


Report from the Chief Executive

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

Prepared by: Sarah Harrison
Chief Executive

Date: 26 November 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.

Events (not covered elsewhere)

2. The key events attended last month include:

Industry Stakeholders	Purpose	Accompanied By ¹
Operators		
Bingo Association Miles Barron, CEO	Introductory meeting	
Bet 365 John and Denise Coates, Joint CEO	Visit head office operation	
Rank Henry Birch, CEO	Visit Mecca Bingo and intro meeting	
Gala Coral Carl Leaver, CEO and responsible gambling team	Introductory meeting and visit head office operation	
Ladbrokes Jim Mullen, CEO	Introductory meeting and visit head office operation	
Paddy Power Andy McCue, CEO and Catherine Colloms, Director of Corp Affairs	Introductory meeting	
William Hill James Henderson, CEO	Introductory meeting	
Trade Bodies		
BACTA John White, CEO	Introductory meeting	
ABB Paul Darling, Chair Malcolm George, CEO	Introductory meeting	Philip Graf
Gamcare Dirk Hansen, CEO	Introductory meeting	Paul Hope

¹ [Exempt information under s.40 of the Freedom of Information Act where not listed].

Other Stakeholders		
Gambling Supervision Commission, Isle of Man Mark Rutherford, Deputy CEO	Introductory meeting whilst Mark at VSH meeting colleagues	Colleagues from Complex cases, Compliance and AML
HM Treasury Mark Lloyd, Head of Gambling Taxes & International Excise and Sarah Jaeger, Policy Advisor	Introductory meeting whilst they were at VSH meeting colleagues	Colleagues from across the Commission
Deloitte Simon Oaten, Partner – specialising in Leisure and Gaming Sectors	Introductory meeting	
Mazars (Internal Auditors) Graeme Clark, Director	Introductory meeting	
National Audit Office Paul Keane, Director	Introductory meeting	
HM Government of Gibraltar – brief meeting before the Gordon Moody Parliamentary Reception	Phill Brear, Gambling Commissioner	
Other Events		
Remote Gambling Association AGM	Sue Harley and I attended. [Exempt information under s.40 of the Freedom of Information Act] . presented on how new anti- money laundering regulations will affect the sector	
Campaign for Fairer Gambling [Exempt information under s.40 of the Freedom of Information Act] . (joined via teleconference)	Meeting requested in recent correspondence	
BACTA Annual Convention, London	I attended and gave a speech on ‘Social Responsibility and tone and style of regulation’. Stuart McPhee also spoke on ‘the future of gambling regulation’	
Gordon Moody Association Parliamentary Reception	I attended the Reception at the House of Commons	
Executive Away Day	My Executive team and I had our away day at a venue in Birmingham	

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

Licensing and Compliance

Licensing and online applications

4. In addition to supporting other workstreams over the period, such as Consumer Protection, AML and Proactive Compliance (regulatory returns, and security audits), Licensing has achieved the following:

	Received October (September)	Determined October (September)
OL Applications	13 (23)	14 (19)
OL Variations	51 (62)	51 (70)
Change of corporate control	9 (15)	8 (8)
PL Applications	236 (225)	192 (193)
PL Variations	8 (11)	10 (9)
Transitional applications	Total Received 176	Determined 153 (147) Withdrawn 20 (19) Outstanding 3 (5)

5. Of those operators that were due to pay their annual fee by 31 August, the four who hadn't and were being considered for revocation have either paid or surrendered their licence.
6. 155 annual fee invoices were issued to those remote operators licensed under the transitional arrangements (fees due by 31 October) totalling £4.5m. All large operators have paid. 13 operators have failed to pay to date (total fees payable £139,568) and are in the revocation process.
7. The contact centre received 5,706 enquiries in October 2015 compared to 4,308 in the same period in 2014. 53% of all enquiries in October were from consumers concerned about operators' terms and conditions; withdrawal of funds or non payment of winnings. In the vast majority of those cases the consumers had not contacted the operator or followed the disputes process as required, and were advised to do so.

Licensing of remote operators

8. Our focus continues to be to ensure that those granted licences are suitable. **[Exempt information under s.31 of the Freedom of Information Act]**.

Anti-money laundering

9. We presented to the ABB Public Affairs Committee, challenging the association to consider how it can better support small operators in meeting their AML commitments.
10. We presented to the RGA AGM, highlighting the need to strengthen the AML commitment and capability across the remote industry with particular reference to the right levels of investment in AML capability; collaboration between operators; and integrating AML with commercial and other regulatory requirements.
11. We led AML forums with the remote and the casino sectors. As well as normal business, these events included focused workshops considering the crime review of the LCCP.
12. We presented to counter-terrorist (CT) financial investigators, setting out the nature of the gambling industry together with details of terrorist-financing risks, and how we can support CT investigations.

