


Report from the Chief Executive

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

Prepared by: Jenny Williams
Chief Executive

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Introduction

1. I have changed the format of my report this month to align it with the key objectives agreed in the strategic narrative with workstreams that were identified as priorities in the published business plan reported individually. As previously agreed the report is intended to provide an overview of what we have been doing since my last report, so that you have a sense of all the activities we are currently engaged in.
2. Key events attended last month included:
 - Philip and I met Helen Grant, Parliamentary Under Secretary of State for Sport, Tourism and Equalities at DCMS for a general catch-up
 - Philip made a well received keynote lecture titled 'Gambling: Sin, Vice or Legitimate Leisure Activity?' at the Methodists' conference in Birmingham.
 - Philip and I met Peter Hannibal, CEO of Gambling Working Group and Nick Harding, CEO of Praesepe
 - Philip and Matthew met Paul Darling, the new Chair of the ABB
 - Philip and Matthew attended the RET chairs Meeting with Neil Goulden and Chris Kelly
 - Walter Merricks and I met Baroness Maggie Jones and Lords Stevenson and Collins, the Labour party peers with a particular interest in gambling.
 - I joined a panel remotely at the Canadian Gaming Summit held in Vancouver – 'The Growing Collaboration Among the World's Regulatory Community'
 - I spoke on gambling regulation at the Nomura Leisure Conference in London and at the World Gaming Executive Summit in Barcelona on the remote bill implementation
 - Richard Watson and I attended the EU Commission 7th gambling expert group meeting.

Empowering consumers

Social responsibility – business plan priority

3. The main focus of work has been on drafting and finalising the consultation document for the review, on continuing to develop the projects and policy that feed into the review, and on preparations for publication. Related activities included:
 - Customer interaction and information to players - working to develop our thinking around customer interaction, information to players, messaging, analysis of the ABB code, as well as drafting the consultation document content.
 - Self exclusion – good progress is being made with the remote working group on the development of the national remote scheme. We also met with the trade associations to discuss non-remote self exclusion, and with a range of operators and providers **[Exempt information under section 41 of the Freedom of information Act]**
 - Underage gambling – We have been undertaking a further round of test purchasing with local authorities, which included a test purchase exercise with on course bookmakers at Ascot with a 100% failure rate of (20 test purchases). This led to the issue of ATCs to relevant operators, and we are now working with relevant trade associations, where there is real willingness to engage and to improve standards. Motorway Service Area arcades have been notified that they

must implement their improvement plans and that the Commission will be closely analysing their next test purchase results for evidence of improvements.

4. Stakeholder meetings were held with a number of external stakeholders (including DCMS, bookmakers, Methodist Church, Gambling Business Group, GamCare, BACTA, RGSB and RGT, Bet365, Local Authorities) as part of the work developing the LCCP condoc.

Consumer awareness for remote – business plan priority

5. We have re-established an FAQ (frequently asked questions) group, primarily to ensure that queries around the changes to remote regulation are dealt with more effectively. A blog format has been introduced to make the material more accessible. We are now reconstituting the group to ensure input from the other workstreams working on matters that impact on or are of interest to consumers and starting to focus on the development of the consumer information section of the website.

Raising standards

Licensing of remote operators – business plan priority

The four main areas of focus during the period were:

6. Meetings with prospective applicants – **[Exempt information under section 43 of the Freedom of information Act]**.
7. Finalisation of preparations for the expected influx of applications and commencement of the Act – which included completion of Licensing training material with the remote licensing workstream receiving training on 3 July; completion of the Licensing OGN; completion of exercise to map white list jurisdiction licences to Commission licences; drafting of continuation licences for review by Legal Adviser;
8. Continued receipt of applications and registration for the online application service - 35 applications have been submitted to date through the online service of which four are transitional applications **[Exempt information under section 43 of the Freedom of information Act]**. There appear to be 11 further transitional applications in progress including from **[Exempt information under section 43 of the Freedom of information Act]**. A further 36 transitional applications in progress appear to be solely testing the system. Of the remaining 585 registrations, 121 appear to be genuine applications that we can expect to be submitted in the future with 464 being operators or industry representatives testing the system;
9. Decision by Regulatory Panel to grant a licence to **[Exempt information under section 43 of the Freedom of information Act]**. The licence was granted with conditions centred on employing someone with suitable experience to fulfil regulatory compliance role; provision of more detailed policies and procedures for compliance with LCCP and technical standards.

Compliance and enforcement of remote operators – business plan priority

10. Work on the details of remote enforcement processes has continued. Positive responses have been received from MasterCard and Visa Europe on the draft 'evidential packages' sent to them and we are holding discussions with them in July to try to finalise the arrangements. Preparations are also being made to address the UK Cards Association acquirers' steering group on 29 July. Discussions have continued with key organisations on disrupting illegal advertising.

