

Annual Report and Accounts 2023 to 2024

**GAMBLING
COMMISSION**

HC 205

Making gambling safer, fairer and crime free

Gambling Commission

Annual report and accounts 2023-2024

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Paragraphs 14 and 16 of Schedule 4 of the Gambling Act 2005 and Section 14(3) and Paragraph 11(4) of Schedule 2A of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998 and National Lottery Act 2006).

Ordered by the House of Commons to be printed on 11 September 2024.

Laid before Scottish Parliament by the Scottish Ministers on 11 September 2024.

HC 205

SG/2024/33



© Crown copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at Victoria Square House, Victoria Square, Birmingham, B2 4BP.

ISBN: 978-1-5286-4748-9

E-Number: E03091080 09/24

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

Contents

Foreword.....	1
Performance report.....	6
The Organisation.....	6
Overview of the British gambling sector.....	8
A year in review.....	12
Performance Analysis.....	25
Accountability report	38
Corporate governance report.....	39
Remuneration and staff report	75
Parliamentary Accountability and Audit Report	112
Financial statements.....	122

Foreword

Welcome to the Commission's Annual Report and Accounts for 2023 to 2024. The year started with the publication of the Gambling Act Review White Paper, and this set the tone for what has been another busy and extremely successful one for the Commission in its work to make gambling in Great Britain safer, fairer and crime-free. Alongside the implementation of the Gambling Act Review, a key focus for the Commission over the past year has been the National Lottery. We oversaw the first ever change of Licensee in the history of the National Lottery when we awarded the Fourth National Lottery Licence to Allwyn Entertainment Ltd (Allwyn). Allwyn seamlessly took over the running of the National Lottery from Camelot UK Lotteries Ltd on 1 February 2024 thanks to the dedication of the teams at the Commission, Allwyn and Department for Digital, Culture, Media and Sport (DCMS).

The last year was also the final year of our [2021 to 2024 Corporate Strategy](#), which was of course underpinned by our statutory duties and driven through our five priority areas, which were:

- protecting children and vulnerable people from being harmed or exploited by gambling
- a fairer market and more informed consumers
- keeping crime out of gambling
- optimising returns to good causes from the National Lottery,
- improving gambling regulation.

The Annual Report and Accounts for 2023 to 2024 provides a detailed overview of a year of delivery against these five priority areas from the 2021 to 2024 Corporate Strategy. While this has been largely focused on beginning the work to implement the Gambling Act Review and in safely and successfully delivering the National Lottery Fourth Licence, we have made important progress in a number of other areas, including improved operational and financial performance and the setting up of a further Expert Group in our Industry Panel.

Our part in the implementation of the Gambling Act Review White Paper, [High stakes: gambling reform for the digital age - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/high-stakes-gambling-reform-for-the-digital-age) is a once-in-a-generation opportunity to deliver specific change for gambling in Great Britain. However, it also builds on a significant, long-term programme of measures the Commission already have in place. One such example being the extension of protections that the Commission had

introduced for online slots games to other online gambling products because of our work to implement the White Paper.

Our first round of consultations was published in the Summer of 2023, and this was followed by another round of consultations in support of the White Paper, in November 2023. We published our response to the first round of consultations in May which sets out how we will implement substantial and meaningful changes that will make gambling safer and fairer for consumers across Great Britain. This includes a pilot of frictionless financial risk assessments, the roll out of light touch financial risk checks, and new rules on direct marketing and age verification as well as extension of where Personal Management Licences are needed in gambling companies. Further consultations and their responses will follow in the year ahead.

Consultations are only one part of our work to deliver the White Paper commitments though, and the last year was also another important year in our work to improve the evidence base for gambling in Great Britain. We continued to publish regular industry statistics and published further research in our Consumer Voice work. We also published our three-year Evidence Gaps and Priorities 2023 to 2026 programme and made great strides in developing our new Prevalence and Participation methodology – a project that started with a consultation back in December 2020. The methodology is a significant step forward for refining these important statistics that were developed out of the experimental stage during the last year, with the Commission publishing the first official statistics for the *Gambling Survey for Great Britain* in February 2024. These statistics covered participation and this Summer we will publish the first of what will be annual updates that cover the impact of gambling as well. The Gambling Survey for Great Britain (GSGB) is the largest survey of its kind in the world.

