



## Board performance pack

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

**Date:** 12 January 2017

Publish in full	
Subject to minor redaction	
No publication	

## Introduction

1. This Performance Pack provides an overview of the Balanced Business Scorecard (BBS) and includes information pertaining to our current casework, planned events, and communications.

## Balanced business scorecard

2. The BBS presented below consists of two dashboards, each of which offer perspectives of the business:
  - Organisational management (our employees, their wellbeing and their performance)
  - Operational delivery and efficiency (our licensing and compliance processes)
  - Stakeholder satisfaction (our reputation)
  - Strategic measures (our impact on our strategic objectives and outcomes-reported quarterly)
3. The first dashboard provides the quantitative performance indicators for each of the four perspectives. To assist with monitoring performance, each of the indicators is also allocated a RAG status.
4. The second dashboard on the BBS provides explanatory commentary for the quantitative performance indicators. The intention is that the BBS commentary will report by exception in future, although baselining information continues to be included here for your information.

## Outcome performance assessment

5. This performance pack includes the third assessment of our impact on the strategic outcomes included in the 2016/17 Corporate Business Plan. Impact has been assessed against a baseline of 1 April 2016 and refers to activity included within our business plan.
6. Each assessment is informed by a suite of indicators defined and agreed with the relevant strategic owner.
7. Due to the longer-term nature of our objectives it is likely that assessments will reflect little or no impact wave on wave. As we continue implementing activity included within the business plan we expect a greater level of impact to be evidenced.
8. Greyed out RAG statuses reflect those outcomes where planned activity has not yet been undertaken.

## Balanced business scorecard summary and commentary

ORGANISATIONAL MANAGEMENT							Overall RAG rating	
					This period	YTD	Target/b'm	2015/16 Actual
Staffing	Voluntary turnover rate (rolling 12 months)	Quarterly	%	 ↓	11.1		9.8	8.6
	Time to fill vacancies	Quarterly	Days		43		TBC	
	Longest outstanding vacancy (actively recruited)	Monthly	Days		227		45	
	Capacity utilisation rate (total hours available)	Monthly	%			92.2	TBC	TBC
Training	Allocated training spend per capita	Monthly	£			0	1,598	TBC
Employee wellbeing	Diversity ratio of employees (sex)	Quarterly	Ratio		0.9:1		1:1	0.8:1
	Diversity ratio of employees (ethnicity)	Quarterly	Ratio		1:5		1:5	1:5
	Employee survey engagement score	Annual	%		60		55.0	55.0
	Formal grievances	Monthly	#		1	2		3
	Disciplinaries	Monthly	#		0	1		3
	Dismissals	Monthly	#		0	0		0
	Employee survey score (those experiencing bullying & harassment)	Annual	%		13		10 <sup>+</sup>	16.0
	Sickness absence rate	Quarterly	%		3.3	3.6	3.6	3.8
	Stress related sickness absence rate	Quarterly	%	 ↑	0.7	0.8	0.7	1.0
Performance	Employee PMR results (improvement needed)	Annual	%		1.4		TBC	2.9
	Employees with PIP (formal stage)	Annual	#		0.0		TBC	0

- This is the civil service average and acts as a benchmark only

## ORGANISATIONAL MANAGEMENT

Our benchmark for voluntary turnover is 9.8% which is the small public sector organisational average. We are now running slightly higher than this in the last quarter, however, we are monitoring reasons for leaving through the leaver questionnaire and exit interviews (exit interviews only conducted when requested).

The time to fill vacancies is now being monitored following the introduction of the recruitment portal in late September 2016. This has been based on the date the vacancy was published to the portal to the point of the offer letter being produced. This is an average figure over the last quarter. NB This figure is only representative of vacancies that were progressed through the recruitment portal during this time.

With regard to absence, there are 6 separate instances of stress related sickness within this period, only 1 of which has been attributed to work. 2 of these overall stress related absence cases are long term but these are being actively managed and 1 has since returned to work.

In respect of the employee survey score for those experiencing bullying and harrassment, the expectation was that this score would increase following Dignity at Work sessions and heightened awareness. The reality is that the score has reduced, but we cannot be complacent on this matter and will continue to drive awareness through our ways of working to ensure that this issue is managed and that we will have a zero tolerance approach.

# OPERATIONAL DELIVERY AND EFFICIENCY

Overall  
RAG rating



					This period	YTD	Target/b'm ark	2015/16 Actual
Customer contact centre	Enquiry response time (percentage on target)	Monthly	%		98.0	75.8	95.0	N/A
	Contact centre customer satisfaction	Monthly	%		75.0	85.6	90.0	82.1
	Average contact centre contacts per day	Monthly	#		143.4	198.1		166.2
Licensing	OL application determined within 16 weeks	Monthly	%		66.7	65.6	80.0	69.0
	PL application determined within 8 weeks	Monthly	%		91.3	68.7	85.0	76.0
	OL applications outstanding	Monthly	#		81		80	
	PL applications outstanding	Monthly	#		425		378	
Compliance	Oldest licence application outstanding	Monthly	Days	↓	268		112	
	Proactive compliance assessments completed to plan 2	Monthly	%				TBC	
	Non-complex cases open	Monthly	#		23			18
	Non-complex cases managed to plan	Monthly	%		100.0	95.7	85.0	100.0
Enforcement	HIO operators internal desktop review 1	Bi-monthly	%		TBC		95	
	HIO operators review 1	Monthly	%		TBC		95	
	Complex cases open	Monthly	#		29	31		
	Number of open complex cases exceeding 6 months	Monthly	#		11	10		N/A
Quality	Days (effort) per open case	Monthly	#		0.0	9.5		N/A
	Days required from other supply pools	Monthly	#		0.0	2.5		N/A
	National Lottery referrals considered by IMG	Monthly	#		1	1		N/A
	National Lottery cases referred by IMG to CMG	Monthly	#		1	1		N/A
Business	National Lottery CMG cases exceeding 6 months.	Monthly	#		1	1		N/A
	Non-remote compliance QA (proactive) 2	Quarterly	%			Reported in February 2017		
	Remote compliance QA (proactive) 2	Quarterly	%			Reported in February 2017		
	Regulatory returns QA flags 3	Six-monthly	%			Reported in February 2018		
Financial	The cost of back office functions per FTE	Monthly	£		2,246	17,355	TBC	
	CBP Milestones not completed to schedule	Monthly	#		2	4		17
Financial	Debtor days outstanding	Monthly	#		5.5			
	Expected annual fees currently outstanding	Monthly	£		267,963		TBC	
	Forecast expenditure FY against budget	Monthly	%			101.8	<100	

