

GAMBLING COMMISSION

GCM(14)07

Minutes of the meeting of the Board of Commissioners

Victoria Square House, Birmingham (Boardroom)

18 September 2014

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

Apologies: Anthony Lilley
Graham Sharp

In attendance: Rob Burkitt (for item 7)
Sammy-Jo Fernandez (for item 10)
Razwana Kausar (for item 6)
Ben Haden
Mark Harris
Sue Harley
Matthew Hill
Elaine King (Notes)
Neil McArthur
Sharon McNair (for item 9)
Julia Mackisack
Charlie Martin (for item 7)
Jeanette Pugh
Alistair Quigley (for item 9)
Kirsty Tarplin (for item 10)
Nick Tofiluk

Declarations of Interest

Mark Harris declared an interest in relation to item 4 in that he knew one of the counsel involved in the case.

Item 1: Minutes and action points of the last meeting and the extraordinary Board meeting

1. The minutes of the meetings held on 17 July and 31 July were approved.
2. Matters arising from the minutes:
 - An updated note outlining the Commission's financial position for the next three-six months was issued to the Board on Friday 12 September.

Item 7: Changes to Guidance to Licensing Authorities: GCP(14)61

3. The Senior Officer – Policy introduced the report sets out the timescales and direction of travel for the Commission’s review of the guidance to Licensing Authorities.
4. The current version of the GLA4 was published September 2012. Whilst there will be an element of simply updating the document to reflect political and regulatory changes (for example the Commission’s merger with the National Lottery Commission) it is envisaged that a number of areas that will require more extensive re-wording.
5. The Board was advised that the review is progress with feedback sought from colleagues in the Local Authority Liaison Unit. We have engaged Licensing Authorities from each of the core groups – seaside, metropolitans and London Boroughs – as well as those that have developed a strong working knowledge of the existing guidance and regulation. A pre-consultation workshop is planned for Monday 13 October during which we will invite LAs to discuss some of the key themes of the review
6. The Board will be given further opportunity to feed into the review prior to publication of the consultation document in December.
7. The Board approved the overall approach to the review of the GLA4 and to note and approve the timescales set out in paragraphs 8 and 9.

Item 2: Report from the Remuneration Committee

8. The Chair of the Remuneration Committee provided an overview of the meeting which had taken place earlier in the day. Issues discussed included the updated project plan for the review of several Commission HR policies and proposals for the 2014- 2015 pay and bonus arrangements.
9. Final pay and bonus arrangements and a more detailed policy project plan are to be discussed at the next Remuneration Committee meeting with recommendations presented for approval at the October Board meeting.
10. The Board agreed an in principle non-contractual commitment to payment of the Living Wage to those working for the Commission (including contract cleaning staff). The position is to be reviewed annually.

Item 3: Report from the National Lottery Committee (the Committee): GCP(14)57

11. Robin Dahlberg provided the Board with an overview of the discussions from the last meeting. The Director provided an update returns to good causes. Andy Duncan is due to present Camelot’s five-year strategy at the October National Lottery Committee meeting. All Commissioners have been invited to attend.
12. The Board discussed and noted the Committee report from the Director. The Director was asked to give consideration to providing, in future reports, a key point summary.
13. The Board indicated that it would be useful from a corporate governance perspective for them to receive details of issues considered as either novel or contentious at an early stage in the review process. In some instances this would be in advance of discussions taking place at the Committee. Earlier engagement would allow the Board to provide a timely steer to the Committee, if needed under the new governance arrangements.

14. The Chair provided the Board with an update on his recent meeting with Camelot's Chair.
15. The Board was asked to consider for approval two papers discussed at the September Committee meeting.

Project Wolff – revised brand identity

16. Camelot UK Lotteries has submitted proposals to refresh the National Lottery branding and has put forward proposed amendments to the National Lottery logo branding and Logo Guidelines.
17. The Committee had considered the proposal and issues arising from it and was content to advise the Board that the requested proposed amendments should be approved.
18. After consideration the Board agreed to the proposals from Camelot, recommended by the Committee.

Digital Affiliates

19. Camelot UK Lotteries has submitted proposals to alter the licence retention structure to facilitate commission payments to digital marketing affiliates.
20. The Committee had considered and reviewed the proposals.
21. The Board discussed the Committee's recommendations and agreed to reject the proposal in its current form. The Board asked that the Director works with the Committee to advise Camelot UK Lotteries of the Board's decision but to note that it would still consider a Licence Investment proposal, in line with the licence, including a fully worked up business case.

Item 4: Report from the Chief Executive: GCP(14)58

22. The Chief Executive introduced the paper which summarised the key workstream activities undertaken since the last report.
23. The Board was provided with a further oral summary update on:
 - Key meetings and events attended by the Chair and CEO
 - Judicial Review hearing
 - RGT
 - Remote implementation
 - Staff changes at DCMS
 - Radio 4 – Today programme regarding the establishment of the Senet Group
 - LCCP consultation.
24. The Board noted the report.

