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Business Plan April 2021 to March 2022

The milestones we plan to complete.

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Our latest business plan outlines the key milestones we plan to complete during 2021 to 2022.

Foreword

Delivering a high quality and effective competition for the next National Lottery Licence while maintaining the current good performance of the existing Licence is a key focus. In delivering our Gambling Act functions, this will be a year in which ensuring operator compliance with enhanced player protection measures will continue to drive our work. At the same time, we will be firmly focussed on the future as we develop our suite of advice to inform the review of the Gambling Act and continue to equip the Commission for future challenges. In developing these plans, we have recognised that we will be delivering in an environment where we, the industry and consumers emerge from the impacts of the COVID-19 pandemic.

Those impacts have brought extraordinary, unprecedented circumstances meaning the Gambling Commission necessarily had to adapt its ways of working and act decisively to address

potential risk to the licensing objectives, whilst continuing to deliver our core statutory functions.

Having established evidence of an increase in risk to some consumers we immediately instructed the industry to implement precautionary protection measures including stronger affordability checks, the banning of reverse withdrawals and restrictions on bonus offers. This prompt action has been further justified by additional COVID-19 specific data we have gathered and will continue to publish as long as required.

However, it is also important not to overlook the way the pandemic has impacted within the Commission itself. The financial uncertainties that the industry have faced will naturally have an impact on fee income. Yet, the Commission has taken the opportunity to enhance our approach to fees forecasting through closer collaboration between finance, strategy and research teams. This work has informed the development of this year's budget and business plan.

The pandemic has also meant that the Commission and its people have needed to quickly adapt to very different ways of working. This has brought challenges whether through the unpredictability caused by colleagues needing to balance work with caring responsibilities or through the difficulties in bringing teams together in person to work collaboratively. Yet these have also provided opportunities which have helped shape our approach to business and resource planning. It has helped us streamline some of our decision making and develop clearer lines of accountability for work. It has facilitated more effective use of technological investments, especially in the area of video conferencing and remote working. All of these will have ongoing benefits for the organisation as we move into the coming business year.

The year ahead

Looking ahead into the coming business year, the Government's Gambling Act Review, launched before Christmas with a Call for Evidence, will be a significant focus for us and will draw upon significant resources across the organisation. We look forward to contributing our advice in the coming year but are clear that we will continue to work at pace to take action to protect consumers while the Review is underway.

In August 2020 we launched the competition to award the Fourth National Lottery Licence and this continues to be one of our highest priorities in the coming year. Selecting the right

applicant is vital to ensuring players are engaged and protected, the lottery is run with integrity, and returns to good causes to benefit society are maximised. Interested parties are now preparing their detailed applications and we look forward to assessing these proposals before the preferred applicant is announced later in the year.

At the time of publication of this plan, the Government is considering responses to a consultation into the funding of the Gambling Commission. We are hopeful that this will result in much needed changes to our fee income and will be another step in enabling us to continue to regulate effectively, in advance of what we hope will be a forthcoming more comprehensive consideration of our fees model.

Strategic objectives

Our work this year will be delivered through five strategic objectives:

⊕ Strategic Objective 1

Protecting children and vulnerable people from being harmed by gambling

[Read more details about this objective in our corporate strategy. \(/about-us/guide/our-strategy-for-the-next-three-years#protecting-children-and-vulnerable-people-from-being-harmed-by-gambling\).](#)

⊕ Strategic Objective 2

A fairer market and more informed consumers

[Read more details about this objective in our corporate strategy. \(/about-us/guide/our-strategy-for-the-next-three-years#a-fairer-market-and-more-informed-consumers\).](#)

⊕ Strategic Objective 3

Keeping crime out of gambling

[Read more details about this objective in our corporate strategy. \(/about-us/guide/our-strategy-for-the-next-three-years#keeping-crime-out-of-gambling\).](#)

⊕ Strategic Objective 4

Optimise returns to good causes from The National Lottery

[Read more details about this objective in our corporate strategy. \(/about-us/guide/our-strategy-for-the-next-three-years#optimise-returns-to-good-causes-from-the-national-lottery\).](#)

⊕ Strategic Objective 5

Improving gambling regulation

[Read more details about this objective in our corporate strategy. \(/about-us/guide/our-strategy-for-the-next-three-years#improving-gambling-regulation\).](#)

Like last year, the complexity of our work continues to grow. We will continue to focus our resources on the areas that will have the maximum impact and where we need to keep pace with emerging risks, ensuring that those priorities are informed by the evidence. This includes our enforcement and compliance work against operators and individuals which will continue to escalate until the industry reaches the standards we expect of them.

We want to see gambling harms reducing – and the most recent participation and prevalence data suggests that a downward trend in the headline rate of problem gambling emerging. However, this cannot be used as an excuse to lose focus on consumer protection. Both the Commission and the industry must use the coming year to draw upon those positive signs in the data and build further momentum in making gambling safer.

