


Outcome performance measures – Quarterly Report

For Board approval	
For Board briefing	
For Board steer	
For Board information	

Prepared by:

Date: 16 January 2014

Executive summary

1. This quarterly report is demonstrating from the measures that have been developed, one area of concern within the underage gambling workstream. This relates to the limited use of regulatory tools by local authorities. Actions to try and improve this are being developed as part of the detailed work stream plan and further detail can be found in the exceptions report contained within appendix B of this paper.
2. The financial management measures continue to be of concern in some areas. At the October Audit Committee meeting issues were highlighted regarding the accuracy and completeness of time and effort data. Clear improvement actions have been identified and we expect this to improve with time. Therefore we would caution against any conclusions derived from this report.
3. The January report has been developed and consists of the following:
 - Appendix A – Outcome performance dashboard detailing high level performance for the measures that have been developed. Following agreement from the Board in November, the simplified format has been adopted.
 - Appendix B – An exception report for Underage gambling
 - Appendix C – Trend monitoring
 - Appendix D – RAG criteria that definitions
4. Outcome measurement remains at priority workstream / workstream group level. Further roll out to all other workstreams is pending further alignment with current business planning for 2014/15.

Issues

What we have done since last meeting

5. Measures have been developed for the both high impact operators (HIO) and Compliance workstreams and are now included in the measurement framework.
6. A draft quarterly performance report has been circulated to the Business Plan Programme Board (BPPB) as the moderation forum. BPPB assess all measures and resultant reporting to provide scrutiny on whether the data presented correlates with Red / Amber / Green ratings (RAG). They also provide context to the data presented and endorses (or not) workstream leads perception of progress. This process will continue to challenge RAG status and commentary and help refine / improve the measures that have been defined.
7. Appendix B, exceptions report (for RAG status of amber/red and above) sets out the reason for the rating, connections to corporate risk and improvement actions defined within the prevention of underage gambling workstream.
8. In response to the Board's feedback, a key for the high level dashboard denoting which workstream the measures relate to and indicators for particular areas of investigation have been added.

SE 2	CI 2	
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9. A trend monitoring mechanism has been developed and shows the direction of travel for the performance indicators across quarters. We will provide full trend monitoring twice a year as some data will only report six monthly and we envisage less erratic movement of trends over a three month period. We will monitor on a quarterly basis as usual and should any trends demonstrate drastic movement within a three month period (e.g. any which move above the tolerance level of amber), we will report by exception.

Outcome performance dashboard (Appendix A)

10. The dashboard section of the report has been updated to show the performance for each of the priority workstreams. Where appropriate these have been grouped to workstream group level to accommodate workstreams that depend on supporting products such as the assessment matrix and to try and avoid the dashboard becoming difficult to interpret and insufficiently focused on the relevant outcome(s).
11. Priority workstreams and their measures of performance are displayed in the dashboard against the relevant lever and outcome. In many cases, as we would expect, a workstream has measures contributing to more than one lever and outcome.
12. National Lottery programme (NL) - Initial assessment of the NL's current reporting of outcomes has been undertaken. There is already a fairly robust measurement system in place and we are looking to align the current work with the Outcome Performance Measurement framework. There are a number of outcomes that easily align, however more work is required to understand how integration should be tackled for NL outcomes such as 'Returns to good causes are maximised'. The next quarterly report will include a proposal for how we will deal with these elements including the rationale for inclusion / exclusion.
13. Against the three outcome performance measures:
 - regulation is efficient and effective
 - industry takes responsibility for the licensing objectives
 - public policy on gambling is well informed by expert advice
14. RAG ratings of amber and amber/green have been noted. Delving further on specific workstreams this quarterly report is demonstrating from the measures one area of concern within the prevention of underage gambling workstream. This relates to the limited use of regulatory tools by local authorities. This has been linked with corporate risks C3a – Promoting a clear understanding of our role, policies and procedures and C3b – reinforcing actual and perceived independence of the Commission.
15. Actions to try to improve this are being developed as part of the detailed workstream plan (Appendix B). The operational plan in the run up to the next round of licensing authority (LA) test purchasing will focus on encouraging the use of LA and Commission regulatory powers. Easter 2014 test purchase work with local authorities will take place around the weekend of 20 April 2014. Areas of focus will include:
 - Commission plans to engage with LA's to encourage as a minimum the use of soft powers, but also to ensure proportionate action based on the results of re-tests that could include license conditions, revocation or enforcement.
 - Developing the Commission's focus on the potential use of licensing conditions for operators as opposed to just premises licensing conditions. This will include setting the parameters for the use of the enhanced compliance process and the associated trigger points and justification for this kind of action.

