom of Information Act.

Events

5. The key events attended last month included:

Industry Stakeholders	Purpose	Accompanied By
Operators		
Bet365	To see the new Group headquarters there, with the opportunity to review our progress against the GC initiatives and to discuss advertising	Richard Bayliss

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Other Stakeholders		
Other	Purpose	Accompanied By
Various Welsh Department Bodies at Directors of Public Protection Wales (DPPW)	To share data on gambling in Wales and to look at how we can work together more effectively, and to also share our insights into specific challenges in regulating gambling in Wales Feedback on the effectiveness of shared regulation	
Meeting with Cllr Neil Moore, Vale of Glamorgan Council Dave Holland, Head of Shared Regulatory Services Simon Wilkinson of the WLGA	To strengthen stakeholder engagement in Wales	
The Rt Hon Karen Bradley, Secretary of State	Introduction meeting with Secretary of State and Bill Moyes, Chair	
Sally Loudon, Chief Executive, COSLA and Fiona Richardson, Chief Officer for Trading Standards Scotland	COSLA (Convention of Scottish Local Authorities) To strengthen stakeholder engagement in Scotland	
Neil Rennick, Director, Justice Directorate, Scottish Government Willie Cowan, Licensing Team Leader, Justice Department Scottish Government	To strengthen stakeholder engagement in Scotland	
Michael Matheson MSP Scottish Parliament SG Cabinet Secretary for Justice	To strengthen stakeholder engagement in Scotland	

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Other Stakeholders		
Other	Purpose	Accompanied By
Paula Sussex Chief Executive Charity Commission	To share some ideas on the business change journey	N/A
Carolyn Harris MP, Chair Fixed Odds Betting Terminals (APPG)	Call for evidence re FOBT's	
Micky Swindale, KPMG	Introduction meeting pre KPMG summit in March	
Ivor Jones, Peel Hunt Elliott Misikin, Fidelity International	To discuss the industry In particular, Fidelity, one of the biggest investors generally and in gambling companies, has a new sector analyst (they typically change every three years).	
Craig Woodhouse, Special Adviser, DCMS	Meeting to discuss the Gambling Review	
Tom Watson MP Shadow Secretary of State for Culture, Media and Sport	Stakeholder Engagement - Introduction meeting	
Regina Finn Lucerna Partners	Introduction meeting	N/A
John Hagan Harris Hagan	Meeting following on from Raising Standards Conference	N/A
Christopher Woolard Director of Strategy and Competition Financial Conduct Authority	Introduction meeting	N/A

Other Stakeholders

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Other	Purpose	Accompanied By
Ian Brack, Chief Executive and Registrar General Dental Council	Introduction meeting	N/A
Helena Chambers, Quaad & other members of CLG Group	Quarterly liaison Meeting	N/A
Simon Oaten Partner, Deloitte	Bill met Mr Oaten as part of Stakeholder Engagement	N/A

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Other Events (Conferences and Receptions etc.)	
Event	Description
DCMS/Distributors/GC meeting on good cause returns	To discuss the options for better promoting the good cause brand
Camelot Parliamentary Reception	To celebrate the life-changing impact of The National Lottery and hear about the amazing projects that have been made possible through National Lottery funding - Joined by medal winners from Team GB and Paralympics GB, Sir Chris Hoy MBE, and Rt Hon Karen Bradley MP, Secretary of State for Culture, Media and Sport. Hosted by Richard Harrington MP
Cabinet Office Workshop	To discuss response to PAC on Department's oversight of ALBs
Gordon Moody Association Parliamentary Reception	Bill and I went to the Gordon Moody reception to update on their residential services and online service, Gambling Therapy
BACTA Annual Convention	I was speaking at the conference and Bill attended for stakeholder engagement
ACE Annual Conference 2016	Perspectives on Brexit and Leadership
DCMS - Research, Education and Treatment Workshop	RET Discussions

