


Report from the Chief Executive

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

Prepared by: Jenny Williams
Chief Executive

Date: 19 March 2015

Introduction

1. This paper is intended to provide an overview of how we have deployed our resources since the last report in delivery of the business plan. Following the issues highlighted last month, we have revised the structure of the report to group workstreams within their programmes. We would welcome Commissioners' views on whether the content and structure of the report meets their needs, whether the changes to the structure are helpful, whether they would wish to see the length of the report reduced and whether there are any further improvements that they would wish to see made to future reports.

Key issues

2. What has been preoccupying me over the past month are the pressures on the Commission's effectiveness, which have continued to build up with the combined pressures of senior staff diverted into recruitment (only partially successfully); the growing caseload of licensing and complex cases requiring more experienced staff input; efforts to minimise the delays to delivery of the business plan while keeping up investment in the Commission's future; and the continuing uncertainties over Commissioner (including CEO) recruitment. The approaching election makes handling policy development and normal stakeholder involvement harder to manage and complicates prioritisation and planning.
3. Recruitment and loss of key staff are a continuing worry. While we have recruited some very promising individuals, we are not finding the numbers or expertise that we need and are having to put considerable senior effort into the process, inducting those we recruit and also into reviewing and developing the way we recruit. There are worrying signs of pressure on pay with public sector pay restrictions increasing the risk of losing staff. While essential to the future effectiveness of the Commission, the senior effort going into staffing issues in the widest sense reduces our already inadequate current capacity to deal with ongoing business or to put the effort needed into development of policy and operations.
4. The transitional measures we put in place last Autumn to carry the Commission through to the coming Autumn are not capable of sustaining performance and development at the pace we had hoped. We are having to reprioritise to keep making progress in critical areas and deferring highly desirable but not absolutely essential initiatives and improvements. The perennial issue of trying to balance dealing with the immediate with investment in the longer term seems particularly acute at the moment.
5. Securing continuing commitment to the licensing objectives by the betting sector in particular and turning that into an effective programme for understanding better how to improve player protection and keeping crime out of gambling is on something of a knife edge. Real advances have been made, but turning the advances secured into sustainable programmes is constrained by the limited number of people with the necessary knowledge, influence and time to keep up the pressure and constantly at risk from wider political and commercial pressures made particularly acute by the approaching election.
6. It is frustrating to have so many areas where we are starting to make real progress (evidence and analysis; policy advice on lotteries; shared regulation; adapting regulation to the challenges of a mobile digital; social media rich future; provision of eservices; making the regulatory framework use soft and hard powers effectively with the grain of

public and commercial pressures and incentives) at risk from our current limited ability to keep up the pressure or add the necessary thinking or discussions.

Events

7. The key events attended last month included:

- Philip had informal catch ups with Paul Darling, QC, Chairman ABB and with Chris Kelly, Chair of RGSB;
- Philip, Brad Enright and I attended the AGM of the Association of British Bookmakers in London;
- Philip interviewed prospective new Commissioners with Sam Foley and an independent assessor.

Other meetings and events are included under the relevant headings in this report.

Licensing and Compliance

Licensing and online applications

8. Activity is summarised in the table below:

	Operating Licences (excluding continuation licences) (Feb)	Personal Licences (Feb)
Applications received	49	198
Applications determined	38	190
Variations received	65	3
Variations determined	40	3
Change of corporate control received	5	N/A
Changes of corporate control determined	12	N/A
Sign-up to e-services in total	2657	5886
Payments made on line since launch of e services:	507 (452 are Annual fees)	211

9. Increased effort and resource has been placed on progressing and determining gambling software applications in advance of the 31 March deadline, when those who supply gambling software to GC licensees are required to hold a GC gambling software licence. 146 applications have been received; these include those who made an advance application as part of their application for a continuation licence under the transitional arrangements. As at 10 March, 54 applications had been determined and a further six applicants had withdrawn their application.
10. Recruitment has formed a significant part of this month's activity. Licensing officers and licensing administrators have been recruited to fill vacancies. Interviews have taken place to fill the vacant manager – licensing post.