The successful change-over from the Third to the Fourth National Lottery Licence was a signal achievement for the Commission and was a historic moment. The Fourth Licence by design will mean more of every pound spent on the National Lottery will go to Good Causes whilst still making sure it is safe to play. The National Lottery celebrates its 30th birthday this year and, since 1994, it has made a huge impact on the UK. Everyone at the Commission is committed to moving forwards with the new operator, Allwyn, and Government to make the Fourth Licence a big success for players and for the Good Causes that rely upon it up and down the country.

Ensuring that returns to Good Causes are maximised is a key objective and seeing £1.7 billion raised to support good causes in arts, sports, heritage and community projects during the year was also extremely positive to see.

Turning to our core activity, following record breaking years, the last year saw a slight drop in the number of operators we took enforcement action against, with 19 in total leading to £13.4 million in fines or regulatory settlements. Further to this, what we saw during last year compared to previous years, is a significant increase in the number of larger operators being found to be compliant at the point of their assessment by the Commission. What we saw was the rate of operators achieving compliant first-time outcomes in our assessments more than doubled and the compliance rate of the largest operators has almost trebled in the past 2 years. These are positive indicators of the work that the Commission has been doing to raise standards of compliance with our rules and on the part of operators as well. Alongside this we have made a significant impact tackling illegal online gambling, through our upstream work with third parties in finance, payment services and internet service providers.

We are also focused on building collaborative relationships with those we regulate, holding further events to foster cooperation to help the continued drive for increased compliance with our rules. This includes events like our *Better Evidence, Better Outcomes* conference and continuing to hold regular roundtables, speak at events and visit stakeholders and operators directly. We have continued to meet and have other forms of engagement with Parliamentarians, campaign groups, charities, government departments, international regulators, and partners. In the last year, the Commission had over 250 senior-level meetings and engagements with stakeholders - a further increase on the year before and the equivalent of one every working day.

As part of our strategic workforce planning, we continue to invest in our people, making sure we have the right skills, opportunities and experiences to build a workforce that performs effectively, with a focus on the value of the work we do and the impact we have.

Our updated Diversity and Inclusion strategy is helping us to strengthen our ways of working and foster an inclusive environment, as well as ensuring we continue to meet our legal obligations. Our aim with the refreshed strategy is to maximise opportunities to attract and retain diverse representation throughout our workforce and grow our reputation as an inclusive employer that values the rich spectrum of diversity. We cannot

achieve what we do without the hard work and commitment of all staff. We were therefore delighted to be recognised as a 2024 UK Best Workplace by Great Place to Work for the second year running with an increased trust index score of 72 per cent and a survey response rate of 91 per cent.

We have now published our new Corporate Strategy for 2024 to 2027, [Corporate Strategy 2024 to 2027 \(gamblingcommission.gov.uk\)](https://www.gamblingcommission.gov.uk) the delivery of which will build on our achievements over the previous corporate strategy period. The year ahead will continue where 2023 to 2024 left off as we start to deliver against the ambitious agenda we have set out in the new Corporate Strategy. While some of our areas of strategic focus will change, our approach will be familiar. We will continue to work with others and to exploit all the tools and resources at our disposal to regulate gambling and the National Lottery in a way which strikes the right balance, so that consumers of gambling and the National Lottery may continue to enjoy those products while ensuring that appropriate protections are in place. The next few years provide a once-in-a-generation opportunity to make gambling safer, fairer and crime free. The terrific work done in 2023 to 2024, taken alongside our ambitious Corporate Strategy and plans to implement the Gambling Act Review put the Commission in a prime position to grasp that opportunity in full.