Communications report

1. Media contacts

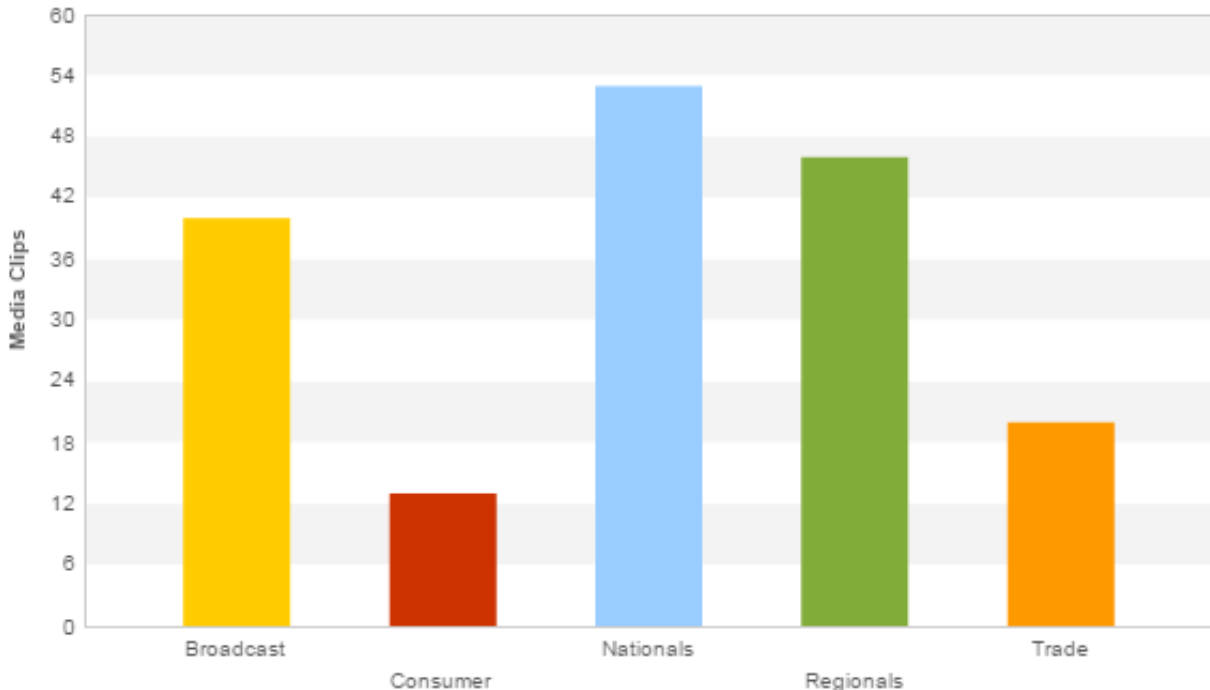
There were 14 media contacts in October.

21%	(3 calls)	Problem gambling (self-exclusion/social responsibility)
21%	(3 calls)	Statistics (inc. prevalence and participation)
14%	(2 calls)	Betting
7%	(1 call)	Bingo
7%	(1 call)	Licensing/compliance
7%	(1 call)	Machines
7%	(1 call)	Poker (shared liquidity/in pubs)
7%	(1 call)	Underage gambling
7%	(1 call)	Advertising/marketing