TBC Not available or appropriate for reporting purposes  
To Be Confirmed



## OPERATIONAL DELIVERY AND EFFICIENCY

Licensing launched its consultation on 7 December (runs until 6 January 2017) with staff on proposals for the Licensing reorganisation following the recent job evaluation exercise. Staff have engaged with the consultation process, attending drop-in sessions with managers, speaking to their Resource Managers, raising questions through the dedicated email box and providing some suggestions for improvement to the proposals which will be considered. In addition, the decision to move Contact Centre to Corporate Affairs & Research during 2017 was communicated and early indications are that colleagues understand the rationale and have no major concerns.

The number of contact centre contacts decreased as is usually seen during December (by 34% on previous 2 months). The new interim KPI measures were introduced from November so comparisons in this report in respect of KPI performance have only been made between November and December and not with previous months. Enquiry response time improved significantly in December (up by 16.6% on November) with new response time target being exceeded in December although this may also be down to the smaller than usual volumes - YTD we remain below target. Customer satisfaction was above target at 95.2% in November but fell to 75% in December mainly due to lower figures in relation to resolution satisfaction. A significant volume of calls, over 60%, remain consumer calls rather than Licensing calls.

The percentage of Operating Licence (OL) applications determined within KPI standard decreased slightly in December (by 2.5% on November), standing at 66.7% and remaining below target for month and YTD. Personal Licence (PL) performance increased very slightly in December (up by 0.1% on November) with the new interim KPI measure being exceeded in both November and December but remaining below target YTD. Outstanding applications for OL are now at expected levels given the increase in KPI timescales but outstanding PLs are slightly above expected level. Whilst this early achievement of some of the new interim KPI measures is welcomed, Licensing still does not anticipate any significant sustained achievement of the new interim KPIs for several months as: we anticipate continued demand to rotate Licensing staff onto Contact Centre whilst it remains part of Licensing; we are, through to April 2017, implementing the outcome of the job evaluation exercise which will take up staff time as team members are moved and embedded into their new roles; working alongside the change project team to design the move of Contact Centre out of Licensing.

There were two corporate milestones missed during the last quarter (Q3):

1) "Review the Sports Betting Intelligence Unit's terms of reference and map out the strategy for the next two/three years to ensure we are prepared for future challenges and focussed on achieving the most effective risk reduction outcomes."

This is because we are still awaiting and dependent upon the strategic steer from DCMS to help define the scope of the review.

<sup>1</sup>The HIO measures are being refined by the Compliance programme to better reflect the information they are collecting. By way of explanation about the two measures, the **HIO internal desktop review** will happen on a Bi-monthly basis. This review will consider intelligence, regulatory returns data and other data collected from operators and other sources. This will enable emerging risks to be identified and understand if the risk posed by the operator has changed or there are emerging issues which may impact on the licensing objectives. The **HIO operators review** will be conducted to review the status of any corporate evaluation and any other engagement with HIO operators. The perceived risk to licensing conditions for each operator is considered and corporate evaluations or HIO interactions are then scheduled according to priority.

<sup>2</sup> The Compliance measures for proactive compliance assessments and compliance QA will be reported on from January 2017 (after Quarter 3 finishes in December). This will enable Compliance to redefine the measures that exist and better capture the work that is currently being done.

<sup>3</sup> The Regulatory Returns system is currently awaiting implementation of a new IT system. This is now likely to be April 2017, but will allow us to use the systems, in-built tools and allow for a more informative and sophisticated use of the data we collate.

<sup>4</sup> The latest Finance figures available are November figures which were included in last month's Performance report. The December figures will not be available until after the cut-off date required to input into Board.

## STAKEHOLDER SATISFACTION

Overall  
RAG rating



					This period	YTD	Target/b'm ark	2015/16 Actual
Reputation	Social media engagement - impressions per tweet	Monthly	#	●	12,000	2,524		N/A
	Tone of trade media coverage (positive/neutral)	Monthly	%	●	N/A	98.5		N/A
	Tone of social media coverage (positive/neutral)	Monthly	%	●	99.5	98.7		N/A
	Complaints about the Commission	Monthly	#	● ↑	0	12		17
	Stakeholder perception (good or excellent)	Bi-ennial	%	●	67.7		>67.7	

## STAKEHOLDER SATISFACTION

Social media has been almost entirely positive for December, and some neutral, with a significant focus on the young people and gambling annual report and the financial penalty imposed on Camelot. Please see the 'Confident stakeholders' Outcome assessment for more detail on this.