Proactive compliance

13. Proactive compliance non-remote activity is planned, delivered and reported quarterly. The 2015/16 non-remote work plan for Q1, Q2 and Q3 is progressing. As at 17 November:
 - We completed 237 (75%) of the Q1, Q2 and Q3 assessments.
 - We have scheduled the remaining 74 (25%) for site visits. The Q4 plan will be developed further as resources are made available.
14. Proactive Compliance remote activity involves reviewing Information Security Audits (ISA) and websites along with the assessment of operators, all by desktop compliance activity (including telephone and Skype).
 - Since April 2015 we have received 199 ISAs from existing and transitional licensed operators (18 in this period). 179 have been reviewed and a further 19 are in progress.
 - We found that 71% of the ISAs reviewed required follow up work although there are no significant failings.
 - The thematic compliance activity focussing on marketing, advertising, bonuses and rewards is progressing with 49 reviews completed including HIOs and a further 40 allocated for review.
 - 14 remote operator assessments will be completed by end of the quarter.
15. We received and reviewed 10,880 lottery submissions in October, compared to 11,010 in October 2014. All complied with the minimum return to good causes (RTGC).

High impact compliance

Corporate evaluations – current status

16. **[Exempt information under s.31 of the Freedom of Information Act]**
17. **[Exempt information under s.31 of the Freedom of Information Act]**.

Annual Assurance Statement

18. This month we have engaged with all large operators who are required to submit an assurance statement to confirm receipt of their notification, offer an opportunity for clarification if required and obtain an expectation of when the assurance statements will be submitted. The window for submission is 1 October 2015 to mid-February 2016. No assurance statements have been received to date.

Internal processes

19. The workstream is currently developing a framework for assessing the risks for each HIO on a regular basis in addition to improving communication links between workstreams to coordinate activity and plan engagement effectively.
20. New tableau profiles are being rolled out ahead of each corporate evaluation which will provide a succinct analysis of key data flows for each HIO. Further development is still required to ensure these documents remain fit for purpose.

Casework – Reactive compliance, enhanced compliance, and criminal enforcement activity

21. Details of significant complex cases (high impact cases) can be found in Annex A.
22. We are currently conducting 16 licence reviews under section 116 of the Gambling Act 2005 within the reactive compliance (non-complex) workstream. Eleven of the reviews relate to personal functional licence (PFL) holders, five relate to operator licences.
23. **[Exempt information under s.31 of the Freedom of Information Act]**.
24. During the period under review we closed five cases, four relate to PFL holders and one to an OL.
 - a PFL holder colluded with a customer, enabling the customer to gain an advantage, which resulted in a significant loss to the casino. The licence was revoked
 - **[Exempt information under s.31 of the Freedom of Information Act]**.
 - a dealer in a casino had his licence revoked following an accusation of theft of £810 from a cash box
 - a cashier was issued with a formal warning following a review into an allegation of misappropriation of funds, namely £200, and falsifying company documents.
25. No further action was taken in respect of an operator who was operating under the wrong licence. Following advice he applied for the correct licence and is now trading lawfully.

Planning, Evidence and Analysis

Betting integrity

26. Support for the Rugby World Cup has ended, an operational debrief will take place with external partners involved in the tournament.
27. 'Lines to take' document produced and shared with Sports Betting Integrity Forum (SBIF) members. This is to aid the four core messages the SBIF Group members should be working towards when promoting the Sports Betting Integrity Action Plan, launched in September 2015.

28. The Commission attended the Europol Sport Corruption Focal Point meeting for experts on match fixing. **[Exempt information under s.40 of the Freedom of Information Act]** presented: how we manage betting data, what are suspicious betting indicators and emerging threats. As part of our wider influencing agenda we described how the UK National Platform works.
29. Meeting held with the DCMS regarding amendments to Schedule 6 of the Gambling Act 2005, which lists persons and bodies for the purpose of exchanging information with the Gambling Commission. Advised by the DCMS's legal team that the 'umbrella' definition and criteria requested by them and proposed by the Commission to help future proof the schedule is unlikely to be supported by Parliament. The process to update the Schedule requires substantial time and effort and from experience takes around 18 months to two years to complete. Updates are required because of organisational name changes or to ensure enhanced coverage of the main sports to better reflect the Sports Governing Bodies that the Commission deals with on a regular basis. To avoid having to amend the Schedule every few years to incorporate these changes, it was hoped that a broad definition for 'sport' could be included as part of the Schedule, for example "National Governing Bodies of sports that have been accredited by one or more of the Home Nations Sports Councils". However, legal advice indicates that this umbrella definition may appear to indirectly pass the power granted to the Secretary of State to approve amendments to Schedule 6 on to the Commission.
30. Audit of Betting Integrity Workstream undertaken by Mazars. The aim of the audit was to assess if the Commission's betting integrity strategy is underpinned by clearly defined objectives, action plans and engagement with external stakeholders. Initial feedback indicated positive findings but we are still awaiting the final report.
31. Nick Tofiluk attended the British Horseracing Association (BHA) as part of the 'Challenge Panel', put in place to assess and direct BHA's integrity function.

Risk assessment development and integration (assessment matrix)

32. Workstream lead has discussed and scoped individual final templates for HIO and AML assessments. These are to be completed imminently resulting in a matrix style view for both. This will result in a matrix view for all agreed milestones by the end of 2015.

Use of intelligence

33. We have continued to support cross government intelligence sharing, completing 36 requests for assistance from other agencies and sending out four enquiry requests of our own. There have been 214 new pieces of intelligence which have been subject of the intelligence cycle, dissemination has taken place to the appropriate local authorities and a number have led to the generation of referrals into IMG and Complex Cases.
34. As part of our stakeholder engagement plan, we have presented to investigators in the Birmingham HMRC office and met government agency intelligence network members in the South Wales and South East regions. We hosted colleagues from the Nevada Gaming Control Board over specific licensing enquiries and officers from Missouri State Police.

