

# GAMBLING COMMISSION

GCM(14)06

## Minutes of the meeting of the Board of Commissioners

Victoria Square House, Birmingham (Boardroom)

17 July 2014

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

### Apologies:

**In attendance:** Ben Haden  
Sue Harley  
Mark Harris  
Matthew Hill  
Elaine King (Notes)  
Neil McArthur  
Julia Mackisack  
Trevor Robinson (for item 5)  
Nick Tofiluk

**Declarations of Interest:** No interests were declared.

### Item 1: Minutes and action points of the last meeting

1. The minutes of the meeting held on 19 June were approved.
2. Matters arising from the minutes:
  - Management Agreement with DCMS: DCMS has now signed-off the agreement. Board are to be issued with the final version for approval via correspondence. Once approved and signed by the Chair the Agreement is to be sent to DCMS to be signed by the Minister.
  - The Annual Report and Accounts 2013/2014 has been laid before Parliament and published on the Commission's website as has the 2013/2014 Annual Review and the NLC part-year Annual Report and Accounts 2013/2014.

## **Item 2: Report from the National Lottery Committee**

3. The Chair of the National Lottery Committee provided the Board with an overview of the discussions of the last meeting.
4. The Board were advised that the Enforcement Panel is due to meet again shortly.
5. The Committee had considered five proposals from Camelot UK Lotteries Ltd (CUKL). Three were still being considered and would be brought to the Board for approval later in the year. The other two were then presented to the Board for consideration and approval:

### **Prize funds and promotions: Lotto changes to PRT5: GCP(14)48**

6. The National Lottery Committee had considered two proposals from CUKL relating to changes to the Lotto Reserve Fund (PRT5).
7. The Committee Chair advised the Board that CUKL had proposed amending the Lotto Games Procedures with a view to creating potential flexibility in the type of promotional events the Lotto Reserve Fund (PRT5) can support.
8. The National Lottery Committee had considered the proposal and issues arising from it. Following its review, the Committee was content to advise the Board that the requested amendment to the Lotto Game Procedures should be approved.
9. The Board considered the proposals, noting that whilst the amendment gave greater flexibility, approval would still be needed for any future promotional events. On that basis, the Board approved the amendments.

### **Lotto: Raffle rollover changes: GCP(14)54**

10. The second proposed amendment referred from the July Committee meeting was the proposal by CUKL for changes to the Lotto game mechanic. The proposal was for the removal of the rollover raffle mechanic, which formed part of the revised Lotto game, as launched in October 2013, which would in turn increase the funds held in the Lotto Reserve Fund (PRT5). This would have the effect of increasing the funds available for prize promotions by the value of the reduction in the raffle rollover prizes.
11. The Board considered the proposal and the issues raised by the Committee and gave approval in principle to the licence variation sought by CUKL, subject to the conditions identified in the Committee paper. These included accelerating the repayment schedule for the advance funding of PRT5.
12. The Board was content for the Committee Chair and the executive to discuss and agree the final detail of the approval and amendment to the repayment schedule with CUKL and report the outcome back to the Board once completed, so long as the repayment schedule extended to no more than three years
13. The Board noted that a further two papers are to be discussed at the August meeting of the Committee. The Board agreed that, if these required further Board approvals which could not wait until the September meeting, then these should be progressed by correspondence.

### **Item 3: Report from the Player Protection Group (PPRG)**

14. The Chair of the PPRG reminded Board that the Group exists to ensure that a joined-up approach is taken to protection of player issues across the Commission's duties under the Gambling Act and National Lottery etc Act; and to ensure that any apparent inconsistencies are either addressed or justified. Its conclusions are reported back at each Board meeting.
15. PPRG had met earlier in the day, had considered the following three aspects of player protection, and recommended the following:
  - Provision of credit by Licensees and the use of credit cards
    - To pursue the opportunity for change with regards to aligning non-remote society lotteries with the National Lottery non-remote products to permit credit card purchase through the current LCCP review
    - The provision of credit by a non-remote operator (other than a non-remote society lottery), directly or through a third party could be considered in a future review of LCCP
  - Protection of winners in gambling
    - The paper reviewed the two current regulatory approaches to winner protection. No changes to the current position regarding winner protection in gambling are required
  - Fair and open provisions
    - PPRG reviewed relevant sections of the LCCP and National Lottery Section 5 Licence requirements and concluded that no immediate action is required in the areas considered.
16. The Board endorsed the recommendations. The PPRG Chair noted that four more papers are to be considered in the autumn, at which point the Group expects to have concluded its work.

