GAMBLING COMMISSION

Business plan 2018-2019

Making gambling fairer and safer

Foreword

We exist to safeguard consumers and the wider public. The industry we regulate is constantly evolving in response to changes in consumer behaviour and technology.

Managing change and responding to emerging risks and issues are constant features of our work. We detailed our high-level plans and priorities in our strategy, published in November last year. This sets out the direction of travel for the next three years.

The strategy focuses on five key priorities:

▶ protecting the interests of consumers

▶ preventing harm to consumers and the public

▶ raising standards in the gambling market

▶ optimising returns to good causes from lotteries

▶ improving the way we regulate.

Our plans for the next 12 months and beyond are designed to enable us to continue to respond to emerging risks and issues in a way that balances consumer choice and enjoyment with the risks associated with gambling, and the impact on wider society.

This sets out those plans, which include:

▶ key milestones for our core functions of advising, licensing and regulating

▶ specific projects, which we expect to complete during 2018-19

▶ foundation work in preparation for delivery in the second and third years of the strategy.

Foreword continued

For consumers, we want to see improved controls more generally. Specifically the industry designing-in protections and control measures right from the start of product development. We also want to improve choice and accelerate the progress that operators are already making on interventions to help better understand their customers – with a clear emphasis on what works.

We are committed to better understanding the public health impact of problematic gambling and these plans reflect that. We are also committed to building and developing relationships with stakeholders, including other regulators, to raise standards across the market. On lotteries, we will ensure that the sector continues to deliver for good causes now and in the future. And we will work to grow the value of the National Lottery as a public asset through the next licence competition.

We also want to do more to help operators to meet their responsibilities to better address the needs of consumers, and to deal more effectively with the things that customers want and demand. We will challenge ourselves to improve the way we regulate – setting and meeting the same high standards we expect of others.

Our strategy is ambitious, as is this plan. It will deliver real change for consumers, the gambling industry and for us as the regulator. Our aim is to make gambling fairer and safer and to raise standards across the industry as a whole. Together, we must now start the work to bring these plans to life.

William Moyes
Chairman

Financials

2018/19 income

Our forecast fee income (excluding the National Lottery which is funded by grant-in-aid) is broken down and shown in the diagram below and represents about 0.2% of total industry revenue (measured by GGY*). 2018/19 is the first year where the full effect of our revised fee structure is realised, which represents an average cut in fees of 10%.

Annual fees by sector

	Sector
■	Arcades
■	Betting
■	Bingo
■	Casinos
■	Society lotteries
■	Machines
■	Software
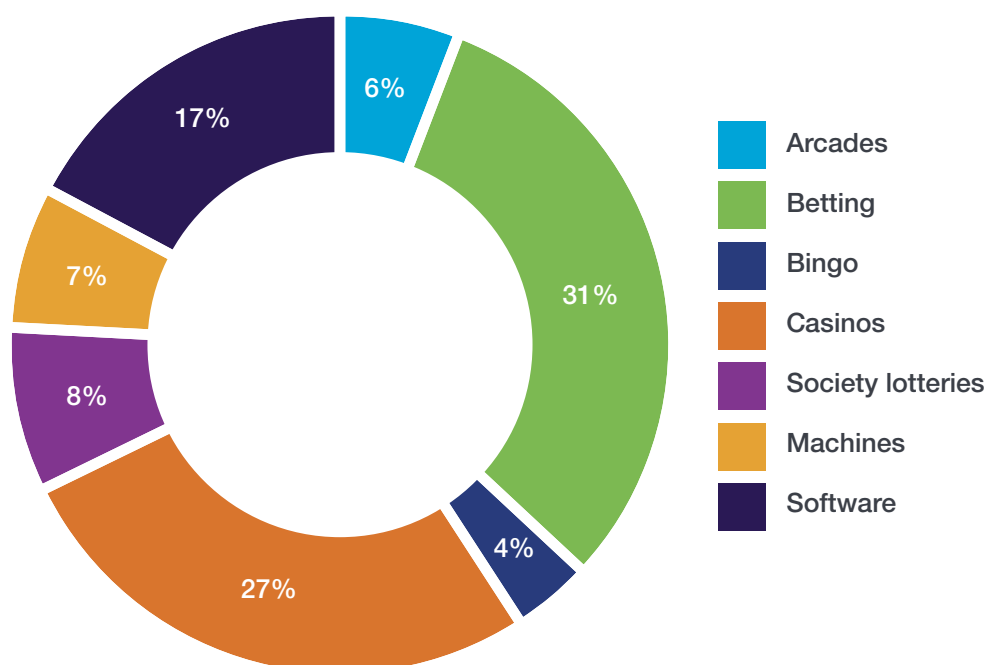
2018/19 expenditure

Our forecast expenditure for the gambling sector (excluding National Lottery) is £21.1m funded by fee income (shown above). Expenditure on the National Lottery, including the forthcoming Fourth Licence Competition is funded by grant-in-aid.