Information Management and Security

35. We have identified the phases for the implementation of Office 365. An integrated IMS/ICT strategy paper is being prepared for comment from the Leadership Team in January.

36. The British Standards Institution (BSI) conducted a full audit against the ISO:27001 standard that the Commission is certified against. The findings were very positive and there were no non-conformities found during the assessment (where a weakness is identified, or a control has not been applied effectively). A number of very minor observations were made as part of the audit; we will be working through these with any necessary remedial actions during the coming months.

Sector and Thematic

Self-Exclusion

37. Since the last report we have provided advice to DCMS about the national online self-exclusion scheme. We advised, on balance, that there is a good case for ministers to conclude that it is appropriate for the scheme to proceed, particularly because of the strong political support for it. If ministers share this view, we also advised that an industry managed scheme would be preferable. DCMS officials are currently obtaining ministers' views.

Social responsibility (consumer policy and prevention of underage gambling)

38. **[Exempt information under s.36 of the Freedom of Information Act].**
39. We have supported local authority test purchasing exercises in Blackpool, Hastings, Kirklees and at Cheltenham Racecourse. The latter involved testing on-course bookmakers, with ten failures out of 15 tests. We are considering how we will address this issue with the operators concerned.
40. We responded to ABB's proposals setting out how their members should define and record Customer Interactions. Their proposals were helpful, but have highlighted that we will need to review the definitions of customer interaction in the forthcoming review of Regulatory Returns.
41. An internal workshop was held on consumer policy where Programme Directors considered the types of relationship we want to develop with different consumer groups. This is helping to shape our thinking as we aim to assess what we currently do to engage with consumers, identify our strengths and weaknesses, and propose priority areas for future development.

Regulatory Framework

42. Following the launch of the crime review consultation on 30 September, we have begun a series of workshops and meetings to discuss the consultation. The workshops are open to all stakeholders, although the majority of attendees are from the gambling industry. The first meeting was on 12 November, and involved the remote gambling sector, following their AML forum meeting. Generally, responses were positive and constructive, although we note that the remote casino sector is already in the regulated sector for money laundering, and therefore already carrying out many of our proposals. Further meetings are planned for the other sectors and stakeholders. We have also written to the Consumer Liaison Group (CLG) and other groups to offer to discuss the consultation with interested parties.
43. The consultation preparations are proceeding to plan and we are scheduled to publish the 'controlling where gaming machines are played' consultation on 30 November, which will run for twelve weeks and will close on 22 February. Current activity is focussed upon preparing the communications packages for internal and external stakeholders, as well as preparing the consultation for publication with Corporate Affairs colleagues.

Marketing and Advertising

44. Since the last report we have provided expert policy and compliance advice to colleagues across the Commission, including involvement in, and the assessment of, HIO corporate evaluations.
45. We have facilitated and supported a presentation and Q&A from the Information Commissioner's Office (ICO) to the remote sector on unsolicited electronic communications. The ICO has reported in its October threat assessment that complaints about spam SMS from the gambling sector is down to its lowest level since January 2015.
46. We delivered a workshop presentation and Q&A with the Police Intellectual Property Crime Unit (PIPCU) and the British Phonographic Industry (BPI) on LCCP consultation proposals relating to the placement of digital adverts on illegal websites. We also met 'Group M', the world's largest media investment group to discuss good practice in this area.
47. We have continued to work closely with the Complaints & Disputes and Consumer Policy workstreams in formulating and taking forward our work in relation to unfair contract terms.

Protection of player funds

48. We have commenced a 'lessons learned' exercise in order to assess emerging information from the ongoing remote compliance work in relation to customer funds. This will include an assessment of whether/how we can update and improve communication with the industry to reiterate the exact requirements for providing information to customers on the level of protection they receive.

Shared regulation and LALU

49. We have continued our programme of stakeholder engagement to maintain and promote partnership working. Engagements included:
- at the Institute of Licensing National Training Event we presented on licensing authorities' powers and responsibilities to regulate gambling. We also hosted a drop-in surgery, led by our technical specialists, on lotteries and gaming machines.
 - a presentation to the Scottish National Licensing event provided an update on various aspects of gambling regulation as well as our revised advice note on 'authorised persons' in Scotland. The feedback was very positive.
 - Neil McArthur presented and Rob Burkitt attended a Westminster Briefing event on gambling regulation, the focus being the Commission's approach to compliance, recent AML cases and the crime review and aspects of shared regulation.
50. A 'day of action' was held in North Ayrshire with Police Scotland and LA licensing staff to promote engagement in gambling inspection and compliance activity. The event is designed to act as a model for other authorities to follow.

Machines innovation

51. We have continued with our programme of proactive engagement in order to monitor market and market innovation and compliance. Our engagement has included:
- hosting the Machine Manufacturers sector meeting in October and facilitating operators' shared learning from recent compliance failures with industry colleagues
 - attending the Autumn Coin Op show in October. This was a useful opportunity to view the latest product from the industry and to network with our licence holders and others within the industry
 - presenting at the annual Institute of Licensing event in Birmingham including holding a gaming machines 'surgery' where licensing officers can drop in to ask questions of the Commission in the area of gaming machines.
52. Colleagues attended the annual BACTA Convention in London.