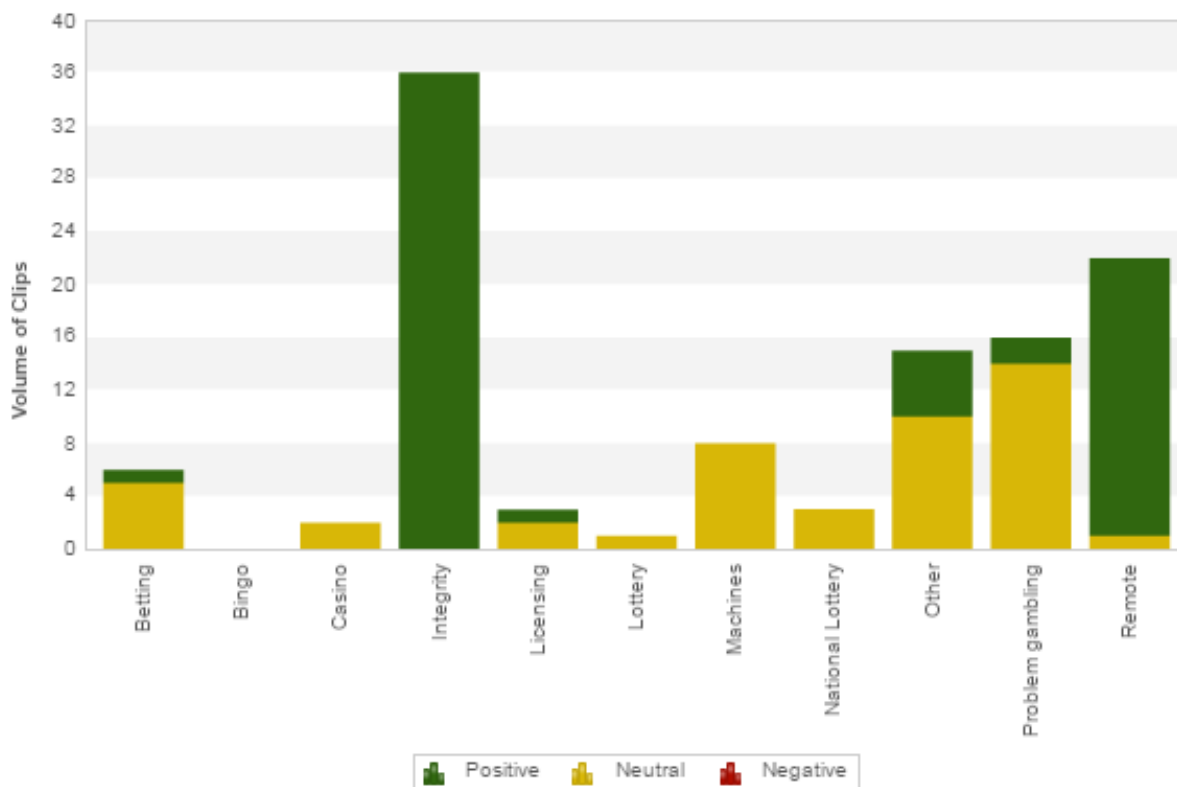
2. Press monitoring

Volume of coverage

There were 172 clips mentioning the Gambling Commission in October. Over 30 percent of the coverage was in the national papers. This can be attributed to the Competition and Market Authority’s investigation into unfair terms and conditions, which featured across all media outlets.



3. Topics and tone of coverage



Positive coverage:

- Nationwide coverage of the Scottish FA and the Commission looking into claims that Rangers' footballer Joey Barton had broken football betting rules
- CMA investigation into unfair terms and conditions by online gambling operators.

6. Neutral coverage:

- Coverage in relation to the proposed ban on gambling TV advertising
- DCMS review of gaming machines and gambling advertising.

7. Negative coverage:

- No negative coverage during October.

4. Press releases

[Commission welcomes Government gambling review](#)
[Gambling industry probed over complaints about unfair terms and conditions](#)
[Gambling Commission starts two-way conversation with consumers](#)

5. Publications

LCCP – July 2016 (with effect 31 October 2016)
Remote gambling and software technical standards consultation
Quarterly gambling participation data
Casino drop and win summary report
Three e-bulletins and one licensing authority (LA) bulletin

6. Events

International Masters of Gaming Law conference - Neil McArthur took part in two panel discussions.

IAGR East/West conference - Nick Tofiluk has been in the Philippines with fellow IAGR Board of Trustee members.

IAGR Annual Conference (Australia) - Nick Tofiluk and Mark D'Andrea attended.

Bookmakers Trade Fair - Graham Burgin and Kieran Kelly attended.

Lotteries Council annual regional forum - Richard Nokes and Scott Denim, from the lotteries sector team, attended.

7. Parliamentary questions

During October there were six written parliamentary questions of direct relevance to the Commission.

Tom Watson: What recent representations she has received on fixed odds betting terminals.

Tracey Crouch: The Government announced a review of Gaming Machines on 24 October which will look at evidence in regards to stakes and prizes of gaming machines; the number and location of gaming machines; and social responsibility measures to protect players and communities from gambling-related harm, including gambling advertising.