11. A Remote Enforcement Operational Guidance Note (OGN) has been drafted and will be finalised over the next few weeks, alongside other OGNs and related documents which are being reviewed and updated.
12. Jeanette Pugh and Alistair Quigley held meetings with representatives of the French gambling regulator ARJEL, and the Irish Revenue Commissioners, who had both requested discussions in order to learn more about our planned approach to financial transaction blocking.
13. Work is progressing well on the proposed amendments to the security audits, the recording of security audits and a review of incomplete, outstanding and sub-standard security audits. As the security audits are based around ISO27001(2005), which has been superseded by ISO27001(2013), we have commenced a mapping exercise to assist operators transitioning from the previous version of the standard to the new.
14. Technical work for display of licensed status (kitemark) has entered the testing phase and is on track for delivery in the first week in August. Further discussions will need to take place to discuss how mobile devices are incorporated into the remote technical standards with regard to the display of licensed status.
15. A number of website reviews have been conducted using the revised remote compliance OGN. This allows us to thoroughly road test the compliance arrangements prior to remote implementation. More generally we have been concentrating on making sure we are ready for ensuring compliance of the influx of licensees expected on 1 October.

High impact compliance – business plan priority

16. Progress with the HIO workstream is set out separately in a briefing paper to the July Board meeting.

Primary gambling activity – business plan priority

17. **[Exempt information under section 41 of the Freedom of information Act]** has been instructed to scope the Commission's policy options in light of the Luxury Leisure judgment from the First Tier Tribunal (FTT) in respect of PGA betting. Within the bingo strand of work, preparations are continuing for the Greene King licensing appeal at the FTT. Separately, the Commission received notification of **[Exempt information under section 43 of the Freedom of information Act]** withdrawal of a premises application at the Haymarket. A section has also been drafted for inclusion in the LCCP consultation document seeking views on commercial bingo and B3 gaming machines in pubs and clubs.

Regulatory framework

18. Work on marketing and advertising included:
 - Ongoing discussions with the social responsibility team to refine and finalise the 'marketing of free bets and bonus offers' element of the LCCP consultation document. Feedback from the pre-consultation workshop on 6 June and subsequent Board member comments have been incorporated.
 - Further work has been undertaken to strengthen the proposed MOU with the ASA, which has now been sent to the ASA for final comment and approval. The MOU will improve information sharing arrangements and strengthen regulatory defences against illegal gambling advertising.

- We attended a meeting of GAMU on 25 June to discuss and receive updates on the four strands of the Government's gambling advertising review. We have received a copy of the IGRG/RGA report to the Secretary of State and have provided feedback to DCMS.
- We have explored with BCAP/ASA if our Omnibus survey could be utilised to support their review of the UK Advertising Codes, which is also exploring societal benchmarking/ expectations.
- We are encouraging RGSB, Ofcom, ASA/BCAP and PhonepayPlus to co-sign a letter to the Economic and Social Research Council (ESRC), advising that we would welcome their support of any future bids which would address the gaps in our collective knowledge relating to gambling marketing and advertising.

19. The main other areas of work undertaken during the period included:

- Contributions to RET – this topic has been incorporated into the LCCP social responsibility consultation and a revised code of practice has been drafted and the rationale explained, to be included in that consultation.
- Complaints and disputes - We have agreed in principle to the Isle of Man Gambling Supervision Commission's proposal that it acts as an ADR entity for operators it licences and which will be seeking a licence under the Gambling (Licensing and Advertising) Act 2014. The Alderney Gambling Control Commission has also indicated its intention to act as alternative dispute resolution (ADR) entity for operators it licences and we are discussing this with them.
- Player Protection Reference Group – Three papers are being developed for the PPRG meeting in July, with a further paper in development to be circulated by correspondence at the end of July.
- Protection of customer funds – We have been working on the ratings system in support of the new licence condition 4.2 to be published before the condition comes into force on 4 August. In order to support our assessment of compliance with the new requirement we have included relevant reporting requirements in the final regulatory returns proposals published this month

Regulation of lotteries

20. We have been working on:

- Raising standards in the ELM sector – we undertook the compliance assessment of **[Exempt information under section 31 of the Freedom of information Act]** in the period and finalisation of that assessment is now being completed. Once this is done, all assessments of all pre-existing ELMs will have been undertaken. The results of those assessments will be analysed by the end of August to identify compliance failures in the sector and we will then assess whether further work needs to be carried out. If not, we expect to close the workstream.
- Review breaches of 20% limit – we have evaluated the new online Lottery Information System (LIS) to see if there is a need for further work following the changes to the system last year and are preparing for the publication of advice on the distribution of lottery proceeds (due to be completed by the end of August). If no further changes are identified the workstream will be closed.
- We are replanning work on the 'multiple society lotteries' and 'betting on lotteries' workstreams, primarily to reflect the requirements and impacts of the

planned DCMS consultation on society lotteries, including the advice DCMS has sought on the market convergence of lotteries. Contributing to the work on the latter has taken priority this month.