Marcus Boyle
Chair



Andrew Rhodes
Chief Executive and Accounting Officer

A year in numbers

Narrative



Operational activities



Stakeholders



National Lottery



Our people



Performance report

The Organisation

We are an independent non-departmental public body sponsored by the [DCMS](#). We regulate the individuals and businesses that provide gambling activities in Great Britain. We are responsible for issuing gambling operating licences for businesses and personal gambling licences for key individuals.

We are also responsible for awarding the licence and regulating the operator of the National Lottery.

Purpose

The Commission exists to make gambling safer, fairer and crime free. We do this by licensing and regulating in the public interest and providing advice and guidance.

There are two main pieces of legislation that underpin our work:

- the [Gambling Act 2005](#) (as amended) which sets the framework for the regulation of gambling in Great Britain
- the [National Lottery etc. Act 1993](#) which sets out the framework within which we regulate the National Lottery

We have 373 employees at the 31 March 2024, most of whom are normally based at our Birmingham office with hybrid working principles in place. We also have a number of employees who have a home-based contract.

Objectives

We regulate in the public interest, as guided by our statutory duties to:

- prevent gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
- ensure that gambling is conducted in a fair and open way
- protect children and other vulnerable persons from being harmed or exploited by gambling

The National Lottery

In respect of the National Lottery, our objectives are to ensure that:

- every lottery that forms part of the National Lottery is run with all due propriety
- the interests of every participant in the National Lottery are protected
- subject to the above two duties, to secure that the net proceeds of the National Lottery are as great as possible

Outcome

We want a safe, fair and crime free gambling market where the interests of consumers and the wider public are protected.

To achieve the above outcome, our [Corporate Strategy 2024 to 2027](#) sets out our five areas of strategic focus:

- using data and analytics to make gambling regulation more effective
- enhancing our core operational functions
- setting clear, evidence-based requirements for licensees
- being proactive and addressing issues at the earliest opportunity
- regulating a successful National Lottery

Overview of the British gambling sector

Today in Great Britain, approximately 25 million (just under half) of the adult population have spent money on gambling in the last four weeks¹.

The gambling sector we regulate comprises a diverse range of products used by a wide range of consumers. Gambling behaviour is multidimensional, consumers play on different products, for different experiences, in person and online – sometimes at the same time.

The [Path to Play](#) research² (2022) explored how consumers experience gambling and what factors influence them. We know that gamblers are not homogenous, and everyone's experience will be slightly different, but the research encompassed the moments typically experienced by consumers. There are six stages of the path to play journey which are shown below.



Passive influences such as winning experiences (either winning themselves or hearing about others winning) have the biggest influence on motivations to gamble. Whilst catching the eye, special offers and direct communications (emails/text/app notifications) were most cited as external triggers.

Macro trends can also impact how a consumer gambles. Our research into the impact of increases in the [Cost-of-Living](#)³ (2023) found that 1 in 5 gamblers who reported changes in their gambling behaviour (either increased or decreased) said this was entirely due to increased cost of living. In addition, 8.5 per cent of gamblers reported using gambling to supplement their income on a regular basis. We have continued to stress

¹ [Statistics on gambling participation – Year 1 \(2023\), Wave 1 \(gamblingcommission.gov.uk\)](#) (Published in February 2024)

² [Introducing the Path to Play \(gamblingcommission.gov.uk\)](#) (Published in May 2022)

³ [Understanding the impact of increased cost of living on gambling behaviour \(gamblingcommission.gov.uk\)](#) (Published in October 2023)

the need for extra operator vigilance during these times of heightened consumer vulnerability.

The gambling industry

In 2023, there were over 2,300⁴ gambling operators in the British gambling market licensed to provide gambling activities in Great Britain, covering both land based and online activities.