Gambling Statistics

53. The gambling Industry statistics workstream have been focused on preparing to publish the next edition of Industry Statistics on 26 November 2015.
54. This edition will be the first to reflect the changes introduced by the 2014 Act and shows GGY from operators based overseas but supplying services to GB customers. However, since the annual remote data will cover the periods both before and after the change in legislation, they will not be comparable with results from previous or subsequent years.

Remote

55. The request for information from poker operators to better understand the market and controls led to twelve responses being submitted. These are being reviewed to draw out key points and themes which will be considered and used to inform further work with both licensees and potentially making information available to consumers.

56. The requirement for Level 3 testing of all transitioned games closed on 31 October. We will be dip-sampling submissions from a number of HIOs and smaller operators, the results of which will be used to inform any follow-up work.
57. We have engaged with a number of key stakeholders in preparation for the forthcoming consultation on the Remote Testing Strategy. A number of operators and test houses had indicated that it would be beneficial for all parties to discuss our draft proposals prior to publishing the final consultation document. We hosted a pre-consultation workshop on 3 November, which was attended by representatives from over 20 remote organisations. The consultation document will be published on the week commencing 23 November and will run for ten weeks.
58. Work is ongoing to review 185 websites to monitor compliance in the following areas:
 - Protection of customer funds
 - Alternative dispute resolution
 - Advertising and marketing.
59. Escalation letters had been sent to some of the operators concerned, with plans in place to undertake further enforcement activity against the worst performing operators.
60. Ongoing programme of work concerning the development of the multi-jurisdictional testing framework (MJTF) scheme. The scheme includes the Gambling Control Commission in Alderney, the Isle of Man Gambling Supervision Commission and the Danish Gambling Authority. The MJTF has been established by the International Association of Gaming Regulators (IAGR) to streamline the external gambling product testing processes.

RGSB

61. Since the last report, the RGSB Secretariat has supported RGSB by helping to launch the consultation on the draft RGSB as planned on 2 November. This was sent to over 120 stakeholders for comment. The closing date for submissions is 14 December.
62. We have been working with the Trust on its 'evaluation protocol' and helping the Trust to design an introduction to evaluation course for the industry.
63. We are helping to steer the Trust as it commissions five harm minimisation projects in the areas of young people (two projects), homelessness, professional sports players, and debt advice (one each).
64. GSB Board members visited Gala Coral with a view to better understanding their player protection measures.

Complaints and disputes

65. We have met the first request for information from the UK single point of contact relating to our competent authority role for Alternative Dispute Resolution (ADR) entities. We will be working with other competent authorities on the proposed timing and format of the next stages of information requirements, in order to develop a common approach and as streamlined a process as possible.

66. The Online Dispute Regulation (ODR) will come into force on 9 January 2016. This month the Department for Business, Innovation and Skills (BIS) issued its final guidance on the implementation of the Regulation. We were pleased to see that the final guidance reflects comments from competent authorities (including the Gambling Commission) on the draft guidance. These amendments will enable a smoother implementation of the ODR. In particular, they mean that signposting to consumers can be implemented in a manner which directs the customer to the primary ADR entity and will not *require* the consumer to negotiate the ODR platform first in order to reach the same ADR entity.
67. Our assessment of ADR entity procedural rules continues and has identified some inconsistencies in the description to consumers - for example, about the binding nature of ADR outcomes. We are addressing these inconsistencies with the ADR entities, and for more complex issues will be arranging an ADR entity roundtable.

Sector advice and standards

68. Stakeholder engagement has continued with members of the Lotteries Team attending the Lotteries Council annual regional forums.
69. Discussion at the forums centred on the government's response to the CMS Select Committee report and the proposals to set up a regulator of fundraising following concerns about aggressive fundraising techniques in the charity sector. Members of the Lottery Sector team presented an update on issues such as AML, ADR, fees, and licensing and compliance issues.
70. We attended the Institute of Licensing's conference and ran two surgeries on lotteries for delegates.
71. The round table meeting on casino policy issues with Secretary of State finally took place on 19 November. John Whittingdale and Tracy Crouch met senior representatives of the sector, with observers from DCMS, the Commission and HM Treasury. There was a constructive exploration of their requests for legislative change and the likely economic impacts of each option, as well as an update on their social responsibility initiatives.

Providing advice

DCMS market advice

72. Significant time continues to be spent this month supporting the Department's response to the 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, which has been delivered, and December).
73. 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

74. [Exempt information under s.43 of the Freedom of Information Act].
75. [Exempt information under s.43 of the Freedom of Information Act].
76. [Exempt information under s.43 of the Freedom of Information Act].
77. Key activity, in addition to normal programmatic work on Compliance, Licensing, Vetting, Consumer Protection and Enforcement, focused during the period since the last report on:
 - [Exempt information under s.31 of the Freedom of Information Act].
 - [Exempt information under s.43 of the Freedom of Information Act].
 - [Exempt information under s.31 of the Freedom of Information Act].
 - Liaison meetings were held with Camelot and DCMS. There continues to be a regular flow of general support requirements from DCMS, including a scratchcard briefing, precipitated by minister concerns on the impact of the product on the long-term health of returns.
78. A copy of the Director's Report to the National Lottery Committee, and the minutes from the October meeting is attached at Annex C which contains further information on work undertaken.