Licensing and online applications [Leads [Exempt information under section 40 of the Freedom of information Act]; 548 FTE days planned for June]

21. Our programmatic work included the following:

	OL Lifecycle	PL Lifecycle
Applications received	26	171
Applications determined	17 (SSD** 88 %)	168 (SSD 80%)
Variations received	50	21
Variations determined	49 (SSD 84%)	7 (SSD 100%)
Change of control received	1	N/A
Changes of control determined	7 (SSD 86%)	N/A
Sign-up to e-services	1,040*	4,121
Payments made on line	12	204

* 97% of remote operators affected by Gambling (Licensing and Advertising) Act are signed up

** SSD service standards

22. The contact centre received 2,521 enquiries, of which 99.71% were resolved within target timescales. Of these the main areas of interest were queries over licensing applications and PL maintenance; complaints and disputes about operators licensed either by the Commission or overseas regulators and the requesting of advice about the requirement or need to hold an operating licence.

23. Results of the customer survey gave an overall customer satisfaction of 94%, there were 32 responses in total. Sample comments below

- General comments received on the email survey:
 - The lady I spoke to (XXX, I think) was courteous, helpful and answered my question fully. Please pass on my thanks. (SR 1-76468614)
 - I can honestly say, the UKGC continually improves its service. - XXXXXXXX
 - The website is not easy to negotiate but an email to customer services was responded to quickly – (SR 1-76173098)

- General comments received on the phone survey:
 - I conclude after many phone calls to the Commission that many of the staff are not fully conversant with all aspects of the Gambling Commission requirements. Prior to the Commission the customs and excise, for example, made regular visits to on course bookmakers to check everything in order and point bookmakers in right direction. Myself, on course bookmaker, have not seen anyone from Gambling Commission on course for years, Suggest that staff visit places where betting is taking place obviously not a 9am to 5pm job. Anon
 - On this occasion my call was answered and I was given an answer to my query, however, in some cases previously I have left messages on a voicemail and I have not received a call back. Anon

24. Quality assurance work continued with ongoing programmatic work on compliance, enhanced compliance and enforcement work. This month we focused on the creation of the proactive compliance quarterly plan and assignment of work to compliance managers.
25. For online application development, IT development and system testing for non-remote was completed by the end of June and released for user testing on 1 July. Testing is going well with no major issues found so far, so we remain on target for sign off by 14 July. IT development for personal applications commences mid July.;

Compliance

26. **‘Proactive compliance – non complex’** - the planned compliance assessments across the gambling industry to identify areas of risk and non compliance. These activities are planned and reported on a quarterly cycle and as at 30 June (end of Quarter 1, Apr – June) of the 281 planned assessments allocated at the start of April, 162 were completed and 46 were still in progress. The balance (73) were carried forward into the Q2 period alongside the additional allocation of work for the new period.
27. This activity is conducted in order to:
 - Check existing knowledge/assumptions/perceived risks in respect of the Licensing Objectives;
 - Undertake compliance checks where risk indicators are evident;
 - Help identify emergent risks/compliance trends/product or business innovation that may test the framework or interpretation of the Act; and
 - Identify potential thematic compliance activity.

This was in addition to completing 43 of 45 desktop compliance assessments.

28. We also provided support for action by Greater Manchester Police to work with local authorities help raise industry awareness of duties under the Proceeds of Crime Act 2002 at grassroots level and improve local links between employees of the industry and public bodies.
29. Reactive Compliance – non complex. This activity handles non-complex compliance issues in a proportionate and timely manner, making best use of appropriate resource and skills as required. Workload this month was:

- Seven new section 116 licence reviews opened
- Four section 116 reviews were closed during this report period, with one revocation, one warning and two resulting with No Further Action.
- Ten section 116 reviews on-going.
- Contributions to in-desk assessments and rules regarding the use on groups accounts on Siebel for high impact compliance.

Complex Cases / Enhanced Compliance

30. Three main areas of work have been undertaken:

- Recruitment and selection of four case managers . Case manager training was delivered to 18 internal staff. Wider marketing of workstream activity was undertaken through group presentations on how issues/cases are managed.
- Developed the compliance and enforcement operational guidance note (OGN), co-ordinated with event recording, remote implementation / enforcement and regulatory / criminal casework. To supporting this work, we have published a case/issue handling plan to take account of the new process.
- Planning and developing wider awareness training with Commissioners to demonstrate and articulate the benefits of our enhanced compliance approach, to help ensure regulatory panel decisions are aligned with Commission's approach to regulation and our complex case management outcomes.