The business plan that we have developed sets the priorities and deliverables that will continue and, where possible, accelerate the progress that we are starting to see in making gambling fairer, safer and crime free. The delivery of our business plan is part of our connected thinking at the Commission; ensuring the constituent parts of the strategic and business planning processes allow us to triangulate our mission with our strategic objectives and our business plan deliverables.

Mission

Vision

Strategic Objectives

Strategic Priorities

Departmental Business Priorities and BAU

Financial Management and Budget

Performance Management and Reporting

Risk Management, Governance and Decision Making

Summary of organisational priorities

Departments work collaboratively across the Commission's key projects. Across each of our strategic objectives the main organisational priorities for 2021-22 are:

1. Protecting children and vulnerable people from being harmed by gambling

Licence Conditions and Codes of Practice (LCCP)

Continue to review and evolve our regulatory requirements to raise standards of consumer protection. Including responding to our consultation and call for evidence on Customer Interaction. Publish revised remote technical standards to reflect changes following our consultation on online games.

Licensing

Continue to manage operator accounts and generate new operating licence applications.

Compliance

Undertake a programme of compliance activity including targeted and thematic assessments, website and personal licence reviews. Continue our Raising Standards work to include assurance statements, workshops and operator-facing events.

Sports Betting Intelligence Unit (SBIU)	Identify and manage betting integrity threats including providing support to international tournaments taking place in the UK.
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2. A fairer market and more informed consumers

Society Lotteries	Support Department for Digital, Culture, Media & Sport in their review of Society Lotteries.
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Understanding consumer concerns	Explore how to improve how licensees deal with consumers when things go wrong.
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Protection of customer funds	In addition to advice under the Gambling Act Review, review current tiered approach to protection of customer funds.
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3. Keeping crime out of gambling

Anti-money laundering (AML)	Implement the Fifth Money Laundering Directive and support activity consistent with our money laundering risk assessment.
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Sports Betting Intelligence Unit (SBIU)	Identify and manage betting integrity threats including providing support to international tournaments taking place in the UK.
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Enforcement and Intelligence	Assess and tackle illegal gambling. Undertake targeted enforcement activity to raise standards.
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4. Optimise returns to good causes from

The National Lottery

Fourth National Lottery (4NL) Manage the key phases including review and feedback, evaluation, preferred application notification, confirmation of award, implementation and commencement.

Third National Lottery (3NL) Manage the end of licence and transition.

5. Improving gambling regulation

Fees Review Support DCMS as they prepare their response to the consultation on proposals for changes to Gambling Commission fees from 1 October 2021.

Gambling Review Advise the Secretary of State on the Government's review of the Gambling Act 2005.

Single Customer View Continue to explore with the [Information Commissioner's Office \(ICO\) \(opens in new tab\)](https://ico.org.uk/) (<https://ico.org.uk/>), industry and technology providers how best to pilot a single customer view solution.

Official Statistics Publish authoritative official statistics and respond to our consultation on participation and prevalence methodology.

Finance and PMO Continue to provide effective and efficient financial management and control and develop our performance and risk management frameworks.

People and Facilities Continue to invest in our people reviewing the lessons learnt through the Covid pandemic to establish improved ways of working.

IT Support and Infrastructure Support more flexible and effective ways of working through our IT infrastructure.

Tech Interface and Data Make continuous improvements to existing digital services, review our approach to data sharing and retention across the organisation.

Departmental business priorities

The Commission is required to undertake the following statutory functions:

- Licence the regulated industry by determining applications for operating and personal licences, specifying the conditions to be attached to such licences, limiting the duration of such licences, and determine applications to vary or renew operating and personal licences
- Ensure Compliance with the [Gambling Act 2005 \(opens in new tab\)](http://www.legislation.gov.uk/ukpga/2005/19/contents) (<http://www.legislation.gov.uk/ukpga/2005/19/contents>), with any licence condition, code of practice, or other provision made by or by virtue of the Act, and further undertake activities for the purpose of assessing whether an offence contrary to the Act has been committed, to commence licence reviews under section 116 of the Act, and to carry out, inspections under Part 15 of the Act
- Take Enforcement action including sanctioning against an operating or personal licence holder following a review under section 116 of the Act, void bets and to investigate and prosecute offences committed under the Act, which includes all forms of illegal gambling activity
- To fulfil its duty to give advice to the Secretary of State under section 26 of the Act. This advice can be in response to a request from the Secretary of State or such other occasions

that the Commission considers appropriate

For the financial year 2021 to 2022, the business has identified 255 Regulatory Function/Business as Usual (BAU) activities. This represents approximately 70% of the total activities identified (both BAU and projects) within the Commission to manage an industry that, prior to the pandemic, generated Gross Gambling Yield of close to £15 billion.

The Gambling Commission operates with 334 full-time equivalent (FTE) employees under the following directorates:

- Chief Executive's Office
- Communications and Engagement
- Legal and Governances
- Licensing and Compliance
- Enforcement and Intelligence
- Strategy, Policy and Research
- Corporate Services (comprising People and Facilities, Finance and Programme Management Office and IT and Digital).

