The year ahead

Stocktake from programmes

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

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Date: **15 January 2015**

Summary and background

1. We have undertaken a review of each programme to assess the challenges faced over the coming (calendar) year and the workload that these are expected to give rise to. Each Programme Director undertook a review of their programme considering :

    - Key opportunities and threats
    - Priorities
    - Planned major deliverables and milestones
    - New areas of work
    - Capacity/capability issues.

    Brief summaries of the priorities and main deliverables identified are attached to this paper for information.

2. The purpose of the exercise was to stand back from the day-to-day management of the business plan and regular process of adjusting priorities and resolving resource conflicts and look ahead 12 months to identify the main challenges, deliverables and potential stresses; in other words, consider the overall shape of what we have to do over the coming year and overall context in which we are working. The initial analyses from the programmes were discussed at Business Planning Programme Board on 6 January 2015 and at Executive Group on 13 January. The outcomes of these discussions will be captured in a range of planning processes throughout the Commission.

3. The purpose of this paper is to make the Board aware of the matters discussed.

Overarching Issues

4. The exercise highlighted that the coming year is likely to present a range of uncertainties, discontinuities and opportunities which have the potential to impact on programme delivery. These include:

    - The general election – both through increased policy volatility prior to the election; potential for policy change post election and in the expected drive for spending restraint, which may impact on us generally, as well as the outcome of the fees review.

    - Further contraction (and consequential staff changes) within DCMS, with the potential for delays in progressing key issues and greater demands on us to provide advice to DCMS.

    - Significant external developments impacting on our priorities and increasing pressure on resources (eg Smith Commission; EU 4th ML Directive; ADR implementation; Greene King appeal; DCMS Lotteries review; IOC/EU/IAGR betting integrity initiatives; implementation of the Welsh Language Act).

    - Changes in senior positions within the Commission (including at Commissioner and Executive Director levels) with associated induction and knowledge transfer needs.

- Maintaining, developing and exploiting our links and liaison arrangements with international organisations and other regulators (eg EU; GREF; IAGR; payment providers).

- Building on the outcomes from complex case and thematic work to exploit the lessons learned in the assessment and improvement of the performance of operators (eg through LCCP work on crime and social responsibility; review of the use of soft powers).

- The importance within our business plans - recognised as priorities in the last corporate plan - of significant developmental workstreams with cross organisational interdependencies (eg information management strategy; remote implementation; high impact operator compliance; IT development activity – especially PNN/PSN decision[1]).

- The continuing need to recognise and exploit internal synergies to spread capabilities more widely across the organisation (eg between the National Lottery and other programmes; spreading the skills of the remote team; increased use of multi-disciplinary teams within the high impact operators workstream).

- The need to develop further our internal systems and processes to ensure consistent and joined-up delivery across the organisation (eg complex cases, high impact operators, anti-money laundering).

- Resourcing pressures – in particular, the capacity to retain key staff, to recruit replacements, to deploy staff resources effectively to changing needs; and to increase capabilities (eg through training; mentoring and knowledge transfer; broader in-desk experience; cross-organisational working; developing our capacity to act as an 'intelligent client').

- Building our capacity for the delivery of effective core support services (eg HR; IT infrastructure).

5. These challenges form an important part of the environment within which the programmes will need to deliver. The outcomes of this 'stocktake' exercise will assist in:

   - development and finalisation of the updated rolling business plan
   - completion of the workstream reviews and development of underlying programme plans
   - identification of key interdependencies between programmes
   - identification of resource requirements and the development of the necessary steps to address capacity and capability issues, including consideration of recruitment business cases both individually and 'in the round' and of recruitment options.

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[1] PSN (Public Sector Network) is the replacement for GSI (Government Secure Intranet) and PNN (Police National Network). The Commission currently uses PNN for access to data held in other agencies primarily as part of the Intelligence function. PNN will be retired in October 2015 and the services will only be available through PSN. PSN accreditation and implementation is likely to be a time consuming and expensive exercise but may bring additional benefits, for example even wider access to other agency's data and secure email between all public sector organisations. A decision will need to be taken that assesses the current value of services delivered through PNN and the added value of services that become available through PSN vs. the cost and effort of implementation.

Recommendations

6.   The Board is invited to note the exercise and its outcomes including, in particular, the overarching issues identified (set out in paragraph 4 above).

Licensing and Compliance programme summary as at January 2015

Priorities

- Roll-out and embed our approach to the corporate evaluation of HIOs.
- Continue to embed our approach to compliance, including for remote operators.
- Continue to develop working relationships with other gambling regulators.
- Develop and implement processes for handling complaints against operators where there is a potential breach of social responsibility codes.
- Meet requirements for the Commission to be a competent authority for ADRs.
- Continue preparations for the implementation of the EU 4th ML Directive.
- Implement changes arising from the changes to LCCP and the social responsibility codes of practice.
- Ensure that compliance activity and case management arrangements (procedures, systems and competencies) are aligned and are effective.
- License gambling software licensees (LCCP condition 2.2).
- Ensure all those that require licences meet the requirement standards.
- Continue to develop and implement online functionality for operators and individuals.
- Review approach to white labels and affiliates.