The following statistics give a snapshot of the sector:-

- total Gross Gambling Yield (GGY) of British gambling industry (2022 to 2023): £15.1 billion – an increase of 6.8 per cent when compared to the previous year.
- total GGY of British remote and/or online sector (2022 to 2023): £6.5 billion – a 2.8 per cent increase from April 2021 to March 2022

In Great Britain in 2022 to 2023, there were:

- 144 casinos
- 650 bingo premises
- 1,512 licensed arcades
- 2,261 On-line operators
- 5,995 betting shops
- 184,126 gaming machines in the above premises

Consumers and gambling

After several years in development, the Commission launched the first wave of participation data from the new GSGB in February 2024.

The GSGB provides a consistent and frequent way of collecting data amongst adults in Great Britain and will provide regular data outputs to help us understand changes in gambling behaviour amongst the population and sub population groups.

⁴ [Industry Statistics - February 2024 - Correction \(gamblingcommission.gov.uk\)](https://www.gamblingcommission.gov.uk/industry-statistics) (Published in November 2023)

The first release of data from the GSGB was based on 4,800 respondents and centred around gambling participation, focusing on the types of gambling activities that people take part in and the reasons why people gamble.

Findings from the first release showed that in 2023, just under half of the adult population gambled each month⁵, this equates to:

- approximately 25.0 million adults gambled in 2023 (14.0 million excluding those who only play Lottery draws)
- approximately 19.6 million adults gambled online in 2023 (8.1 million excluding those who only play Lottery draws)
- approximately 15.4 million adults gambled in-person in 2023 (9.6 million excluding those who only play Lottery draws).

The National Lottery, society, and scratch cards were the most popular gambling activities in 2023.

As the GSGB is a new survey, it does mean that we cannot compare the GSGB data to data from previous alternative surveys. With time, the data collected from this series will grow and enable us to look at trends and comparisons across this data source.

The impact of gambling

Whilst measurement is complex, studies show that there are hundreds of thousands of adults experiencing serious issues with their gambling.

The Commission have enhanced the way we measure the impact of gambling using the GSGB, and we will be reporting our first set of data on the impact of gambling in Summer 2024.

This new data will be reported objectively looking at both sides of the impacts of gambling, including how consumers enjoy gambling and their motivations for participating alongside findings for the Problem Gambling Severity Index (PGSI) and the negative consequences of gambling.

In the meantime, we continue to use measures from the Health Survey series for the impact of gambling. The most recent data from 2021⁶ (according to the Problem Gambling Severity Index (PGSI) or Diagnostic

⁵ [Statistics on gambling participation – Year 1 \(2023\), Wave 1 \(gamblingcommission.gov.uk\)](#) (Published in February 2024)

⁶ [Health Survey England 2021](#) (Published in May 2023).

and Statistical Manual of Mental Disorders (DSM-IV)) showed that 0.4 per cent of the population scored 8 and above on the PGSI or 5 and above on the DSM-IV indicating a mental disorder.

National Lottery

The following statistics give a snapshot of the latest figures for the National Lottery:

- £1.7 billion raised for good causes during 2023 to 2024
- over £48 billion raised for good causes since 1994⁷
- approximately 31 per cent of people reported buying a National Lottery ticket in the past four weeks, with around 21 per cent of players purchasing tickets in retail shops, 45 per cent purchasing tickets online and 33 per cent purchasing tickets in both retail shops and online in 2023⁸

⁷ [Funds raised for good causes Q3 2023 to 24 \(gamblingcommission.gov.uk\)](#) Published February 2024).

⁸ [Statistics on gambling participation – Year 1 \(2023\), Wave 1 \(gamblingcommission.gov.uk\)](#) (Published in February 2024)

A year in review

This was the third and final year of our Corporate Strategy published in 2021. Our business plan for 2023 to 2024 set out our priorities as we continued to work towards our vision of a fairer and safer gambling market where the interests of gambling consumers and the wider public are protected. The highly anticipated Gambling Act Review White Paper: *High stakes: gambling reform for the digital age* was published in April 2023, which informed our work as we have made progress on the required consultations and programme of work.

