

GAMBLING COMMISSION

GCM(14)08

Minutes of the meeting of the Board of Commissioners

Victoria Square House, Birmingham (Boardroom)

4 December 2014

Attendees: Mary Chapman
Robin Dahlberg
Robert Foster
Philip Graf (Chair)
Rachel Lampard
Anthony Lilley
Walter Merricks
Graham Sharp
Peter Teague
Jenny Williams

Apologies: None

In attendance: Ben Haden
Sue Harley
Mark Harris
Matthew Hill
Simon Knee (for item 7)
Paul Hope (for item 6)
Elaine King (Notes)
Neil McArthur
Julia Mackisack
Michael Mitchell (for item 7)
Cathy Mullins (for item 7)
Helen O'Kane (for item 5 & 6)
Nick Tofiluk

Declarations of Interest: There were no declarations of interest

Item 1: Minutes and action points of the Board meeting held on 23 October 2014

1. The minutes of the meeting were approved.
2. Matters arising from the minutes:
 - The drafting changes to the September Board meeting minutes were agreed
 - The revised Corporate Governance Framework has been placed on the Commission's website. The Board noted that certain decisions were delegated to the Executive.
 - Spread betting – discussions with the relevant government departments are work in progress. Further updates will be provided to the Board via the Report from the Chief Executive.

3. The rolling actions were reviewed and updated.

Item 2: Report from the Audit Committee

4. The Chair of the Audit Committee provided the Board with a summary of the meeting which took place earlier in the day. Issues covered included: an update on the internal audit reviews recently undertaken; the audit scope for the year-end accounts; finalisation of the corporate risk register and the CIPFA financial benchmarking model.
5. The Board noted the report.

Item 3: Report from the National Lottery Committee (NLC)

6. The Committee Chair and Director National Lottery Programme attended the biennial World Lottery Summit Board which afforded an opportunity to meet representatives from trade bodies to hear about the latest technological developments in the industry.
7. The Chair of the National Lottery Committee provided the Board with a summary of the meeting which had taken place on 20 November.
8. The Board was advised that three issues requiring decision were discussed at the meeting.
9. **Project Emerald:** The Director advised that the proposals had been re-presented. The revised proposals were approved subject to caveats under the appropriate delegated authority.
10. **Project Amigo:** This project is due to commence in 2015.
11. **Digital Affiliates:** Further to the discussion at the September Board meeting the Director advised the Board that Camelot UK Lotteries has engaged with consultants in a two-part review of the Licence Investment proposal. The revised proposals are due to be submitted for discussion at the December National Lottery Committee meeting.
12. **Project Mint:** The Board was advised that the Committee had considered set of proposals from Camelot UK Lotteries. The Board discussed the proposals, noting that the potential changes were significant. The Chair of the Gambling Commission summarised the key issues in relation to transparency and the wider commercial element of the proposals.
13. The Board noted that the monthly Chief Executives' meeting took place on 27 November.

Item 4: Report from the Chief Executive

14. The Chief Executive introduced the paper which summarised the key activities undertaken since the last report.
15. The Board was provided with an oral update on:
 - the publication of the RGT research on machine play
 - the Consumer Rights Bill, the third reading of which was due to take place on 10 December
 - implementation of the Gambling (Licensing and Advertising) Act 2014 including approval of the alternative dispute resolution providers

- changes to staffing at DCMS
 - Smith Commission
 - Engagement with DCMS and the Sports Betting Integrity Forum to develop the National Action Plan; engagement with UEFA to develop their anti-corruption strategy. The final version of the National Anti-corruption Plan was published on 18 December and a copy forwarded to the Commissioners on 19 December.
 - The Culture, Media and Sport Committee inquiry into Society Lotteries.
16. The General Counsel provided the Board with an update on current investigations and the recently received Greene King decision; the Commission has 28 days to consider whether to appeal. A further update will be provided in January.