31. We are addressing issues flowing from workload pressures on Responsible Directors' time by identifying alternative directors to support case managers on individual complex cases.

32. Details of individual complex cases are attached at Annex A. The Commission is not currently undertaking any criminal investigations.

Betting integrity

33. The main activities to report in June were:

- Nick Tofiluk worked with DCMS on the Council of Europe (CoE) Convention as it nears its final form for presentation to State Ministers for signing in September 2014. A number of amendments proposed by other states have required consideration against tight timescales.
- We further developed our links with regulators through the (CoE) Network of Regulators workshop held 1 July, which primarily discussed how best to move forward the CoE Convention. Outputs included the need to address issues related to information sharing and operational disparities across jurisdictions that may hinder collaboration. A European Commission (EC) representative attended.
- The Tripartite Forum met 25 June. It was a very positive meeting. Case Conference Triage Process were signed off by all stakeholders (including NCA and ACPO) and plans to promote the work of the group more widely are now being developed.
- Engagement with the HIO workstream to ensure that work is coordinated across the Sports Betting Integrity and HIO work areas. This will include synchronising activity with operators, where SBI activity is provisionally planned for autumn

2014/early 2015 that will include working with 'new' operators to ensure clarity around requirements and promote collaborative working with integrity teams.

Anti-money laundering

34. We made significant developments in five areas:

- Within 'Influence & Learn' strand of activity – assessments prepared in relation to China Union Pay, Crowd Funding, TITO ('Ticket in / Ticket out' payment mechanism) and Sorbonne Sports Integrity Report. These assessments, developed in the context of the AML Environment Scan, provide a summary of key issues in standard, digestible format. (As more AML contextual issues are addressed in this way, a library of useful reference material with a Commission perspective will be established).
- Within 'Influence & Learn' – supported the National Crime Agency as it developed an understanding of TITO methodologies and ML vulnerability. This work arose from increased TITO based suspicious activity reporting. It resulted in an NCA alert being prepared and sent to the gambling industry, and separately, to UK Law Enforcement.
- Within 'Influence & Learn' – we continue to work with HM Treasury as the text for the Fourth Money Laundering Directive continues its journey through a series of iterations. This is currently focused on the possible exemption from the provisions of the Directive where gambling sectors can demonstrate a proven low risk of money laundering.
- Within 'Apply' – internal communications approach refreshed including a revised intranet page and newsletter.
- Within 'Assure' – a two year AML compliance plan has been prepared. This sets out an integrated and planned approach to the various strands of AML compliance activity.

Monitor regulatory performance

35. The outcome performance measures quarterly report has been produced and is included for Board briefing. The main focus of the period's activity has been to align the objectives and the sub-objectives of the strategic narrative with the Outcomes and Levers of the performance framework. This has now been completed. National Lottery indicators will be included following agreement of the National Lottery's position within the strategic narrative.

Building partnerships and understanding

Passage of the Gambling (Licensing and Advertising) Act – business plan priority

36. On the 18 June we received pre-notification from the Gibraltar operators' trade association of their intention to commence a Judicial Review against us in respect of the Gambling (licensing and Advertising) Act 2014 and associated guidance issued by us. It has not been confirmed which Gibraltar operators support this action, but **[Exempt information under section 43 of the Freedom of information Act]** have distanced themselves from the action. Leading and junior counsel have been appointed and work

is underway with DCMS who have their own counsel to respond to the pre action notification by 16 July.

37. The statutory instrument setting out the transitional provisions was laid on 25 June and corrected two days later to include the Isle of Man
38. The latest meeting of our Industry Lawyers Group was very well attended by around 30 lawyers from the Industry to cover such items as the Gambling (Licensing and Advertising) Act 2014, LCCP, remote software licences, non-remote primary gambling activity
39. We hosted the Spanish and Italian Regulators here primarily to discuss areas such as international liquidity and networks, but also land based-online product relationships, present and forthcoming perception and prevalence figures, advertising and responsible gambling policy.

Providing advice – business plan priority

40. Work in this area has focused on support for the planned DCMS lotteries consultation. DCMS has asked us for advice on a series of questions relating to potential market convergence and the likely impact on the generation of returns to good causes across the entire lottery sector.
41. Our draft response to DCMS and the supporting reports are virtually complete and we have had discussions with DCMS on our emerging findings. We are now preparing for any further work that DCMS might require. More importantly, we are also considering what work we need to undertake to inform our own, broader strategic understanding of the lottery sector to inform our policy position in respect of the DCMS consultation when it is launched.