## STRATEGIC MEASURES

Overall  
RAG rating



Strategic outcomes	Vulnerable consumers identified	Quarterly		Green	Strong impact on outcome
	Self exclusion effective	Quarterly		Green/Amber	Moderate impact on outcome
	Gambling is fair and trusted	Quarterly		Amber	Some impact on outcome
	Consumers make informed decisions	Quarterly		Amber/Red	No impact on outcome
	Reduced YP gambling	Quarterly		Red	Negative impact on outcome
	LOs at the heart of industry	Quarterly		Grey	Work not started
	Confident stakeholders	Quarterly			
	NL operated fairly	Quarterly			
	NL returns maximised	Quarterly			
	Efficient/engaged workforce	Quarterly			
	Fair fee structure	Quarterly			
	Excellent regulatory reputation	Quarterly			
	We support innovation/growth	Quarterly			
		Quarterly			
		Quarterly			
Financial	Value for money	Quarterly			



<b>Strategic outcome</b>	<b>Gambling is fair and trusted</b>		<b>Indicators</b>	- Public Perception survey - Press, social media and trade coverage - Complaints
<b>Key performance question</b>	Do consumers have a positive perception of gambling as being fair and trustworthy?			
<b>Strategic owner</b>	Paul Hope			
<b>Workstream/strand owner</b>	Pradeep Rajania			
<b>Previous RAG status</b>	Amber			
<b>RAG status</b>	Amber			
<b>Narrative</b>	<p>According to the Commission's report on 'Participation in gambling and rates of problem gambling – 2015', 39% of all survey respondents agreed that gambling is fair/can be trusted. The figures for 2014 and 2013 were 41% and 42% respectively, indicating a slight decline in public trust. It is worth noting that those who have gambled in the past 12 months are more likely to agree that gambling is fair/can be trusted than those who haven't. We will publish full set of results for 2016, in February 2017.</p> <p>We continue to build questions into the Commission's monthly Online Survey to gain more in-depth understanding of customers' views on fair terms and practices. The first month's results (June 2016) indicate only 16% agree that the industry allows players to be able to take offers/promotions at face value, and 20% agree terms and conditions are presented clearly. In July, we added further questions around terms and conditions, and will continue to track these on a quarterly basis. The latest results from September 2016 indicate that 16% of online gamblers read terms and conditions (23% in July 2016) and that of those 24% have experienced unfair terms and conditions (24% in July 2016). The survey will help monitor changes in views as and when we deliver some of our work.</p> <p>Complaints relating to fair and open peaked at the beginning of the year, which can be attributed to one event, where TGP Ltd refused to pay hundreds of customers their winnings, by alleging customers had committed potentially fraudulent activity in order to achieve promotional bonuses that were running during Cheltenham Races. Since then, there was a steady flow of complaints, but peaked again in November (330 complaints on unfair terms and conditions, double the number of complaints received in October) due to the launch of the CMA's investigation into unfair terms and misleading practices.</p> <p>Corporate Communications data shows that there was positive coverage concerning the release of Commission's Corporate Business Plan which set out how consumers would be at the heart of our work over the coming year. Fairness and trust are broad concepts which cut across most of what we do. The visibility of regulatory activity could impact on consumers' perceptions and confidence in the Commission to tackle issues relating to fairness, and this therefore engenders trust. In November, positive social media coverage continued to focus on the joint work between the CMA and the Commission on unfair terms, on the latest edition of industry statistics and at the tail end of November on the young people's gambling report. In December, there was further positive coverage of the young people's gambling report as well as of the financial penalty imposed on Camelot.</p> <p>The Competition &amp; Markets Authority (CMA) is the lead enforcement body for unfair contract terms and misleading practices. On 21 October, as part of the first phase in a joint programme of work, the CMA launched an investigation in the gambling industry on unfair terms and misleading practices (including advertising issues). We expect this will lead to compliance and enforcement activity in 2017. This would also involve publishing a suite of bespoke advice documents for the gambling sector on advertising and unfair terms, for operators, ADR entities, and consumers. Misleading marketing is a persistent source of concern, particularly in the remote gambling sector. Although the Advertising Standards Authority (ASA) is the lead regulator, we have strengthened LCCP and are undertaking targeted compliance activity led by the Marketing &amp; Advertising workstream team to improve standards. We know that consumers are also concerned about unfair and/or overly complex contract terms associated with, in particular, the remote gambling sector.</p> <p>We certainly hope that the outcome of these strands of work will lead to more consumers having a positive perception of gambling as fair and trustworthy. RAG status is currently amber due, in part, to the significant number of variables and factors associated with the concepts of fairness and trust. Although we do expect our work to have some impact, we need to be mindful that it is other regulators who have lead responsibility in these critical areas and that many other factors may well determine a consumer's view on the fairness and trustworthiness of gambling.</p>			

<b>Strategic outcome</b>	<b>Fair fee structure</b>		<b>Indicators</b>	- Fees framework points of criticism - feedback from stakeholders regarding our plans to address these points of criticism - Consultation feedback - Perceptions of our transparency - Analysis of complaints during licence fee periods  'Strong impact' is defined as: TBC
<b>Key performance question</b>	Is the Commissions fee structure fair and proportionate?	Green Green/Amber Amber Amber/Red Red Grey	Strong impact on outcome Moderate impact on outcome Some impact on outcome No impact on outcome Negative impact on outcome Work not started	
<b>Strategic owner</b>	Sarah Gardner			
<b>Workstream/strand owner</b>	Sharon McNair			
<b>Previous RAG status</b>	Amber			
<b>RAG status</b>	Green	↑		
<b>Narrative</b>	<p>The joint consultation on the new fees structure is now complete with the proposals obtaining ministerial approval and the response document published on 21 December 2016. Having considered the responses to the consultation a small number of amendments were made to the original proposals and these are detailed within the responses document. With the exception of a small number of operators in the bingo sector most of the industry seems content with the changes but we will not be able to gauge this in full until the changes have been implemented and probably not until the next major tranche of annual fees are invoiced in mid-July 2017. However, we believe the implementation of the proposals and in particular the move to GGY as the basis for fee categories rather than number of premises across a number of licences, will result in a more transparent, fairer, and proportionate fees structure. The fees structure that will take effect from April 2017 will:</p> <ul style="list-style-type: none"> <li>• take account of the significant changes to our costs and income following the implementation of the Gambling (Licensing &amp; Advertising) Act 2014</li> <li>• reflect the efficiencies we have achieved in our expenditure and reduce the overall fee burden across the industry by over 10%</li> <li>• ensure that our costs continue to be recovered on a proportionate basis from different types and sizes of operator</li> <li>• replace 'number of premises' with gross gambling yield (GGY) as the basis for fee categories across a number of licences</li> <li>• sub-divide various fee categories into smaller categories to ensure that our costs are recovered through fees on a fairer basis</li> <li>• re-align our cost recovery more proportionately in relation to GGY.</li> </ul> <p>As a result of the changes there will be fee reductions for around 1,900 operators while fees will be held at their current levels for around 1,000 operators, and around 75 operators will be subject to an increase in fees.</p>			