11. The contact centre has received 4,309 enquiries in February 2015 compared to 2,274 in February 2014. We have started work with Corporate Affairs to enhance the information on the website in order to reduce the need for consumers to contact the Commission directly. We are training additional staff to ensure that we have more available cover.
12. Development and testing of the on-line application functionality for personal licence applications and those required to submit Annex A forms was completed this month and went live on 16 March, another advance in our e-services capability.

Licensing of remote operators

13. We focused on the processing of applications from those with continuation licences during the period, in particular those that include software. 42 applications have been determined in full and licences issued. Eight applicants have withdrawn their applications and their continuation licences have lapsed. 126 applications remain to be determined and continue to be progressed with the large majority expected to be determined by Easter.

High impact compliance

14. **[Exempt information under section 31 of the Freedom of Information Act]**
15. We have been obtaining information from other HIOs to assist with our monitoring of HIO risk. It is being analysed and includes;
 - Details of the compliance self-assessment and reporting process, and how any shortcomings have been addressed or areas of best practice identified pre and post self-testing;
 - Details of methods of escalation to board level for age verification test purchase results;
 - A summary of how intelligence reports are handled, including in particular the interface with the Police and other relevant interested parties in order to consider such third party responses and any impact on reporting requirements;
 - Confirmation of the methodology by which incident reporting is made to head office and whether any fluctuations in numbers shown in regulatory returns have been influenced by factors such as a change in reporting methods, changes in staff training.
16. **[Exempt information under section 31 of the Freedom of Information Act]**
17. We completed the consultation document on the content and structure of the annual assurance statement. It was published¹ on 19 February with a 19 April closing date.

¹ <http://www.gamblingcommission.gov.uk/pdf/Annual-assurance-statement-consultation---February-2015.pdf>

Proactive compliance

18. Proactive compliance activity is planned, delivered and reported quarterly. The work plans for Q1, Q2 and Q3 have all been delivered. Q4 is in progress with 1,030 assessments planned for completion by 31 March 2015. As at 10 March,
 - 945 (92%) of the Q4 assessments were completed;
 - 61 (6%) are scheduled for site visits this month with 24 (2%) to be scheduled.
19. 1,369 lottery submissions were received, all of which complied with the minimum returns to good causes. We have resolved outstanding issues with the Lottery Information System (LIS).
20. 233 regulatory returns were received out of the 464 expected by end of March. All those already outstanding are being chased; the large number due by end March are the result of changes to remote returns introduced in December to facilitate the smooth transition of those with continuation licences.

Complex cases

Reactive compliance (complex); enhanced compliance; criminal enforcement activity

21. In total, we currently have 39 complex cases in progress, being handled by 15 case managers. Details of individual cases, where there has been significant activity in the period, is reported at Annex A.
22. We have been planning and have started an effectiveness review of the enhanced compliance approach.

Reactive compliance (non-complex)

23. Five new Section 116 reviews were allocated for investigation, two for operator licences and three for personal function licence holders:
 - Of the operator licence reviews, one involved a conviction of a licensed bookmaker under the Sexual Offences Act 2003 and the other involved a licensed bookmaker who repeatedly failed to correct non compliance following three assessments over 12 month period;
 - All the PFL reviews involved casino dealers; one mishandled cash and altered cash floats in the card room, one colluded with a customer in placing late bets worth in excess of £20,000, and the third colluded with a customer and another staff member to win in excess of £25,000 at roulette by manually placing the ball.
24. One review was closed when the PFL concerned – a casino slot technician - surrendered their licence after being caught keeping relatively small value TITO vouchers (£30) and cashing them in without paying customers on three occasions.
25. One case involving unlicensed activity was commenced.

Anti-money laundering

26. Progress made this month against the objectives set out in the two year plan (agreed in May 2014), included:
27. Within the *Influence & Learn* strand of activity:
 - A presentation to the HM Treasury / Home Office led Money Laundering Advisory Committee, setting out the nature and extend of ML risk within the gambling industry together with the Commission's response as part of considerable uphill effort to help improve HMT's national AML risk assessment as it relates to gambling;
 - A meeting with senior HMRC officials to consider our respective AML approaches, best practice and potential areas of shared interest;
 - Work to improve further our understanding of use of crypto currencies in gambling. This included meetings with a Bitcoin payment service provider and, separately, an EU advisor on Bitcoins.
28. Within the *Apply* strand of activity:
 - We sponsored and addressed a day long workshop for remote casinos. 32 operators were represented at the event, which focused on best practice in AML procedures including customer due diligence, customer monitoring and determining source of funds. 18 non-remote casinos attended a similar workshop;
 - We published information to clarify the requirement for customer due diligence by remote operators.