Embedding evidence-led culture – business plan priority

42. The roadmap for cultural change has been updated to include wider activities around how we manage our corporate memory. Specific activities are now included in the milestone plan but essentially are aimed at making more effective use of the considerable volume of data we hold
43. The main focus of activity within the knowledge sharing workstream has been to begin trial migration to a new M:drive filing structure aligned around programmes and workstreams. This restructure is being tested on the Evidence & Analysis area of the M:drive and will be rolled out wider following a successful trial and review.

Gathering and sharing intelligence

44. The upgrading of the Intelligence IT system is making progress with new hardware ready for the intelligence upgrade. This will be carried out in July by Memex/SAS consultants. Weeding of the existing intelligence system has commenced in preparation for data migration.
45. In support of workstreams we have:
 - continued to provide documents and analytical products

- promoted internal awareness of intelligence capabilities by conducting induction presentations and Memex training to new colleagues, compliance and licensing staff.
- supported the drafting of a new MOU with the ASA to promote information exchange.

46. Externally, we have:

- visited the European Commission and presented around facilitating information exchange
- facilitated a seminar on sports integrity sponsored by European Lotteries at the Oval. This was attended by an international audience
- presented to the Regional Asset Recovery Team managers at a meeting which included the National Coordinator for ACPO Financial Investigation and Proceeds of Crime

Gambling statistics

47. The main areas of work for the period were:

- Publication of the Industry Statistics as planned on 26 June
- Preparation for publication of the in-depth analysis of the Health Survey for England and Scottish Health Survey combined results on 10 July
- On-track to publish the next quarterly participation results on 31 July
- Commenced the process for the commissioning of a new stand-alone participation survey
- Received social gaming data from a major player in the market. We are pursuing another major player for data.

RGSB

48. The RET Chairs' met on 24 June and discussed a protocol to improve the sharing of information and setting of priorities between the Commission, RGSB and the Responsible Gambling Trust. The draft RGSB self-exclusion advice has been shared with the Commission's social responsibility workstream and RGSB secretariat are providing input into the drafting of the LCCP consultation document. The position paper on gambling and young people was published on Friday 4 July.

Work with LAs and other regulators

49. Two main areas of work were undertaken:

- Enhanced meetings with priority LAs – includes successful meetings with Birmingham City Council, Coventry and LB Haringey. A further successful meeting was held with Metropolitan authorities, which included useful discussions around Westminster good practice presentation. We attended the Glasgow City Council 'sounding board' session on LBOs
- Work in support of preparations for the GLA consultation and aspects of the proposals for LCCP changes.

50. Over 97% of LAs have submitted their annual return, which is on schedule for September publication. The remainder are being chased.

51. Developing proposals for ensuring the accuracy of the premises database held on Siebel, as part of the shared regulation;

Innovation and gaming machines

52. Innovation remains an ongoing issue within the gaming machine workstream. This includes a number of issues that are being dealt with by a range of means; through complex cases, industry meetings, engagement with individual operators. A manufacturers and suppliers sector meeting took place on 8 July.
53. Current issues include the following:
- An operator is seeking to introduce electronic 'bingo' games that we consider to be gaming machines because the operation of the bingo games is essentially based on roulette rather than genuinely being bingo (NB the Act exempts bingo machines/terminals from being captured as gaming machines, and therefore exempt from stake and prize limits)
 - Potentially non-compliant Category C machine (500 units currently in the market) have been withdrawn following intervention (awaiting final confirmation).
 - Roulette variant issue – the industry is developing roulette games that can breach maximum stake requirements by treating multiple spins of a roulette wheel as one 'game'. Further work is needed with the industry to ensure this type of game is removed from the market.
 - Emerging issue – **[Exempt information under section 43 of the Freedom of information Act]**
54. Demands from the social responsibility work are impacting on the availability of policy input to gaming machine work at present, and this work will need a high degree of technical expert input from gaming machines team over the next three weeks to planned publication date of consultation. The lack of leadership among industry representatives (pending the new BACTA CEO taking up the post) is proving difficult, with many operators contacting us directly where they would normally go through a trade association.

Publications and external communications

55. There were reports in the trade publications of our press release and public statement concerning shortcomings in anti-money laundering and social responsibility controls at bet365. There was no negative coverage and the message that other operators could learn lessons from this case was put across well in the media.
56. Federbet hit the headlines by claiming 110 football matches were identified as being fixed across Europe, with suspicions over a further 350. This was later widely discredited by foreign regulators, the FA and ESSA.
57. A brief list of other coverage and publications is attached at Annex B.

