

Report from the Chief Executive

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

Prepared by: Jenny Williams
Chief Executive

Date: 16 July 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. The report is structured around the key objectives agreed in the strategic narrative with individual workstreams grouped wherever possible. Workstreams that were identified as business plan priorities have been reported individually.

Key issues

2. The key issues preoccupying me at the moment continue to be those highlighted previously ie
 - Finding, developing and retaining the right staff, especially those with specialist skills – while we have secured some promising recruits, getting them and other recently recruited staff up to speed while continuing to pursue the licensing objectives and advise government is challenging
 - the continuing efforts to work smarter (and faster) with the capacity we have.
 - **[Exempt information under section 36 of the Freedom of information Act 2000]**
3. **[Exempt information under section 36 of the Freedom of information Act 2000]**

Events (not covered elsewhere)

4. The key events attended last month included:
 - Philip and Matthew had an introductory meeting with Ladbrokes CEO Jim Mullen, and Ciaran O'Brien, Corporate Affairs Director.
 - Philip, Helen Venn and Richard Bayliss met Richard Flint, Chief Executive and Fiona Palmer, Head of Social Responsibility and Compliance at Sky Bet.
 - Philip, Ben Haden, Sue Harley and I attended a Camelot Board-to-Board meeting in London along with the Commissioners.
 - Philip, Matthew and I attended a meeting in London with Chris Kelly to discuss RET next steps and tactics.
 - Matthew and I met the Minister for Sport, Tracey Crouch for further discussions on social responsibility in machine gambling, particularly FOBTs.
 - I attended the GRAF conference in Zimbabwe speaking on the regulation of online Gambling.
 - Mary and I attended the Parliamentary All Party Betting & Gaming Group, a reception for 'An Introduction to the UK Gambling Industry' Sponsored by The Industry Group for Responsible Gambling.
 - Nick Tofiluk attended the IAGR Board of Trustees meeting held during the North American Gaming Regulators Association meeting in Denver. Discussion with NAGRA Board took place as to collaborations between the organisations.

- Rachel Lampard was interviewed on the Commission's approach to regulation as part of the World Gaming Executives Seminar (WGES) in Barcelona.

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

Licensing and Compliance

Licensing and online applications

6. In addition to supporting other workstreams over the period, such as Alternative Dispute Resolution, AML and Proactive Compliance (desktop compliance, regulatory returns, and security audits), Licensing has achieved the following (previous month in brackets).

	Received June (May)	Determined June (May)
OL Applications	21 (24)	24 (17)
OL Variations	61 (89)	54 (73)
Change of corporate control	11 (16)	17 (8)
PL Applications	270 (207)	304 (210)
PL Variations	18 (6)	16 (4)
Transitional applications	Total Received 176	Determined 119 (98) Withdrawn 15 (13)

7. The hearing date for the Commission's appeal against the Appeal Tribunal's decision on the Greene King applications has been set for 8 October 2015.
8. One licensing administrator and one licensing officer have been successfully appointed with the search for another administrator still underway.
9. The Contact Centre received 4,716 enquiries in June 2015 compared to 3,840 in same period in 2014. We have started a review of our engagement with consumers and are considering whether to separate contact centre provision for licensees and applicants from consumers to improve the effectiveness of the service.

Licensing of remote operators

10. **[Exempt information under section 31 of the Freedom of information Act 2000]**

Anti-money laundering

11. On 5 June the EU formally adopted the Fourth ML Directive. This includes a provision for all gambling services to move into the regulated sector (for the purpose of the ML Regulations). 'Low risk' sectors can however be excluded subject to suitable risk assessment.
12. We have continued to work closely with Treasury, DCMS and the Home Office on implementing the Directive and contributing to the developing understanding of money laundering risks and controls within the industry. During the relevant period we also considered the draft national (money laundering) risk assessment and a review of the SARs regime linking this to our regulatory approach to AML¹.
13. We continued to make progress against objectives set out in the AML two-year plan agreed in May 2014 including:
 - Kings College London concluded a scoping exercise, identifying the potential for academic research to further develop our understanding of AML controls within the industry, their prevalence and effectiveness.
 - Contributed to an AML focused industry briefing arranged by a leading gambling lawyer, setting out our regulatory approach and expectations in the context of customer due diligence.
 - Completed an internal review of how the AML workstream aligns to 25 workstreams with which it has the closest links.
 - Held an internal workshop focused on the nature and potential impact of digital currencies within the industry, our regulatory stance and potential measures to mitigate any new risks arising.
 - Hosted the biannual remote AML forum. Topics included the 4th Money Laundering Directive; trends in SAR reporting; arrangements to share information about possible money laundering; the anticipated National Risk Assessment and review of the SARs regime.
 - Met the Chief Executives of BACTA and Gambling Business Group to discuss the industry approach to AML and the 4th Money Laundering Directive.

Proactive compliance

14. Proactive compliance activity is planned, delivered and reported quarterly. The non-remote work plan for Q1 2015/16 has progressed well. As of 29 June,
15. 141 (91%) of the Q1 assessments were completed;
16. 14 (9%) are scheduled for site visits to be completed by mid July.
17. We received 1,015 lottery submissions, all of which complied with the minimum returns to good causes.