Evidence and Analysis

Betting integrity

29. The first draft of the Sports Betting Integrity Action Plan has been discussed by the Sports Betting Integrity Forum (SBIF). Comments received were generally very positive. The next version will be drafted and re-circulated by the end of March.
30. We have secured funding from DCMS to develop an SBIF website and information sharing portal. The portal access is now up and running. The website proposal is under discussion with the provider.
31. To support the IAGR Communications Sub Group, now chaired by Nick Tofiluk, we have agreed to conduct research into user requirements for the IAGR website and knowledge share portals.
32. We hosted a two-day visit of regulators from Austria, France, Germany, Spain and Italy to take forward their discussions of matters of common interest in particular those discussed in the EU Expert Group such as sports betting integrity, advertising and administrative cooperation, with a discussion led by Professor David Forrest on the far east betting market and its implications for sports betting integrity.
33. Nick attended the IOC Expert Conferences as a moderator and contributor. The aim is to develop proposals for the new IOC strategy (which will include betting integrity) for

2016 and 2020. Nick also chaired the Network of Regulators meeting on 17 March in Oslo, and contributed to Council of Europe Convention seminars.

34. The workstream has developed a set of questions which will be used for HIO betting operators, and is working with the HIO workstream to support the application of the questions during corporate evaluations.

Information Management Strategy

Management information; data quality; data hub; knowledge sharing

35. Our current focus is on the transition to the Public Services Network (PSN) as referenced in the IT section of this report. We have completed a gap analysis of our current control framework against Cabinet Office requirements and the external IT testing that is required to demonstrate we have the requisite security controls in place to protect our network from external threats. The next phase is the internal testing of our IT infrastructure, and any remedial actions required, followed by our submission for approval to connect to the PSN (with a target date of June 2015).
36. A discussion paper is being submitted to IAG in March regarding the adoption of a Quality Management System compliant with the ISO:9001 standard, as previously outlined in our last update to the Board.
37. We are meeting with one of our key suppliers in March to further explore a content management system which could potentially replace the M: Drive and SharePoint and also provide enhanced search functionality within Siebel (our key CRM system).
38. We have agreed a new FOIA publication process for board papers, and we are trialing its implementation. The ICO has found in favour of an appeal against our decision not to disclose information relating to the National Lottery which we are not proposing to appeal.

Risk assessment development and integration (assessment matrix)

39. We have been working with those workstreams identified as key areas for the development of our risk framework, in particular with the HIO and AML leads. The workstream leads are working to define their outcomes in ways which allow automated integration with the assessment matrix.
40. Website reviews have been automated in a risk matrix format and the security audit template has been created and is awaiting final confirmation before the automated matrix is completed. Proposals have been drawn up for a 'list of values' on Siebel to allow for the identification of complex cases which will then be added automatically to the matrix.
41. We have also been working with the remote sector specialists on the proposed regulatory returns analysis and with licensing on the first contact assessment templates.

Gathering and sharing evidence

42. Our key activities in the month included:

- Development of a new excel-based template for the publication of the quarterly participation survey; this is due for publication on 30 April;
 - The final review of the detailed analysis of participation data for 2011-2014. The report is due for publication at the end of March;
 - Commencing data collection on the Welsh problem gambling survey, the stand-alone participation and perceptions survey and the omnibus participation survey. The latter two are scheduled for this month;
 - Specification of an approach for the online survey of participation and online gambling behaviour, and identification of a preferred supplier. We have begun development of the survey instruments and data collection is due to commence late March / early April;
 - Meeting with the some of the researchers who carried out the RGT machines project to discuss next steps. These will be fed into a workshop with the RGT research committee on 17 March;
 - Meeting with the suppliers for the Young Person's omnibus to specify analysis and output requirements for the 2015 survey.
43. The Intelligence Unit has made significant analysis contributions to a number of complex cases, including RIPA data communications analyses. Intelligence support was also provided for the corporate evaluation of **[Exempt information under section 31 of the Freedom of Information Act]** and also provided significant support to **[Exempt information under section 30 of the Freedom of Information Act]**.