<b>Strategic outcome</b>	<b>We support innovation/growth</b>		<b>Indicators</b>	- Licence numbers - Regulatory costs - Initiatives to reduce burden where appropriate (e.g., multi-jurisdictional framework) - Shared regulation - Business impact targets
<b>Key performance question</b>	Does the regulatory framework allow for innovation and growth?	Green Green/Amber Amber Amber/Red Red	Strong impact on outcome Moderate impact on outcome Some impact on outcome No impact on outcome Negative impact on outcome	
<b>Strategic owner</b>	Helen Rhodes		Work not started	
<b>Workstream/strand owner</b>	Rob Burkitt			
<b>Previous RAG status</b>	Green/Amber	Grey		<b>'Strong impact' is defined as:</b> - "The industry uses tools for growth and innovation to also protect consumers, in particular vulnerable players" - Growth up, harm down.
<b>RAG status</b>	Green/Amber			
<b>Narrative</b>	<p>"Continuing the approach taken in previous quarter, the Commission continues to encourage innovation, consistent with its statutory duty to aim to permit gambling whilst at the same time provide the necessary levels of protections for consumers. One key means by which this can be achieved is for industry to use the process of innovation itself, and the new technologies and systems it develops, as a means of improving those protections. Examples of this approach are as follows:</p> <p>One key policy objective (which the Commission has reiterated publicly in response documents, during key speeches etc.) is that the Commission encourages gambling operators, whether remote or terrestrial, to use both existing technologies and innovations as a means of strengthening player protections at the same time as they develop their businesses and products. We are encouraging the industry (through trade bodies, presentations at industry events and one to one discussions with operators) to employ the very tools which they use to support their commercial objectives to promote responsible gambling. For example operators capture very detailed information on players when they participate in account based play. This has a clear commercial value but can also be used to identify patterns of play which suggest problem gambling behaviour. Other opportunities to minimise harm include the use of data analytics, blocking software, messaging and prompts to promote responsible gambling and to minimise gambling related harm. Such measures represent an innovation in the approach to responsible gambling since they work to ensure that protections are designed into the architecture of the gambling product. a second indicator is that through a combination of Government policy towards gambling and the regulatory environment has seen Great Britain become the largest online (regulated) gambling market in the world . There are no caps on the number of operators permitted in the market place and most gambling products can be offered here (unlike many jurisdictions across the developed world). Technology controls and licence fees for the remote market are set at a level that makes it possible for new entrants to enter without disproportionate regulatory costs, although this is balanced against the need to ensure that licensees are suitable at the point of application to hold a licence.</p>			