16. These actions will be undertaken to help mitigate the potential reputational risk to the commission.

Issues encountered

17. Currently, colleagues are using different terminology across the Commission with regards to outcomes, outputs, deliverables and success criteria and there are different levels of understanding as to what each of these elements means in practice. This has meant colleagues have been able to grasp the concept of outcome measurement at differing rates with some workstreams consequently progressing further than others. Therefore there are some workstreams that require some additional effort to develop measures to the required standard. To facilitate this, a wider communication programme will be undertaken alongside the 2014/15 business planning process making sure that messages are consistent with the work being undertaken around developing our strategic narrative. Through this we will drive to achieve consistency of terminology and ensure that messages are articulated clearly.
18. Some data sources have required a degree of manual manipulation to ascertain the required performance data. In some cases, reports are being amended to enable quick access to the data in question. A data source gap analysis is being produced to show where further development is needed. This will be completed by mid-February.

Next steps

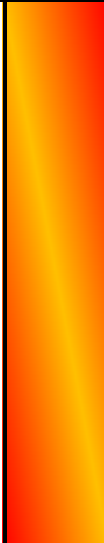
19. Between now and next reporting (April 2014) we will have:
 - continued development of performance measures in line with 2014/15 business planning to ensure alignment.
 - finalisation of NL measures and inclusion in the measurement framework.
 - Undertake a data source gap analysis and provided recommendations for how we will close the gap (if necessary)
 - further roll-out and communication across the Commission.

Recommendations

20. The Board is invited to note the development which has taken place so far and to provide feedback on the performance to date as illustrated in the appendices.

Appendix B

Workstream Name: Underage Gambling

Measure	RAG	Commentary	Corporate Risk	Actions for improvement
UG 7		Little use of enforcement by LAs, only one LA has pursued premises licence conditions for inadequate age verification procedures. LAs must be encouraged to use their powers in 2014 testing rounds. This will be a concern as many LAs are facing severe resource cuts which impact on their enforcement departments in many instances.	C3 b - re-inforcing actual and perceived independence of the Commission C3 a - Promoting a clear understanding of our role, policies and procedures	<p>The Operational plan in the run up to the next round of LA test purchasing will put greater focus on encouraging the use of LA and Commission regulatory powers (This will be refreshed by February 2014). Easter 2014 test purchase work with local authorities will take place in and around the Easter holiday weekend of 20 April 2014. Areas of focus will include:</p> <ol style="list-style-type: none"> 1) Commission plans to engage with LA's to encourage as a minimum the use of soft powers, but also to ensure proportionate action based on the results of re-tests that could include license conditions, revocation or enforcement. 2) Developing the commissions focus on the potential use of licensing conditions for operators as opposed to just premises licensing conditions. This will include setting the parameters for the use of the enhanced compliance process and the associated trigger points and justification for this kind of action. <p>These actions will be undertaken to help mitigate the potential reputational risk to the commission.</p>

Appendix C

Key

Performance improving	↑
Performance unchanged	→
Performance worsening	↓

W/S	Measure	Trend	Quarter		
			2	3	
Self Exclusion	SE1	Trade associations working together and setting out a roadmap for improving self exclusion	↑		
	SE2	No. Breaches of self exclusion. Weighted in relation to premises numbers.	→		
	SE3	Number of Self Exclusion related complex cases	↓		
	SE4	% Variance Planned vs Actual YTD (Cost)	→		
	SE5	Variance Planned vs Actual YTD (Days)	→		
Customer Interaction	CI1	Industry moves towards being publicly accountable for complex cases and sharing lessons learned	→		
	CI2	Industry efforts towards automated Customer Interaction (Machines)	→		
	CI3	Operators implementation of effective policies and process around CI	↑		
	CI4	% Variance Planned vs Actual YTD (Cost)	→		
	CI5	Variance Planned vs Actual YTD (Days)	↓		
Underage Gambling	UG1	Operators knowledge and understanding of preventing underage gambling and compliance with policy and procedures	→		
	UG2	Information provided by operators to evidence underage gambling risk management, including evidence of mitigating procedural weaknesses	→		
	UG3	Test Purchase - Improvement in overall results and particularly the timing of challenge (earlier challenge)	→		
	UG4	Test Purchase - Improvements in the number of operators using voluntary test purchase as a means of assessing their own underage gambling risks (either via trade association or unilaterally).	→		
	UG5	Improvements in test purchase results being reported to the Commission.	→		
	UG6	Improvements in methodological quality of test purchase	→		
	UG7	Local Authority use of regulatory tools (Instances of use by LA of these powers)	→		
	UG8	Outcomes from compliance cases concerning weaknesses in underage gambling risk management	→		
	UG9	% Variance Planned vs Actual YTD (Cost)	→		
	UG10	Variance Planned vs Actual YTD (Days)	→		