Gambling statistics

44. We continued to undertake extensive testing of the reports which are used to compile the industry statistics, following the changes made late last year to regulatory returns submissions through the eservices portal. Once completed, the first cut of full data-sets was downloaded for July's publication, with data quality checks being undertaken prior to sending the data-sets to Sector Specialists.
45. Preparatory data work undertaken for our submission to the GREF survey, which was received during early March and contains several new sections.

RGSB

46. Having submitted our machines advice, the strategy update letter and our views on marketing and advertising to the Commission in early February, we have been preparing for a joint discussion with the Trust about research next steps on 17 March and the RGSB Board meeting on 18 March. This will mainly focus on how to apply some structure to the planned evaluation of industry harm minimisation measures following on from the machines research and the new LCCP. This will include giving consideration to the establishment of a research protocol to ensure that industry efforts are transparent and objective.
47. The advertisement for RGSB Board members went live on 2 March, with a closing date of 23 March.

Sector and Thematic Impact

Social responsibility

48. We have been producing accompanying material to inform the industry of the amendments made to the LCCP. A summary of key changes has been published and guidance for individual sectors on how the changes impact upon them is being produced. We have been fielding the inevitable volume of queries from operators and trade bodies about how changes apply to them.
49. The working group established to develop the remote self-exclusion scheme have significantly amended the draft system architecture that they have been developing. We plan to issue a briefing note shortly to demonstrate progress and to seek views on the architecture and estimated costs and benefits. The views obtained through this pre-consultation will inform the formal consultation which we will undertake following the election, which will also cover specific options on how the scheme should be managed and funded. Undertaking a preliminary consultation should allow us to reduce the duration of the more substantive consultation and allow for the Commission to tender for a third party contractor to develop the software and manage the contract in the early Autumn.
50. We have continued to monitor closely the betting sector's response to the challenge of implementing multi-operator self-exclusion arrangements. We have received a positive impression recently of their willingness to engage, following a slow start. They have, for example, been discussing, as an interim proposal, the development of a service that would allow an individual to register an interest in self-exclusion and receive contact back from one operator who would facilitate their self-exclusion from a number of premises across operators. If this is created it would be a good step forward. Their plans for the formal scheme involve the development of a software solution a useful by-product of this work could be that it would allow for improved highlighting of individuals most likely to breach.
51. Our compliance work with motorway service area (MSA) adult gaming centre operators commenced this period, after our long-standing concerns over the quality of underage gambling test purchase results delivered by these operators. Our engagement with **[Exempt information under section 31 of the Freedom of Information Act]** has led to their commitment to staff their AGC premises rather than rely on their current, ineffective CCTV controls. They will monitor the success of manning their premises over the next few months with an intensified test purchase programme, and report back to us regularly. **[Exempt information under section 31 of the Freedom of Information Act]**, another poor performer whom we have challenged to improve otherwise risk formal regulatory action, has reported successful trials of their new remote monitoring systems with improved test purchase results.

Marketing and advertising

52. We have been working with the Gambling Advertising Monitoring Unit (GAMU) on the implications of the likely outcome of the Government's response to the advertising review, which is expected to include new restrictions on pre-watershed advertising of sign up offers and a call for further research. We have been steering DCMS towards a

research focus on the impact of gambling advertising in digital media and the potential for harm especially to the young.

53. We have continued to provide expert advice and drafting support on the Government's formal response document. The report is now with Number 10 for approval but there are doubts about whether it will now emerge before the election.
54. We met Anna Payne, Head of Child Online Safety at DCMS, to discuss the new Internet Service Provider (ISP) filters and targeted gambling advertising via social media.
55. We attended a meeting of Operation LINDEN, a stakeholder forum consisting of regulators, consumer groups and trade associations, which is seeking to reduce levels of unwanted marketing communications (e.g. spam text messages).
56. We have continued to liaise closely with the Federation Against Copyright Theft (FACT) and the British Phonographic Industry (BPI) regarding copyright infringing websites and the risk of revenue being sourced from advertisements from major licensed gambling operators and have been informally contacting those of our licensees who appear frequently on those websites.
57. We have been working on the Commission's approach to utilising social media to engage with operators, stakeholders and consumers, and its approach to accessing operators' social media pages for routine regulatory purposes.
58. We have continued to provide expert thematic advice to colleagues across the Commission on all marketing and advertising matters.