This review will include a close look at the issue of sub-category B2 gaming machines (more commonly known as Fixed Odds Betting Terminals - FOBTs) and specific concerns about the harm they cause, be that to the players themselves or the local communities in which they are located. This is the correct mechanism in which to look again at this issue.

There is now an opportunity for anyone with an interest in this matter to submit evidence for consideration. The Call for Evidence period ends on 4 December 2016.

Tom Watson: Whether she plans to reform the regulation of fixed odds betting terminals.

Tracey Crouch: The Government announced a review of Gaming Machines on 24 October which will look at evidence in regards to stakes and prizes of gaming machines; the number and location of gaming machines; and social responsibility measures to protect players and communities from gambling-related harm, including gambling advertising.

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Tom Watson: What recent assessment she has made of the social effects of fixed odds betting terminals.

Tracey Crouch: The Government announced a review of Gaming Machines on 24 October which will look at evidence in regards to stakes and prizes of gaming machines; the number and location of gaming machines; and social responsibility measures to protect players and communities from gambling-related harm, including gambling advertising.

This review will include a close look at the issue of sub-category B2 gaming machines (more commonly known as Fixed Odds Betting Terminals - FOBTs) and specific concerns about the harm they cause, be that to the players themselves or the local communities in which they are located. This is the correct mechanism in which to look again at this issue.

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Stuart McMillan (Greenock and Inverclyde, Scottish National Party): To ask the Scottish Government how many times police officers have been called to attend incidents at licensed betting shops in each of the last five years and how many;

- (a) had a female lone worker on duty at the time,**
- (b) incidents involved assault on a member of staff,**
- (c) incidents involved assault on a customer,**
- (d) incidents involved damage to a fixed-odds betting terminal and**
- (e) people charged were convicted of the chargeable offence.**

Michael Matheson: The information requested is not held centrally by the Scottish Government.

Stuart McMillan (Greenock and Inverclyde, Scottish National Party): To ask the Scottish Government what discussions it has had with stakeholders regarding the current maximum stake of £100 per spin on fixed-odds betting terminals.

Michael Matheson: The power to legislate on the maximum stake permitted on Fixed Odds Betting Terminals is reserved to the UK Government. I refer the member to the answer to question S5W-03497 on 27 October 2016. All answers to written parliamentary questions are available on the Parliaments website, the search facility for which can be found at: <http://www.parliament.scot/parliamentarybusiness/28877.aspx>

Stuart McMillan (Greenock and Inverclyde, Scottish National Party): To ask the Scottish Government when it last corresponded with the UK Government regarding the devolution of limited powers over fixed-odds betting terminals and what the outcome was.

Michael Matheson: The Scottish Government last corresponded with the UK Government prior to the passing of the Scotland Act 2016. The Scottish Government called for the full responsibility for the law on gambling to be devolved to Scotland. The

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Scotland Act 2016 however only included a limited power in respect of the number of Fixed Odds Betting Terminals in new betting shops only.

This does not include any powers in respect of existing premises, or those found in premises other than betting shops. The Scottish Government had been intending to consult on this limited power before the end of this year. On 24 October 2016, however, the UK Government announced a review of gaming machines and social responsibility measures.

The review covers a number of areas including maximum gaming machines stakes and prizes, allocations of gaming machines in licensed premises, and social responsibility measures to minimise the risk of gambling related harm. We will consider the outcome of the UK consultation before taking a view on what further use of the limited powers available in Scotland might be proposed.

8. Articles published

There were no articles published this month.

9. Forward planner

This is available in the [Communications Forward Planner](#) which is updated regularly.

10. Internal communications

Most of the past month has focused on preparing for Learning and Development Week and Networking Day. Time has also been dedicated to determining the best way to deliver the results of the Employee Survey to all colleagues. A workshop is being scheduled with HR in January to develop an internal comms plan that will enable the utilisation of internal communications resources more effectively to communicate key HR messages. Resource remains amber this month with the newly appointed Senior Officer, Internal Communications due to commence in role on 12 December. Initial areas of focus for the new role will be supporting the implementation of plain English and effective writing skills at the Commission.