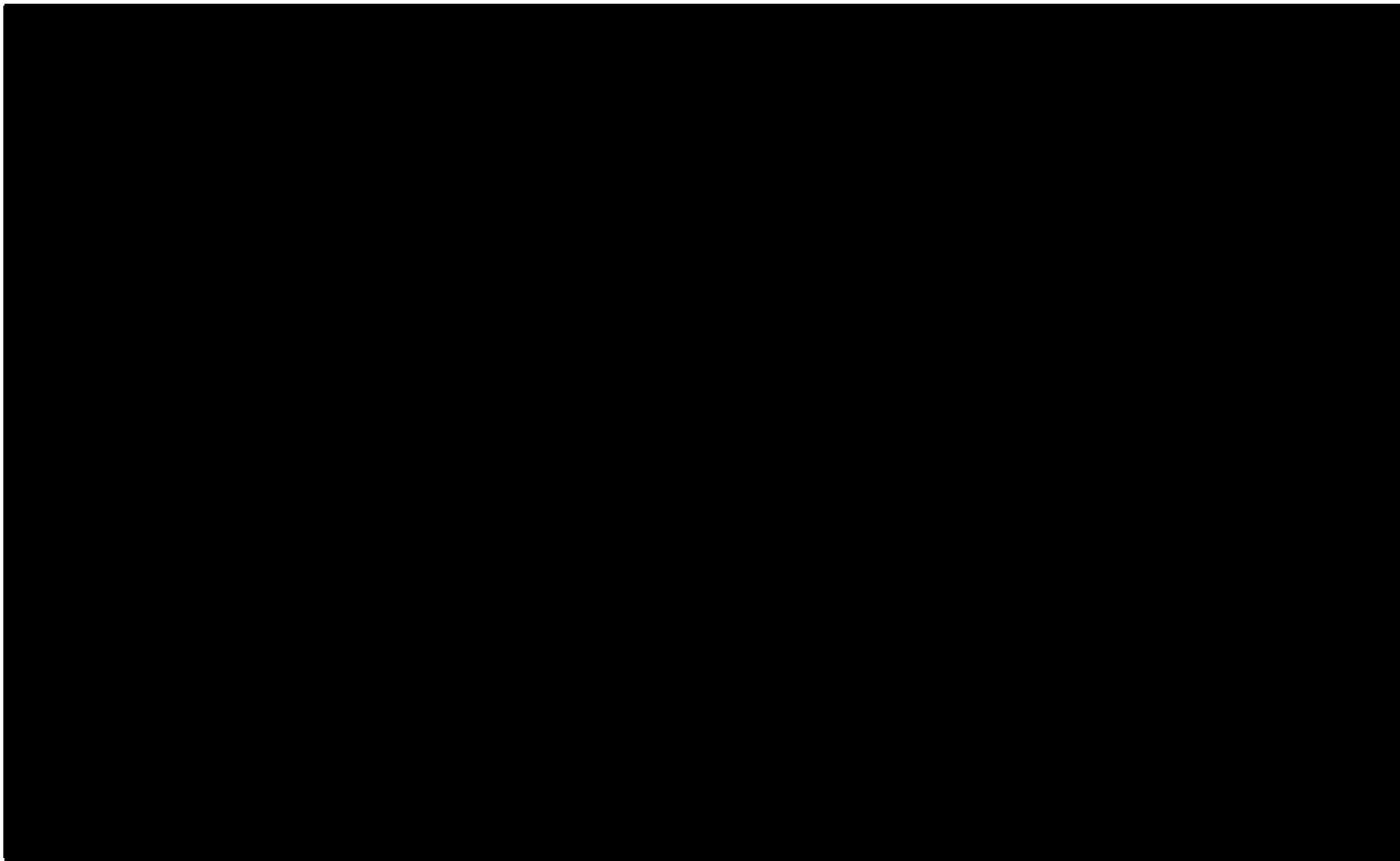


Strategic outcome	An industry that puts the LOs at the heart of everything it does		Indicators		- Proactive compliance (risk matrix)* - Corporate evaluations - Annual assurance statements - Contact centre enquiries and complaints* - Subject and quantity of issues managed at Case Management Group (CMG)*
Key performance question	Does the industry put the licensing objectives at the heart of everything it does?	Green	Strong impact on outcome		
		Green/Amber	Moderate impact on outcome		
Strategic owner	Helen Venn, Richard Watson and Anna Howe	Amber	Some impact on outcome		
Workstream/strand owner	Helen Venn	Amber/Red	No impact on outcome		
Previous RAG status	Amber	Red	Negative impact on outcome		
		Grey	Work not started		* E&A to provide supporting analysis (yet to be agreed)
RAG status	Amber				'Strong impact' is defined as:
Narrative					- TBC
From a Casework perspective: We continue to see a steady stream of casework emerging relating to, AML, Social Responsibility and fairness issues. There has been evidence of our public statements being used by operators to test their own procedures and refine risk models, but more work needs to be done in this area and in particular around Industry wide standards. Contact Centre Queries: Out of 146 social responsibility service requests, 33 (22.6%) related to complaints linked to the protection of children and the vulnerable. There were a total of 1916 complaints & disputes service requests logged. Of these 617 related to Terms & Conditions, 484 to Withdrawal of funds and 131 to Marketing & Advertising. A further 73 cases of illegal activity were recorded. This data suggests there is more to be done with the industry to put the Licensing Objectives at the heart of what they do.					

[This is exempt from publication under section 43 of the Freedom of Information Act.]



<b>Strategic outcome</b>	<b>Excellent regulatory reputation</b>		<b>Indicators</b>	- Stakeholder feedback (e.g., other regulators, DCMS, local authorities etc.) - Tone of media coverage
<b>Key performance question</b>	Are we considered an example of regulatory excellence?	Green Green/Amber Amber Amber/Red Red Grey	Strong impact on outcome Moderate impact on outcome Some impact on outcome No impact on outcome Negative impact on outcome Work not started	'Strong impact' is defined as: -TBC
<b>Strategic owner</b>	Helen Rhodes			
<b>Workstream/strand owner</b>	Rob Burkitt / Helen Rhodes			
<b>Previous RAG status</b>	Green/Amber			
<b>RAG status</b>	Green/Amber			
<b>Narrative</b>	<p>The Commission was established as a Hampton based regulator and those principles inform our approach to regulation. The Commission's Statement of Principles for Licensing and Regulation (March 2015) explicitly sets out this approach as well as taking into account more recent requirements such as the growth duty and the regulators code. This year, we have committed to continuous improvement with the introduction of the change programme, a commitment to developing our corporate strategy and contributing to a number of initiatives to improve regulation - notably the regulatory futures review.</p> <p>A risk based and proportionate approach also informs our work with co-regulators and is reflected in the Guidance to Licensing Authorities. The Commission has a long standing and constructive relationship with (what is now called) Regulatory Delivery. (Previously Better Regulatory Delivery Office and prior to that Local Better Regulation Office.) The Commission has been active partner in the Regulators Excellence Forum since its inception - an arrangement created by Regulatory Delivery for national regulators to share good practice and discuss new developments. The Commission has made formal responses (including attendance at Select Committee hearings) to all the significant better regulation initiatives including the growth duty and the primary authority scheme. In relation to the latter the Commission's role was cited as an example of good practice last year in a BRDO publication devoted to our work with local authorities. The Commission is currently undertaking the work necessary to comply with the requirements of the Enterprise Act, which includes Business Impact Target assessments. We are also holding discussions with DCMS and Regulatory Delivery in regard to various measures that are being proposed in 2017, including the extension of the Primary Authority scheme.</p>			



