

Outcome Performance Measures – Quarterly report

For Board approval	<input type="checkbox"/>
For Board briefing	<input checked="" type="checkbox"/>
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Prepared by:

Date: 10 July 2014

Executive summary

1. This quarter's report demonstrates from the measures used that performance has improved slightly overall. The social responsibility workstreams continue to review the measures being used in line with the current LCCP consultation.
2. There still remains an area of concern in the underage gambling workstream around local authorities use of regulatory tools. An exceptions report has been updated and is included in Appendix B. The exception report details the reasons and proposed improvements. These improvements will be monitored in conjunction with the local authority's summer test purchase exercises.
3. The financial management measures continue to be monitored. There have been improvements in a number of areas with forecasts regularly being reviewed with the financial business partners. Some workstreams continue to be a concern and clear improvement actions have been identified and we expect this to get better with time.
4. The July report 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 the Underage Gambling workstream
 - Appendix C – trend monitoring (Including reasons for significant variation)
 - Appendix D – RAG criteria that includes definitions
5. Outcome measurement remains at priority workstream / workstream group level. Initial alignment of the outcomes and levers with the strategic narrative pyramid has been undertaken. Work will continue alongside the wider alignment of workstreams to the strategic narrative. This will begin the process of developing outcome performance measures for all of our workstreams, defining how they contribute to the delivery of the strategic outcomes and how that contribution can be quantified.

Issues

What we have done since last meeting

6. The quarterly performance report has been further refined, compiled and circulated to the Business Plan Programme Board for review.
7. Following presentation of last quarter's performance report, we have developed a simplified draft framework for a set of service standards which is currently being reviewed by the relevant members of the Commission. The purpose of service standards is to provide a balanced view of both our operational performance (how we deliver) and what outcomes we achieve, both of which provide a sense of whether outcomes are being achieved at the detriment of how we deliver, or whether how we deliver is having a positive/negative effect on the outcomes we want to achieve. A more detailed paper on service standards will be presented to Board following Executive Group agreement.

8. A process of aligning the strategic narrative with the Board defined outcomes has begun to give assurance that the current outcome performance measurement framework can continue without conflicting the work and messages of the strategic narrative. In fact by undertaking the alignment exercise (detailed in appendix A) it demonstrates that there is a clear overlay between the two and that they complement each other in providing a performance framework.

Incorporation of National Lottery metrics

9. At the January 2014 Board meeting we agreed to provide an update on incorporation of National Lottery programme (NL) measures into the Commission outcome performance measurement framework. Work has been undertaken to understand and attempt to align the current NL outcomes, where appropriate, with the mechanisms that are used to measure performance within the Commission outcome performance measurement framework.
10. Further work is required to provide the Board with a proposal for the merge of NL measures into the current reporting framework. Work is now being undertaken to map the NL to the strategic narrative. This is in hand and a finalised proposal will be provided once the NL programmes have been integrated into the strategic narrative fully.

Issues encountered

11. To address concerns around misunderstanding of the terminology contained within the outcome measurement framework, communications materials have been developed to inform everyone of how the documents fit together and define varying terms. The roll-out of the strategic narrative at the same time as the wider roll out of outcome performance measures will also help alleviate some of this potential risk. It is anticipated that wider roll-out will be complete by the end of September 2014.

Next steps

12. Continued development of performance measures in line with strategic narrative work to ensure alignment.
13. Finalisation of NL measures for inclusion in the measurement framework.
14. Further roll-out and communication across the Commission.

Recommendations

15. 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 A
 Outcome Performance Measurement Dashboard
 Reporting Period April 2014 - July 2014