The Third National Lottery Licence and the Fourth National Lottery Licence are subject to different regulatory and resourcing frameworks.

We are responsible for awarding Licences to run and for regulating The National Lottery. This includes running the competition to hold the Fourth National Lottery Licence and ensuring a smooth transition between the Third and Fourth Licences.

We ensure The National Lottery is run in a way that ensures:

- propriety
- participants' interests are protected (and subject to those two duties)
- proceeds from the National Lottery are as great as possible.

Delivery of our National Lottery functions are funded by grant-in-aid.

Budgeting and financial management

Our financial management arrangements are set up to reflect the principles set out within Managing Public Money and to ensure that we comply with accounting standards as set out in HM Treasury's Financial Reporting Manual (FReM) and the

Management Agreement with the [Department for Digital, Culture, Media & Sport \(opens in new tab\)](https://www.gov.uk/government/organisations/department-for-digital-culture-media-sport). (<https://www.gov.uk/government/organisations/department-for-digital-culture-media-sport>)

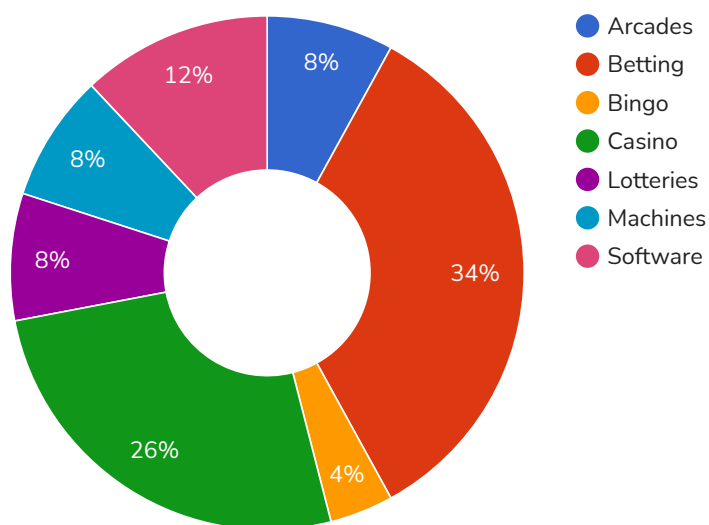
The Commission's current Accounting Policies are regularly reviewed to ensure they are up to date and reflect best practice, and are supported by specific policies and guidance in the following areas:

- Delegated Authority Policy
- Income Collection Policy
- Capital Expenditure Policy
- Expenses Policy
- Treasury Management Policy.

6.1 Income Forecast 2021 to 2022

The breakdown of our fee income (excluding The National Lottery, which is funded by grant-in-aid) is shown in the following diagram.

Income Forecast 2021 to 2022

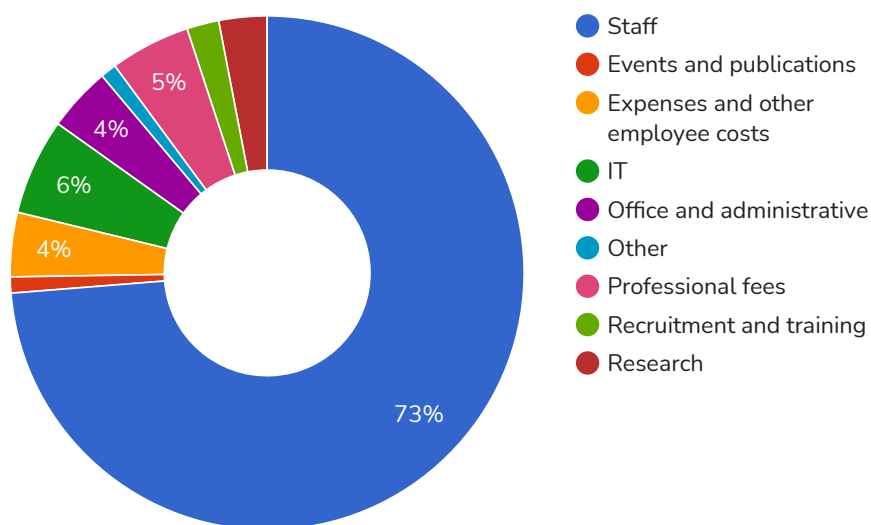


Sector	Amount
Arcades	8%
Betting	34%
Bingo	4%
Casino	26%
Lotteries	8%
Machines	8%
Software	12%

Expenditure Forecast 2021 to 2022

The breakdown of our projected expenditure in 2021-22 can be shown as follows.

Expenditure Forecast 2021 to 2022



Area	Amount
Staff	73%
Events and publications	1%
Expenses and other employee costs	4%
IT	6%
Office and administrative	4%
Other	1%
Professional fees	5%
Recruitment and training	2%
Research	3%