¹ Exempt information under section 22 of the Freedom of information Act

18. We received 300 regulatory returns during the month. For the first time no returns required re-submission due to data quality issues. Three remote operators have supplied nil returns indicating that they have not actively traded for at least six months. We wrote to these operators this month to question their ongoing need to hold an operating licence.
19. Out of 176 transitional applicants, two have failed to submit a regulatory return (due 28 April) and are subject to a section 116 review. Of those that have been submitted, 161 have been assessed and no major issues identified.
20. We continued our assessment of the security audits submitted by those operators who applied for licences following the implementation of the Gambling (Licensing and Advertising) Act 2014. Of the 163 transitional applicants required to submit a security audit, six are outstanding. These six have requested an extension for submission. We have agreed on the understanding that failure to comply with the agreed deadline will result in regulatory action.
21. Of the 94 submitted security audits assessed to date, we raised significant concerns with 59 operators. The remaining audits have been assessed as raising medium- or low-level issues and are now being considered in more detail.

High impact compliance

Corporate Evaluations:

22. **[Exempt information under section 31 of the Freedom of information Act 2000]**

Annual Assurance Statement

23. Ahead of publishing our response document to the supplementary consultation on the introduction of assurance statements, we held meetings with the industry to address their remaining concerns including **[Exempt information under section 41 of the Freedom of information Act 2000]**.
24. We plan to publish our Response document on 21 July, retaining this proposal, but agreeing a slightly longer timetable, and will continue to work with the operators and trade bodies in the lead-up to the first year's submission.

Reactive Compliance (non-complex)

25. We are currently conducting 14 licence reviews under section 116 of the Gambling Act 2005, five are for operating licence holders and nine are for personal functional licence (PFL) holders.
26. Four new section 116 reviews were allocated for investigation, all for PFL holders and all involving casino dealers who have been dismissed by their employers for gross misconduct. **[Exempt information under section 31 of the Freedom of information Act 2000]**
27. Two reviews were closed, one operator licence holder and one PFL holder.
28. The operator review related to failure to submit a security audit but, on commencement of the review, they arranged for the audit to be conducted and so we issued advice to conduct.

29. The Commission revoked the licence of a PFL on the grounds that they were not suitable to carry on licensed activities as a result of their dishonest behaviour and the abuse of a position of trust.

Complex cases - Reactive compliance (complex); enhanced compliance; criminal enforcement activity

30. We continued to focus on issues affecting the licensing objectives at a strategic level. Currently 45 cases comprising complex issues include: licensing applications, compliance escalation, policy issues, thematic industry issues, regulatory reviews and criminal investigations and are progressing largely to plan. This challenging activity is being delivered by 14 case managers drawn from supply pools across Licensing, Compliance, Intelligence, and Sector and Thematic.
31. Details of complex case activity can be found at Annex A.

Planning, Evidence and Analysis

Betting integrity

32. We have been contacted by a number of sports governing bodies to discuss Sports Betting Integrity risk management (long term approaches and specific events) arrangements. These include the National Football League (NFL), rugby's European Professional Club Rugby (EPCR) who stage the European Champions Cup and Challenge Cup, Table Tennis, Athletics and are the result of recommendations from sports governing bodies with which we already have regular engagement.
33. Together with DCMS separate meetings have been held with the British Olympic Association and UK Sport to discuss SBI awareness and their approaches /policies and have secured agreement to a joint meeting to discuss their respective and combined approaches in the context of the National Sports and Sport Betting Integrity Action Plan and Governments anti-corruption strategy.
34. Preliminary discussions have been held with DCMS with regards to amending Schedule 6 of the Gambling Act to accommodate the inclusion of additional sports and amend organisational titles. The Schedule was last amended in 2012, in preparation for the London Olympic Games.
35. Nick Tofiluk and Lorraine Pearman met DCMS, United Kingdom Anti-Doping Agency, World Rugby, the Rugby Football Union and England Rugby to review the agreed anti-corruption provisions for the 2015 Rugby World Cup to be held in the UK (September and October). Commission / SBIU arrangements were finalised and agreed, primarily on the basis of 'business as usual'. No additional Commission costs have been identified. It was agreed that the approach adopted may serve as a future national framework for the management of major sporting events taking place in the UK.
36. Work has continued with by DCMS officials in preparation for signature and ratification of the Council of Europe Convention now not expected before 2016.

Risk assessment development and integration (assessment matrix)

37. We have developed a more comprehensive approach to the review of security audits. The review now underway will give the Commission a view of all security audits and results (i.e. not just those received under the Gambling (Licensing and Advertising) Act 2014 Act transition arrangements) and should be completed by August.

38. We have also been considering how to integrate security audit reviews into the assessment matrix as this is currently a standalone process.

Use of intelligence

39. We have met the European Sports Security Association (ESSA) to explore if and how we may be able to benefit from access their alert systems and refreshed our MoU with that organisation.
40. The Intelligence team received additional training from the remote sector specialist on the structure of the remote industry and the challenges of regulating it. Further training will take place again in six months.
41. **[Exempt information under section 30 of the Freedom of information Act 2000]**
42. Nick addressed a closed meeting of the US Association of Law Enforcement Intelligence Units (LEIU), an organisation that facilitates the exchange of confidential information among 240 local, state, and federal member agencies.
43. We have been contributing to the development of the information sharing and cooperation agreement for the EU Expert Group of Gambling Regulators.

Information Management Strategy

44. We had a meeting with the Solicitors Regulation Authority (SRA) to discuss their use and experience SharePoint software (Electronic Document Records Management).