<b>Strategic outcome</b>	<b>Confident stakeholders</b>		<b>Indicators</b>	- External stakeholder survey
<b>Key performance question</b>	Are stakeholders confident in the way gambling is regulated?	Green Green/Amber Amber Amber/Red Red Grey	Strong impact on outcome Moderate impact on outcome Some impact on outcome No impact on outcome Negative impact on outcome Work not started	'Strong impact' defined as: - A high number of interactions/contacts - Good journalist engagement (via Vuelio) - Good engagement with Gov. (to be discussed with T. Miller) - References in Parliament to work we have done - Fewer DCMS and parliamentary questions (presupposing good – engagement negates the need to raise questions) - Attendance at events (presupposing good visibility supports confidence) - Growth in media exposure (social and trade) - Results of biennial stakeholder communication research (usefulness of research here will increase with greater participation from industry representatives).
<b>Strategic owner</b>	Tim Miller			
<b>Workstream/strand owner</b>	Cyrrhian Macrae			
<b>Previous RAG status</b>	Green/Amber			
<b>RAG status</b>	Green/Amber			
<b>Narrative</b>	<p>Significant media engagement over the past quarter reflects the Commission's role as a regulator in a good light in the past quarter. Sarah Harrison was interviewed by Adrian Goldberg for Radio 5 Live Investigates on the subject of the Right to Bet. Following the outcome of CMA work on unfair Terms and Conditions on 21 October, Sarah Gardner was interviewed on 5 Live business briefing on 20 October and then on You and Yours on Sunday, 22 October. On both occasions she was able to provide reassurance to listeners on why this joint work was so important. The Times also ran a strong piece on our involvement. We were mentioned in most of the media coverage relating to unfair T&amp;Cs on which the CMA was the lead interviewer. Sarah Harrison was interviewed on 21 December for a You and Yours programme that was broadcast on Boxing Day, on this subject.</p> <p>The release of data on the prevalence of gambling amongst young people (11-15) led to TV appearances on Good Morning Britain, Sky News and Channel 5 News with Tim Miller being the interviewee. There was extensive coverage in all national newspapers. Questions about the research were also asked in both Houses of Parliament.</p> <p>The announcement of a £3m fine for NL operator Camelot led to TV interviews for Sarah Harrison on BBC lunchtime news; a further recording for ITV lunchtime news was recorded but not broadcast. However, there was significant, positive coverage about the Commission's role in investigating Camelot on Radio 4, Radio 5 Live, all national broadcast media and trade media between 16-19 December. For the first time the Commission embedded a video of Sarah Harrison making a statement on the case within a news release, which was used by the Mirror on their website. The video has had 112 views, the press article has had 557 views (excluding staff here), the LinkedIn post has had 1,705 impressions with 45 clicks (as at 19 December). The Twitter post has 1,205 impressions with 21 clicks. We have so far received two requests for the full Camelot investigation report, which we are treating as FOI requests and questions are being asked of the Minister for Culture, Media and Sport by Tom Watson MP. We anticipate that this story will run over an extended period of time and could lead to Select Committee interest.</p>			

Strategic outcome	Value for money		Indicators	
Key performance question	Does the Commission provide value for money?	Green	Strong impact on outcome	- Benchmarked support service costs
		Green/Amber	Moderate impact on outcome	- Change programme outputs (costs and quality)
		Amber	Some impact on outcome	- Total costs as a percentage of industry GGY
Strategic owner	Simon Knee	Amber/Red	No impact on outcome	'Strong impact' is defined as:
Workstream/strand owner	Financial Controller (Melody Curley-Hodgetts)	Red	Negative impact on outcome	- TBC
Previous RAG status	Green/Amber	Grey	Work not started	
RAG status	Green/Amber			
Narrative				

*The Commission's impact on this outcome is still considered to be 'moderate'. As a Hampton Principles based regulator, the Commission is committed to providing effective regulation and demonstrating that value for money is at the heart of what we do. Value for money doesn't just mean reducing costs or doing something as cheaply as possible, but rather it is getting the most efficiency and the maximum effectiveness out of our activities and processes. Doing the same things quicker or with less resource is one measure of value for money, but just as importantly, using the same resource to deliver something that is of higher quality or of more benefit to stakeholders is another measure. For example, the Finance team are currently undertaking a review of their procedures with the aim of identifying more efficient practices, stronger financial controls and working effectively with other internal colleagues such as Licensing (for income receipts) and HR (for taxable expenses and business cases).*

*Benefits that will be delivered by the change programme, and across our workstreams, whether they are quantitative or qualitative, are being identified. Key Performance Indicators (KPIs) are being established and these strategic outcome reports will also identify progress against benefit indicators (although this is still in its infancy).*

*The review of the Commission's support services functions and benchmarking against other regulators or comparable public bodies has yet to be scoped but is expected to commence in 2017/18.*

*The Commission's total costs of regulating gambling (i.e. excluding National Lottery regulation) is currently 0.156% of industry Gross Gambling Yield (GGY). This will be taken as the benchmark that we shall use to measure the Commission's costs against the size of the industry that we are regulating.*

*The Commission has agreed a minimum 5% real terms reduction in like for like expenditure by 2018/19 - a target that exceeds those that are being worked towards by other ALBs within the DCMS family. As per the Q3 financial forecast, our current expenditure profile indicates that we are within this target and are on track to deliver (the current overspend against budget for 2016/17 is more than offset by the increase in fee income/industry growth).*