Business Planning

79. BPPB undertook a stocktake of delivery plans on 5 November. Further work is being undertaken urgently with BPPB to review again the work that must be completed and work that could be delayed or stopped. The aim is to have an agreed deliverable plan by late November.
80. A deep dive of all programme risk registers was completed during November providing a more accurate reflection of across the programmes.
81. The annual corporate business planning process has commenced. An assessment of the Commission's strategic outcomes, which informs discussions around the business plan, is scheduled for delivery to Board in January. Work has also progressing on the Outcomes work to develop the external landscape view and to build the data to support the Outcome performance reporting due in January.

Finance

82. In support of the business plan delivery stocktake, financial analysis was provided to fully inform decision making and prioritisation. This analysis has formed the basis for the 2016/17 budgeting and medium term financial planning exercise which is now underway ahead of presentation to the Board in February.
83. Given resource pressures within the team, particularly financial analytical support for the fees review, BPPB supported the recruitment of fixed term resource to manage budgeting, medium term financial planning, and business partnering. [Exempt information under s.40 of the Freedom of Information Act].

84. Analysis of a range of fees scenarios in support of the Fees Review has been ongoing, with outputs considered and agreed by the Fees Development working group on a regular basis.

Fees development

85. Our fees discussion exercise ran from 1 September to 27 October, and we received 27 individual responses in total. Most of those submissions were from trade associations and large and small operators across the breadth of the gambling sectors. Respondents were generally supportive of the broad principles to fee setting and the policy positions that we had outlined in the discussion paper. Many stakeholders asked that the Commission revise certain aspects of the fees arrangements, however; in particular, that fees for the very smallest operators be driven downwards and that a review of the costs associated with an application to vary a licence be reviewed.

Support Services

HR policies, guidance and consultations

86. Consultation is to commence during November and December with PCS collectively and individual colleagues who have not yet signed up to the new suite of 19 people policies, change in status of the Employee Handbook to ensure it is non-contractual and the updated wording of the collective agreement with the PCS union. It is pleasing to confirm that 70% of colleagues are signed up, with 63 outstanding at this time. A small number of these colleagues have objected to signing up to a collective agreement which can change their terms and conditions without their specific agreement. Consultations will continue over the coming weeks. There may be a number of colleagues whose contracts may have to be terminated and re-engaged on the new terms and conditions although this will of course remain an absolute last resort.

Service excellence

87. Work is underway to plan the implementation of e-payslips at the Commission for the beginning of the new financial year in April.

Organisational development

88. Work continues to focus the alignment of the People Strategy with the development of the Business Plan. Initial discussions have taken place with the Chief Executive Officer (CEO), Chief Operating Officer (COO), Programme Directors and PCS.
89. The Employee Survey had a fantastic 92% response rate and analysis of the results will feed into the People Strategy. The Board has previously seen the overall results with engagement levels at 55%. Learning and development, leadership and managing change as well as addressing any potential bullying and harassment concerns from a cultural point of view are highlighted along with individual issues as requiring focus. The last survey through Sunday Times in 2013 highlighted the need for a strategic narrative which was produced and it is pleasing to note the high scores in this area. Colleagues remain sceptical/ unconvinced of our leadership commitment to addressing the feedback from the survey.
90. Colleagues are being actively engaged in action planning at both a corporate and supply area level to complement the specific activity being undertaken for the leadership team

and the other leaders. Further work will be undertaken in the New Year to ensure key organisation priority areas are developed into specific, measurable actions which will be reviewed and communicated on an ongoing basis to maintain momentum.

IT and accommodation

IT infrastructure management

91. Following the recent power and network capacity review a number improvements have been made to the IT infrastructure at VSH including the installation of new air conditioning units in the computer room and two new network switches.
92. New web filtering software has been rolled out and some category restrictions have been lifted to improve web access. This has also improved the performance of our intranet.
93. Additional antivirus software has been installed on our mail servers to reduce the risk of infected messages reaching staff. An updated version of the desktop antivirus software is being trialled.
94. **[Exempt information under s.31 of the Freedom of Information Act].**
95. **[Exempt information under s.31 of the Freedom of Information Act].**

Health and Safety

96. Representatives from the Health and Safety Committee have reviewed the health and safety policies along with PCS representatives.

Office accommodation

97. As part of the ongoing review of accommodation requirements, a number of fixed workstations have been installed in the Pinfold Street side of the office to allow for further staff expansion and ensure the utilisation of existing office space is maximised. Further enabling work is underway to facilitate flexible working options, including the configuration and implementation of Wi-Fi within the office.

