

## Report from the Chief Executive

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

**Prepared by:** Jenny Williams  
Chief Executive

**Date:** 11 September 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 are
  - The unexpectedly high level of uncertainty and turnover at senior levels in the Commission with a number of departures, a high level of recruitment anyway and new colleagues to find and induct.
  - **[Exempt information under section 36 of the Freedom of information Act 2000]**
  - Managing the volume of casework, much of which is still raising new challenges, while keeping the coherence, consistency and improving effectiveness of our approach

## Events (not covered elsewhere)

3. The key events attended last month included:
  - Philip met Chris Kelly, RGSB and Neil Goulden, RGT discuss research education and treatment issues.
  - Richard Bayliss and I joined regulators from France, Italy, Portugal, Germany, Spain and Austria for our twice yearly meeting on remote gambling regulation.
  - Sarah Harrison attended the DCMS arms length bodies' chairs and CEOs twice yearly get together.
  - Matthew Hill spoke at the World Regulatory Briefing conference on responsibility in Gambling which Sarah also attended.
4. Other meetings and events are included under the relevant headings in this report.

## Licensing and Compliance

### Licensing and online applications

5. In addition to supporting other workstreams over the period, such as Alternative Dispute Resolution, AML and Proactive Compliance (regulatory returns and security audits), Licensing has achieved the following.

	Received August (July)	Determined August (July)
OL applications	15 (34)	21 (38)
OL variations	74 (88)	60 (96)
Change of corporate control	5 (9)	10 (6)
PL applications	157 (234)	259 (293)
PL variations	7 (17)	7 (19)
Transitional applications	Total Received 176	Determined 147 (119) Withdrawn 19 (15)

6. We have recruited two licensing administrators to fill vacancies. Recruitment of licensing officers is ongoing with interviews taking place on 17 September.
7. The bulk annual fee collection process commenced in July. We have issued 1,360 invoices for those whose fees due in August and September, accounting for over £7.5m of fee income. 1,200 invoices totalling £6.8m were due on 31 August, with a further 160 invoices totalling £0.7m due in September. Of those due to pay their fee by 31 August 76% had paid by the due date. Credit Control is chasing those that are now overdue. Nine operators have so far surrendered their licences and a further two licences have lapsed due to the death of the licensee.
8. The contact centre received 9,753 enquiries in July/August 2015 compared to 5,373 in the same period in 2014. 41% of all enquiries in July/August were from consumers concerned about bonus offers, self-exclusion and operators' 'know your customer' (KYC) processes.
9. We ran a customer survey from 21 July to 17 August 2015 to ask those who made an online operating licence application about their experience of the process. A detailed report will be produced by the end of September to give the full results and any recommendations for areas of improvement. High level summary results are:
- Response rate 13.9%. Survey issued to 295 operating licence applicants and 41 responded.
  - 69.6% (16 out of 23 respondents) were satisfied overall with the application process.

## Licensing of remote operators

10. Of the ten outstanding applications, three have issues that continue to give us cause for concern and have been advised that we are minded to refuse their applications. A further two have security audit issues and determination is pending resolution of those issues. We await final outstanding information from the remaining applicants and, provided that it is satisfactory, licences will be granted in September.

## Anti-money laundering

11. We continue to build working relationships with HM Treasury (HMT) and DCMS and have been discussing the continued work the Commission and industry are doing to mitigate the risks of money laundering, setting this in the context of the National Risk Assessment for anti-money laundering, and the potential for UK government to exempt certain gambling services from the requirements of the EU Fourth Money Laundering Directive where they are assessed as presenting low risk for money laundering.
12. We held discussions with HMT, HMRC, the Financial Conduct Authority (FCA) and Law Society with a focus on the HMT approach to supporting and supervising AML supervisors.
13. We attended and contributed to the NCA suspicious activity report (SAR) Oversight Committee as well as supporting NCA investigators in the development of SAR related intelligence.
14. We completed the last of the first phase, 'enhanced' AML courses aimed at compliance, licensing, intelligence and investigations. This has now been delivered to 108 members of colleagues. 190 colleagues have also completed the online AML training.
15. We continued to develop revised AML guidance to casinos and organised a presentation by **[Exempt information under section 40 of the Freedom of information Act 2000]** to the Commission's AML champions.

## Proactive compliance

16. Proactive compliance activity is planned, delivered and reported quarterly. The non-remote work plan for Q1 and Q2 2015/16 has progressed well. As at 1 September, 72% (186) of the Q1 and Q2 assessments had been completed with the remainder scheduled for completion during September.
17. We received and reviewed 532 lottery submissions, all of which complied with the minimum returns to good causes.
18. During this period 157 regulatory returns were received on time out of the 178 expected. All those received have been reviewed. Outstanding returns are being escalated.

## High impact compliance

### Corporate evaluations – current status

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

## Annual assurance statement

23. We confirmed the introduction of assurance statements with the publication of our responses document in July and subsequently wrote to all of the large operators (approximately 40 organisations) who will be required to undertake this exercise to confirm the timescales for submission (1 October 2015 – 14 February 2016).