National Lottery

58. Key activity in addition to normal programmatic work on Compliance, Licensing, Vetting, Consumer Protection and Enforcement focused during the period on:

- The Jackpot Enforcement case: Preparing for Panel and Board, with resulting communication to Camelot. Camelot has until 18 July to respond.
- **[Exempt information under section 43 of the Freedom of information Act]**
- All documentation for Project Spark has been processed and approved.
- Liaison meetings were held with Camelot and DCMS; DCMS in particular covering issues around distributor engagement, the 'society lottery consultation' and gambling advertising reviews. **[Exempt information under section 43 of the Freedom of information Act]**

59. A copy of the Director's Report to the National Lottery Committee is attached at Annex C.

Enabling activities

Fees development – business plan priority

60. The latest position with the fees development workstream is set out separately in a briefing paper to the July Board meeting. We are also reviewing the governance of the workstream **[Exempt information under section 40 of the Freedom of information Act]**.

HR policies, guidance and consultations – business plan priority

61. The workstreams plans (including resourcing and milestones) are under review as the existing plans do not reflect activity or resourcing accurately. Recruitment has been authorised to address staff shortages. Work in the meantime is being prioritised by the workstream lead on a daily basis.

62. Over the period:

- Draft revised policies have been prepared. ACAS are providing a best practice and sense check prior to discussion with SMT members and consultation / negotiation with trade union;
- The staff conference was held successfully and a review of its content and delivery has been undertaken. Initial planning for the November 2014 conference has commenced;
- Review of outstanding PMRs is taking place;
- Plans for the roll-out of mandatory training using the Learning Pool is in-hand

HR support to management

63. The same replanning exercise as referred to in paragraph 61 applies to this workstream grouping. Over the period:

- Significant recruitment activity continued to take place;
- The management of casework (covering disciplinary, absence management, performance management and grievance issues) continued. There are currently two complex HR cases running and eight minor cases being dealt with;

- Preparatory work leading to the introduction of new pension regulations in April 2015 is ongoing.

Business planning

64. Work is underway on the review of our business planning processes to improve the half year review of progress against the plan and the refresh of the plan prior to the year end. This work has reiterated the need to review timelines to ensure effective linkage with other workstreams (such as gathering information).
65. We have spent considerable time in the month in upgrading our systems for monitoring and reporting progress with workstreams, to improve the oversight exercised by BPPB and Executive Group. Whilst it will take time to bed in, and further improvements will be needed as this takes place, initial progress is encouraging.
66. Further work is required to update and implement effective programme management arrangements. This is expected to include the following areas:
 - Programme planning arrangements
 - Review of workstreams to realign them with our current workload; rationalise their structure and numbers; and assess the most effective way to manage different types of workstream
 - Workstream prioritisation
 - Resourcing and governance arrangements.
67. We are also reviewing the governance of the workstream itself as the workstream lead is on long-term sick leave.

Finance

68. Activity during the month has focused on the following three significant areas:
 - The 2013/14 statutory financial accounts have received a clean audit opinion. Forming part of the Commission's 2013/14 annual report and accounts, these have been laid before Parliament prior to the pre summer recess deadline of 10 July.
 - Analysis of effort by workstream has been ongoing to establish industry specific cost drivers. Outputs from this body of work will support the fees development workstream.
 - Improvements to the licence fee collection process are currently being tested ahead of the peak annual fee collection period in September. Improvements include online payment functionality and enabling contact centre to process debit and credit card payments directly.

Accommodation management

69. Negotiations with the landlord are still on hold, and discussions with the Cabinet Office have begun to investigate alternative accommodation options we need to include in the business case. The lease termination letter for Apex Court, Bristol has been sent. Requirement for additional workstations from the recent and planned recruitment has required clearing a case room to allow for more working space.

IT infrastructure management

70. The main areas of activity in the month were:

- Work commenced on transition from the Police National Network to the Public Service Network with the extension of current PNN framework until October 2015. Preparations are being made for an in-depth penetration test of our external facing firewalls and all externally accessible services to be performed over the internet by a Cabinet Office accredited supplier.
- We are continuing to improve our BCM infrastructure through preparations to relocate to a new DR site. Our website resilience capability has been improved through moving the NLC website on to Cloud based provisioning and the acquisition of replacement firewalls, which are configured ready if we are required to carry out a “hot-swap” in case of equipment failure as occurred in April. This will minimise website downtime if the same event occurs again.
- Camelot is making changes to their data centre and we are taking this opportunity to work with them to carry out changes to support the consolidation of the NLC domain with the Commission domain. The ICT team has visited Watford several times during this period to work with the Camelot team. We also need to engage a third party (5i) to assist with this work. We are planning that by the end of 2014 we will have removed all traces of the legacy NLC infrastructure allowing for a simpler business continuity plan and network infrastructure.
- **[Exempt information under section 31 of the Freedom of information Act]** upgrade work is progressing. We are in a position where the new hardware has been purchased and configuration is completed. This is now ready for the external supplier to carry out the upgrade and we should be entering into user testing in the next reporting period.