Sector and Thematic

Social responsibility (consumer policy / underage/ self exclusion)

45. Recent recruitment addressed a resource shortage in the social responsibility workstreams. With new staff settling into their roles, we have been able to:
- make some progress with the work that we want the SENET group and IGRG to take forward on social responsibility messaging and information to players
 - start defining the scope and timeline for a consumer policy and communication strategy
 - work with RGSB as it reviews its three-year strategy, to ensure that it takes account of the key elements of the social responsibility programme
 - continue to monitor closely the betting sector's proposed solution to the requirement to put in place multi-operator self-exclusion arrangements by April next year (the plan is to launch a trial of the approach in Glasgow on 27 July).

Marketing and Advertising

46. The Marketing and Advertising workstream has focused this month on:
- compliance activity around the marketing of free bets and bonus offers
 - engagement with marketing PML holders in relation to spam text messages and advertisements appearing on copyright-infringing websites (we are meeting with

FACT², PIPCU³ and the BPI⁴ on 15 July to review our interventions; their initial feedback suggests a very positive impact)

- ongoing discussions with DCMS around the outcome of the four-strand advertising review and future work
- developing a marketing and advertising assessment framework for the HIO corporate evaluation exercise, which we will be piloting **[Exempt information under section 31 of the Freedom of information Act 2000]**.

47. We delivered a presentation on marketing and advertising issues at the remote sector meeting on 15 June, with a hard-hitting focus on the non-compliant marketing of free bet and bonus offers, spam text messages and ads appearing on copyright infringing websites. Industry was left under no illusion that we expect to see improvements.

Protection of player funds

48. The ongoing remote compliance exercise during which all remote gambling operators have been required to submit evidence of compliance with the customer funds licence condition has highlighted that some operators have only partially implemented the disclosure to customers requirements. These failings are being addressed directly with the operators and also via communication with the Remote Gambling Association. We are also preparing to amend the Advice Note for operators on customer funds to reflect the lessons learned from the compliance exercise when fully completed.

Shared regulation and LALU

49. Shared Regulation continues the programme of stakeholder engagement in order to promote efficient and effective regulation via partnership working with Licensing Authority's (LAs). Engagements have included:

- Attending the 4th annual meeting with Metropolitan LAs and a presentation to the North East and South West IOL regional groups concerning the Guidance to Licensing Authorities consultation (which closed at the end of June) and policy statements. Meetings included the launch of the first stage of the Geofutures research about vulnerability and harm which will help support LAs in considering local risk patterns.
- Discussions continued with SOLAR, Convention of Scottish Local Authorities (COSLA) and Scottish Government about the Advice Note to Licensing Standards Offices, and attendance at COSLA event about policy statements

50. There is a statutory requirement under the Gambling Act 2005 for local authorities to provide the Commission with information on their permits, notices and inspection activity as set out at section 29. The annual Local Authority Return also forms a part of the Single Data List as compiled by DCLG. The window for submission of reports closed in May all 380 LA annual returns have been submitted and analysis of the data is underway prior to publication of the List.

² Federation Against Copyright Theft

³ Police Intellectual Property Crime Unit

⁴ British Phonographic Industry

51. In furtherance of the support we offer to LAs, particularly given current budgetary constraints for LAs, which impacts upon resourcing, we have:
- Published a letter template for LA required to deal with illegal betting in pubs plus sent a reminder to poker leagues about the regulations regarding poker in pubs
 - Finalised public statements regarding the classification of crane grab machines, working with importers and BACTA (see also machine innovation workstream narrative, below).
52. We input into the [LGA's councillor handbook on gambling](#) which has now been published and reflects the direction of travel of shared regulation.

Machines innovation

53. In monitoring machine innovation and compliance there is ongoing monitoring and engagement with the industry and with the Bingo Association in respect of bingo machines as there is a risk that manufacturers and/or operators may inadvertently introduce games which are presented as bingo but are more akin to a gaming machine in terms of their operation, which would not be subject to any stake/prize limits, or restrictions on numbers which may be sited in a premises.
54. **[Exempt information under section 43 of the Freedom of information Act 2000]**
55. We have further clarified with the industry the need to treat skill based crane machines that use compensation methods to control prize payouts as gaming machines. Our concern is that operators are siting machines of this nature, purported to be skill without the necessary permissions applicable to a gaming machine. We have engaged with BACTA, the most relevant trade body in such matters, who are actively making their members aware as to the need to ensure such machines are treated as gaming machines.

Gambling Statistics

56. The gambling statistics workstreams have been focused on:
- preparing and publishing the latest edition of Industry Statistics
 - maintaining progress with our survey work
57. We published the latest Industry Statistics (including data up until September 2014) on 25 June. Since publication, the Word file has been downloaded 592 times, with the Excel file downloaded 370 times. In the week after publication we received around two-dozen queries or follow-up responses, for the most part fielding questions about Remote. We are in the final process of drafting the findings from our review of the content of the Industry Statistics publication and the process we follow in producing it and have been discussing with the remote industry what they would find useful by way of presenting the new data sets we are now collecting.
58. Quarter two data collection has been completed successfully for the telephone participation survey, the online participation survey and the Wales problem gambling survey. We will publish results of the quarterly participation for year to June 2015 on 30 July.
59. Quarter two of the online survey included questions relating to levels of self-exclusion and reasons for self exclusion. The results showed a lower awareness of self-exclusion

than expected (69% of those who gambled online in the past year not aware of self-exclusion). The team has carried out further interrogation of the data and formulated a plan for beginning to address this. The results also showed that around two-thirds of those classified as problem gamblers had never self-excluded. This has implications for some operators' plans to use self-exclusion as a proxy for problem gambling in their social responsibility algorithms.