Our business plan set out 18 deliverables across the strategic objectives, and details of our achievements against these are set out in this section of the report alongside outputs in our day-to-day regulatory work from licensing, compliance and enforcement. Annex A provides greater analysis on the individual programmes and targets.

Performance against delivery of strategic objectives

Protecting children and vulnerable people from being harmed by gambling

Gambling related harm continues to be a public health concern. As the gambling regulator, our main impact on the gambling industry is in setting the requirements all off the businesses we license must meet to reduce the risk of their customers experiencing gambling-related harm. The requirements we impose on licensees include controls to prevent children and young people from accessing age-restricted products.

We monitor and take enforcement action against non-compliant activities and practices that place children and other vulnerable people at increased risk. Through our research and policy work, we ensure that licensees are equipped to identify those at most risk of harm and put in place policies and procedures to mitigate them.

During 2023 to 2024 we committed to:

- consulting on proposed changes to our Licence Conditions and Codes of Practice (LCCP) in connection with the White Paper
- supporting industry-led initiatives to enhance player protections including the solution to the single customer view challenge and harm detection good practice
- launching the official GSGB
- publishing evidence gaps and priorities assessment
- completing the scoping phase for industry data-sharing pilots

Our achievements

Following the publication of the Gambling Act Review White Paper, we issued consultations on proposed changes to the LCCP and Remote gambling and Technical Standards (RTS) during the summer and autumn which included recommendations specifically linked to this priority. The proposed changes included:

- improving customer choice on direct marketing
- strengthening age verification in premises
- reducing financial vulnerability and financial risk in the remote gambling sector
- reviewing socially responsible incentives to ensure incentives such as free bets and bonuses do not encourage excessive or harmful gambling
- making sure that consumers who want to make use of pre-commitment tools can do so easily and with minimum friction
- implementing improved transparency on customer funds for those gambling licensees with a 'not protected' rating

These consultations closed in February and March 2024. The issue that proved to be most controversial was that related to financial risk checks. This is a complex area as we aim to protect vulnerable people from harm whilst respecting the freedom of others to gamble freely. Due to the range of issues raised and level of interest shown across the spectrum of views, we committed to a step-by-step approach to implementation and a pilot on the enhanced financial risk assessments to test the process and impacts

on consumers. Our formal responses to the first set of consultations were published early in the new financial year. Whilst we were able to publish the response in March 2024, publication was held back to enable co-ordination with DCMS on other aspects of the White Paper.

Outside the White Paper, we strengthened several LCCP Social Responsibility Codes which licensees must follow as a condition of holding their licences in the following ways:

- we published the Commission's approach to 'vulnerability'. We clarified the duty on licensees to take this into account when considering factors that might make a customer more vulnerable to experiencing gambling harms, and a duty to have systems in place to take action when vulnerability is identified. (This relates to SR Code 3.4.3)
- we extended the requirement to participate in the GAMSTOP multi-operator self-exclusion scheme to all gambling licensees that make and accept bets by telephone and email from 1 April 2024. (SR Code 3.5.5)
- we added an additional reportable event that requires all gambling licensees to inform us when they become aware that a person who has gambled with them has died by suicide. This also came into effect from 1 April 2024. (SR Code 15.1.2)

We will monitor the effectiveness of these as part of our ongoing compliance assessments.

In terms of our support for industry-led initiatives, during the course of the year a single customer view challenge solution, GamProtect, was trialled and implemented across four of our largest operators. Work continues to encourage the rollout of the solution more widely and to encourage further development of the solution to meet the goals of the challenge as originally laid out.