### **Reactive Compliance (non-complex)**

24. We currently have 13 cases under investigation.
25. Seven new cases were opened during the period all relating to personal licence (PL) holders in the casino sector who have been dismissed by their employers on disciplinary grounds.
26. In the period four cases were closed, three of these relate to PLs and the fourth was an operator in the betting sector. Two of the PLs surrendered their licences and the third received an advice to conduct (AtC). The operator received an AtC.
27. Nineteen key events and ten intelligence reports were allocated to compliance managers for consideration and action as appropriate.

### **Complex cases – Reactive compliance (complex); enhanced compliance; criminal enforcement activity**

28. Details of individual cases are at Annex A.

## **Planning, Evidence and Analysis**

### **Betting integrity**

29. Following a meeting between the British Horseracing Authority (BHA) and the Commission, we have agreed to provide assistance with the BHA's Integrity Review. Richard Watson will support the Intelligence aspect with Nick Tofiluk forming part of the BHA Challenge Panel.
30. After a productive meeting involving the Commission and DCMS, both parties have agreed there does appear to be a case for updating or amending Schedule 6 of the Gambling Act 2005. Both parties have taken action points away with a follow up meeting to be held in October.
31. Standard operating procedures are now finalised for Rugby World Cup support arrangements. Letters have been sent out to operators, regulators, the European Sports Security Association (ESSA) and the Remote Gambling Association (RGA) to advise them on what has been put in place. We have agreed that support to World Rugby from the Commission's Sports Betting Intelligence Unit (SBIU) will be managed through business as usual processes, with any reports related to the tournament treated as priority.
32. The final version of the Sports Betting Integrity Action Plan has now been agreed and is due to be published shortly. We will advise the Board when it has been published.

### **Risk assessment development and integration (assessment matrix)**

33. We have scoped and written independent matrix requests for Complex Case, Remote Licence Application and Security Audits. This will give us an independent view of each

process in the same matrix style format. The assessment matrix is a pictorial display of compliance activity that allows for a judgment of risk to be made.

34. We have been working on the request to IT to enable information from complex cases, remote licence applications and security audits to be incorporated into the assessment matrix; this is a database of compliance assessments and other indicators related to operators which can be displayed in various ways to help with planning and risk assessment.
35. The assessment matrix can now be fed directly into the Tableau visual analytics product. This allows for greater analysis and insight to be taken regarding risk and compliance. This analysis of the matrix data is focused predominantly at present on High Impact Operators and the Pro-Active Compliance workstream.

## **Use of intelligence**

36. We continue to support cross government intelligence sharing, completing twenty requests for assistance from other agencies. Through attendance at the National Government Agency Intelligence Network (GAIN) meeting we have identified a proposed significant change to the National Intelligence Model which we will adopt. We are working with IT and **[Exempt information under section 31 of the Freedom of information Act 2000]** our intelligence database provider to implement the change and have commenced scoping the training implications.
37. We continue to support our strategic relationships, we have been invited to undertake a review of the British Horseracing Authority (BHA) intelligence structure and have supported the Food Standards Agency (FSA) in developing their new intelligence department. There has been considerable and ongoing engagement with overseas gambling regulators.
38. There have been 417 new pieces of intelligence which have been developed and subject of the intelligence cycle, dissemination has taken place with the appropriate local authorities and a number have led to the generation of referrals into the Issue Management (IMG) and Complex Cases Groups (CCG). We continued to support the majority of the Commission's ongoing complex cases.
39. **[Exempt information under section 31 of the Freedom of information Act 2000]**
40. We engaged with European Pro-Club Rugby to help them manage betting integrity and briefed the new director of the Greyhound Board of Great Britain (GBGB) on the role of the Commission. We engaged with Cricket Australia and shared our experience to contribute to their integrity programmes. We conducted a detailed briefing of the new CEO of Association of British Bookmakers regarding betting integrity.
41. We hosted staff from the Nevada Gaming Control Board over specific licensing enquiries and presented to Financial Investigators in West Yorkshire Police the requirements of the Commission resulting in new submissions to the Commission.

## **Information Management Strategy**

42. Our designated user group is currently testing Office 365 and its SharePoint facility.
43. A potential consultancy company has been identified to discuss the roll out the concept of Office 365 with specific reference to the storage of documents classed at Information Security level IL3. Part of this consultancy is to ensure that any development meets the

specific requirements for the Commission and its processes.

## **Sector and Thematic**

### **Self-exclusion**

44. Since the last report, work has focused on:

- drafting the consultation document for the online multi-operator scheme. We are on track to publish by October, as set out in the 2015 business plan
- briefing DCMS on the development of the scheme
- engagement with Crown Commercial Services, which has resulted in an agreed approach to conduct a Market Engagement Exercise by the end of September 2015. The results of this will feed into the DCMS submission document.

### **Social responsibility and consumer policy**

45. Since July we have:

- agreed a division of responsibilities between the Industry Group for Responsible Gambling (IGRG) and the Senet Group to take forward work on social responsibility messaging and information to players. We are hopeful that their respective boards will agree this split in September
- further developed and implemented plans for customer interaction and information to players workstreams, including developing a question-set to capture customer experiences of customer interactions, which we will use in the September omnibus survey
- approved the scope of the consumer policy and communication workstream, carried out research on the approaches used by other sector regulators and gauged consumer awareness of the Commission using the monthly online tracker survey
- supported local authority test purchasing exercises, including East Lindsey, Bracknell Forest and Brighton and Hove. We have engaged with other local authorities to support exercises due to take place in October.