60. We have discussed with NatCen the potential for presenting the new participation data from telephone and online methodologies in a micro-site which provides users with the option of interacting with the data. We have now received outline costs for options relating to the micro-site and will consider whether to take this forward.

RGSB

61. This workstream has been focusing on:
 - **[Exempt information under section 36 of the Freedom of information Act 2000]**
 - development work with the Trust on machines research secondary analysis, an ITT on harm measurement research, and the commissioning of new harm minimisation innovative projects
 - stakeholder meetings to discuss the RGSB Strategy and preparing for the RGSB Strategy Planning awayday on 21 July.
62. The Trust's Treatment Panel and Trustees meeting took place on 7 and 8 July respectively.

Complaints and disputes

63. Work on ADR has continued to dominate our efforts. As discussed at the June Board meeting, the Government has changed the overall date for implementation of the ADR Regulations from 9 July to 1 October. Although this means we could delay approval of ADR entities until much later, we have now communicated the decision (approved at the June Board meeting) to keep momentum up on ADR implementation. We have therefore confirmed with stakeholders our plans to issue the Commission's list of approved ADR entities by end July, require gambling operators to use one or more approved ADR entities by end August and to require full compliance with the ADR Regulations by ADR entities and gambling operators by the implementation date of 1 October.
64. We continued to assess the 11 ADR applications which we received before or in early June. We also received one further application and an expression of interest to apply. We will not process these latter cases by July and will note them on the published register as applications. We will process them as quickly as possible. Most applicants have now submitted additional or changed information to support their application, such as revised application forms or new procedural rules. We are assessing this additional information as it comes in. However, in all cases, we will still apply the provision which permits us to approve based on the understanding that an ADR applicant can become compliant within a reasonable timeframe (we will apply the 1 October implementation date as this reasonable timeframe).
65. We have progressed the formal process for applying the licence condition to Camelot which will require them to offer ADR services free of charge to their customers, using an

ADR entity approved by the Commission. The licence condition will be in place and in force in August.

Lottery advice and standards

66. The Lottery Sector team continues with a programme of work that includes issuing advice and guidance on the requirements and encouraging best practice and resolving compliance issues by engaging with stakeholders, including trade associations and operators. The aim is to maintain and improve compliance levels in the sector, the workstreams continue to work to maintain standards and provide advice in furtherance of this aim. Current work includes:
67. **[Exempt information under section 31 of the Freedom of information Act 2000].**
68. **Betting on Lotteries** - following an analysis of marketing and advertising by licensed betting operators who offer betting on lotteries, mainly overseas lotteries such as the Irish lottery, a 'discussion document' to clarify and underpin the Commission's position on how these products has been written and is due to be published in July. Following publication we will engage further with some betting operators who offer stand alone betting on lottery products with a view to ensuring customers are not misled.

Providing advice

DCMS market advice

69. Work continues on the development of thinking with regard to the next phase of advice for DCMS on the future of the lottery sector. Significant time has been spent this month supporting the Department's response to the CMS Committee report into the Society Lottery sector. This is going to lead to a further requirement for more advice on the issues arising which we are planning for, particularly in terms of likely need for additional resource to the workstream

National Lottery

70. **[Exempt information under section 43 of the Freedom of Information Act 2000]**
71. **[Exempt information under section 43 of the Freedom of information Act 2000]**
72. **[Exempt information under section 31 of the Freedom of information Act 2000]**
73. **[Exempt information under section 31 of the Freedom of information Act 2000]**
74. Key activity, in addition to normal programmatic work on Compliance, Licensing, Vetting, Consumer Protection (85 enquiries received) and Enforcement, focused during the period since the last report on:
75. **[Exempt information under section 43 of the Freedom of information Act 2000]**
76. **[Exempt information under section 43 of the Freedom of information Act 2000].**
77. Liaison meetings were held with Camelot and DCMS, as well as a tri-lateral involving all three parties. Ben Haden attended the National Lottery Promotions Unit management board and the steering group for the review of that body, in our observer role. There continues to be a regular flow of general support requirements from DCMS.

The programme is busy but available resource is matching the requirement.

78. A copy of the Director's Report to the National Lottery Committee in July, which contains further information on work undertaken and reflections on the Board-to-Board meeting.

Business Planning

79. The Corporate Risk Register was updated during the reporting period. It has gone to Business Plan Programme Board for final updates and has now been circulated to the Senior Management Team for review. The PMO team has concentrated on helping each workstream produce worked out plans and deliverables for and populating the new Business Plan Programme Board reports.

Finance

80. A thorough investigation has been completed into the omission of gambling software licences from the 2015/16 income forecast, as reported last month. An internal review of the content and assumptions contained within the income model has been undertaken, together with an investigation into how the error occurred. In support of this, the Commission's internal auditors, Mazars has also undertaken a full review of the income model's governance and controls, and have undertaken a logic test of the model to confirm that there are no material errors.
81. A number of improvements that have been identified through these reviews have already been implemented and further changes and enhancements are currently in train. Overall, both Mazars and the internal review provided assurance that the error was restricted to the gambling software omission only, and there were no fundamental weaknesses within the methodology or integrity of the income forecasting process.
82. The annual report and accounts were signed off by the Comptroller and Auditor General of the NAO on 5 July, and laid before Parliament on 14 July.

Fees development

83. A Board paper has been submitted this month which provides a concise summary of the workstream progress, a broad timetable for delivery and details of the discussion paper that is currently being finalised for phase one consultation. The workstream members are focussing on the finalisation of that discussion paper with an intent to enter phase one consultation in August 2015 **[Exempt information under section 36 of the Freedom of information Act 2000]**. The next stages of the fees development work has now been planned in more detail with a range of scenarios for different implementation dates.