Protection of player funds

59. We have completed our analysis of the responses to the consultation on the content and timing of the customer funds reports. Responses broadly supported our proposals and we have begun preparing the Commission's response document. We have also been focussing on writing the product specification required to build the reporting system within the Commission's eServices system.
60. The requirement to display customer funds information to existing customers according to the Commission's new ratings system came into force on 28 February, with the requirement in relation to new customers having been in place since 2 February. This was the final stage of introducing the Commission's new requirements on display of customer funds information and the ratings system. We will continue to monitor how this is embedded by industry, and take account of any learning in future updates to the Commission's advice note or to the ratings categories or broader system.

Work with LAs and other regulators

Guidance to licensing authorities (GLA)

61. We continue to work on the fifth draft of the Guidance to Licensing Authorities which will update the fourth edition published in 2009. The fifth edition contains LCCP and other updates and reflects the considerable development in the quality of the partnership between the Commission and Licensing Authorities. This latter aspect is particularly reflected in a strong introductory narrative that incorporates and reflects what has been achieved in the shared regulation approach.

62. To support the consultation we held events in London, Manchester, Birmingham and Newcastle where the contents of the GLA were discussed with the 250 delegates, and we have incorporated some of the key messages from the feedback into the draft. There are further events scheduled for Scotland and Wales at the end of this month and beginning of next month. Philip gave the opening address at the London launch, and I opened the Birmingham event.
63. In furtherance of this work we also continue to work closely with the Local Government Association to encourage LAs to reflect local issues in their policy statements and also to develop a handbook for Councillors highlighting their roles, responsibilities and powers.
64. In this respect Westminster City Council, Manchester Council and Geofutures are commencing a research project to develop a vulnerability index for LAs to assist with the consideration of local issues and we are engaging with these organisations given the nature of this research and assistance it will be able to provide for LA's in developing their local area profiles.

Other work with LAs

65. In addition to the GLA and engagement work we are now also gearing up in preparation for the annual LA returns process which commences in April.
66. Further to our supporting Cheltenham Borough Council in an underage gambling test purchase exercise at Cheltenham Racecourse in January, we have been engaging with the major trade bodies for on-course bookmakers to ensure that standards are raised by this sub-sector. While the Cheltenham exercise showed some improvement on the abject results from last year's test purchasing at Ascot, the results from independent third-party testing commissioned by the Federation of Racecourse Bookmakers (FRB) show that little improvement has been made². We have issued an open letter to the trade bodies challenging their members to improve and warning that individual bookmakers could face formal action through future local authority exercises. We have initiated the review of one such bookmaker's operating licence after he failed a test at Ascot and also failed two tests at Cheltenham.
67. Outside this activity, much of our time has been committed to planning our work supporting local authority test purchase exercises across the country this summer.

Complaints and disputes

68. The first set of regulations implementing the Alternative Dispute Resolution Directive was laid on 18 March. The regulations name the Gambling Commission as competent authority as expected. A number of amendments were incorporated into the regulations as a result of discussions between GC, DCMS and BIS. However, we are assessing the impact of further amendments to the regulations (compared to the draft regulations) particularly for overseas regulators wishing to become approved in the UK.
69. We have also begun discussions with BIS and DCMS on the content of the second set of regulations implementing the Directive, which will be laid after the election. We are

² At Ascot in June 2014, none of the 20 bookmakers challenged the testers for ID. At Cheltenham in January 2015, 12 out of 21 bookmakers successfully challenged. The FRB commissioned Serve Legal to conduct 'Think 21' testing around Christmas and New Year, with the results recently reported to us that only 10 out of 200 track bookmakers challenged a tester aged around 18-19.

proceeding with preparations to implement the new competent authority role from July 2015, including communicating developments on the implementation of the Directive to relevant stakeholders.