* Gross Gambling Yield is the amount retained by operators after the payment of winnings but before the deduction of the costs of the operation (excludes National Lottery GGY).

Protect the interests of consumers

We will:

Delivery:

► Strengthen rules on advertising, unfair terms and practices, and complaints and disputes, subject to a consultation on Licence conditions and codes of practice (LCCP).

Q2

► Assess the effectiveness of protection in place, and proposed, for National Lottery players in relation to identified best practice.

Q2

► Establish a standing focus group of consumers to test policy ideas.

Q3

► Introduce additional requirements for alternative dispute resolution (ADR) providers, and review providers using new standards.

Q3

► Set out our approach to reviewing how we make sure that the industry meets the licensing objectives in full.

Q3

► Track key consumer metrics and public attitudes to gambling.

Q4

► Explore public attitudes towards gambling advertising and support research which considers the impact of gambling advertising on children, young people and vulnerable people.

Q4

Prevent harm to consumers and the public

We will:	Delivery:
▶ Establish a transparent way for money from regulatory settlements to be used to support innovation and research into safer gambling.	**Q1**
▶ Define the options for developing sustainable and trusted arrangements for research, education and treatment (RET).	**Q2**
▶ Develop assessment of operator data use to reduce harm and prevent crime, promote best practice and inform regulation.	**Q3**
▶ Review gaming machine regulations in response to the outcomes of the Government's gambling review.	**Q4**
▶ Deliver enhanced consumer protection for online gambling in the areas of customer verification, fairness and interaction.	**Q4**
▶ Work with our partners to embed gambling-related harm in the public health agenda.	**Q4**
▶ Work with our partners to develop a framework to quantify and cost the impact on society of harm related to gambling.	**Q4**
▶ Lead the development of the successor to the current national responsible gambling strategy, with input from a wide range of partners, to be ready for its launch in April 2019.	**Q4**
▶ Evaluate markers used to identify gambling-related harm and commence a consultation on Licence conditions and codes of practice (LCCP) relating to customer interaction.	**Q4**

Raise standards in the gambling market

We will:	Delivery:
▶ Create an annual enforcement report focused on raising standards in the gambling market.	**Q1**
▶ Conduct a strategic assessment of gambling-related crime.	**Q1**
▶ Deliver a programme for the industry on best practice, including publications and events.	**Q1-4**
▶ Target the delivery of our regulatory efforts at raising standards in the gambling market and provide evidence of the outcomes of this activity.	**Q3**
▶ Assist money laundering taskforce (FATF) in its UK assessment and implement any changes necessary.	**Q4**
▶ Develop our approach to operational risk assessment and create a data analytics tool to grade operators by risk.	**Q4**

Optimise returns to good causes from lotteries

We will:	Delivery:
▶ Provide better information for consumers on how the funds raised by society lotteries are used.	**Q1**
▶ Respond to Camelot's strategy to increase the money raised for good causes by taking informed decisions about regulation.	**Q1-4**
▶ Engage stakeholders and run a consultation on potential scenarios for the next National Lottery.	**Q2 & Q4**
▶ Deliver a programme to engage the bidding market for the next National Lottery licence competition.	**Q2-4**
▶ Develop our National Lottery Good Cause Returns model to better inform our approach and measure performance.	**Q3**

Improve the way we regulate

We will:	Delivery:
▶ Establish a panel to advise the Commission on digital technology developments.	**Q1**
▶ Deliver the second and third phases of the licensing project to simplify, automate and digitise the licensing process.	**Q2-3**
▶ Build and populate a 'one-stop' data hub for colleagues to access data products.	**Q3**
▶ Update and improve our website on the basis of user research.	**Q3**
▶ Implement the first and second phases of our HR information system.	**Q3-4**
▶ Define requirements for a replacement system to hold core licensee and operator information (CRM).	**Q4**
▶ Move most of our data processing to the Cloud, improving resilience and flexibility and reducing long-term costs.	**Q4**

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