Planned major deliverables

- Complete processing and determination of remote transitional applications.
- Publication of regulatory framework documents.
- Delivery of over-arching compliance activity and resourcing plan.
- Complete first tranche of HIO corporate evaluations and start second tranche.
- Enhancements to and upgrade of Siebel (including functionality testing; compliance).
- Complete and implement review of enhanced compliance approach.
- Undertake customer survey.
- Further enhancements to on line functionality to allow further operator submissions.
- Complete processing and determination of gambling software licence applications.
- Planned response to provisions of EU 4th ML Directive.
- Preparation of Guidance on the Prevention of Money Laundering (Casinos) (3rd Edition).
- Update OGNs to take account of changes to LCCP and any ongoing lessons learnt from complex cases.
- Establish processes to support being competent authority for ADRs.
- Make arrangements for receipt and monitoring of:
  - Assurance statements;
  - Reconciliation of customer funds; and
  - Remote operator complaints handling.
- Effective management of interdependencies:
  - IT resource (esp around Siebel and on-line applications);
  - E&A data and analytical resource to inform reviews of compliance activity;
  - Director resource for HIO and complex case oversight;
  - S&TI remote team to support the absorption of remote activity into routine;
  - Specialist inputs into HIO and complex cases; and
  - Unknown call on specialist third party resources.

National Lottery programme summary as at January 2015

- **[Exempt information under section 43 of the Freedom of Information Act]**

Sector and Thematic Impact programme summary as at January 2015

Priorities

- Review social responsibility strategy in the light of the conclusion of the LCCP review to set new objectives.
- Introduce and embed what is likely to be a significantly re-worked Guidance to Licensing Authorities (GLA) and undertake planning and preparation in relation to the local authority licensing policy statements due in January 2016.
- Manage outcomes of Smith Commission.
- Manage developments in the machines area, given:
    - the Greene King appeal decision;
    - tax differentials in relation to different categories of machines;
    - the break in the pubs tie in to purchasing from the landlord;
    - HMRC case regarding VAT chargeable on categories of gaming machines;
    - the EU 4th ML Directive;
    - RGT machines research;
    - LBO work; and
    - the need to ensure that stake and prize limits are not circumvented.
- Development of the capacity of the remote team and spreading skills and knowledge across the organisation.
- Evolve the consumer awareness workstream into a broader workstream around consumer policy, forging new relationships with relevant bodies to improve our understanding of the consumer perspective.
- Promoting the Commission regulatory policy/operational approaches and collaborations through IAGR, GREF and other international bodies.

Planned major deliverables

- LCCP consultation response document and revised LCCP.
- Mini-consultation on annual assurance statements.
- Consultation on technical standards in the light of LCCP.
- GLA Consultation.
- Licence Condition 16 (PGA) consultation.
- LCCP review with respect to provisions to keep crime out of gambling.
- Attain competent authority status and implement role effectively to ensure full ADR implementation.
- Ratings system for protection of customer funds to be implemented plus customer funds reporting system to be set up.
- RGSB work to include advice on machines, advice on outstanding LCCP issues, new three year strategy including promotion of data analytics[2], position paper on harm measurement and position paper on engagement with public health.
- Development and improvement of reporting on remote operators.
- Start of new participation survey.

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[2] Includes accessing and making use of the data available to remote operators on individual accounts

Evidence and Analysis and Intelligence programme summary as at January 2015

Priorities

- Information management strategy:
  - Identifying and implementing a corporate model for gathering, storing, analysing and using evidence to inform decision-making, integrating elements such as the HIO profiles, risk matrix, Tableau etc.
  - Development of necessary training, business rules and culture to underpin delivery of the strategy.
- Further development of approach to evidence led culture.
- Identify and develop networks to further the collection of intelligence and opportunities for interventions in respect of the unlicensed/illegal operating environment.
- Supporting the development of the capability of the network of European gambling regulators combating illegal gambling and in particular establishing contacts for operational collaboration and information exchange.

Planned major deliverables

- HIO automated profiles.
- First tranche of information management strategy deliverables.
- Continued progress on the delivery of an evidence led culture.