### **Marketing and Advertising**

46. Since July the marketing and advertising workstream has:

- continued to work closely with the police and relevant trade bodies to tackle the issue of adverts for licensed operators appearing on illegal websites. The number of gambling adverts has dropped by a third since we joined a police operation aimed at disrupting websites that break copyright laws
- met the Information Commissioner's Office (ICO) to discuss our shared approach to tackling gambling spam text messages and e-mails. We are planning a joint awareness raising and compliance event on the Privacy and Electronic Communication Regulations (PECR) with the remote industry in November
- met the Direct Marketing Association (DMA) and Digitonic<sup>1</sup> to discuss the DMA Code and affiliate marketing standards in the gambling industry

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<sup>1</sup> A mobile marketing agency specialising in SMS marketing

- continued to engage directly with remote operators to ensure compliance with the advertising codes and LCCP, with a particular focus on the marketing of free bet and bonus offers and rogue affiliate web pages.

### **Protection of player funds**

47. We published the response document to the Commission's protection of customer funds reporting consultation, in which we confirmed that we will proceed with the requirement for remote gambling operators to report customer funds assets and liabilities every four weeks, based on weekly reconciliation points. The customer funds reports will be submitted from early 2016, with some industry testing being completed before it goes live.
48. IT development of the customer funds reporting system has progressed which has included development of detailed specifications following consultation and development of e-services hub screens.

### **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 Authorities (LAs). Engagements have included:
  - Targeted meetings with the following LAs - Newham, Enfield, Hackney, Newport, Waltham Forest and Milton Keynes.
  - Making a presentation at an event organised by Philip Kolvin at Cornerstone Barristers to explain the direction of travel of the revised LCCP and the new version of the Guidance to Licensing Authorities (GLA).
50. In the Commission's capacity as an advisor on gambling regulation to both the Secretary of State and the Scottish Government we have submitted a paper to the latter on their enquiry into B2 machines in betting premises which is a restatement of existing policy. The submission reinforces the message we made earlier this year to parliament considering the Air Weapons and Licensing (Scotland) Bill and in particular the opportunity afforded by potential changes to the Scotland Act and the Gambling Act to correct the drafting error regarding the powers available to licensing standards officers in Scotland<sup>2</sup>.
51. Following discussions with the Convention of Scottish Local Authorities (COSLA) and a number of Scottish LAs, the Commission's advice note 'The role of authorised persons in Scotland' has been revised to provide further clarity as to our view of the powers available to licensing standards officers.
52. There is a statutory requirement under the Gambling Act 2005 for LAs 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. All 380 LA annual returns have been submitted after quite a lot of chasing. The 'Licensing Authority Statistics' document has now been published.

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<sup>2</sup> <http://www.gamblingcommission.gov.uk/Press/2015/Important-lessons-for-the-gambling-industry-on-anti-money-laundering-and-social-responsibility-controls.aspx>

## **Machines innovation**

53. We continued to engage with the industry to monitor machine innovation and compliance and have confirmed with AGC/FEC (retail) and manufacturing/supply (product provision/technical) operators respectively, dates for sector meetings in September and October.
54. We continued our regular engagement with the trade association BACTA, with a focus on proposals to make changes to technical standards (Category C) to allow for further innovation.
55. We worked with the industry to ensure skill and chance based crane machine livery correctly reflects that the machine is a category D gaming machine. We expect unlicensed operators or those that do not currently hold the correct premises permit from their local authority to remove incorrectly categorised machines unless they can obtain the necessary permissions.

## **Gambling Statistics**

56. Having obtained views from stakeholders, we have prepared plans to introduce some changes to Industry Statistics with the intention of making the document more concise and useful.
57. We are reviewing the procedure for drop and win data with the intention of reducing the time we spend on this whilst maintaining the same quality and quantity of output.
58. We published data on gambling participation relating to year to June 2015 on the 30 July. Data collection has commenced for Quarter 3 of 2015 for Wales problem gambling data and quarterly participation data.

## **Remote**

59. Our remote sector work continues and we have engaged with peer-to-peer poker operators on key issues such as the use of third party software, third party hand histories, bots (automated poker applications), and collusion in order to assess whether the current controls in LCCP and the Remote Gambling and Software Technical Standards (RTS) are sufficient to minimise the risks to the licensing objectives. We intend to share the findings with operators and consumers.
60. We continued to review operator's websites to ensure compliance in areas such as free bets and bonuses, protection of player funds and ADR information. There were significant compliance issues in these areas which we are being addressed with operators.
61. Liaison has also been ongoing with operators to remind them of the deadline of 31 October for the completion of level 3 testing of all transitioned games.
62. We have been exploring the potential implications for gambling regulation of the arrival in the UK of daily fantasy sports providers (classed as gambling products here but not in the USA) and of the growth of interest in eSports<sup>3</sup> (both the betting on them and participation in them). We have also started to look at the regulatory implications of casino games with a modest skill component. We announced interim arrangements for

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<sup>3</sup> Esports are competitions between players of electronic games which are very largely skill based but may have some small element of chance.

minor game updates, details of which can be viewed on the Remote blog<sup>4</sup>. These temporary measures will remain in place until a more permanent approach is set out in the update Testing Strategy, to be published early 2016.