Publications and external communications

98. See annex B.

Annex A – High Impact Cases Update

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

Annex B – Communications report

1. Media calls

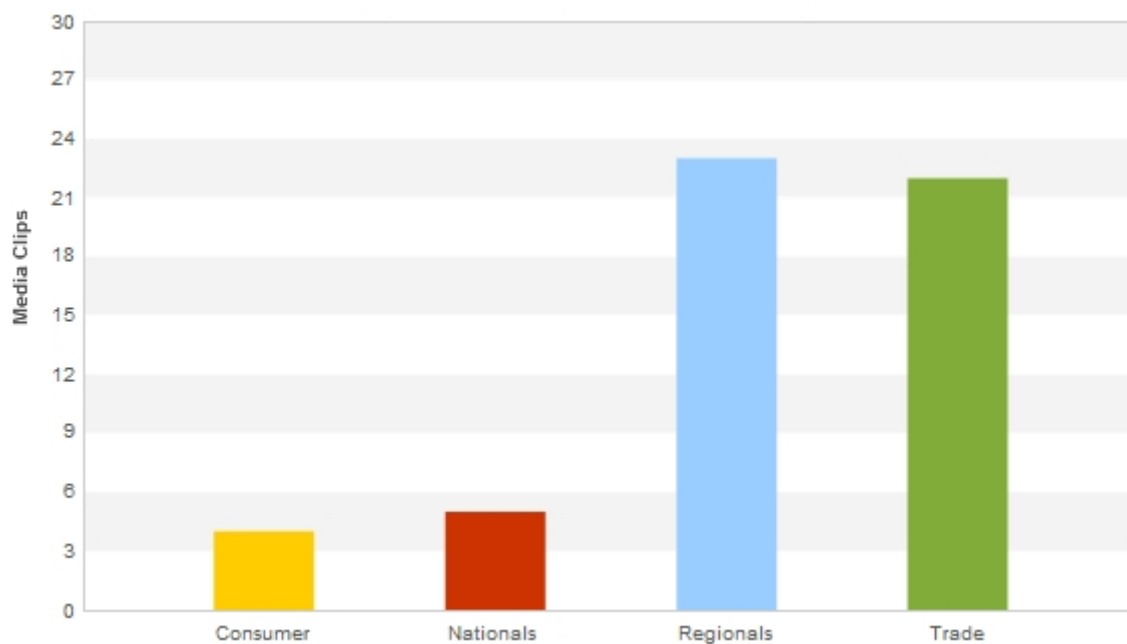
There were 17 media calls in October. This is about average and is broken down as follows.

22%	(4 calls)	Betting
18%	(3 calls)	Gaming machines
18%	(3 calls)	Licensing
12%	(2 calls)	Casinos
12%	(2 calls)	Poker
6%	(1 call)	Integrity
6%	(1 call)	Advertising
6%	(1 call)	Local authorities

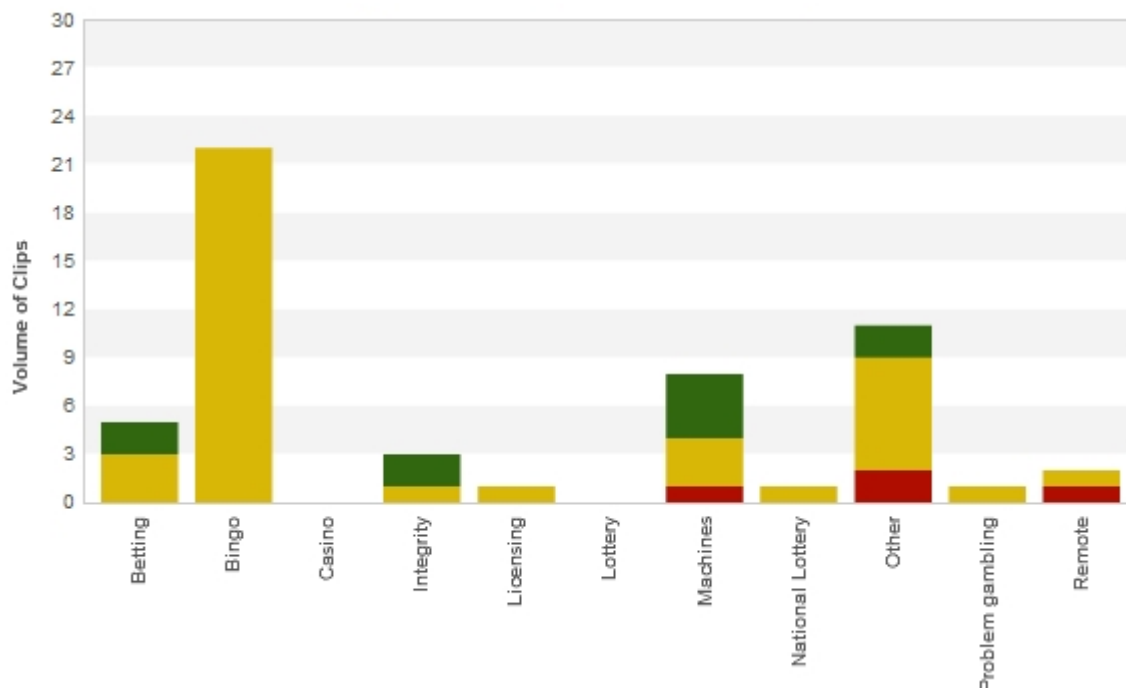
2. Press monitoring

Volume of coverage

There were 54 clips mentioning the Commission in October. 43% of this coverage came from the regional press with a further 41% coming from the trade press.



3. Topics and tone of coverage



October saw positive coverage concerning:

- reports of 38 illegal gambling machines being seized by Hackney Council's licensing enforcement team, the police and the Gambling Commission
- a man who took bets over the phone without an operating licence being ordered to carry out 80 hours of unpaid community work and pay £2,000 in legal costs
- our review of peer-to-peer poker
- our consultation on proposed regulation changes aimed at preventing crime linked to gambling.
- Camelot awarding record prize money over the last six months as sales hit £3.6bn.

October saw neutral coverage concerning:

- the promotion the new Lotto game on TV and in the national and regional press. There were also an number of Lotto linked promotions in newspapers during the rest of the month
- the sale of Gala Bingo to Caledonia Investments for £241m. Most articles mentioned the sale was still conditional on approval from the Commission.