Betting Integrity programme summary as at January 2015

Priorities

- Influencing the developing international policy and partnerships and promoting the Commission/UK through:
  - o EU policy development through Directorates General (DG) (Markets) and DG (Community &sport) and EU Expert Groups
  - o Shaping the work and role of the Council of Europe (CoE) Convention follow up Committee
  - o Promoting engagement and regulatory approach to betting integrity through CoE Network of Regulators, GREF and IAGR
  - o Supporting IOC in developing strategy and Rio 2016 provision.
- Effective management of reports to SBIU, maintaining and building on stakeholder networks and improving processes.
- Supporting the National Anti Corruption Plan by:
  - o Developing and delivering the National Action Plan through the SBIF
  - o Engaging with the Home Office to improve reporting UK corruption communication channels.
- Engagement with significant sports betting operators:
  - o to raise awareness national approach to betting integrity/manipulation of sports;
  - o to clarify license conditions relating to reporting requirements; and
  - o regarding actions arising from HIO assessments.
- Engagement with new significant betting operators to:
  - o ensure the effective implementation of revised licensing conditions relating to betting integrity; and
  - o manage the increased volume of submission of SARs etc from such operators.
- Managing resource demands and expectations through:
  - o Discussions with DCMS as to national priorities and resource
  - o Discussion with IOC regarding financial contribution for support provided in the run up to the 2016 Olympic Games
  - o Clarification of requirements and managing expectations of appropriate organisations (IOC, IAGR, CoE, EC).

Planned major deliverables

- Update SBIU terms of reference, work programme and extant policy documents.
- Establish betting integrity links with all major operators, including new remote (sports betting) operators.
- Support 2015 Rugby World Cup competition risk management arrangements.
- Identify primary information sharing issues and action plan for SBIF partners.
- Gain stakeholder agreement to draft Sports Betting National Action Plan (anti corruption).
- Agreement as to SBIF representation and delivery management arrangements.
- Develop the IAGR Knowledge Sharing Group on betting integrity and extend portal engagement.
- IOC Support – development of the 2020 strategy integrity capability and in preparation for 2016 Games.

Finance, Planning and Performance programme summary as at January 2015

Priorities

Finance
- Statutory account production prior to Parliamentary recess.
- Fees review and consultation.
- Production of robust financial modelling to support business decisions and fees review.
- Providing support across the organisation through effective business partnering.
- Introduce activity based costing analysis for the new remote market.

Business Planning and Performance
- Working with Programme Directors to identify how they can be supported by the PMO collectively and individually throughout the year.
- Complete programme/workstream refresh to align with the strategic narrative and 2015/16 business plan, and support more effective resource and delivery planning.
- Reviewing progress against the business plan, through BPPB, including resource planning, deployment and co-ordination of programme delivery.
- Development and reporting of organisational outcome measures and KPIs to support cross-organisational performance management.

Planned major deliverables

Finance
- Upgrade and testing of Great Plans financial system.
- Informal fees consultation green paper on approach
- Modelling to support fees consultation.
- Second phase fees consultancy work completed.
- 2014/15 budget and medium term financial plan approved by Board.
- Publication of 2015/6 budget.
- Statutory accounts production and audit.
- Completion of internal audit programme to support the annual internal audit opinion.
- Ongoing refinement and improvement of business partnering following the CIPFA financial management review.

Business Planning and Performance
- Publication of 2015/6 plan and budget.
- Enhance systems for planning, monitoring, report and programme/project risk management rolled out across the organisation.
- Introduce programme/workstream automated management tool.
- Outcome measure and KPI performance reporting aligned to the business plan and used routinely to inform decision-making.

Support Services programme summary as at January 2015

Priorities
- Prioritise IT development requirements as currently over 70 individual projects.
- Prioritise IT infrastructure works.
- Develop IT infrastructure and development capacity significantly to cope with identified and likely demands.

Planned major deliverables

Major IT Infrastructure and Development Works
- Great Plains upgrade.
- NL Watford - manage impact of Camelot data centre relocation.
- PNN replacement and possible Public Sector Network implementation.
- Upgrade Siebel development servers to provide a more robust platform to manage changes and development.
- Significant changes to home working infrastructure.
- NL domain/infrastructure retirement.
- Extensive upgrades of hardware and software.
- Further improvements to business continuity arrangements.
- Expansion of video-conferencing facilities.
- Support information management plans.
- BSI 27001 re-accreditation.
- Improvements to online regulatory returns and public register.
- Improvements and significant additional functionality to e-services.

Human Resources
Access to employee data / Internal and external reporting
- Complete alignment of NL/Commission files, contracts and terms.
- Take steps necessary to implement forthcoming pension changes.

Pay and reward
- NL programme and Commission pay years to be aligned.
- Review of current pay and rewards strategy and systems, with an opportunity to introduce greater transparency into the pay strategy.

Policy framework and guidance
- Key policies to be reviewed, developed and implemented.

Organisational culture
- Develop people strategy and determine the way forward with Investors in People.

Performance management
- PMR process (including moderation) revised to increase transparency and perceptions of fairness and consider separation of pay year and PMR year.

Managing a learning organisation
- L&D policies to be developed and implemented. Training needs to be identified and appropriate training rolled-out.