Support Services

HR policies, guidance and consultations

84. Ten policies have now been signed off, with four more to go to Executive Group in July. Consultations and briefings with employees are to take place towards the end of July and beginning of August, highlighting changes and reasons to facilitate understanding and agreement. Informal consultations with PCS on the content of the revised policies continue. Feedback has been received from managers and other employees as the first seven policies have been briefed and tweaks made on an ongoing basis.

Service excellence

85. A review of personal data is underway and on track to be completed by end of July 2015.
86. Initial mapping of current recruitment process has begun with a view to improvement possibly including sourcing an e-recruitment system.
87. Work continued on improving HR electronic files with a review to take place by end of August 2015 to determine requirements/retention of data held.
88. Progress was made on developing a suite of management information reports to support the roll out of revised policies.

Organisational development

89. We have appointed someone on a short term basis to work with Interim Head of HR in developing a strategic resourcing approach which will form a key part of the people strategy. The development of resourcing plans is a high priority, with Evidence and Analysis first. This will incorporate key capabilities that need to be developed medium and long term within the Commission as well as how this will be achieved, linked to the published business plan. An improved employee value proposition will also be developed to ensure the Commission attraction strategy is appropriate and truly reflective of what the Commission offers to prospective employees.
90. We have been developing the employee survey to be undertaken in October 2015, using the existing Civil Service survey as the base.

IT and accommodation

IT infrastructure management

91. **[Exempt information under section 31 of the Freedom of information Act 2000].**
92. IT development work is now fully planned up to April 2017 and infrastructure work planned up to April 2016.
93. Recruitment is under way to fill a number of vacant IT roles which will bolster expertise and resilience within the IT infrastructure team. Some infrastructure work has fallen behind schedule and has been re-planned; the recruitment exercise, return from sick leave of a key member of staff, and use of a third party contractor have mitigated the delay.

Health and Safety

94. The audit of health and safety policies is continuing with regular committee dates scheduled for the remainder of the year.
95. Some minor remedial actions relating to health and safety and a recent fire drill have been identified and will be in place by the end of July.

Office accommodation

96. A comprehensive office accommodation plan has been produced to manage the upcoming office redecoration and minor refurbishment. The increase in headcount has

resulted in additional desks being required and better use of existing arrangements through hot-desking.

Information security

97. Work continues to gain PSN accreditation. Most remedial actions have now been completed and we intend to submit revised details in August. The Commission appears to be significantly further forward in the accreditation process than the majority of other public bodies seeking accreditation.

Publications and external communications

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

E-communications

Website

99. Details of the E-communications activity are now attached in Annex B.

Social media

100. Details of the E-communications activity are now attached in Annex B.

Internal communications

101. Details of the internal communications activity is now attached in Annex B.

Annex A - Complex cases update

Exempt information under sections 30 and 31 of the Freedom of Information Act 2000.

Annex B – Communications report

1. Media calls

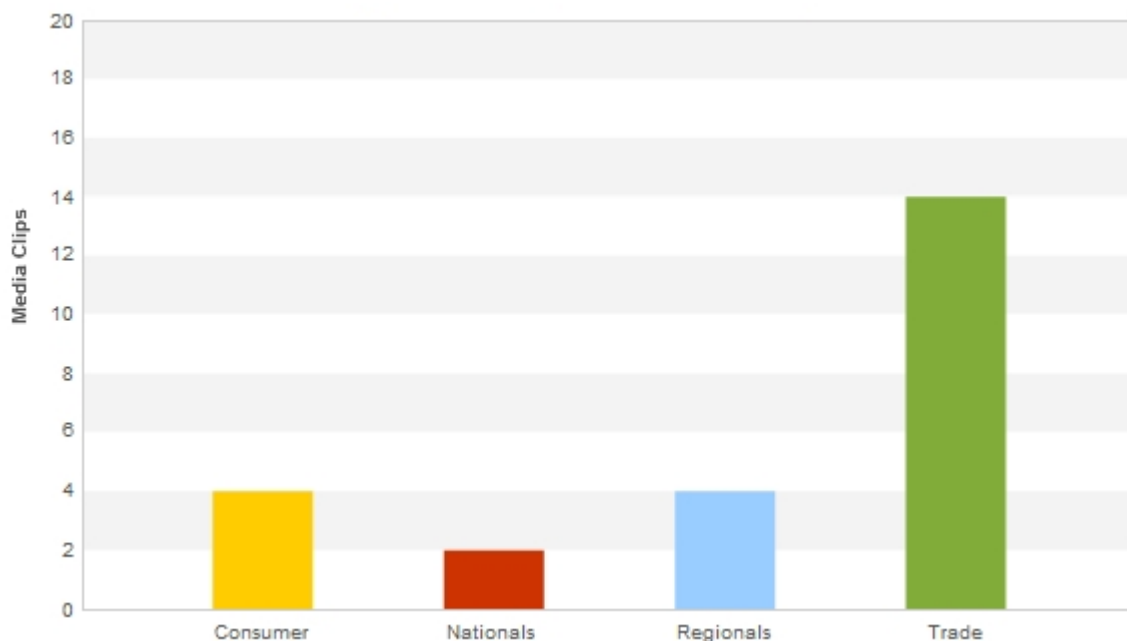
There were 26 media calls in June. This is about average and is broken down as follows.