In November 2023, we published the findings from the final step in our three-year development of the GSGB. The new approach is aimed at improving the way we collect data on adult gambling participation and the prevalence of those who experience difficulties or harms through their

gambling. We have invested significant resources and worked alongside relevant experts to develop an improved consumer gambling survey. One of the key things we set out to achieve was to update the way we ask about gambling participation to include a set of core participation and impact measures, but also modular questions which will allow us to ask questions about topical themes and policy issues as needed. We commissioned an independent review of the methodology, ahead of it becoming our official statistics later in 2024, from Professor Patrick Sturgis of the London School of Economics. His report was published in February 2024. He concluded that our development of the new approach was “exemplary” and “followed industry standards of best practice in developing a mixed-mode push-to-web design that will yield high quality estimates of gambling prevalence in Great Britain on a quarterly and annual basis in the years ahead”. As expected, he also made several recommendations relating to the methodology “to ensure the quality and robustness of the statistics continues to build stakeholder and public confidence”. These recommendations will provide vital areas of focus for us as we evaluate and evolve our approach once the new survey is properly live.

Alongside the updated survey, in July 2023, we published our evidence gaps and priorities for 2023 to 2026 to significantly improve the evidence base for gambling in Great Britain. These are not the sole responsibility of the Commission to work on; they are relevant also to researchers, third sector bodies and the gambling industry.

In November 2023, we published the 2023 Young People and Gambling Report, which collected information on the almost 3,500 participants’ gambling behaviour, attitudes and awareness. To improve the breadth and quality of data, this research included 17-year-olds and pupils from independent schools for the first time. Such reports are important in helping us understand how many young people are spending their own money on gambling, how or why they choose to gamble, the types of gambling they are participating in and with whom, and measuring those who are at risk of harm according to the DSM-IV-MR-J.

We completed the scoping phase for increased data sharing with industry, which included exploring different ways of accessing and using data, completing data impact assessments, and importantly liaising with the

Information Commissioner's Office. This is an integral part of our data strategy for the coming years in our drive to make gambling regulation more effective and therefore improve outcomes for consumers.

A fairer market and more informed consumers

Licensees must make their terms and conditions readily available and easy to understand and have in place appropriate policies and procedures for accepting and handling customer complaints in a timely, fair and transparent manner. Gambling products are also required to meet our technical standards which ensure that game rules and transactional information are easily accessible. A key focus of our work during 2023 to 2024 was to obtain greater insights on the issues that matter to consumers and address any related concerns.

In our business plan for 2023 to 2024 we committed to:

- publishing initial outputs from the Consumer Voice programme
- reviewing and, where necessary, updating our approach to tackling non-compliance related to fair and transparent terms and practices including the processing of customer withdrawals.

Our achievements

We are currently working with Yonder to deliver our Consumer Voice research. This uses a variety of methodologies including surveys, online communities, focus groups and life diaries to tap into the experiences of gambling consumers and those affected by gambling in Great Britain. It plays an important role in complementing our data on gambling participation and the prevalence of problem gambling but goes into more depth on key issues and emerging areas of interest. During 2023 to 2024 we published two reports:

Exploring customer journeys using customer-led tools such as gambling management tools to help gamblers manage the amount of time or money they spend, pre-commitment tools to set time or financial limits in advance, and the setting of financial limits for expenditure or losses. This gave useful insights into the awareness of such tools, and people's use of and attitudes towards them.

Exploring consumer journeys using gambling promotional offers and incentives which looked at: how often and in what ways marketing and bonus offers are presented by operators; how well consumers understand the offers that they engage with; and how this impacts their use of offers. For example, whether offers are facilitating the movement of consumers across different products and brands. The research found that promotional offers are highly valued by consumers but may give rise to behaviours that may demonstrate a risk of harm.

Both reports provided useful insights for the consultations relating to socially responsible incentives and the accessibility of pre-commitment tools; we provide full details of this in the 'Protecting children and vulnerable people from being harmed by gambling' section of this report.

In October 2023 we also issued our interim findings from research exploring the impact of recent rises in the cost of living on people's gambling behaviour. These suggest that the rise in cost of living does not appear to have had a mediating effect on most gamblers' gambling behaviours, with most behaviours staying the same as they were 12 months previously. However, online gamblers and those who score 8 or more on the PGSI appear to have felt the negative impacts of increased cost of living on their financial security and wellbeing more strongly. Further analysis exploring the impact of increased cost of living across different demographic groups as well as longitudinal analyses will be included in the final report, due to be published in the coming year.