## **RGSB**

63. We have been focusing on:

- follow-up work after the RGSB away day on 21 July. This included developing an outline draft of the new strategy document, a detailed timetable for developing the strategy, and a stakeholder engagement plan. The Board will consider these at its next meeting on 22 September
- conducting preliminary desk research and engaging with selected evaluation experts to help develop an evaluation protocol. The protocol will set out the principles and standards for evaluating industry initiatives, so that stakeholders can trust the results. RGSB is working collaboratively with the Trust on the protocol, and it will be subject to wider stakeholder consultation
- arranging stakeholder meetings with the Association of British Bookmakers (ABB), the Senet Group, IGRG, RGA and others to discuss the new strategy and evaluation protocol (see point above)
- organising a breakfast seminar on 23 September with key industry operators to update them on the role and current work of RGSB, to hear any concerns they may have about RGSB's work or suggested priorities and to explore how RGSB and the industry can work together more effectively to reduce gambling-related harm and encourage responsible gambling.

64. The Trust's Research Committee met on 25 August. RGSB presented two papers at this meeting, one on developing research and evaluation protocols and another on proposals for an invitation to tender on research around gambling-related harm. At the same meeting, the Trust agreed to commission secondary analysis of the database from the 2014 machines research. RGSB and the Commission have determined the scope of this secondary analysis.

## **Complaints and disputes**

65. We issued the Commission's list of approved ADR entities. We approved eleven entities and are considering a further two applications. All licensed gambling operators must use an approved ADR entity for handling disputes (since the end of August 2015) and both ADR entities and gambling operators must fully comply with the requirements of the ADR Regulations by 1 October 2015.

## **Sector advice and standards**

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

67. **Betting on Lotteries** – Following our analysis of marketing and advertising by licensed betting operators who offer betting on lotteries we concluded that some operators may not provide sufficient information to consumers to enable them to determine the type of gambling being offered. As a result a 'discussion document' to clarify and underpin our position on how these products should be offered was published on 23 July and we have begun engagement with operators where we have concerns about their marketing.

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<sup>4</sup> [http://licensingadvertisingact.blogspot.co.uk/2015/08/59-testing-strategy-consultation-update.html?utm\\_source=EB%20240815&utm\\_medium=email&utm\\_campaign=EB%20240815%20testing%20strategy](http://licensingadvertisingact.blogspot.co.uk/2015/08/59-testing-strategy-consultation-update.html?utm_source=EB%20240815&utm_medium=email&utm_campaign=EB%20240815%20testing%20strategy)

One operator has drafted a voluntary code ‘the responsible and transparent advertising of lotto betting’; which they are discussing with other operators with a view to the code being adopted by a number of remote betting operators.

68. **Casino Road Map** – We are working with DCMS and colleagues in Treasury to prepare for a meeting between the Secretary of State and representatives of the casino sector in September to discuss the options proposed in the ‘Casino Road Map’ published last year.
69. **AML supervision in casinos** – It came to light that some financial arrangements made by casinos ought to be supervised by HMRC, whereas by default they have been supervised by the Commission. We are working with HMRC and Treasury to regularise the situation and will be bringing a paper to Board on subject.
70. **Victims’ Code** – We have been identified as a competent authority for the purposes of the revised Victims’ Code issued by the Ministry of Justice (MOJ). The Victims Code is being extended from covering the victims of serious crime to all victims of crime to make sure that victims receive support and information from relevant public sector investigative and prosecutorial organisations, not just the police and Crown Prosecution Service.
71. Detailed engagement has taken place with the relevant ministries and a structured review of our previous cases, has highlighted instances where the code would be applicable.

## Providing advice

### DCMS market advice

72. Significant time has been spent this month supporting the Department’s response to the Culture, Media and Sport (CMS) Committee report into the Society Lottery sector. This will continue to the end of the year as there are two agreed response phases (October and December). Wider work continues on the development of thinking with regard to wider advice for DCMS on the future of the National Lottery, given the risks identified in our lottery sector market advice. This goes beyond the questions that the department is asking on society lottery impacts.

## National Lottery

73. **[Exempt information under section 43 of the Freedom of information Act 2000]**
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76. Key activity, in addition to normal programmatic work on Compliance, Licensing, Vetting, Consumer Protection (75 enquiries received in July, 40 in August) and Enforcement, focused during the period since the last report on:
  - **[Exempt information under section 43 of the Freedom of information Act 2000]**
  - **[Exempt information under section 43 of the Freedom of information Act 2000]**

- Ben Haden attended the National Lottery Promotions Unit management board and has been providing our perspective for the steering group for the review of that body. There continues to be a regular flow of general support requirements from DCMS in addition to monthly liaison.

77. The programme is busy but available resource is matching the requirement, noting some churn in the Compliance team.
78. A copy of the Director's Report to the National Lottery Committee in September is attached at Annex C which contains further information on work undertaken.

## **Business Planning**

79. In addition to supporting BPPB, Programmes and Workstreams with planning and reporting, the following activities have taken place:
- The Programme Management Office internal audit took place during August. The final report from Mazars should be due before the end of the September reporting period.
  - The outcome performance measure work continues to schedule with all proposed outcomes and measures having been signed off by the Executive Group. The first report is to be circulated to Board in September (including a brief development update) with the intention that it informs the Omand session in October.