October saw negative coverage concerning:

- Coinslot printing a quote from an arcade operator who claimed that gaming machines were paying out all the time when they are brand new due to Commission regulations of mandated payout percentages. Coinslot printed our response which corrected the article saying there are no mandated percentage payouts and that was a matter for the manufacturers.

- Commission licensees raising concerns about the introduction of Local Risk Assessments in Coinslot. They did print a quote from us though advising that the assessments are “designed to encourage operators to think, as a matter of routine, about the places in which they are located and whether that means they have anything more – or less – to prevent crime and protect children and the vulnerable people as a result.”
- Negative coverage, mostly from the Daily Express and Daily Star about the new Lotto game, mentioning the reduced chances of winning the jackpot. There were also numerous negative readers’ letters criticising the new Lotto game.

4. Press releases

Council seizes 38 illegal gaming machines
Commission reviewing peer-to-peer poker
Unlicensed operator appears in court
Unpaid work and £2,000 legal costs for unlicensed bookmaker

5. Publications

The role of authorised persons in Scotland - advice note
Survey data on gambling participation - October 2015
Drop and win summary report

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

6. Events

CBD Annual Meeting – Sue Harley attended
 The Bingo Project debate Bingo Regulation: Current challenges and future direction – Helen Venn spoke and Louise Notley attended
 IAGR 2015 Conference – Jenny Williams, Nick Tofiluk and Mark D’Andrea
 ESSA event: Good Governance in sport & betting - a symbiotic relationship – Richard Watson
 Information Risk 2015 – Sarah Gardner
 TVC Bookmakers Trade Fair – Brad Enright and Graham Burgin
 World Sport Law & IP Forum – Nick Tofiluk
 ARJEL Symposium – Philip Graf and Nick Tofiluk spoke

7. Parliamentary questions

Parliament was in conference recess until 12 October, however there were still eight written parliamentary questions of direct relevance to the Commission over this period.

Louise Haigh: How many incidents at betting shops relating to fixed-odds betting terminals police officers have attended in each of the last five years.

Tracey Crouch: The Gambling Commission is responsible for collecting crime data for betting premises. However, these figures do not identify the reasons for police call-outs or relate them to particular products offered on the premises.

Mark Pritchard: If he will hold discussions with Camelot on steps they are taking to reverse the recent decline in national lottery sales.

Tracey Crouch: National Lottery sales are not declining. 2014/2015 was the most successful year for The National Lottery ever, achieving £7.27bn in sales and £1.96bn for good causes. Sales are up on the previous year (£6.73bn) and have even surpassed the record-breaking Olympic year of 2012/2013 (£6.9bn).

Carolyn Harris: If he will take steps to reduce the maximum stake on fixed odds betting terminals from £100.

Tracey Crouch: Following the last review, new measures were introduced in April 2015 to help players of fixed odds betting terminals (FOBTs) stay in control. Players of FOBTs who want to stake more than £50 in one play are now required to interact with staff over the counter or register a customer account card. My department are in the process of conducting an evaluation of these measures and I will publish the results in due course.

Carolyn Harris: Whether he plans to categorise bookmakers as high risk in the draft regulations transposing the fourth Money Laundering Directive into UK law.

Harriett Baldwin: The Fourth Money Laundering Directive extends its scope to cover all gambling providers. However, the Government can exempt providers of certain gambling services from the requirements laid down in the Directive on the basis of proven low risk. We will be publishing a consultation towards the end of the year asking stakeholders to submit evidence on which sectors of the gambling sector can be proven to be low risk as part of the transposition process and will legislate accordingly.

Carolyn Harris: If he will make representations to the EU Commission on including bookmakers within the scope of the fourth money laundering directive.

Harriett Baldwin: The Fourth Anti-Money Laundering Directive ("the Directive") was formally adopted in June 2015, and will be transposed into national law by June 2017. The Directive extends the scope of the UK's Money Laundering Regulations 2007 to cover all gambling providers. The Government can exempt providers of certain gambling services from the requirements laid down in the Directive on the basis of proven low risk posed by the nature and scale of operations. Any exemption will need to take account of a risk assessment that includes factors such as the degree of vulnerability of the transaction and the payment methods. We will be consulting on which sectors of the gambling sector can be proven to be low risk as part of the transposition process and we will be legislating accordingly. The Government plans to publish a consultation on the changes by the end of this year, and this will run for a full 12 weeks.

Carolyn Harris: When he plans to undertake the next triennial review of stakes and prizes for gaming machines.

Tracey Crouch: Following the last review, new measures were introduced in April 2015 to help players of fixed odds betting terminals (FOBTs) stay in control. Players of FOBTs who want to stake more than £50 in one play are now required to interact with staff over the counter or register a customer account card. My department are in the process of conducting an evaluation of these measures and I will publish the results in due course.

Carolyn Harris: With reference to paragraph 7 of his Department's Triennial Review of gaming machine stake and prize limits, published in October 2013, whether it is his policy that there is a serious case to answer in relation to the potential harm caused by category B2 gaming machines.

Tracey Crouch: Following the last review, new measures were introduced in April 2015 to help players of fixed odds betting terminals (FOBTs) stay in control. Players of FOBTs who want to stake more than £50 in one play are now required to interact with staff over the counter or register a customer account card. My department are in the process of conducting an evaluation of these measures and I will publish the results in due course.