70. We attended a seminar held by the Competition and Markets Authority on unfair contract terms and the guidance which will be issued later this year when the Consumer Rights Bill is enacted. As a result, we commenced discussions with the CMA on the interaction between general guidance to businesses and consumers and to guidance which the Commission may issue specific to the gambling sector, particularly relating to unfair contract terms.

Regulation of lotteries

71. Following an analysis of retail and online betting on lotteries, we identified an issue regarding the potentially misleading marketing of these products as lotteries rather than betting products by some online betting operators. We are in the process of finalising draft advice to the betting sector and the wider gambling industry on what the Commission expects in terms of how these products are marketed.
72. Proposals and advice from the Commission on the deregulation of some small 'exempt' lotteries and a consultation exercise by DCMS, led to a Legislative Reform Order (LRO) being laid on 29 January. We are monitoring the progress of this as it was expected to be passed in early April but has now been delayed until October 2015, due to other legislative priorities. The lottery sector has been advised of the delay by DCMS
73. **[Exempt information under section 31 of the Freedom of Information Act]**
74. **[Exempt information under section 30 of the Freedom of Information Act]**
75. We are continuing proactive compliance assessments, both desk based and on site, to develop our expert knowledge of operators.

Providing advice

Lottery sector – market policy debate

76. We have engaged an advisor (**[Exempt information under section 40 of the Freedom of Information Act]**) to assist in undertaking some of the further review work and to act as intelligent client for NERA (our economics consultancy) as it develops a response to a scenario modelling brief. We are putting together a briefing to assist DCMS in responding to issues raised at the Select Committee hearings in December – we expect the Select Committee will report its findings prior to the election. DCMS is also currently sifting responses to its call for evidence which closed on 5 March.

Innovation

77. We have been dealing with the following over the past month:
 - Self-service betting terminals – we have identified a new product of this type and are considering what action to take on it;

- Binary trading machines – we were made aware of a new machine whereby the outcome is derived from a trading index (e.g. currency fluctuations) but can be displayed in a slot format. **[Exempt information under section 31 of the Freedom of Information Act]**
- Bingo machine with a game design resembling a form of roulette – we have raised our concerns with the manufacturer, who does not accept our position, on a number of occasions. We are taking further legal advice on the issue.

National Lottery

78. Key activity covered:

- Preparation of papers for the February NL Committees, [Exempt information under section 43 of the Freedom of Information Act]
- Preparation for, and involvement in, the NL Committee strategy half-day on 25 February;

79. Work on other Camelot proposals³, **[Exempt information under section 31 of the Freedom of Information Act]**

- Dealing with more routine licensing requests and issues;
- Progressing vetting of individuals in a timely manner, including 17 new applications in respect of KPMG's appointment as draw auditor;
- Handling consumer protection matters on a timely basis, including 63 new enquiries received;
- Delivery of the 2014-15 compliance plan, and preparation of the 2015-16 plan, including evolution of the IT assurance plan;
- Enforcement activity on a number of Camelot related cases and incidents;
- Liaison meetings with Camelot and DCMS. The DCMS meetings included input to an induction day for DCMS covering lotteries generally.

80. We have been involved in the recruitment process for three places within the programme and also provided significant support to HR on a staffing matter.

81. A copy of the Director's Report to the National Lottery Committee in March, and the minutes from the February meeting are attached at Annex C which contains further information on work undertaken.

Finance and Business Planning

Business planning

82. We have been working with Programme Directors and Executive Directors regarding the content of the new business plan and their areas of work. We have further refined budgetary information, updating the figures to reflect the resource and time given to specific workstreams in the light of our discussions with Programme Directors.

³ The full range of Camelot initiatives with progress is attached to the Director's report to the Committee.

83. We have been converting the plan from spreadsheet format into the format for publication. Final draft versions were taken to both March's Business Plan Programme Board and Executive Group for approval and to capture any final comments and queries. The final draft is on your agenda for approval.

Finance

84. The 2015/16 budget and medium term financial plan has been finalised and is presented on the Board's agenda for review and approval. We continued throughout the period to put significant effort into financial administration and reporting. We are recruiting to replace vacancies and strengthen our business partner staff, who provide a vital link between finance and programmes.

Fees development

85. The consultancy work commissioned from Deloitte's is nearing completion but has required a lot more senior level input than had been envisaged. Their work will feed into the preparation of the Green Paper, which we plan to publish in May.