Vision	Outcome	Ref	Indicator / Lever	Strategic narrative alignment	Priority Workstreams										Lever Performance	Risk category													
					SE 1	SE 2	SE 3	BI 1	BI 2	CO 1	CO 2	AML 1	HIO 2	UG 1		UG 2	UG 3	UG 4	UG 5	UG 6	UG 7	UG 8	CI 1	CI 3	C1a	C1b	C1c	C3a	C3b
Public policy and debate on gambling is based on expert advice for government public and other stakeholders The gambling industry has a culture which supports a safe leisure activity, providing transparency for consumers	Regulation is efficient and effective	E1	Use of hard enforcement powers demonstrates efficient and effective regulation	B1. Share best practice and advise the industry about regulation and our expectations B2. Licence those who are fit to operate and ensure they continue to meet our expectations B3. Ensure action is taken against those without permission to operate, whether by us or an appropriate partner	BI 4	SR1	SR4	HIO 2														x	x	x	-	-			
		E2	Use of softer including educational approaches as preventative measures, provides regulation that is efficient and effective	A1. Build wider consumer knowledge about gambling and it's risks	SR1	SR4	CO5	AML 1															-	-	-	x	-		
	The industry takes responsibility for the licensing objectives (B Raising standards, Ensure the gambling industry puts the licensing objectives at the heart of everything it does and help raise industry standards)	R1	Indications of whether the industry is taking responsibility for the licensing objectives	B1. Share best practice and advise the industry about regulation and our expectations B2. Licence those who are fit to operate and ensure they continue to meet our expectations A1. Build wider consumer knowledge about gambling and it's risks A2. Ensure that consumers have access to tools to manage their gambling behaviour safely A3. Ensure that protection is in place to stop things going wrong and, if they do, mechanisms are in place to offer assistance.	SE 1	SE 2	SE 3	BI 1	BI 2	CO1	CO2	AML 1	HIO 2										x	x	x	x	-		
					UG 1	UG 2	UG 3	UG 4	UG 5	UG 6	UG 7	UG 8													x	x	x	x	-
					R2	Indications that the industry ensure gambling is being provided safely and in a transparent way	B2. Licence those who are fit to operate and ensure they continue to meet our expectations	CI 3																		x	x	x	x
	R3	Indications that the industry is helping to reduce the perception of gambling being related to crime as opposed to it being a recreational activity	B1. Share best practice and advise the industry about regulation and our expectations	CI 1	AML 1																		x	x	x	x	-		
Public policy on gambling is well informed by expert advice	I1	The Commission has a strong evidence base, which it builds on exchanging information and experience including international partners and academics	C1. Build and maintain effective relationships with Government, other regulators and advisors C2. Use robust evidence to inform and provide high quality advice C3. Build public confidence in gambling regulation	BI 3	BI 4	DIA 1	DIA 2	DIA 3	SR3	SR5												-	-	x	x	x			

Risk categories	
C1a	Policies and procedures not effective or efficient
C1b	Policies and procedures not implemented effectively/consistently
C1c	Risks to licensing objectives not properly identified, monitored or addressed
C3a	Promoting a clear understanding of our role, policies and procedures
C3b	re-inforcing actual and perceived independence of the Commission

Reference Key			
SE	Self Exclusion	HIO	High Impact Operators
CI	Customer Interaction	DIA	Developing Information Assets
UG	Underage Gambling	SR	Shared Regulation
AML	Anti Money Laundering	CO	Compliance
BI	Betting Integrity		

Appendix B

Outcome Performance Measurement Exceptions report

Reporting Period Quarter 3 2013/14

This exceptions report is being developed due to selected outcome measures being categorised as:



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.

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	*ACTIONS FOR IMPROVEMENT STILL REMAIN. Local authorities working with the Commission on test purchasing have not yet used any formal enforcement powers, but we have encouraged LAs with whom we are working in 2014 to give consideration to the use of their powers in the event of test purchase failures. Those LAs are prepared to use follow-up action in those instances. However, the use of soft powers by LAs so far in 2014 in response to TP failures has delivered some robust responses from operators without the need for recourse to regulatory reviews of licences e.g. to attach conditions (i.e. licensees have voluntarily committed to measures, in response to threats of more formal action by the LA, such as the use of quarterly test purchasing, the repositioning of CCTV and full retraining of staff). LA's have in any case warned those licensees that stronger action will be taken in the event that re-tests fail. More generally, the issue of regulatory action is problematic as many LAs are facing severe resource cuts which impact on their enforcement departments in many instances. However, the 2014 SR review/GLA review will strengthen the advice to LAs on how they can use their exiting powers under the Act to provide greater underage gambling and social responsibility controls within premises.