Internal communications

71. The online internal communications survey closed on 20 June. 79 employees (31%) completed the survey and the results are being circulated to Stephen Cooper and BPPB. The next step in the review process is to hold some small focus groups to discuss key issues that the results highlighted.

E-communications

72. Migration of the Commission’s website to a new content management system (Contensis). Ensuring structure of website on new platform is correct. Ensuring look and feel is consistent with previous platform. Ensuring functionality is working and consistent with previous platform. Development of a mega-menu to improve navigation.
73. Researching requirements to optimise the website for mobile devices. This has involved online research, engagement with third party suppliers to see what is possible, and the development of a user group on LinkedIn, to ascertain users needs in this area.
74. Development of a blog to replace the PDF version of FAQs around implementation of the Gambling Licensing and Advertising Act. Aims – enable users to subscribe for updates; optimise for mobile devices; make comparisons between iterations of advice easier.
75. Conducting a site wide review of content (webpages and PDFs) that needs amending as a result of the Gambling Licensing and Advertising Act. Working with asset owners to take the review forward.

76. Conducting routine updates to content to ensure it is accurate, up-to-date and consistent.

Annex A - Complex Cases – July

Prepared by [Exempt information under section 40 of the Freedom of information Act]

77. [Exempt information under section 31 of the Freedom of information Act]

Luxury Leisure – First-tier Tribunal Appeal

78. Costs do not automatically follow the event in the First-tier Tribunal. Nevertheless, following receipt of the Tribunal's judgment, the Appellant applied for an order that the Commission should pay their costs of over £100,000. They argue that costs should be awarded on the basis that the Commission acted unreasonably both in defending the appeal, and that the Regulatory Panel Decision was itself unreasonable, under rules 10(1)(b) and (c).

79. The application for costs has been resisted. We await the Tribunal's decision. We are also reviewing our approach to Primary Gambling Activity more generally.

80. [Exempt information under section 31 of the Freedom of information Act]

81. [Exempt information under section 31 of the Freedom of information Act]

82. [Exempt information under section 31 of the Freedom of information Act]

83. [Exempt information under section 31 of the Freedom of information Act]

Bet Butler – Remote operator

84. We issued preliminary findings and a case summary to Bet Butler on 27 June 2014 with a response due by 11 July 2014. Our findings indicate that conditions for revocation of the operating licence have been met, but the Commission may consider attaching additional licensing conditions enabling the licensee to continue to trade with minimal risk to its existing and new customers. We have requested further assurances from the operator including a comprehensive and budgeted plan and a full assessment of current levels of compliance and work the proposed to address the identified weaknesses. The Commission continues to monitor customer complaint activity across a number of media forums and is aware that three recent CCJ's which have been lodged against the operator due to customers being unable to withdraw monies from their betting accounts (£1788, £8210 and £70).

85. [Exempt information under section 31 of the Freedom of information Act]

Operation Charger (Sittingbourne Greyhound Track)

86. This investigation has recently been finalised and related to suspicious betting patterns surrounding two greyhound races which took place at Sittingbourne on 28 December 2013, and the possible manipulation of the starting prices by the on-course bookmakers. The licence reviews in relation to all operators have been concluded the imposition of financial penalties and licence conditions. In one case the operating licence was surrendered where the Commission's findings indicated it would otherwise have been revoked, one operator received a warning and two other operators received formal advice to conduct.

87. Following a meeting with the Greyhound Board of Great Britain and the Bookmakers Afternoon Greyhound Service we have prepared a public statement, setting out specific points of learning which should be of value to the wider industry including reinforcement of the contractual obligations and controls that underpin the integrity of the current system.
88. **[Exempt information under section 31 of the Freedom of information Act]**
89. **[Exempt information under section 31 of the Freedom of information Act]**

Annex B – Communications Report

1. Media

A total of 23 media calls were handled, with 35% concerning remote queries and 18% about problem gambling.

The Commission was mentioned in the media 45 times.

- Positive coverage included:
 - Three men suspected of trying to manipulate the scorelines of football matches were found guilty of conspiracy to commit bribery and received sentences totalling in excess of 11 years in prison. It was reported the Commission and the FA supported the National Crime Agency during the investigation.
 - A man being sentenced to 15 months imprisonment for money laundering in relation to the running of an illegal poker den in Enfield.
- Neutral coverage included:
 - Coverage in the trade press of the Gambling Bill and the upcoming point of consumption regulation.
- Negative coverage included
 - The Gibraltar Betting and Gaming Association formally launching a legal challenge of the Gambling (Licensing and Advertising) Bill.
 - The Commission's primary purpose stipulations being criticised by a First Tier Tribunal following a successful appeal by operator Luxury Leisure.