Item 5: Strategic Narrative: GCP(14)59

25. The paper sought to update the Board on the progress with the development of the strategic narrative and to confirm that the next steps as reported in May have been substantially completed.
26. The Board was advised that the final version of the narrative will be circulated before the end of September. The text and design has been revised following feedback.

27. The narrative is already being used internally to structure reporting mechanisms.
28. Following finalisation of the narrative its maintenance will be incorporated into the business planning workstream.

Item 6: Review of the Corporate Governance Framework: GCP(14)60

29. The Commission's Corporate Governance Framework (the Framework) is reviewed annually. The last review took place in October 2013.
30. One of the Commission's solicitors and Legal Counsel introduced the document and outlined the proposed revisions to the Framework for consideration and approval.
31. The Board was asked to consider the proposed revisions to:
 - Appendix 1 Management Agreement with DCMS. The Board has previously reviewed and approved the Agreement for sign-off by the Chair. The Agreement is currently with DCMS and needs to be signed-off by the Minister. Following sign-off minor drafting changes will be required to Appendix 1
 - Appendix 4 'National Lottery Committee and the scheme of delegation of licensing and regulatory decisions to the National Lottery Committee and employees'. Appendix 4 was previously read in conjunction with Appendix 7 The proposed Appendix 4 merges both appendices and sets out the terms of reference for the National Lottery Committee and the scheme of delegation of licensing and regulatory decisions in respect of the National Lottery Committee and employees
 - Appendix 8 Minor change to reflect changes in personnel since the last review of the document.
32. In light of the fact that the Chair of the National Lottery Committee had not had chance to review the proposals, the Board gave in principle agreement. The Board delegated final approval of the Framework to the Chair of the Board, who will consult first with the Chair of the National Lottery Committee and the General Counsel and reviewing solicitor.

Item 8: Spread betting: update for Board September 2014: GCP(14)62

33. The Director – Regulatory Risk and Analysis introduced the paper which sought agreement from the Board on its preferred outcome from the negotiations on the transfer of sports betting from regulation as a financial service by the Financial Conduct Authority (FCA) to regulation as gambling by the Commission.
34. The Board discussed the paper noting the reasons for the proposed changes, size of the market to, risks and implications and choices.
35. The Board provided a steer that it was content to endorse the negotiation of the transfer of spread betting on sporting events. However, the Board wished to reserve its position on the Executive's proposal that the transfer be limited to such betting and not extended to ancillary sport-related betting products pending further information about the structure of the market."

36. The Board noted that the details of the transfer require finalisation and there will need to be a public consultation prior to any changes. The Director – Regulatory Risk and Analysis was asked to liaise with the FCA to ascertain details of the current market structure and revert to Board later in the year.

Item 9: Remote implementation: progress report: GCP(14)63

37. The Executive Director introduced the paper which sought to provide the Board with a progress report on the implementation of the remote provisions of the Gambling (Licensing and Advertising) Act 2014.
38. The Board was advised that the Commission is broadly on track for 1 October implementation.
39. The paper detailed progress on: remote licence applications; remote compliance activity; remote enforcement; and communications and engagement activity.
40. The Programme director Licensing and Compliance gave an update on the number of applications received, which were in line with expectations and advised that all four of the main regulators (Alderney, Gibraltar, IOM, Malta) had been co-operative during the application process including provision of Statement of Assurances in support of applications where requested .
41. The Executive advised the Board that they have no major operational concerns relating to implementation as the majority of the key work to implement the Act has been undertaken.
42. The Board was advised that further updated figures on applications, together with briefing on the state of play of the Judicial Review, will be provided at the October Board meeting.

Item 10: Young England and Wales programme – review of the event

43. Two Commission colleagues recently attended a residential ‘Young England and Wales’ training programme. The programme seeks to develop the communication skills of people in the early stages of their working lives.
44. The Board was provided with a review of the programme and summary of colleagues achievements at the training event.

Item 11: Sports betting integrity update: GCP(14)64

45. The report was noted.

Item 12: Financial report – August 2014: GCP(14)65

46. The Board noted the report and asked for a discussion at the October Board meeting to consider in more depth the management of financial resources in light of the delays in implementation of the Gambling (Licensing and Advertising) Act 2014.

Item 13: Casino Roadmap: GCP(14)66

47. Between July 2013 and July 2014 the Commission has been engaged in tri-partite discussions with the casino industry and DCMS to develop a 'Roadmap' process.
48. The objective was to set out as far as possible a common position on priorities for the casino sector and the scope for potential reform.
49. The Roadmap was produced by DCMS and issued to the National Casino Forum.
50. The Board noted the paper.