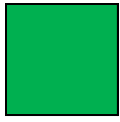
Appendix C

W/S	Measure	Trend	Quarter 2013/14				Reasons for variation	
			1	2	3	4		
Self Exclusion	SE1	Trade associations working together and setting out a roadmap for improving self exclusion	→	Red	Yellow	Yellow	Yellow	
	SE2	No. Breaches of self exclusion. Weighted in relation to premises numbers.	→	Yellow	Yellow	Yellow	Yellow	
	SE3	Number of Self Exclusion related complex cases	→	Green	Yellow	Yellow	Yellow	
	SE4	% Variance Planned vs Actual YTD (Cost)	→	Red	Red	Red	Red	Scope of workstream has expanded to included to include LCCP consultation. Resourcing for workstream also being reviewed. The variation relates to more effort being recorded than planned (£4,483)
	SE5	Variance Planned vs Actual YTD (Days)	→	Red	Red	Red	Red	Scope of workstream has expanded to included to include LCCP consultation. Resourcing for workstream also being reviewed. The variation relates to more effort being recorded than planned (27 days)
Customer Interaction	C11	Industry moves towards being publicly accountable for complex cases and sharing lessons learned	→	Yellow	Yellow	Yellow	Yellow	
	C12	Industry efforts towards automated Customer Interaction (Machines)	N/A	Grey	Grey	Grey	Grey	
	C13	Operators implementation of effective policies and process around CI	→	Yellow	Green	Green	Green	
	C14	% Variance Planned vs Actual YTD (Cost)	↓	Green	Green	Yellow	Red	Scope of workstream has expanded to included to include LCCP consultation. Resourcing for workstream also being reviewed. The variation relates to more effort being recorded than planned (£22,117)
	C15	Variance Planned vs Actual YTD (Days)	↑	Green	Red	Red	Yellow	Scope of workstream has expanded to included to include LCCP consultation. Resourcing for workstream also being reviewed. The variation relates to more effort being recorded than planned (75 days)
Underage Gambling	UG1	Operators knowledge and understanding of preventing underage gambling and compliance with policy and procedures	→	Yellow	Yellow	Yellow	Yellow	
	UG2	Information provided by operators to evidence underage gambling risk management, including evidence of mitigating procedural weaknesses	→	Yellow	Yellow	Yellow	Yellow	
	UG3	Test Purchase - Improvement in overall results and particularly the timing of challenge (earlier challenge)	→	Yellow	Yellow	Yellow	Yellow	
	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).	→	Green	Green	Green	Green	
	UG5	Improvements in test purchase results being reported to the Commission.	→	Yellow	Yellow	Yellow	Yellow	
	UG6	Improvements in methodological quality of test purchase	→	Yellow	Yellow	Yellow	Yellow	
	UG7	Local Authority use of regulatory tools (Instances of use by LA of these powers)	→	Yellow	Yellow	Yellow	Yellow	Detailed in exceptions report
	UG8	Outcomes from compliance cases concerning weaknesses in underage gambling risk management	→	Green	Green	Green	Green	
	UG9	% Variance Planned vs Actual YTD (Cost)	↑	Red	Red	Red	Yellow	
	UG10	Variance Planned vs Actual YTD (Days)	↑	Red	Red	Red	Green	
AML	AML 1	Influence - Progress against related 'influence' activity, in line with 2 year plan	N/A	Yellow	Grey	Grey	Green	
	AML 2	Apply - Progress against related 'apply' activity, in line with 2 year plan	N/A	Yellow	Grey	Grey	Grey	
	AML 3	Assure - Progress against related 'assure' activity, in line with 2 year plan	N/A	Yellow	Grey	Grey	Grey	
	AML 6	% Variance Planned vs Actual YTD (Cost)	N/A	Yellow	Grey	Grey	Yellow	
	AML 7	Variance Planned vs Actual YTD (Days)	↑	Yellow	Green	Green	Green	