Carolyn Harris: What steps his Department has taken to ensure that bookmakers have a code of conduct relating to fixed odds betting terminals.

Tracey Crouch: It is a licence condition that bookmakers adhere to social responsibility requirements, as set out in the Gambling Commission's Licence Conditions and Codes of Practice, including specific requirements on fixed odds betting terminals (FOBTs). In addition, the Association of British Bookmakers recently published its revised Code on Social Responsibility, which also requires its members to have in place measures on FOBTs to help players stay in control.

8. Articles published

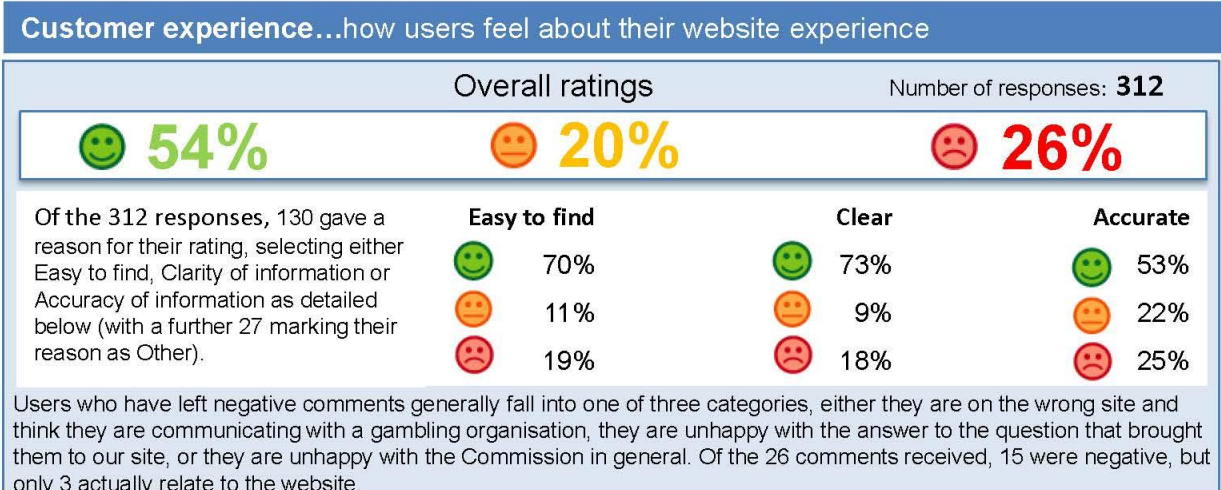
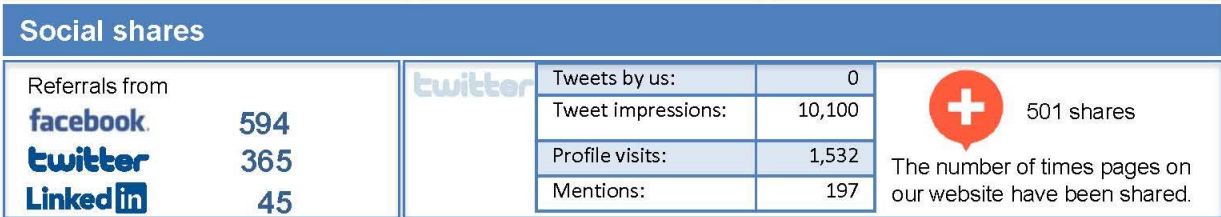
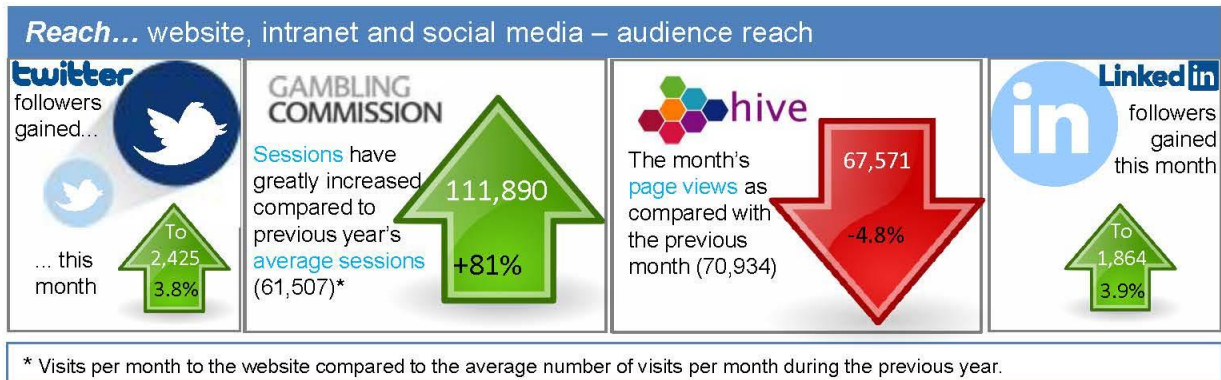
There were no articles published this month.

9. Forward planner

This is now [available on hive](#) and is updated regularly.

10. Internal communications

Ongoing support to HR and E&A for launch of employee survey and plan to communicate the results and subsequent action planning. Ongoing support for CEO and leadership team engagement plan including first Town Hall style meeting and follow-up information.



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