


Update on Gambling (Licensing and Advertising) Bill implementation and LCCP consultations

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| For Board approval |  |
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Prepared by:

Date: 16 January 2014

Executive summary

1. This short paper provides the Board with an update on the timetable for implementation of the Gambling (Licensing and Advertising) Bill ('the Bill'), and on developments relating to the two consultations on Licence Conditions and Codes of Practice ('LCCP') which both closed on 4 December 2013.
2. The Board last received an update on these issues in November 2013. In particular, that paper outlined the key issues and themes which had emerged from the stakeholder workshops held during the consultation period of the two LCCP consultations; and the direction of travel on those issues. The Board approved the direction of travel on each of these key issues at the November Board meeting.
3. At the time of the November update to the Board, the Bill appeared to be progressing reasonably slowly through the parliamentary process and we were considering a phased implementation of the revised LCCP provisions with the provisions (particularly the remote provisions) coming into force during the latter half of 2014. The Bill progressed quicker than expected through the Commons stages and reached the Lords well before Christmas. It is now anticipated that the Bill may receive Royal Assent as early as mid March.
4. We have therefore brought forward the timetable of LCCP, with the aim of ensuring that the majority of LCCP provisions can be brought into force in June, though some of the changes remain dependent on the Bill receiving Royal Assent. There is further information about timetable later in this paper.
5. We have now received approximately 70 responses in total to the two LCCP consultations from a range of stakeholders. We continue to analyse the detail of these responses for each of the topics covered. However, in general terms, the analysis to date indicates that the written responses reflect the key issues previously identified during our stakeholder engagement in the consultation period.
6. This paper seeks approval from the Board:
 - The Board is asked to approve the general approach to implementing the LCCP provisions. The draft timetable would see the final LCCP document published at the end of February or the beginning of March, giving three months notice before the provisions begin to come into force from mid-June, though this is to some extent dependent on the progress of the Bill.
 - The Board is asked to delegate decisions on the final drafting of the LCCP provisions to the Remote Implementation Programme Board/ Senior Management Team as appropriate. We expect the majority of changes to the draft provisions to be either minor drafting changes or changes which more clearly implement our agreed policy approach. We would expect therefore to return to the Board for approval by correspondence only where a change is significant or a departure from agreed policy.
7. Commissioners are invited to comment on any other aspect of the paper or approach.

Background

8. We have received approximately 70 responses in total to the two LCCP consultations from a range of stakeholders. The majority of responses were from trade associations or individual gambling operators, as would be expected given the more technical nature of the proposed changes to LCCP. However, responses were also received from bodies with an interest in problem gambling or consumer protection, other regulators, one local authority and from a small number of individuals.
9. We have found the key issues in the written responses chime with the themes which emerged from the consultation workshops held in October and November. In addition, the responses provide further detailed issues about drafting or about issues relating to a specific operator or sub-sector. These issues are being analysed and considered with colleagues across the Commission.
10. We are holding further meetings and workshops with the remote sector, particularly on software issues. We are also discussing some aspects of the responses, particularly relating to complaints and disputes and protection of customer funds with the industry and other regulators.
11. The Bill has successfully negotiated the House of Commons with no amendments made to the original bill drafting and DCMS remain reluctant to amend the Bill as this will lead to ping pong and will potentially delay the implementation.
12. The current expectation (without ping pong) is that Royal Assent could be secured by early / mid March, with transitional applications accepted in May and licences issued in June. The current expectation is that there will be a four week application window followed by a further week for the Commission to issue continuation authorisations.

Issues

Possible Concessions

1. **[Exempt information under section 36 of the Freedom of Information Act]**

Timetable

2. As set out above, it is now possible that Royal Assent will be received in early March, which would potentially mean full implementation of the Bill in mid-June. The table below provides further information about the schedule of events and estimated timetable.

Broad outline of provisional timetable to Bill and overall implementation¹

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| Lords Committee | 14 January (Complete by time of Board meeting) |
| Lords Report | Early February |
| Gambling Commission accepts and begin to consider remote applications | February 2013 |
| Lords Third Reading | End February |
| Publication of LCCP provisions and response documents, along with communication to industry and others | End February/ Beginning March 2014 |
| Ping pong (as needed) | End February – Early March |
| Royal Assent | Late March/ Early April 2014 |
| Transitional SI comes into force (and applications accepted) | May 2014 |
| Majority of LCCP provisions come into force | June 2014 |
| Full implementation of Bill | June 2014 |
| Revised licences issued to operators in a phased manner | From June 2014 onwards |
| Individual LCCP provisions may be brought in on a later timetable (for example licensed software requirements) | During latter half of 2014 |
| Phase 2 of LCCP/ regulatory returns consultations <ul style="list-style-type: none"> A further round of consultation on compliance information for protection of customer funds and on regulatory returns is anticipated. Consultation on changes to remote technical standards and testing requirements. | Timetable to be confirmed |

¹ All dates are provisional, but this table gives an overview of the schedule/ proposed order of key 'events'.

Recommendations

3. As set out in the Executive Summary, this paper seeks approval from the Board on two particular aspects:
 - The Board is asked to approve the general approach to implementing the LCCP provisions. The draft timetable (as set out above) would see the final LCCP document published at the end of February or the beginning of March, giving three months notice before the provisions begin to come into force from June, though this is to some extent dependent on the progress of the Bill. We may issue licences to operators with the new LCCP provisions on a phased basis after June 2014.
 - The Board is asked to delegate decisions on the final drafting of the LCCP provisions and the responses document to the Remote Implementation Programme Board/ Senior Management Team as appropriate. We expect the majority of changes to the draft provisions to be either minor drafting changes or changes which more clearly or effectively implement our agreed policy intent. We intend therefore to return to the Board for approval by correspondence only where a change is significant or a departure from agreed policy.
4. Commissioners are invited to provide any comments they wish to make on this proposed approach to implementation of the LCCP provisions.