Item 5: Outcome of the consultation on amendments to the Commission’s Statement of principles for: licensing and regulation and Licensing, compliance and enforcement policy: GCP(14)75

17. The Commission’s consultation on proposed amendments to the ‘Statement of Principles for licensing and regulation’ and the ‘Licensing, compliance and enforcement statement’ closed on 30 September 2014.
18. The Senior Specialist – Regulatory Framework introduced the paper which summarised the key points in the consultation responses and sought approval for the proposed approach to addressing each of these points. The Board was asked to consider or approve the recommendations.
19. The common themes emerging from the consultation and the Commission’s proposed actions were discussed.
20. The Board noted that whilst the majority of the respondents welcomed the changes as outlined in the consultation, some considered that the Statement of principles for licensing and regulation did not go far enough in some areas, such as the references to economic growth.
21. The Board agreed to the approach taken. The specific recommendations were approved, subject to minor drafting changes to reiterate our approach to public statements; and in particular to sharing lessons learned.
22. The next step is to draft the response document and the final statements. The drafts will be circulated for comment by correspondence; final approval of the detailed drafting is to be delegated to the General Counsel and the Chief Executive.

Item 6: Social responsibility provisions in the LCCP review: recommendations for responses document: GCP(14)76

23. At its policy discussion in November, the Board considered the emerging key points from responses to the LCCP social responsibility consultation. At that meeting, the Programme Director and Sector Specialist agreed to provide a further update in December, and to recommend a way forward on as many issues as possible.
24. The Programme Director and Sector Specialist introduced the paper which summarised a recommended way forward on most of the consultation issues. With two exceptions, the Executive recommended proceeding broadly as proposed in the consultation, with some drafting changes to take account of respondents’ comments. The response document would also describe other relevant work, such as industry voluntary

developments etc. The Executive is to revert to the Board via correspondence on the issues not covered in the paper.

25. The Board considered and discussed the recommendations.
26. The Board noted that the response document in January 2015 will confirm our intention to put in place the overall requirement to submit Annual Assurance Statements and that a further supplementary consultation on the content and timing of Annual Assurance Statements would proceed at end December/ early January.
27. The Director Regulatory Risk and Analysis advised that this proposal was designed to ensure that key operator personnel are engaged and sighted on all issues relating to social responsibility.
28. The Chair advised that there would be a further meetings with major bookmakers Chairs and CEOs early in the New Year.
29. Subject to minor drafting amendments the Board approved the recommendations.
30. The Executive will return to the Board via correspondence on information to players, non-remote self-exclusion, pre-commitment and remaining issues from chapter 13 of the consultation. Sign-off of the final response document, updated LCCP and remote technical standards is delegated to the Chair, Chief Executive and Rachel Lampard.
31. The plan is to issue the above at the end of January with the majority of the amendments to come into force three months later.

Item 7: Environment scan, Business Plan and Budget 2015 - 2016

32. The Strategic Business Analyst introduced the presentation on the business planning process and environment scanning.
33. The Board was advised that business and financial planning will be fully integrated for 2015-2016 with regular reviews of both taking place during the forthcoming year.
34. During 2014 the Commission introduced and implemented activity based costing. Programme Office is considering ways to continue to develop and enhance management information systems which will utilise the data obtained.
35. The achievements against the current business plan milestones were noted.
36. The Board considered whether there are any external factors which may impact on the identified priorities for example rapid changes in the industry ie including social gaming, geographical issues and underlying trends.
37. The Board was invited to provide additional feedback to the Strategic Business Analyst via correspondence. A copy of the presentation is to be sent to the Board.

Item 8: Financial report – October 2014: GCP(14)77

38. The report provided the Board with an overview of the Commission's performance for the financial year-to-date. The financial outturn reflects committed and uncommitted resources across various workstreams.
39. The Board noted the report.

Item 9: Quarterly research briefing 04/14: GCP(14)78

- 40. The briefing note provided the Board with a summary of some of the recently and soon to be published gambling related research.
- 41. The Board noted the report.

Item 10: Changes to the reporting of participation, mini-screen and perceptions data: GCP(14)79

- 42. The Board was provided with an update on the proposed amendments to the reporting participation, mini-screen and perceptions data.
- 43. The Board noted the report.

Item 11: RBSB quarterly update: GCP(14)80

- 44. The Board noted the report.

Item 12: Forward look for Board and NL programme: GCP(14)81

- 45. The Board noted the report.