## **Finance**

80. Fee collection activity has been ongoing since the middle of July in respect of the bulk collection period. Pursuit of annual fees is currently on track and in line with fee collection in previous years, with no significant risks to fee income having been identified to date.
81. Extensive financial modelling and scenario analysis has been ongoing to support Fees Development, and to analyse the impact of potential mergers and consolidations.
82. Actions arising from the internal audit review of the income modelling process have now been implemented in full, and assurance has been provided that the model itself is robust and free from material error.

## **Fees development**

83. We published our discussion paper on our approach to setting fees on 1 September, having issued an embargoed version to trade associations just before the bank holiday weekend to give them that extra time to digest the content and prepare for our workshop on 24 September. We have invited comments from operators to be submitted prior to the discussion period closing on 27 October.
84. **[Exempt information under section 36 of the Freedom of information Act 2000]**

## **Support Services**

### **HR policies, guidance and consultations**

85. The review of Gambling Commission HR policy documentation continues with a view to having the vast majority of the people policies (other than those relating to pay) reviewed, approved and rolled out for agreement with colleagues 1 October 2015.
86. Time has been spent organising and preparing for a series of policy briefings to commence on 14 September 2015 for all employees while consultation with the trade union continues as to the contractual status of the Employee Handbook.

### **Service excellence**

87. The HR Service Excellence workstream review has identified and prioritised the HR service processes to be reviewed to ensure the continuous improvement of the HR service. In addition, a proposal to move to an e-payslips solution as part of the payroll process improvements has been prepared for consideration by the Executive Group.
88. A data cleanse of Snowdrop has taken place in advance of the audit which took place on 7 September 2015.

### **Organisational development**

89. It was agreed at Executive Group in August 2015 that the delivery of the Gambling Commission People Strategy and Key People Measures should be moved to 31 December 2015 which would also allow the new Commission CEO to be engaged. The revised date will also allow the results of the Employee Engagement Survey to be taken into account. Further work with key stakeholders will be undertaken during September, October and November.

## **IT and accommodation**

### **IT infrastructure management**

90. We recruited two new technicians to assist with delivery of the IT infrastructure plans.
91. **[Exempt information under section 31 of the Freedom of information Act 2000]**
92. All of the remedial IT infrastructure work necessary to achieve PSN accreditation has been completed and accreditation has now been confirmed.
93. IT development projects currently in progress are regulatory returns re-write (business analysis stage), customer funds reporting (software development stage), games test reports (business analysis stage), gaming machine test reports (business analysis stage), NL compliance process (business analysis stage) and Siebel CRM enhancements/upgrade (user acceptance testing stage).

### **Health and Safety**

94. The audit of health and safety policies continues.

### **Office accommodation**

95. Office redecoration is nearing completion; the new fabric for the hub seating has been ordered and the work will be completed by the end of September. The works to increase

the desk capacity and provide a 'hot desk' bench is part completed .We have deferred the worn carpet replacement until after the anniversary event.

### **Publications and external communications**

96. Details of our communications activity is attached at 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

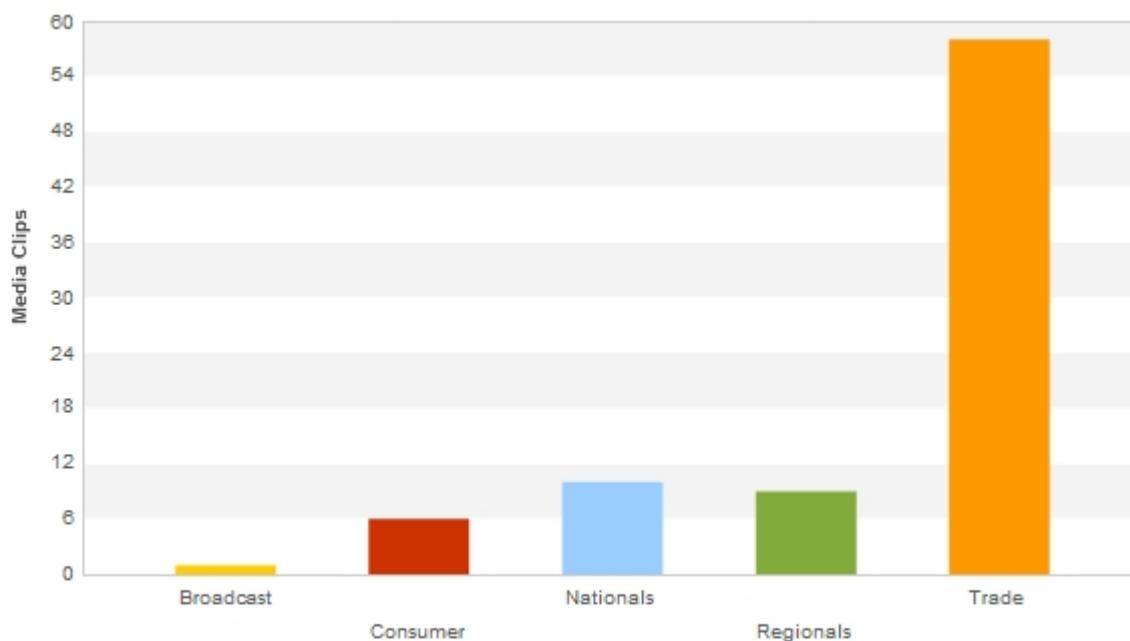
There were 39 media calls in July and August. This is about average and is broken down as follows.