It is important that the terms and conditions used by licensees are both fair and transparent to their consumers. The number one topic consumers complained about to us during the last year remained the withdrawal of funds from accounts, (more than 2,400 complaints during 2023) either due to the length of time people had to wait following a request to withdraw their money, or the amount and type of information operators asked for to process the request. We have completed work in the past with the Competition and Markets Authority and updated the LCCP to clarify licensees' responsibilities in this area, including the requirement that they do not seek to verify information at the point of withdrawal that they had the opportunity to do earlier in the process. It is important that consumers are

treated fairly and that their ability to withdraw funds is not hindered by unreasonable requests and unnecessary delays. Where such practices are identified, we will continue to hold licensees to account.

We completed 58 website reviews which focussed on fair and open elements. Of these, 27 were found to be compliant with minor issues identified in a further 24 websites. These minor issues covered things such as promotional bonus offer terms. The others raised more significant issues requiring further investigation and/or escalation.

Keeping crime out of gambling

Gambling operates in an increasingly global market. As we raise standards across the regulated gambling market it is vital that we continue to tackle illegal gambling and risks relating to betting integrity. Both of these pose unacceptable risks to consumers and licensed operators. During 2023 to 2024, we continued to work with partners and undertook intelligence-led disruption and enforcement initiatives to contribute to a reduction in crime associated with gambling. Manipulation of betting events can involve serious organised national and international crime networks. Our collection, analysis and sharing of intelligence with other regulators and agencies remains a cornerstone of our work.

From April, the collection of the Economic Crime Levy (ECL) became part of our core regulatory work.

For 2023 to 2024 we committed to:

- identifying and undertaking high impact interventions to disrupt unlicensed operators targeting consumers in Great Britain; and
- publishing an evidence gaps and priorities assessment

Our achievements

We undertook the following high impact interventions to disrupt unlicensed operators targeting consumers in Great Britain:

- As a result of reports from consumers, licensed operators and enforcement partners, we issued 384 cease and desist and

disruption notices to unlicensed operators resulting in 136 website restrictions through suspension or IP blocking. Several of these websites were actively targeting vulnerable self-excluded consumers, enabling them to circumvent the exclusion to gamble on unlicensed sites.

- We held discussions with search engine providers to discuss referrals and further action on search results. Talks are ongoing to improve our ability to disrupt unlicensed operators.

One of the evidence gaps and priorities we identified during the year relates specifically to illegal gambling and crime. We need to understand how gambling is linked to criminal activity, crime as a dimension of gambling-related harm, and improve our knowledge of the extent and impact of the unregulated market. Our focus will be researching consumers' understanding and use of unlicensed illegal gambling operators, and using the GSGB to develop our understanding of how people commit crime or are a victim of crime as a dimension of gambling-related harm.

During 2023 to 2024 we took enforcement action against gambling operators and personal licence holders who were found to have breached conditions relating to anti-money laundering, social responsibility controls and customer interaction. We suspended the operating licences of one online business while a review of its operations was conducted; the licensee subsequently surrendered its licences. In total, eight operators paid more than £13.4 million in fines (£7.16million) and regulatory settlements (£6.24 million).

Our Sports Betting Intelligence Unit continued its work with sports associations, organisers of tournaments and law enforcement authorities with the aim of safeguarding betting integrity. As well as the usual annual large sporting events, 2023 also saw the Women's Football World Cup in Australia and the Men's Rugby World Cup in France. During 2023 to 2024, the team received 443 reports which included issues such as suspicious betting activity, sports rules breaches, misuse of inside information and offences under the Gambling Act.

Our intelligence team generated 3,077 intelligence reports, relating to issues including sports-related issues, social media lotteries, unlicensed remote operators and money laundering.