### **Item 4: Report from the Chief Executive: GCP(14)49**

17. The Chief Executive introduced the paper which summarised the key workstream activities undertaken since the last report.
18. The Board was provided with a further oral summary update on:
  - the Chair's September meeting with the Sajid Javid, Secretary of State
  - the Chair and CEO's September meetings with betting operator Chair and CEOs
  - the current position regarding office accommodation
  - RGSB
  - an invitation to a meeting with National Casino Forum in December
  - the current position in respect of the potential judicial review of the Gambling (Licensing and Advertising) Act 2014. In particular, the Board noted that the Commission had responded to the applicant's lawyers, dealing with the arguments put forward and the requests for information.
19. The Board expressed concern at the financial forecast and the possible increase in the deficit resulting from the delay to the implementation of the Gambling (Licensing and Advertising) Act 2014. The CEO agreed to provide by September Board a scenario update outlining the potential impacts to the Commission's financial position for the next

three to six months. The importance of being in a position to deliver against the new responsibilities and business plan priorities more generally was also highlighted.

**Item 5: Fees review: GCP(14)50**

20. The Senior Adviser – Finance introduced the paper. He noted that a timetable for the review of fees had been considered and agreed at the March 2013 Board meeting. He then advised the Board that, as a consequence of external factors including the delays to the merger with the NLC and the implementation of the Gambling (Licensing and Advertising) Act 2014, it would be prudent to revise the fees review timetable.
21. The proposal was to commence a public consultation in late 2015, with a view to implementing changes in April or October 2017.
22. The Board discussed the paper and approved the revisions to the timetable, subject to the outcome of any necessary discussions with DCMS.

**Item 6: Sports Betting Integrity update: GCP(14)51**

23. The Director – Regulatory Operations introduced the paper, which provided Board with an overview of the current and future work being undertaken by the Commission's Sports Betting Integrity Programme and the Sports Betting Integrity Unit.
24. The Board was advised that the Commission is increasingly playing a leading role both in the UK and international contexts, facilitating the development of the national approach and collaboration between sports betting organisations, law enforcement and regulatory bodies to identify and manage sports betting (match fixing) integrity risks.
25. The Council of Europe had finalised a binding Convention (The Council of Europe Draft Convention Against the Manipulations of Sports Competitions) to address match fixing that promotes a national framework aligning the efforts within states of sports betting regulators, sports betting operators, sports governing bodies and criminal justice agencies within a context of international collaboration by signatory states. The Commission had worked closely with DCMS as the British representatives to the negotiation and drafting of the Convention.
26. The Convention would be offered to states (including non-European states) for adoption in September. The link to the document is contained within the paper.
27. The Board considered the scope and progress to date of Commission activity, the interrelated national and international complexities of the match fixing threat and noted the planned focus of future work. The Board agreed continued engagement with DCMS to review how to better present the UK approach to the match fixing threat.

**Item 7: Key proposals in the social responsibility provisions in the LCCP review: GCP(14)56**

28. Rachel Lampard introduced the paper, which outlined the key proposed changes to the social responsibility provisions in the Licence Conditions and Codes of Practice. The draft consultation document was attached for review and information.
29. The Board discussed the draft consultation document with specific reference to issues relating to anonymity and access to data.

30. The Board was advised that the further work will be undertaken to contextualise the issues in more detail.
31. The next stage in the process would be to develop the introductory narrative to accompany the consultation document. The Board agreed to delegate final sign-off to the Chair, CEO, Rachel Lampard and the Director - Regulatory Risk and Analysis, with individual Board members being copied on the final draft and given the opportunity to comment.
32. The Board also noted that the social responsibility aspects of the 'Guidance to Licensing Authorities' is to be reviewed later this year.

**Item 8: Performance measures – quarterly report: GCP(14)52**

33. The Board noted the report and asked that future reports identify explicitly the changes in performance between quarters.

**Item 9: Financial report: June 2014: GCP(14)55**

34. The Board noted the report.

**Item 10: HIO workstream – implementation: GCP(14)53**

35. The Board noted progress with the workstream; in particular, work on the implementation of the second phase which includes profiling, in-desk assessment and corporate evaluation of individual HIOs.

**AOB:**

36. There was no other business.