18%	(5 calls)	Betting
15%	(4 calls)	Industry Stats
15%	(4 calls)	Remote
12%	(3 calls)	National Lottery
12%	(3 calls)	Integrity
8%	(2 calls)	Machines
4%	(1 call)	Bingo
4%	(1 call)	Problem gambling
4%	(1 call)	New CEO
4%	(1 call)	ADR
4%	(1 call)	Bitcoin

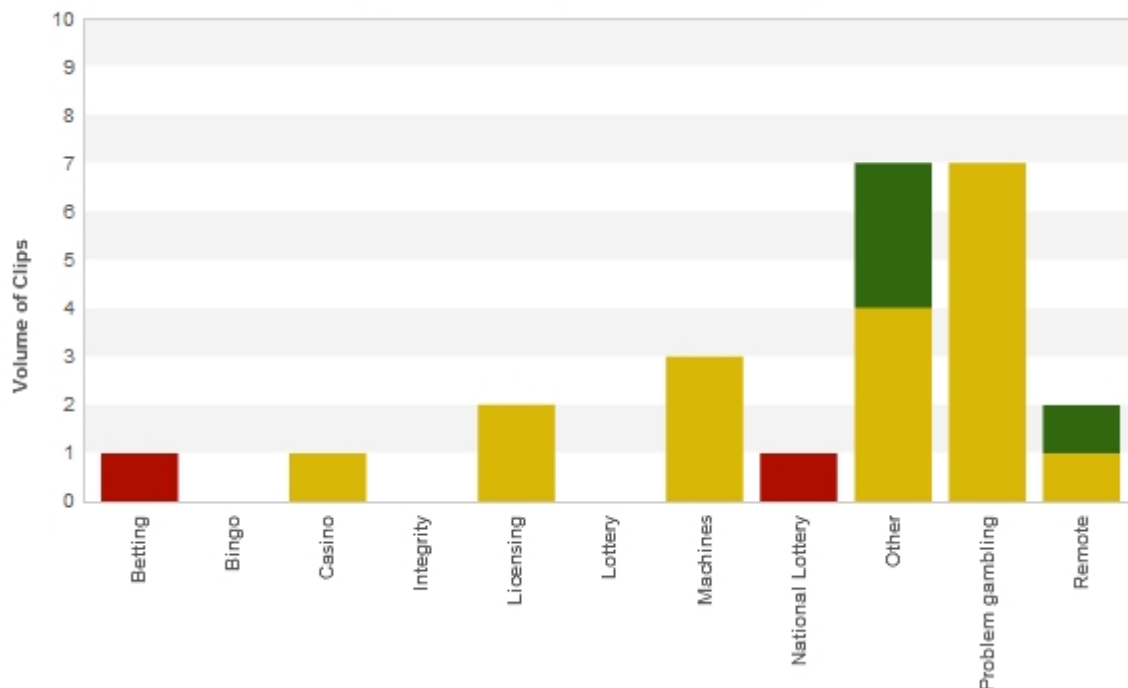
2. Press monitoring

Volume of coverage

There were 24 clips mentioning the Commission in June. 58% of this coverage was from the trade press with a further 17% each coming from the regional and consumer press.



3. Topics and tone of coverage



Coverage of the changes to Lotto announced by Camelot made all of the national press. It was largely focused on the increase in the odds of winning the jackpot, with the other elements of the free go, millionaire raffles and no limit on rollovers still reported but not in such detail. As expected the Daily Express and Daily Star took a far more aggressive stance, though coverage by all the nationals trailed off over the weekend immediately following Camelot's announcement, with subsequent criticism directed at Camelot via readers' letters. Local and regional press coverage was more balanced, with Camelot's press release as the basis for their articles.

Also making news this month was the proposed merger of Ladbrokes and Gala Coral. Initial coverage concentrated on the figures involved, calling it the £4bn merger, which would make it Britain's biggest bookmaker. Stories in the days after the initial announcement then concentrated on possible job losses with the duplication of shops and the hurdles that would have to be negotiated over competition concerns.

June saw positive coverage concerning:

- the announcement of Sarah Harrison as the new chief executive of the Commission
- the announcement we are working with Spillemyndigheden, the Danish national gambling regulatory body, on issues such as money laundering, protecting consumers and tackling problem gambling.

June saw neutral coverage concerning:

- a number of stories in the press concerning takeovers and mergers within the industry. This included GVC/Amaya and 888 Holdings interest in buying Bwin.party
- The six month suspension of former Leicester Tigers coach Phil Blake for betting on two games involving his own club

June saw negative coverage concerning:

- Tessa Jowell claiming that the Commission could do more to tackle betting shop saturation in the capital. These were made during her 'ask me anything' twitter conversations which were part of her campaign to become the Labour candidate for London's 2016 Mayoral election
- Some sections of the media criticising the changes to the Lotto game (see above).

4. Press releases

[Sarah Harrison to be appointed Chief Executive at the Gambling Commission](#)
[4th Anti-Money Laundering Directive published](#)
[Camelot's proposals agreed on changes to Lotto and HotPicks.](#)
[Why has the Gambling Commission written to Bitcoin operators?](#)
[Latest information about 666Bet and Metro Play](#)
[Latest gambling industry statistics published](#)

5. Publications

[Industry statistics](#)
[Drop and win summary report](#)

Two [e-bulletins](#) and one [licensing authority \(LA\) bulletin](#).