W/S	Measure	Trend	Quarter		
			2	3	
AML	AML 1	% of actual licensing cases identified which result in action	→		
	AML 2	% of actual enhanced compliance / enforcement cases identified which result in action	↓		
	AML 3	Number of suspicious activity reports - comparative to previous period	→		
	AML 4	Operators procedures in place for AML are up to date and meet an 'adequate' rating	→		
	AML 5	Engagement opportunities improving with key industry stakeholders	↑		
	AML 6	Demonstration of closer working relationships with partner agencies which deliver envisaged outcomes and benefits	→		
	AML 7	% Variance Planned vs Actual YTD (Cost)	↑		
	AML 8	Variance Planned vs Actual YTD (Days)	↑		
Betting Integrity	BI1	Number of reports from operators 15.1 referrals	→		
	BI2	Number of reports from offshore regulated operations	→		
	BI3	Number of non operator referrals to SBIU (from SGBs, LEAs, Commission etc)	→		
	BI4	The % of SBIU cases referred to Enforcement , SGBs, LEA, Operators etc.	→		
	BI5	Length of time (in days) from set up of case to handover to Enforcement , SGBs, LEA, Operators etc	→		
	BI6	% Variance Planned vs Actual YTD (Cost)	→		
	BI7	Variance Planned vs Actual YTD (Days)	→		
HIO	HIO1	Demonstrable change in compliance realised through the assessment matrix	→		
	HIO2	Improvements in engagement with operators to discuss guidance and policies	→		
	HIO3	Operators with sustainable risk management plans and capability in place	→		
	HIO4	HIO profiles provide clarity on business operations	→		
	HIO5	% Variance Planned vs Actual YTD (Cost)	→		
	HIO6	Variance Planned vs Actual YTD (Days)	→		

W/S	Measure	Trend	Quarter		
			2	3	
DIA	DIA 1	Compliance visits based on risk matrix evidence	→		
	DIA 2	Increase in data requests to the evidence and analysis service desk	→		
	DIA 3	Audits of data quality / integrity carried out	→		
	DIA 4	Effective use of Comprehensive Sector Assessments	→		
	DIA 5	External citing of Industry stats, LA stats and commission developed evidence	→		
	DIA 6	% Variance Planned vs Actual YTD (Cost)	→		
	DIA 7	Variance Planned vs Actual YTD (Days)	→		
Shared Regulation	SR 1	Increase in LAs actively pursuing illegal poker clubs	→		
	SR 2	Current evaluation exercise informs workstream activity for next year's plan	→		
	SR 3	Uptake of publications, inspection forms, competency	→		
	SR 4	LACE referrals being followed through to conclusion	↓		
	SR 5	LA annual returns rate	→		
	SR 6	% Variance Planned vs Actual YTD (Cost)	↓		
	SR 7	Variance Planned vs Actual YTD (Days)	↓		
Compliance	CO1	Compliance levels of operators policies / procedures for High Impact Operators	→		
	CO2	Analysis of compliance assessment activity informs programmatic compliance work for the 12-18 month period (In line with business planning)	→		
	CO3	No. LCCP breaches in the period (Regular comparison across quarters)	→		
	CO4	No. Key Event notifications (Regular comparison across quarters)	→		
	CO5	Regulatory / criminal enforcement activity as a result of compliance failures (Repeat offenders)	→		
	CO6	% Variance Planned vs Actual YTD (Cost)	→		
	CO7	Variance Planned vs Actual YTD (Days)	→		

Appendix D

Key for RAG



Strong - Strong performance. Good capability for future delivery in place, risk mitigations effective, clear focus and drive towards outcome delivery



Well placed / making improvements - Well placed to address any gaps for future delivery through practical actions that are planned or already under way. Efforts to minimise risk is progressing. Is making improvements to ensure progress and is expected to demonstrate delivery against outcomes in the medium term



Development area - Able to address significant weaknesses in future delivery towards outcomes by taking remedial action, and mitigating risks. More action is required to close those gaps and deliver improvements over the medium term.



Urgent development area - significant weaknesses in capability for future delivery that require urgent action. Not well placed to address weaknesses and needs significant additional action and support to secure effective delivery. Not well placed to deliver improvement over the medium term



Serious concern and risk implications - Serious concerns about current delivery and impact on corporate risks. Immediate intervention is required to address current weaknesses and secure improvement in the medium term.

Financial Performance (Cost)

Rating	Variance against budget		Variance against budget		Variance against budget
	<£4K p.a.	OR	(+/-) 10%	OR	<£30K p.a.
			(+/-) 11% - 25%	OR	<£60K p.a.
			(+/-) 26% - 40%	OR	<£90K p.a.
			(+/-) 41% - 55%	OR	<£120K p.a.
			(+/-) 56% +	OR	£120K p.a.+

Financial Performance (Days)

Rating	Variance against budget days		Variance against budget
	<£18 days p.a.	OR	(+/-) 10%
			(+/-) 11% - 25%
			(+/-) 26% - 40%
			(+/-) 41% - 55%
			(+/-) 56% +