

GAMBLING COMMISSION

GCM(14)05

Minutes of the meeting of the Board of Commissioners

Victoria Square House, Birmingham (Boardroom)

19 June 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: Dilbinder Dhillon (for item 5)
Ben Haden
Sue Harley
Mark Harris
Matthew Hill
Elaine King (Notes)
Mark Lepkowski (Item 3)
Neil McArthur
Julia Mackisack (for item 3)
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 22 May 2014 were approved.
2. Matters arising from the minutes:
 - The Management Agreement with DCMS is due to be signed-off shortly
 - A progress report on adoption of the Strategic Narrative across the Commission is to be presented to the Board in September
 - In the light of the judgment received from the First-tier Tribunal the Commission will be reviewing our approach to primary gambling activity. In addition to reviewing Licence Condition 16 the Board will also need to review Ordinary Code Provision 9, the Guidance to Licensing Authorities, and Commission advice notes on Indicators of Betting as Primary Gambling Activity.

The General Counsel advised that a paper may be presented to the July Board for a steer. [Post meeting note: this has been deferred to September due to re-assessment of priorities in light of receipt of the Notice which may lead to a judicial review]

3. The rolling actions were reviewed and updated.

Item 2: Annual Report from the Audit Committee (the Committee): GCP(14)39 and Item 3 Annual report and accounts: GCP(14)40

4. The Chair of the Audit Committee introduced the Annual Report of the Audit Committee, which had been reviewed and discussed at the Committee meeting earlier in the day. In line with Treasury guidelines the report summarises the Committee's work for the year which includes risk management and governance, internal controls and compliance, Internal Audit reviews and Audit Committee effectiveness.
5. The Report was also presented in connection with the Board's approval of the Gambling Commission Annual Report and Accounts 2013-2014. The Committee reviewed the key accounting policies used in preparing the accounts and concluded, that subject to the clearance to some outstanding work relating to the NAO final audit report, it was appropriate for it to recommend to the Board and Accounting Officer that they approve the Annual Report and Accounts. The Committee also reviewed the Letter of Representation from the Accounting Officer to the NAO and recommended to the Board that the Accounting Officer sign the letter and the Strategic Report.
6. Subject to the completion of minor drafting changes to advise that a Notice has been received by the Commission in June 2014 which may lead to a judicial review of the Gambling (Licensing and Advertising) Act 2014. Due to the current uncertainty around the likelihood, timing and subsequent costs, a post balance sheet event note has been included in these accounts.
7. The Board approved the Annual Report and Accounts agreeing to delegate final sign-off of the minor drafting amendments to the Chair of the Gambling Commission, Chief Executive as Accounting Officer and the Chair of the Audit Committee.

Item 4: Report from the National Lottery Committee

8. The Chair of the National Lottery Committee provided the Commissioners with an overview of the discussions from the last meeting.
9. The Chair of the National Lottery Committee advised that the Committee had considered the player protection part of a proposal from Camelot on IIWGs, of which the commercial element was following in July.
10. Camelot is proposing a range of Instants requests which the Committee was keen to consider holistically. This raised logistical issues with regard to the lack of an August Board for subsequent approval and potential product launch times. The Chair of the Committee asked that the Board consider whether under the Commission's corporate framework it would be appropriate in certain instances, for approval of proposals to be delegated to the Committee to facilitate this. The Board was generally comfortable with such a proposal in outline terms and the General Counsel is to review and revert to the Committee and the Board.

Item 5: Social responsibility update

11. Commissioner Rachel Lampard provided the Commissioners with an update of the June LCCP event held on 6 June. The trade associations each sent a delegation to the meeting. Operators, machine manufacturers and faith communities were also represented. We have received positive feedback from attendees.
12. The consultation on social responsibility issues in gambling is currently being prepared; plans are in place to publish it at the end of July.
13. The proposal is to consult on eight areas to include: protection of children; self exclusion; customer interaction; annual assurance statements for CEOs and Boards; marketing and advertising; contributions to research, education and treatment and bingo in pubs and clubs.
14. The plan is for the Board to receive a copy by correspondence in early July with sign-off at the next Board meeting.

Item 6: Report from the Chief Executive: GCP(14)41

15. The Chief Executive introduced the paper which summarised the key workstream activities undertaken since the last report.
16. The Commissioners were provided with a further oral summary update on:
 - The expiry of the lease on VSH. A paper is to be presented to the Board in the autumn which will outline the options.
 - Implementation of the Gambling (Advertising and Licensing) Act and the commencement order. A copy is to be forwarded to the Commissioners.
 - Chair-to-Chair meetings with the industry.
17. The Commissioners noted the potential for impact on resources resulting from the Notice received by the Commission which may lead to a judicial review of the Gambling (Licensing and Advertising) Act 2014.

Item 7: Omand session and corporate risk register: GCP(14)42

18. The Senior Adviser – Finance outlined the key themes and issues discussed at the November Board Omand session. The Commissioners were invited to review the risks identified; and facilitated a discussion to establish whether those risks remain relevant and to discuss and identify new and emergent risks faced by the Commission.
19. Discussion focussed around external, operational and self imposed risks. The Senior Adviser was asked to revise the Omand risk summary in light of discussions and agree with the Executive Group which risks should be included in the corporate risk register. The proposed revisions to the corporate risk register to reflect a summary of external, operational and self imposed risks will be circulated in September.

Item 8: Financial report – May 2014: GCP(14)43

20. The Commissioners noted the report.

Item 9: Collection of participation, mini-screen and perceptions data: GCP(14)44

21. The Commissioners noted the report.

Item 10: Underage gambling: GCP(14)45

22. The Commissioners noted the paper and requested further information about the Commission's compliance approach to taking action against underage gambling failures. A note is to be issued by correspondence.

Item 11: Evidence led culture update: GCP(14)46

23. The Commissioners noted the progress of the workstream. The Commissioners recognised that the programme is likely to have a cultural and behavioural impact on the organisation and would welcome a discussion at a future Board meeting.

Item 12: Network and information systems: GCP(14)47

24. The Commissioners noted the report.