20%	(8 calls)	Gaming machines
13%	(5 calls)	Betting
10%	(4 calls)	Remote
10%	(4 calls)	Problem gambling
10%	(4 calls)	Advertising
8%	(3 calls)	Licensing
5%	(2 calls)	Integrity
5%	(2 calls)	Binary options
5%	(2 calls)	Underage gambling
5%	(2 calls)	Poker
3%	(1 call)	Lotteries
3%	(1 call)	Women gambling
3%	(1 call)	National Lottery

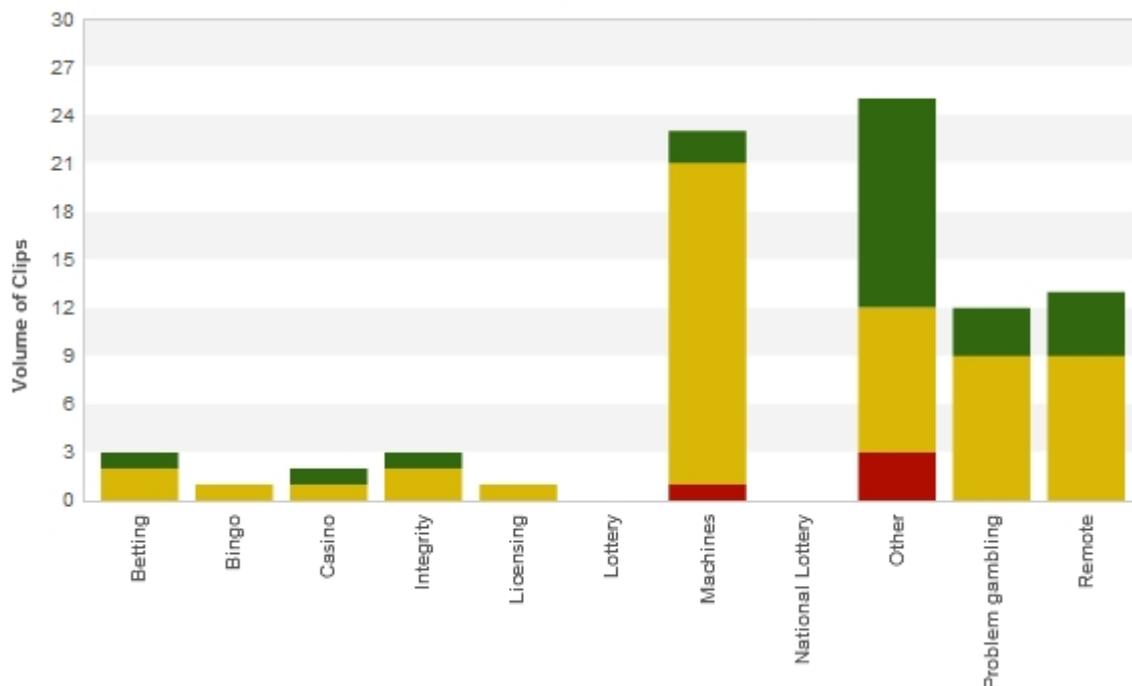
### 2. Press monitoring

#### Volume of coverage

There were 84 clips mentioning the Commission in July and August. 69 per cent of this coverage came from the trade press.



### 3. Topics and tone of coverage



The annual report and annual review led to a number of articles in the trade press. Coinslot printed three stories over July and August which included Philip Graf's message that the Commission has made significant progress in meeting its objectives. Betting Business and the Racing Post also printed articles from the annual review on how a black market had failed to develop following the implementation of the Gambling (Licensing & Advertising) Act.

There has been national coverage of the major mergers and acquisitions in the betting industry over the last two months. This has included the proposed merger of Ladbrokes and Gala Coral, the continuing struggle to acquire Bwin.party by GVC Holdings and 888 Holdings and more recently Paddy Power and Betfair.

July/August saw positive coverage concerning:

- the WPBSA investigating suspicious betting patterns in a snooker match at the Paul Hunter Classic tournament in Germany. The coverage stated the WPBSA is liaising with the Commission to determine if further action is necessary
- an article in Coinslot clarifying the regulations that affect crane machines
- a man serving a jail term for money laundering in connection to running an illegal poker den being ordered by a court to repay £50,000
- coverage confirming that Matthew Hill will be speaking at the World Regulatory Briefing and Public Policy Exchange events in September
- the number of gambling adverts featured on illegal websites dropping by 36 per cent since the Commission joined a police crackdown on copyright infringements.

July/August saw neutral coverage concerning:

- the government dismissing a request by 93 councils to reduce the maximum stake on B2 machines from £100 to £2
- numerous mergers and acquisitions in the betting and online gambling industry mentioned above.