6. Events

IMLPO Annual Conference – Tim Tyler spoke
IAGA, NCRG and GRAF Conferences – Jenny Williams
Healys i-Gaming Breakfast Briefing - Customer Due Diligence for online gaming and betting companies – Tim Tyler spoke
IAGR Board of Trustees mid-year meeting – Nick Tofiluk
Women and Problem Gambling: The Hidden Addiction – Katherine Jackson and Sukhdeep Toor
All Party Betting & Gaming Group Parliamentary Reception – Jenny Williams and Mary Chapman

7. Parliamentary questions

There were 11 written parliamentary questions of direct relevance to the Commission over this period.

Graham Jones: To ask the Secretary of State for Culture, Media and Sport, what assessment he has made of the efficacy of current legislation on fixed-odds betting terminals; and if he will bring forward proposals for local authorities to determine locally the provision of such gaming machines.

Tracey Crouch: New legislation came into force to improve player protections on FOBTs in April, and the law was also changed to require planning applications to be submitted to local authorities for new betting shops. Government measures on FOBTs are very new, but we are working with the Gambling Commission and industry to ensure they are effectively evaluated. We are also pushing the industry to do more on social responsibility, including self-exclusion pilots that are currently underway in Chatham and Medway. This is the first multi-operator scheme of its kind. I will be meeting with the Gambling Commission, Association for British Bookmakers and the Campaign for Fairer Gambling next week to discuss FOBTs and related issues.

Chris Bryant: Whether he plans to bring forward proposals to alter the number of fixed-odds betting terminal machines allowed in each betting shop.

Tracey Crouch: The Government currently has no plans to alter the restrictions on the premises which can be licensed to have fixed-odds betting terminal machines or alter the number of FOBTs allowed per betting shop. Nevertheless, the Government continues to monitor the effects of existing controls and if need be will take action if these controls are found to be insufficient.

Chris Bryant: Whether he plans to bring forward proposals to alter the restrictions on the premises which can be licensed to have fixed-odds betting terminal machines.

Tracey Crouch: The Government currently has no plans to alter the restrictions on the premises which can be licensed to have fixed-odds betting terminal machines or alter the number of FOBTs allowed per betting shop. Nevertheless, the Government continues to monitor the effects of existing controls and if need be will take action if these controls are found to be insufficient.

Luciana Berger: What estimate his Department has made of the amount of money is laundered through fixed odds betting terminals in each of the last three years.

Tracey Crouch: Three licensing objectives in the Gambling Act 2005 underpin the regulation of Gambling in Great Britain. The first licensing objective is preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime. Consequently, all operators licensed by the Gambling Commission are required - as a condition of their operating licence - to put in place effective systems to identify and prevent criminal spend. The Gambling Commission has dealt with a number of cases of potential money laundering, mainly involving criminal "lifestyle" spend, connected to Category B2 ('FOBT') gaming machines. It has also dealt with some cases involving other forms of gambling including remote betting, non-remote casino and "ticket in ticket out" (TITO) facilities in connection with gaming machines. The Gambling Commission and the Government are continuing to work across the gambling industry to further strengthen processes and procedures to identify and prevent money laundering.

The Lord Bishop Of St Albans: What assessment they have made of the impact of reducing the maximum stake for fixed odds betting terminals from £100 to £2.

Baroness Neville-Rolfe: We conducted a review of stakes and prizes during the last triennial review in 2013 and acknowledged the lack of evidence on whether FOBT gaming machines and related stake size in themselves have had any significant effect on the level of problem gambling in Britain. However, recognising that harm can be caused by gambling, including machine gambling, the government brought in restrictions for the maximum unsupervised stake on FOBTs. More time is needed for these changes to bed in before drawing conclusions as to their effectiveness. The Government continues to monitor the effects of existing controls and if need be will take action if these controls are found to be insufficient.

Mr Douglas Carswell: If he will take steps to ensure that bookmakers operate B2 and B3 gaming machines on an equal basis with amusement arcades.

Tracey Crouch: I have no plans to allow B2 gaming machines in amusement arcades. In April 2014 the previous Government announced action which included £50 staking measures on B2 gaming machines in bookmakers which came into force in April 2015. I

think we need to give time for these regulations to bed in before we consider further legislative options. I will also want to consult with a wide range of stakeholders on this issue before thinking about next steps.

Mr Douglas Carswell: If he will take steps to increase the maximum payout for complex category D gaming machines.

Tracey Crouch: Category D gaming machines are the only gambling product that children are permitted to play. Public tolerance for children and gambling is, quite rightly, very low. Therefore the case for increasing the stake and prizes would need to be extremely compelling to make me reconsider the current levels.

John Howell: What programmes are available in the prison service to help prisoners with gambling problems.

Andrew Selous: The National Offender Management Service (NOMS) commissions providers to deliver a broad range of high quality, accredited, interventions to address the particular risks and needs of offenders. With the introduction of "Through the Gate" services in May 2015, all prisoners irrespective of their sentence length are screened on entering prison for issues including debt and offered a package of support in prisons and on release to address their offending based on individual circumstances. Support available to problem gamblers includes debt advice but could also include referral to specialist organisations such as Gamblers Anonymous or Gamcare, as well as services provided through the chaplaincy and the Offender Learning and Skills Service (OLASS) such as money management courses. In addition, all prisoners are seen by healthcare services on reception and can be referred to mental health and addiction services to help address problem gambling.

Lord Chadlington: What assessment they have made of the current level of gambling addiction in the United Kingdom, and the comparable figure from before the coming into force of the Gambling Act 2005.