<b>Strategic outcome</b>	<b>An efficient and engaged workforce</b>		<b>Indicators</b>	- Employee survey results - Balanced scorecard - Feedback from PCS - Exit interview feedback - Benchmark data (supplementary to that of the BBS) - HR temperature check - Change programme outcome [productivity gains] - Quarterly change readiness assessment - Service level unit cost - Portfolio unit cost - 'Strong impact' is defined as: -TBC
<b>Key performance question</b>	Is the Commission's workforce efficient and engaged?	<div>Green</div> <div>Green/Amber</div> <div>Amber</div> <div>Amber/Red</div> <div>Red</div> <div>Grey</div>	<div>Strong impact on outcome</div> <div>Moderate impact on outcome</div> <div>Some impact on outcome</div> <div>No impact on outcome</div> <div>Negative impact on outcome</div> <div>Work not started</div>	
<b>Strategic owner</b>	Sue Harley			
<b>Workstream/strand owner</b>	Nick Moore			
<b>Previous RAG status</b>	Amber			
<b>RAG status</b>	Green/Amber	↑		
<b>Narrative</b>	<p>Results for the 2016 employee survey (part of the ORC civil service survey) are now available and have shown a marked improvement in employee engagement, an increase of +5% points to 60%, a significant increase from 2015. This is now only 5% points from high performing civil service unit benchmark. ORC had commented during a briefing that they rarely see such a sharp increase in engagement after just one year of activity to improve it. There are a number of initiatives that have had an effect on employee engagement such as our activity around dignity at work, personal resilience and the leadership development programme, involving both Programme Directors, Functional Leads and Senior Managers.</p> <p>Recognising the benefits of increased employee engagement, including that on productivity, we are moving forward early this year with a number of additional workstreams specifically around learning and development, performance management and reward and recognition as part of the people strategy. Following a successful learning and development week and a collaborative networking day (which were implemented post-2016 survey) we are hopeful that these will also have a positive impact on employees and scores will continue to rise next year.</p> <p>In terms of efficiency there are currently multiple 'Futures' initiatives that are at differing stages within their lifecycle, all of which have outcomes that reflect more efficient working practices, processes and systems. These are being supported and tracked by the change programme to ensure the impacts of such changes on the organisation are managed effectively and to provide consistency in change approach, benefit identification and outcomes. Knowledge and Information Management (KIM), Licensing Futures and the People Strategy are the three main programmes that will have the largest effect on the organisation throughout 2017, all aimed at improving operational efficiency and driving up employee engagement.</p> <p>Our operational efficiency is being impacted on by the increasing complexity of the regulatory environment. Some KPI targets (Licensing &amp; Contact Centre) have been updated with interim figures as they had not been reviewed for many years and were out of date.</p>			

## **Complex cases update**

[This is exempt from publication under sections 30 and 31 of the Freedom of Information Act.]



## Events (not covered elsewhere)

9. The key events attended last month included:

Industry Stakeholders	Purpose	Accompanied By
<b>Operators</b>		
Philip Bowcock, David Steele, Corporate Affairs Director, William Hill	Introductory meeting with Interim Chief Executive Officer Philip Bowcock	Brad Enright

<b>Other Stakeholders</b>		
<b>Other</b>	<b>Purpose</b>	<b>Accompanied By</b>
Sir Chris Kelly, Chair  RGSB	Catch up meeting	N/A
Mike Cunningham, Deputy Director,  HMT	Quarterly catch up meeting	N/A
Claudio Pollack,  Abberton Consulting	To discuss Consumer Engagement going forward	Sarah Gardner, Paul Hope and Tim Miller
Brian Chappell, and colleagues  Justice for Punters	Introductory meeting to discuss roles for Justice for Punters, Gambling Commission role, areas of concern and future engagement	Paul Hope and Pradeep Rajania
Simon Crine, Interim Director,  Ofgem	To discuss regulatory issues	N/A
Graeme Clark and Peter Culdip,  Mazars	Catch up meeting	Simon Knee
Welcome Break, MOTO and Roadchef	Introductory visits to Motorway Services, facilitated by Peter Hannibal, Gambling Business Group and hosted by Graham Glanfield and Ashleigh Lewis (both from MOTO Hospitality)	Stuart McPhee
Sue Owen,  Permanent Secretary  DCMS	Bill met with Sue Owen to discuss appointments	N/A

Other Stakeholders		
Other	Purpose	Accompanied By
Hugh Harris, Director of Media, International, Gambling & Creative Industries  DCMS	To discuss appointments	N/A
The Rt Hon Baroness Jowell  House of Lords	Introductory meeting	Tim Miller
Mike Rothwell, Managing Director  Caesars	Bill had an Introductory meeting following the Raising standards conference	N/A
David Hudson,  SMP Partners	Catch up meeting	N/A
Karen Eyre-White, Chief Executive of  Sports Grounds Safety Authority	Introductory meeting to discuss respective responsibilities and share some regulation challenges	N/A
Mark Turner,  Gatenby Sanderson	Catch up meeting	N/A
Julian Colborne Baber  Deloitte	Introductory meeting	Sharon McNair

		<b>Other Events (Conferences and Receptions etc.)</b>	
Date		Event	Description
12 Jan	Sarah	Birmingham Regulators Meeting facilitated by David Kidney, UKPHR	To identify common and sector specific regulatory issues

# Communications report

## 1. Media contacts

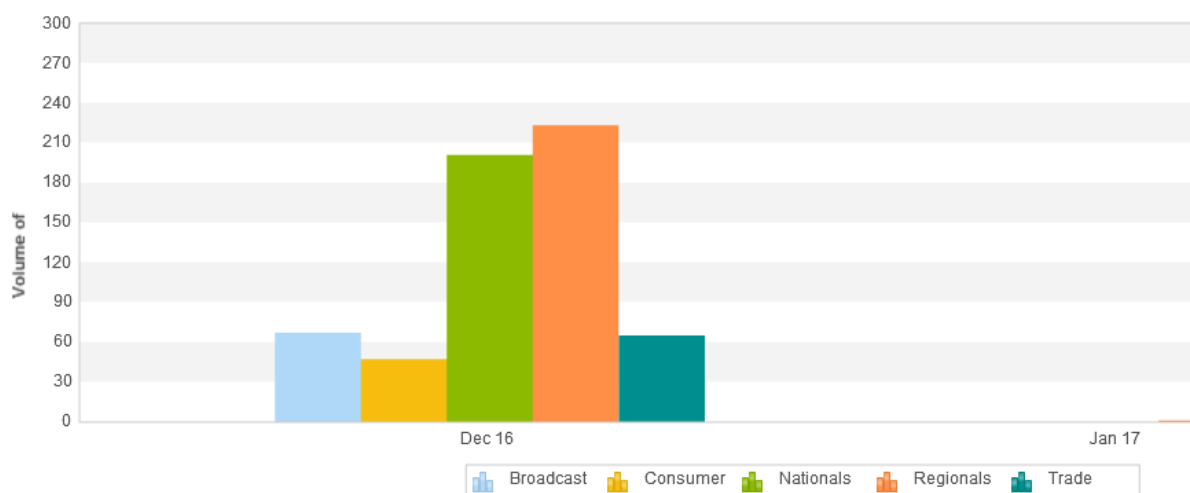
There were 37 media contacts in December.