Support Services

HR policies, guidance and consultations

86. The sickness absence, disciplinary, capability (underperformance) and grievance policies and procedures have been signed off by the Executive Group. These are ready to be implemented, supported by a series of training/briefing activities. Additionally, a number of draft policies, including working hours, flexible working; family leave including shared parental leave have been completed and reflect new legislation. The updated versions of these policies are with Executive Group for review.
87. Small working groups have been set up to review the lone worker policy, the performance management moderation process and to develop the current policy relating to managing stress / personal well-being. In addition, a small group will be considering the protocols for working from home and the potential to introduce a nine working-day fortnight.
88. A number of employee engagement activities are currently being planned. The content and timing of the long overdue employee survey is being considered (it has been a casualty of the HR staffing difficulties). It is likely the Civil Service survey will be used and would therefore take place in October. We have been considering a 'temperature check' of employees before the summer.

HR support to management

89. As of 11 March 2015, we were recruiting to 43 vacant posts. In the reporting period, 23 posts have been recruited to through a mix of 15 internal and 8 external applicants. We have been reviewing our recruitment arrangements, and finalised our recruitment principles, which were circulated internally.

90. The management of case work covering disciplinary, grievance, absence, and performance management continues. There are currently four complex cases and four informal cases in progress.
91. Work continues to prepare for the 2015 pension changes. A series of pensions seminars detailing the changes were held and were very well received by employees, with over 100 colleagues attending. We are on track to deliver to tight deadlines in preparation for the pensions change to the Alpha scheme on 1 April 2015. Over 90% of our employees have now submitted their public service pension history and we are reminding employees that the remaining information must be submitted by 31 March 2015.
92. Work on aligning the pay year and PMR arrangements for certain employees within the NL programme continues. The performance year for all staff has been brought forward a month to provide a slightly longer window for assessment and moderation activities before payment in November. We are having to devote effort to pursue the highly dysfunctional myCSP to secure pension and redundancy payments on time.
93. We continue to develop the functionality of the HR Snowdrop system. Sickness self service for managers will be implemented as part of the sickness absence policy roll out.

Accommodation management and health & safety

94. The negotiations for the renewal of the lease on Victoria Square House continue to require significant effort. We have agreed and signed the heads of terms. We have been working through a significant number of points on the draft lease itself which, whilst overseen by our external legal advisors, have required considerable input from our staff to resolve. Following a lawyer to lawyer meeting, we have reduced the number of disputed points to a small number of relatively minor issues and we are working to secure the agreement of the Landlord on the resolution of these points. We expect to have a final version of the lease agreed with the Landlord by the end of March.
95. All current health and safety policies, risk assessments and guidance are now with the health and safety committee for feedback and will be signed off at the next health and safety meeting.
96. Formal quotes for decoration, carpet replacement and seat coverings have been requested ready for completion of the lease negotiations.

IT infrastructure management

97. We have placed the order with Vodafone for the line required to support PSN connection and we have a transition date of mid June. A third party supplier is carrying out penetration checks and any remedial work or mitigation documentation will need to be completed before the transition date (w/c 26 June 2015).
98. The upgrade to the Siebel CRM development hardware (development server, system server and UAT server) has been completed, which has extended the operational life for this infrastructure by three years.

Publications and external communications

99. Details of our communications activity is attached at Annex B.

E-communications

100. Content is being drafted to help reduce the volume of calls to the contact centre since implementation of the Gambling Licensing and Advertising Act. This covers:

- Random nature of online games;
- Self-exclusion and how this differs from other forms of managing gambling;
- ID verification and the ability to withdraw funds from online operators.

101. We are developing an action plan for the launch of the new RGSB website and for the transfer of information about the National Lottery onto the Gambling Commission website.

102. We have established a presence on Facebook – initially a passive presence to explain the role of the Commission and to provide support for our compliance work.

Internal communications

103. Internal communications support has been provided for the roll out of the revised HR policies, including the creation of a template for policy quick guides to make them more accessible for employees. Work is in progress to publish and promote the mandatory e-learning modules within our e-learning platform, Learning Pool.