July/August saw negative coverage concerning:

- David Biesterfeld criticising the Commission in Coinslot for what he called its “renewed zealotry for red-tape, particularly in the form of Local Risk Assessments and Annual Assurance Statements”.
- a further article in Coinslot saying the industry was unanimously opposed to the Annual Assurance Statements.

#### 4. Press releases

Commission tackles advertising on illegal websites  
Annual report published  
Latest information about 666Bet and Metro Play

#### 5. Publications

Annual Report  
Annual Review  
Annual Assurance Statements: Response  
Supplementary consultation on customer funds reporting: Responses  
Drop and win summary report

Four e-bulletins and one licensing authority (LA) bulletin.

#### 6. Events

Safeguarding children from online dangers – Katherine Jackson attended  
World Gaming Executive Summit 2015 – Rachel Lampard spoke  
Tavistock Media’s Sport and the Law Conference – Nick Tofiluk spoke  
IAGR Webinar – Remote gambling regulation: What causes black markets and how can the be prevented – Hosted by Nick Tofiluk  
Visit of the Irish National Lottery Regulators – Met with Ben Haden and members of the National Lottery workstream

#### 7. Parliamentary questions

Parliament was in summer recess from 21 July, however there were still nine written parliamentary questions of direct relevance to the Commission over this period.

**Jim Shannon: What recent discussions he has had with clinical and medical bodies on potential links between use of levodopa and gambling problems.**

**George Freeman:** There have not been any recent discussions with clinical and medical bodies regarding the potential link between the use of levodopa and gambling problems. Gambling problems are recognised to be a risk associated with levodopa and dopamine agonists used to treat Parkinson’s disease. There have been warnings about impulse disorders, including pathological gambling, in the product information for all medicines containing levodopa since 2006 and these warnings are also reflected in the British National Formulary provided to all prescribers within the National Health Service. The risk of abnormal behaviours including pathological gambling is also highlighted in the

2006 NICE Clinical Guideline 35, Parkinson's Disease: Diagnosis and management in primary and secondary care.

**The Lord Bishop Of St Albans : What is their assessment of the research undertaken by the Campaign for Fairer Gambling into the social problems caused by fixed-odds betting terminals.**

**Baroness Neville-rolfe:** The Government remains committed to ensuring that people are protected from being harmed or exploited by gambling, and notes with interest any research relevant to that objective. New legislation came into force to improve player protections on B2s (commonly referred to as 'fixed-odds betting terminals') in April, and the law was also changed to require planning applications to be submitted to local authorities for new betting shops. We continue to monitor the effects of existing controls and if need be will take action if these controls are found to be insufficient.

**Chris Bryant: If he will introduce the Exempt Lotteries Legislative Reform Order in 2015.**

**Tracey Crouch:** I intend to lay the LRO later this year.

**Mark Pritchard: If he will take steps to ensure that (a) high stakes gambling takes place only in (i) casinos and (ii) other highly supervised premises, (b) Fixed Odds Betting Terminals are not located in bookmakers and (c) casinos have more appropriate numbers of slot machines.**

**Tracey Crouch:** 'High stakes gambling' is a relative term and may be open to different interpretation. The Gambling Act 2005 and associated regulations establish the types and levels of gambling permitted in a range of licensed environments and the controls required to be put in place to keep that gambling fair and safe for all. Regardless of the level of stakes, the Gambling Commission requires all operators providing facilities for gambling to adhere to the licence conditions and codes of practice relevant to their activity designed to minimise harm generated by gambling. Under the 2005 Act fixed odds betting terminals are permitted in casinos and bookmakers. High street betting shops are limited to four machines per premises. The Act also set the current gaming machine entitlements for casinos. The Government recently introduced new regulations in April which ended unsupervised stakes above £50 on FOBTs in betting shops. We will want to assess the impact of these measures before we consider any further legislative options. Any discussion about changes to gaming machine entitlements in casinos would need to be accompanied by robust proposals from the industry for managing any additional risk of harm to players that may arise.

**The Lord Bishop of St Albans: What reasons or independent research underpin the present £100 limit on betting on fixed-odds betting terminals.**

**Baroness Neville-rolfe:** In setting stakes and prizes limits the Government takes into account advice from the Gambling Commission – as the Government's statutory advisor on gambling regulation – as well as available research and other evidence. The last review of stakes and prizes took place in 2013. We are working with the Gambling Commission and industry to ensure that the new measures brought in earlier this year – including restrictions for the maximum unsupervised stake on B2 gaming machines (known as 'fixed-odds betting terminals') – are effectively evaluated. If need be we will take action if these controls are found to be insufficient.

**Toby Perkins: What representations he has received on single manning in betting shops.**

**Tracey Crouch:** I have not received any representations concerning single manning in betting shops.

**Toby Perkins: Whether the Gambling Commission has a remit to promote safety in bookmakers for staff and customers as part of its work to promote responsible gambling.**

**Toby Perkins: If he will make an assessment of the effect of single manning in bookmakers on the safety and security of (a) staff and (b) customers.**

**Same answer received for both questions**

**Tracey Crouch:** There are no plans to conduct an assessment of the effect of single manning in bookmakers. The Health and Safety Executive is responsible for the encouragement, regulation and enforcement of workplace health, safety and welfare, and for research into occupational risks in England and Wales and Scotland. The Gambling Commission does not have a remit to promote safety in bookmakers for staff and customers. The Association of British Bookmakers' (ABB) 'Safe Bet Alliance' provides specific guidance on staffing security in bookmakers. This guidance was drafted with the input of the Metropolitan Police, Crimestoppers, and the Institute of Conflict Management and Community Union. ABB members only operate single manning when a risk assessment has been undertaken. The guidance states that 'Operators should only allow lone working once a risk assessment has been carried out and where there is evidence to show that lone working at a particular time of the day is safe'.