Baroness Neville-Rolfe: The England and Scotland Health Surveys and the British Gambling Prevalence Surveys contain data on problem gambling levels going back to 1999. The approach and methodology for these different surveys are broadly comparable and show that there has been very little significant change in the levels of problem gambling since 1999, with current levels at around 0.5% of the adult population compared to 0.8% in 1999. Nevertheless the Government remains determined to tackle problem gambling and is working with the Gambling Commission and the industry to improve measures to prevent harm.

Lord Chadlington: What action they are taking to prevent advertising related to gambling on television before the watershed.

Baroness Neville-Rolfe: The previous Government initiated a review of gambling advertising including "free bets" and "free money" last year. Televised gambling advertising in the UK is governed by the Advertising Codes which are maintained by the Broadcast Committee for Advertising Practice. This is supplemented by a self-regulatory industry code, the Industry Code for Socially Responsible Gambling. The Industry Code includes a 9pm television watershed for all gambling advertising, with exceptions for bingo, lotteries and the advertising of sports betting around televised sporting events.

Lord Chadlington: What action they are taking to prevent advertising related to gambling offering "free bets" and "free money".

Baroness Neville-Rolfe: The previous Government initiated a review of gambling advertising including "free bets" and "free money" last year. Televised gambling advertising in the UK is governed by the Advertising Codes which are maintained by the Broadcast Committee for Advertising Practice. This is supplemented by a self-regulatory industry code, the Industry Code for Socially Responsible Gambling. The Industry Code includes a 9pm television watershed for all gambling advertising, with exceptions for bingo, lotteries and the advertising of sports betting around televised sporting events.

8. Articles published

There were three articles published this month.

Egaming Review – Changing Perceptions Q&A session with Jenny Williams
World Online Gambling Law Report – What the Alternative Dispute Resolution regulations mean – Helen O’Kane
In Compliance – Raising the stakes – Tim Tyler

9. Forward planner

This is now available on hive and is updated regularly.

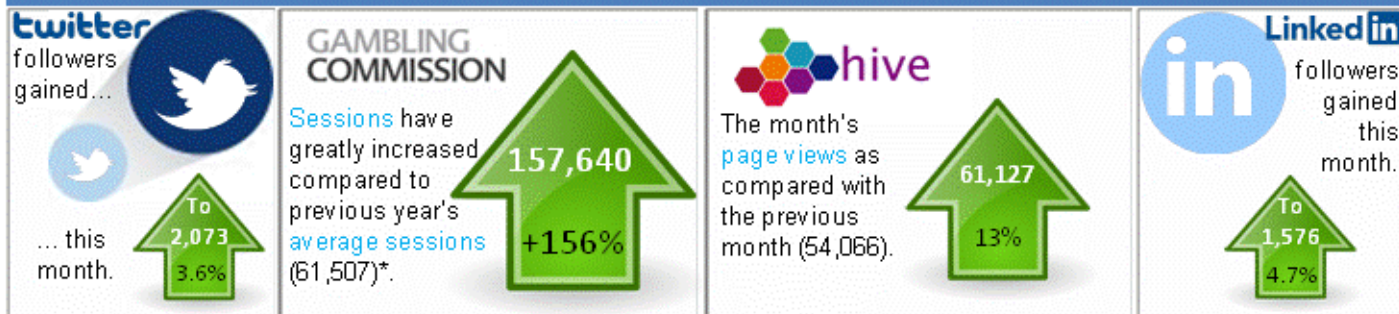
10. Internal communications

Internal communications support was provided for the Enhanced compliance workstream review, Compliance finalisation and statutory and mandatory e-learning. In-house training for selected members of the contact centre on clear writing techniques is ready to roll out.

Regular internal publications, weekly buzz email, Jenny’s monthly round-up and ongoing news, were pushed to employees via intranet and email.

Hubscreen was used to promote Sarah Harrison’s prospective appointment, the 4th Anti-Money Laundering Directive, Camelot’s announcement of changes to Lotto and the removal of the auto-complete function from Outlook along with other news.

Reach... website, intranet and social media – audience reach



Top 5... pages visited on the website and hive

Sentiment... on social media

GAMBLING COMMISSION

10,930 - Find licensees
9,709 - Contact us
8,856 - Gambling sectors
8,745 - Licensing, compliance, enforcement
8,006 - Publications



2,966 - Directory
1,633 - All news
1,141 - Current vacancies
952 - Portals
681 - Internal news

Positive:	47	10%	
Neutral:	425	87%	
Negative:	15	3%	

Negative comments relate to Bitcoin operators or negative feeling regarding Canbet.

Social shares

Referrals from

facebook 317
twitter 250
LinkedIn 106



Tweets by us:	7
Tweet impressions:	14,000
Profile visits:	1,226
Mentions:	189



1,039 Shares

This figure is the number of times pages on our website have been shared.

Customer experience... how users feel about their website experience

Overall ratings

Number of responses: 529

54%

18%

28%

Of the 529 responses, 182 gave a reason for their rating, selecting either Easy to find, Clarity of information or Accuracy of information as detailed below (with a further 44 marking their reason as 'Other').

	Easy to find	Clear	Accurate
	64%	66%	50%
	16%	8%	19%
	20%	26%	31%

Overall, feedback collected over the month remains positive and although 28% of users who provided feedback were unhappy, the majority of their comments show they had either unknowingly navigated to the website or were unsatisfied with the gambling commission in general or with the industry as a whole, rather than just their experience with our website.

If you would like further details on any aspect of this report, please contact Corporate Affairs