84%	(32 calls)	National Lottery (Tungsten)
6%	(2 calls)	Binary options/spread betting
3%	(1 call)	Scam website
3%	(1 call)	Poker – shared liquidity
3%	(1 call)	Underage gambling

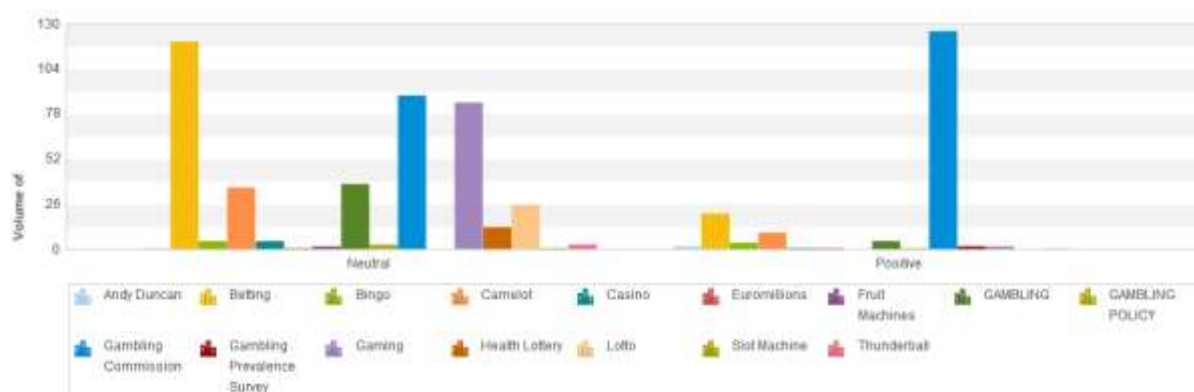
## 2. Press monitoring

### Volume of coverage

There were 604 clips mentioning the Gambling Commission in December. Over 30 percent of the coverage was in the national papers. This can be attributed to the announcement of our Camelot fine (Tungsten), which featured across all media outlets.



## 3. Topics and tone of coverage



Positive coverage:

- Camelot licence breach leads to financial penalty
- New report indicates 450,000 children gamble every week

Neutral coverage

- FOBTs and bookmaker numbers on high street

Negative coverage:

- No negative coverage during December

#### 4. Press releases

[New report indicates 450,000 children gamble every week](#)

[Binary option scams warning](#)

[Camelot licence breach leads to financial penalty](#)

#### 5. Publications

[Proposals for Gambling Commission Fees from April 2017 - Consultation response](#)

#### 6. Events

- 29/11/16: Ben Haden attended the Lotnext Summit in Barcelona
- 8-9/12/16: Paul Hope, Sarah Harrison, Jenny Humble and Walter Merrick attended the RGT Harm Minimisation Conference as well as a number of RGSB colleagues
- 9/12/16: Rob Burkitt spoke at the SLLP Conference
- 16/12/16: Rich Bayliss attended the EU Expert Group in Brussels.

#### 7. Parliamentary questions

During December there were 3 written parliamentary questions of direct relevance to the Commission.

**Jim Shannon: With reference to the Gambling Commission report, Young People and Gambling, published in November 2016, what steps her Department is taking to prevent children aged 11 to 16 from participating in gambling.**

Tracey Crouch: The protection of children from being harmed or exploited by gambling is one of the core objectives of the Gambling Act 2005. The Gambling Commission report on Young People and Gambling showed that the level of participation of children aged 11-16 in gambling has remained relatively static. While the report made clear that some of the activities reported may be legal, e.g. betting between friends or on crane grab machines in Family Entertainment Centre's, there is no room for complacency. The law is clear that children are not allowed to gamble in pubs, betting offices, bingo halls or arcades and where there is a failure to prevent underage gambling, the Gambling Commission will take regulatory and/or criminal action.

**Alison Thewliss: Pursuant to the Answer of 13 October 2016 to Question 47027, when she expects to publish the Triennial Review of Stakes and Prizes for gambling machines.**

Tracey Crouch: A review of gaming machines and social responsibility measures (previously called the Triennial Review) began with a 6 week call for evidence on 24



October, closing on 4 December. As part of this, we sought evidence on Fixed-Odds Betting Terminals and gambling advertising. The review generated a lot of interest from the general public, as well as from a variety of interest groups, local authorities, trade bodies and industry. We are now looking in depth at the evidence and aim to publish our findings and any proposals in spring 2017.

**Ronnie Cowan: Whether the Government has plans to produce a strategy to tackle problem gambling and reduce gambling-related harm.**

Tracey Crouch: The Responsible Gambling Strategy Board (RGSB), which advises the Gambling Commission and others on reducing gambling related harm, published its responsible gambling strategy for 2016-2019 in April this year. We will be considering this alongside other evidence as part of the review of gaming machines and social responsibility measures which was announced on 24 October, with the aim of publishing our findings and any resulting proposals in spring 2017.

**8. Articles published**

There were no articles published this month.

**9. Forward planner**

This is available in the [Communications Forward Planner](#) which is updated regularly.

**10. Internal communications**

Most of December was focused on preparing for Learning and Development Week and Networking Day. Time has also been dedicated to determining the best way to deliver the results of the employee survey to colleagues. A workshop is being scheduled with HR in January to develop an internal communications plan that will enable the utilisation of internal communications resources more effectively to communicate key HR messages. Resource remains amber this month with the newly appointed Senior Officer, Internal Communications due to commence in role on 12 December. Initial areas of focus for the new role will be supporting the implementation of plain English and effective writing skills at the Commission.