During June the website had 37,453 unique visits, representing a 28% increase on the same period last year (29,165 visits – June 2013). On average, visitors spent 3 mins 22 secs on the site and looked at three pages per visit. Feedback from Govmetrics showed 60% of visitors gave positive feedback on the pages they commented on, 16% gave neutral feedback and 30% were unhappy. This represents an increase in positive feedback (49%) and a decrease in negative feedback (31%) on May.

Social media: Of the 283 mentions of Gambling Commission in June, 8% were positive (showed us in a good light or reinforced our messages), 4% were negative and 88% were neutral.

Positive sentiment (8%) in June can be attributed to the following:

- News stories about the Commission's report into the investigation into Bet365's anti-money laundering and social responsibility controls
- News stories on the Commission's assistance with tests on underage gambling.

Negative sentiment (4%) for the same period can be attributed to the following:

- The issues surrounding BetButler's delay in paying customers (criticising us for not being able to get customers' money back)
- News stories about the Bet365's shortcomings in anti-money laundering and social responsibility controls (criticising our level of action)

In June, 74 visits to our website came from Twitter, representing a 231% increase on the same period last year. We increased our follower numbers from 917 to 1,022 – an increase of 11%.

On LinkedIn we increased our company page followers from 903 to 950 – a rise of 5%. We continue to work on our LinkedIn groups - 'The Gambling Commission, licensing officers and licensing authorities' and 'Keeping money laundering out of casinos'.

2. Publications

[Industry statistics](#)

Also [two e-bulletins](#) and one [licensing authority bulletin](#) were published.

3. Press releases

- [First money laundering prosecution for illegal poker den](#)
- [Three guilty in match fixing probe](#)
- [Shortcomings in anti-money laundering and social responsibility controls](#)
- [The Gambling \(Licensing and Advertising\) Act 2014 Transitional arrangements for EEA and Whitelist operators published](#)
- [Latest industry statistics published](#)

Parliamentary questions

There were three written parliamentary questions of direct relevance to the Commission this month:

To ask the Secretary of State for Culture, Media and Sport (1) what estimate he has made of the number of adult gambling addicts in Britain; and what proportion of total funding on addressing gambling addiction has come from (a) the NHS, (b) local authorities and (c) the gambling industry; (2) what discussions he has had with the Secretary of State for Health on treating gambling addiction.

The Health Surveys for England and Scotland showed a rate of problem gambling of around 0.5% of the adult population, around 200,000 people. The Responsible Gambling Trust expects to distribute £6,292,000 on treatment, education and research in 2014-15 and is funded by the gambling industry and further donations; a full list of funders can be found on their website. The Government do not collate details of any expenditure by local authorities or the NHS on problem gambling. DCMS Ministers have regular discussions with their Department of Health colleagues on a range of matters.

To ask the Secretary of State for Health (1) what discussions he has had with (a) NHS England and (b) Public Health England on improving treatment for gambling addicts; (2) what training is provided to staff working within alcohol and drugs treatment in identifying and treating the problem of gambling addiction; (3) what steps the Department is taking to improve healthcare outcomes by improving the awareness of gambling addiction on the part of healthcare professionals; and what guidance NHS England provides to local health authorities on the commissioning of services for gambling addiction.

The Department does not hold information on what specific training is provided to alcohol and drug treatment staff. Ensuring competent staff is the responsibility of local commissioners and providers. Public Health England (PHE) is working with the Royal College of Psychiatrists and the national gambling treatment service to identify how it can strengthen training, and are promoting the work of the Royal College of General Practitioners who have developed an online gambling diagnosis and treatment training resource that is available free to all health professionals. PHE promotes the Royal College of General Practitioners' online training resource among all health professionals.

PHE has developed guidance for local authorities on gambling and is exploring what the local needs are and where evidence allows it to intervene. However, PHE does not wish to undermine the treatment available through the national provider GamCare until evidence emerges that this is not meeting current need. The Secretary of State for Health, the right hon. Member for South West Surrey (Mr Hunt), has regular discussions with PHE and NHS England on a range of health issues. PHE is also working with NHS England and the Local Government Association to explore what the current need is locally so it can get a better picture; and decide whether PHE needs to act through prevention and restrictions on gambling shops; or through changes to the current GamCare treatment network.

To ask the Secretary of State for Health what discussions he has had with the Chancellor of the Exchequer on using the increased fixed-odds betting terminals levy to treat gambling addiction in the NHS.

No such discussions have taken place. The Responsible Gambling Trust expects to distribute £6,292,000 on treatment, education and research in 2014-15 and is funded by the gambling industry and further donations.