

GAMBLING COMMISSION

GCM(14)08

Minutes of the meeting of the Board of Commissioners

Victoria Square House, Birmingham (Boardroom)

23 October 2014

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

Apologies: Anthony Lilley

In attendance: Rob Burkitt (for item 6)
Ben Haden (for items 1- 4)
Sue Harley
Mark Harris
Matthew Hill
Elaine King (Notes)
Simon Knee (for item 7)
Neil McArthur
Sharon McNair (for item 4, 5, 6)
Julia Mackisack
Nick Tofiluk
Jeanette Pugh
Jon Watkin (for item 9)

Kerry Simpkin (for item 6)

Declarations of Interest: There were no declarations of interest

Item 1: Minutes and action points of the last meeting

1. The minutes of the meeting held on 18 September were approved subject to drafting changes to paragraphs 9, 10 and 32.
2. Matters arising from the minutes:
 - Paragraph 25 – The final version of the Strategic Narrative was issued to the Board on 16 October.
3. The rolling actions were reviewed and updated.

Item 2: Report from the Remuneration Committee

4. The Chair of the Remuneration Committee advised the Board that the final proposals for the 2014-2015 pay and bonus arrangements had been discussed at a meeting held earlier in the day.
5. The Chair of the Remuneration Committee advised the Board that they will be provided with additional detail at a meeting to be held later in the day.

Item 3: Report from the National Lottery Committee

6. The Chair of the National Lottery Committee provided the Board with an overview of the meeting which had taken place on 15 October.
7. The Chair advised the Board that at the last meeting Camelot provided a summary of their forward five-year strategy including targets for sales and good causes.
8. The Board was advised that three papers requiring decision were discussed at the National Lottery Committee meeting.
9. **Products as a prize tier:** The Board was advised that the Committee and Officials had discussed a set of recommendations. The Chair of the Committee noted that the group agreed to recommend a trial of the mechanic. The Board was content to approve the recommendations.
10. **Nth promotion:** The Director outlined the basic principles of the scheme proposed by Camelot and advised the Board that the Committee was not, at this stage, content to recommend to the Board approval of the proposals. The Board noted the intention to revert to Camelot for further discussion and to explore options.
11. **Project Emerald:** The Chair of the Committee advised the Board that the recommendation is to reject the proposals in their current form. The Board discussed the issues and agreed with the Committee's recommendation.

Item 4: Report from the Chief Executive: GCP(14)68

12. The Chief Executive introduced the paper which summarised the key workstream activities undertaken since the last report.
13. The Board was provided with an oral summary update on:
 - LCCP workshop and update on the consultation
 - GBGA's launch of a Judicial Review against HMRC
 - RGSB and RGT– update on joint working arrangement and information sharing
 - Health Lottery
 - Complex cases and lessons learned which are to be discussed at the Board policy discussion session.
14. The Board noted the report.

Item 5: Judicial review update and implementation of the Gambling (Licensing and Advertising) Act (the Act) 2014

15. The Chair thanked all those who have been heavily involved in work directly associated with the implementation of the Act and all those colleagues who had ensured that the Commission had also continued to manage its other business without disruption.
16. The Chair also thanked Jeanette Pugh for her contribution to the work of the Commission during the passage of the Act and wished her well for the future.
17. The Programme Director – Licensing and Compliance provided the Board with an update on implementation of the Act and provided an overview of the general approach to licensing that will be adopted in relation to remote operating licence applications received as a result of the Act coming into force.
18. The update covered the following:
 - number of applications received
 - continuation licences issued
 - the location of applicants to date
 - approach to remote licence applications and key areas for consideration
 - the new licensing regime which will be operational from 1 November.
19. The Board was asked to note the background note ‘Consideration of Remote Applications’ and direct any queries to the Programme Director – Licensing and Compliance.
20. A further update is to be provided at the January Board meeting together with details of next steps and monitoring processes.

Item 6: Presentation – Westminster City Council’s current and future approach to gambling

21. Kerry Simpkin, Assistant Service Manager, Westminster Gambling Unit provided the Board with an overview of Westminster City Council’s current and future approach to gambling regulation and licensing.
22. The Commissioners noted the presentation.

Item 7: Financial report – September 2014: GCP(14)69

23. At the September Board meeting the Board asked for a discussion on the management of resources in the light of delays in the implementation of the Gambling (Licensing and Advertising) Act 2014.
24. The Senior Manager – Finance introduced the report which provided the Board with a mid-year review of the Commission’s financial performance for the current financial year, as well as a longer term forward look for the remaining three years of the medium term financial plan. The Board noted that remote income will now exceed expectations and expenditure is in line with budget; this will have a positive effect on the Commission’s reserves throughout the period captured by the medium term financial plan.

25. The Board's attention was also drawn to two areas of significant potential expenditure that might impact upon the reserves position should they crystallise: possible office relocation when the lease expires in 2016, and the development of a self-exclusion database. The Board will be kept abreast of developments within these areas in future reports.
26. Commissioners asked that consideration be given to including more workstream reporting detail to improve the granularity of information.
27. The Board discussed the timelines for the forthcoming fees review and asked that regular updates are included in future reports.

Item 8: Corporate Risk Register: GCP(14)70

28. The paper records the outcomes of the process for updating the Corporate Risk Register following review by the Executive in May, the Omand discussion by the Board in June and a further review at Business Plan Programme Board and Executive Group in September and October.
29. The Board considered the latest version of the register, noting the inherent and mitigating risks. The Board provided feedback on the identified risks and asked that further consideration be given to scenario analysis for the mitigated risks.
30. The register will be reviewed regularly and maintained by Programme Office. It will form the basis of the Board's next Omand discussions.

Item 9: Social gaming: GCP(14)71

31. The Research Manager introduced the paper which outlines the Commission's area of interest in relation to social gaming and the work we have undertaken to date. The Chair noted the comprehensive and thorough assessment of the key issues but suggested the Commission's assessment should be publicised.
32. The Board discussed the paper noting the key areas of interest to the Commission.
33. The recommendations were endorsed with an agreement to keep a watching brief on the relevant issues; the current plan is for the Board to receive a further update in June 2015.

Item 10: Outcome performance measures: Quarterly report: GCP(14)72

34. The Board noted the report and provided positive feedback.

Item 11: DCMS request for advice on the National Lottery, Society Lottery and commercial gambling markets: GCP(14)73

35. The Board noted the advice provided to DCMS in advance of the departmental call for evidence in relation to the lottery sector.
36. Following release of the call for evidence document an update will be provided to the Board

Item 12: AOB

37. There was no other business.