**Mr Jamie Reed: How many fixed-odds betting terminals there were in Copeland constituency in each of the last five years.**

**Tracey Crouch:** A betting premises licence issued under the Gambling Act 2005 authorises its holder to make up to 4 gaming machines available for use. This entitlement is limited to gaming machines terminals which fall within sub-categories B2 (what we commonly think of when we refer to FOBTs), B3 and B4, and categories C and D. Industry data shows that the constituency of Copeland has for all categories of gaming machines: 54 terminals in 2015, 50 terminals in 2014, 49 terminals in 2013, 46 terminals in 2012. There are no figures for 2011.

## **8. Articles published**

There were two articles published this month.

Coinslot – Commission hopes for an end to anonymous play

Coinslot – Graf heralds “significant progress” in meeting Commission objectives

## **9. Forward planner**

This is now available on hive and is updated regularly.

## **10. Internal communications**

Preparation of CEO engagement plan, ongoing support to HR and E&A for launch and follow-up comms regarding employee survey, support comms for anniversary event, support to HR for information regarding changes to PMR moderation process.

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



\* Visits per month to the website compared to the average number of visits per month during the previous year. It is likely that the majority of these new visitors are online gambling consumers, a theory supported by the topic of the most popular page.

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

<p><b>GAMBLING COMMISSION</b></p> <ul style="list-style-type: none"> <li>6,469 - Protection of customer funds</li> <li>6,207 - Find licensees</li> <li>4,451 - Contact us</li> <li>3,996 - Lotteries: Circumstances in which I do not need a licence</li> <li>3,574 - Licensing, compliance, enforcement</li> </ul>	 <ul style="list-style-type: none"> <li>2,995 - Directory</li> <li>1,987 - All news</li> <li>1,692 - Current vacancies</li> <li>879 - Portals</li> <li>488 - Daily media summary Monday</li> </ul>
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## Sentiment... on social media

Positive:	6	1%	
Neutral:	862	98%	
Negative:	5	1%	

Negative comments relate to perceived lack of action or capability by the Commission

## Social shares

<p>Referrals from</p> <p><b>facebook</b> 413</p> <p><b>twitter</b> 67</p> <p><b>LinkedIn</b> 27</p>	 <table border="1"> <tr> <td>Tweets by us:</td> <td>1</td> </tr> <tr> <td>Tweet impressions:</td> <td>6,897</td> </tr> <tr> <td>Profile visits:</td> <td>700</td> </tr> <tr> <td>Mentions:</td> <td>139</td> </tr> </table>	Tweets by us:	1	Tweet impressions:	6,897	Profile visits:	700	Mentions:	139	 565 shares <p>The number of times pages on our website have been shared.</p>
Tweets by us:	1									
Tweet impressions:	6,897									
Profile visits:	700									
Mentions:	139									

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



Though there has been a shift to average and poor ratings for the site, the majority are still rating the site as good. However the majority of negative comments show they were unsatisfied with the Gambling Commission in general or with the industry as a whole, rather than just their experience with our website, whereas positive comments tend to reflect their view of the site.

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

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



\* Visits per month to the website compared to the average number of visits per month during the previous year. It is likely that the majority of these new visitors are online gambling consumers, a theory supported by the topic of the most popular page.

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

### GAMBLING COMMISSION

- 8,845 - Protection of customer funds
- 7,825 - Find licensees
- 5,076 - Contact us
- 4,821 - Lotteries: Circumstances in which I do not need a licence.
- 4,290 - Gambling sectors

### hive

- 2,718 - Directory
- 1,447 - All news
- 1,389 - Current vacancies
- 836 - Portals
- 661 - Internal news

## Sentiment... on social media

Positive:	37	8%	
Neutral:	475	90%	
Negative:	9	2%	

Negative comments relate to perceived lack of effectiveness or willingness to act by the Commission.

## Social shares

Referrals from

<b>facebook</b>	<b>415</b>
<b>twitter</b>	<b>78</b>
<b>LinkedIn</b>	<b>31</b>

### twitter

Tweets by us:	0
Tweet impressions:	5,177
Profile visits:	753
Mentions:	145



501 shares

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: **368**

**55%**

**22%**

**23%**

Of the 368 responses, 154 gave a reason for their rating, selecting either Easy to find, Clarity of information or Accuracy of information as detailed below (with a further 46 marking their reason as 'Other').

#### Easy to find

	66%
	22%
	12%

#### Clear

	66%
	13%
	21%

#### Accurate

	84%
	0%
	16%

There has been an overall increase in website users rating the site as good, with those selecting a reason rating the site higher than the overall ratings. Users who have left negative comments fall into two categories, either they are on the wrong site and think they are communicating with a gambling organisation, or they are unhappy with the answer to the question that brought them to our site.

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