W/S	Measure	Trend	Quarter 2013/14				Reasons for variation	
			1	2	3	4		
Betting Integrity	B11	% of betting integrity referrals passed onto relevant 3rd parties	→	Green	Green	Green	Green	
	B12	Do operators comply with the requirements of licensing condition 15.1	→	Yellow	Yellow	Yellow	Yellow	
	B13	Are we experiencing increased levels of risk?	→	Green	Green	Green	Green	
	B14	Do we have any betting areas or sports with known vulnerability, where engagement hasn't taken place to reduce risk	→	Yellow	Yellow	Yellow	Yellow	
	B15	% Variance Planned vs Actual YTD (Cost)	↓	Green	Green	Green	Yellow	
	B16	Variance Planned vs Actual YTD (Days)	↓	Grey	Green	Green	Yellow	
HIO	HIO 1	% of Overall compliance levels for HIO operators. (% inadequate assessments in defined questions) Subject to HIO corporate evaluations	N/A	Grey	Grey	Grey	Grey	
	HIO 2	HIO schedule (profiling, in-desk assessments and corporate evaluations) up to date and on track	→	Yellow	Grey	Yellow	Yellow	
	HIO 3	No. Weeks between HIO profile sign off and in-desk assessment	N/A	Yellow	Grey	Grey	Grey	
	HIO 4	Regulatory / criminal enforcement HIO cases following in-desk assessments / corporate evaluation	N/A	Yellow	Grey	Grey	Grey	
	HIO 5	Reduction in repeat breaches of LCCP from HIO's following in-desk assessments / corporate evaluation	N/A	Red	Grey	Grey	Grey	
	HIO 6	% Variance Planned vs. Actual YTD (Cost)	↑	Red	Red	Red	Yellow	
	HIO 7	Variance Planned vs. Actual YTD (Days)	↑	Red	Red	Red	Green	
DIA	DIA 1	Compliance visits based on risk matrix evidence	→	Yellow	Yellow	Yellow	Yellow	
	DIA 2	Increase in data requests to the evidence and analysis service desk	→	Yellow	Yellow	Green	Green	Service centre requests are showing an increasing trend. Within the quarter 49 requests were received. This demonstrates greater desire for evidence analysis to feed pieces of work.
	DIA 3	Audits of data quality / integrity carried out	↓	Yellow	Yellow	Green	Yellow	Planned evidence and data quality audits have been undertaken. Outputs now informing workstream activity.
	DIA 4	Effective use of Comprehensive Sector Assessments	N/A	Grey	Grey	Grey	Grey	
	DIA 5	External citing of Industry stats, LA stats and commission developed evidence	N/A	Grey	Grey	Grey	Grey	
	DIA 6	% Variance Planned vs Actual YTD (Cost)	→	Grey	Green	Yellow	Yellow	Additional workstreams now included in group calculation. Workstream in this area has expanded to include social gaming and data hub. Further resource is being investigated to address widening scope of Evidence Led Culture workstreams.
	DIA 7	Variance Planned vs Actual YTD (Days)	↓	Grey	Yellow	Yellow	Yellow	
Shared Regulation	SR 1	Increase in LAs actively pursuing illegal poker clubs	→	Yellow	Yellow	Green	Green	
	SR 2	Current evaluation exercise informs workstream activity for next year's plan	→	Grey	Grey	Grey	Grey	
	SR 3	Uptake of publications, inspection forms, competency	→	Green	Green	Green	Green	
	SR 4	LACE referrals being followed through to conclusion	→	Green	Yellow	Yellow	Yellow	
	SR 5	LA annual returns rate	→	Green	Green	Green	Green	
	SR 6	% Variance Planned vs Actual YTD (Cost)	→	Green	Yellow	Red	Red	Better alignment of planning and actuals required. Resourcing for workstream also being reviewed.
	SR 7	Variance Planned vs Actual YTD (Days)	→	Green	Yellow	Yellow	Yellow	Better alignment of planning and actuals required. Resourcing for workstream also being reviewed.
Compliance	CO1	Compliance levels of operators policies / procedures for High Impact Operators	→	Grey	Grey	Yellow	Yellow	
	CO2	Analysis of compliance assessment activity informs programmatic compliance work for the 12-18 month period (In line with business planning)	→	Grey	Grey	Yellow	Yellow	
	CO3	No. LCCP breaches in the period (Regular comparison across quarters)	→	Grey	Grey	Grey	Grey	
	CO4	No. Key Event notifications (Regular comparison across quarters)	→	Grey	Grey	Grey	Grey	
	CO5	Regulatory / criminal enforcement activity as a result of compliance failures (Repeat offenders)	→	Grey	Grey	Green	Green	
	CO6	% Variance Planned vs Actual YTD (Cost)	N/A	Grey	Grey	Grey	Yellow	
	CO7	Variance Planned vs Actual YTD (Days)	N/A	Grey	Grey	Grey	Yellow	

Appendix D

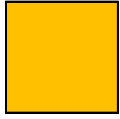
Key for RAG



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



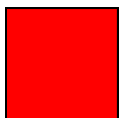
Well placed / making improvements - Well placed to address any gaps for future delivery through practical actions that are planned or already under way. Efforts to minimise risk is progressing. Is making improvements to ensure progress and is expected to demonstrate delivery against outcomes in the medium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