Annex A - Complex cases update

[Exempt information under sections 30 and 31 of the Freedom of Information Act]

Annex B – Communications report

1. Media

A total of 15 media calls were handled, with 25% concerning betting and 20% about the release of the new LCCP and strengthening social responsibility publications.

The Commission was mentioned in the media 56 times.

- Positive coverage included:
 - the Commission's updated LCCP and strengthening social responsibility publications being reported widely in the trade press. The Racing Post used Philip Graf's quote calling for 'a debate on anonymous gambling in cash' as its headline.
 - police in Belfast seizing more than 100 illegal gaming machines and £200,000 in cash with the help of experts from the Commission.
 - amateur snooker player John Sutton being suspended pending the outcome of a hearing into suspicious betting patterns. The investigation has been launched with the support of the Commission.
 - action by local councils, supported by the Commission, to attach new conditions to the premises licences of four independent gambling operators who had twice failed to challenge an underage test purchaser.
- Neutral coverage included:
 - numerous stories in the regional press relating to the amount of money spent in local areas on FOBTs according to figures from the Campaign for Fairer Gambling.
- Negative coverage included
 - Chisholm Bookmakers putting losses of over £100,000 down to the increased costs of media rights and the way the Commission structures its licensing fees.

2. Website

During February the website had 96,317 user sessions, representing a 133% increase on the average last year (41,215 visits – 2014). We believe this is down to the implementation of the Gambling (licensing and advertising) Act attracting more visitors to the site. 1,488 of those users provided feedback on the pages they visited as follows:

57% positive
18% neutral
25% unhappy.

On average, visitors spent under two minutes on the site and looked at two pages per visit.

3. Social media

Of the 209 mentions of the Gambling Commission in February, 36% were positive (showed us in a good light or reinforced our messages), 6% were negative and 58% were neutral.

Positive sentiment (36%) in February can be attributed to the following:

- the Commission's consultations and updates on social responsibility.

Negative sentiment (6%) for the same period can be attributed to the following:

- Twitter comments relating to the licence fees for smaller independent operators.

In February, 689 visits to our website came from Twitter. We increased our Twitter follower numbers from 1648 to 1751 – an increase of 6.3%.

On LinkedIn we increased our company page followers from 1,270 to 1,338 – an increase of 5.3%.

4. Publications

[Statement of principles for licensing and regulation](#)
[Approach to test purchasing - England and Wales only](#)
[Licence conditions and codes of practice](#)

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

Welsh language standards

An investigation by the Welsh Language Commissioner, originally planned for May, has been postponed and will now take place sometime between 2015 and 2017, the actual date to be confirmed nearer the time. Until then we will continue to report annually to the Welsh Language Commissioner on our Welsh Language Scheme.

We expect that an investigation and any changes we are required to make as a result of the findings, are likely to have a major impact on our resources.

5. Press releases

[New conditions for operators failing second underage test](#)
[Gambling Commission raises the bar on social responsibility](#)
[Licensing Authorities consulted on changes to statutory guidance](#)

6. Parliamentary questions

Parliament was on recess from 12-23 February. There were however still 3 written parliamentary questions of direct relevance to the Commission over this period.

Christopher Chope: To ask the Secretary of State for Culture, Media and Sport, whether he plans to publish the Government's response to the review of gambling advertising before the General Election.

Helen Grant: Yes

Karl Turner: What recent discussions he has had with the Safe Bet Alliance on betting shop staff safety.

Helen Grant: The Government is committed to tackling crime and ensuring the safety of staff and customers in betting shops and welcomes the Safe Bet Alliance initiative. The SBA is a collaborative initiative which includes the Association of British Bookmakers (ABB) and Metropolitan Police among others. I have had numerous meetings with the ABB to discuss a range of issues including gambling related harm, crime and staff safety.

Scottish Parliament

Johann Lamont: To ask the Scottish Government what steps it is taking to support people with a gambling addiction.

Jamie Hepburn: The Scottish Government is committed to delivering faster access to psychological therapies for people with mental illness or disorders, including those who are addicted to gambling which is recognised as a type of impulse-control disorder. The delivery of psychological therapies is a core part of NHS activity, all of which is fully funded by the Scottish Government. NHS boards have made good progress in recent years in improving access to many psychological therapies.