Our Issues Management Group (IMG) is responsible via the consideration of intelligence referrals for ensuring that any emerging issues or trends are escalated appropriately within the Commission. These referrals often identify risks or breaches of licencing objectives or alleged offences under the Gambling Act 2005 (or other legislation). During 2023 to 2024, the IMG considered 177 cases.

As part of our ongoing programme of assessments, we conducted:

- 122 compliance assessments of online and land-based operators
- 77 website reviews and
- 182 security audits.

Additionally, we processed 133 operator licence applications, with 1,837 individuals applying for a personal licence, supported by our online platform.

Optimise returns to good causes from The National Lottery

Since 1994 the National Lottery has made a significant contribution to society through the funding it generates for good causes, including a wide variety of sports, arts, heritage and community-based projects. The total raised stands at over £48 billion, with more than 685,000 individual awards having been made.

Our key focus for 2023 to 2024 was to ensure a seamless and timely transition to the Fourth National Lottery Licence.

Our achievements

We ensured that Camelot, who held the Third National Lottery licence until 31 January 2024, continued to deliver it in a safe and socially responsible way. Returns to good causes derived from a combination of the Third and Fourth Licence period finished the financial year at £1.70 billion.

We also completed a wide range of work to support the closing down of the Third Licence period. This activity will conclude during the 2024 to 2025 financial year, once the last financial statements associated with the period are finalised.

We reported last year that substantive legal challenges remained following the Commission's award of the National Lottery licence to Allwyn in February 2022. One substantial piece of litigation came to an end in January 2024, when the Court of Appeal granted the claimant's request to discontinue its appeal against a High Court decision that it had no legal standing to pursue a case for damages against the Commission. However, two challenges remain.

On 1 February 2024, Allwyn was formally granted the licence to operate the National Lottery. To enable this a huge volume of legal and regulatory work was completed, including ensuring that all trust mechanisms were fully established and operational with approximately £500 million successfully transferred between Third and Fourth Licence trusts during cutover. The Licence was transitioned smoothly with no noticeable impact on users.

Subject to resolution of the legal challenges the licence will run for 10 years, and Allwyn expects its investment to deliver growth and innovation across the National Lottery's products and channels, resulting in increased contributions to good causes whilst maintaining the protection of participants and propriety.

Building on our experience to date, the Fourth Licence incorporated some key changes, including:

- a new 'Incentive Mechanism' that means all National Lottery products will now make Returns to Good Causes at the same level. It also means that Allwyn will only see profits rise if Returns to Good Causes increase,
- a move to an outcomes-based approach, in line with best practice. This will give the licensee greater responsibility to fulfil its obligations, while retaining the Commission's powers to intervene if they fail to do so.

In readiness for 1 February 2024, we recruited and established the team responsible for regulation under the Fourth Licence period. Over the coming year, we will continue to embed our revised regulatory approach, team structure, and implement our frameworks and processes to enable us to continue to regulate the National Lottery licensee efficiently and effectively.

Improving gambling regulation

Over the course of the 2021 to 2024 Corporate Strategy, we have identified ways to improve our regulation, taking into account the recommendations from the National Audit Office, Public Accounts Committee and subsequently the gambling White Paper *High stakes – gambling reform for the digital age*. Our work this year has continued to focus and build on the themes of improving the capability of our people, improving the use of our resources, understanding our performance and impact, and evolving our technology.

In our business plan we committed to:

- initiating a programme of operational enhancements to our service level provision
- implementing a new corporate system strategy
- publishing a corporate strategy for the year 2024 and beyond
- launching our Diversity and Inclusion Strategy
- enhancing our data services infrastructure
- developing a new rewards framework to incentivise retention and recruitment
- exploring efficiencies and engaging with the DCMS on future funding arrangements to ensure regulation remains effective

Of these, the action relating to our future funding arrangements was superseded with the decision taken to absorb this into Finance's business as usual activity and include it in the 2023 to 2024 budget and medium-term forecast. Full details of our accounts are provided later in this report.

Our achievements:

We have been working with suppliers to develop replacement finance and HR systems. Our existing systems have served us well but are in need of an upgrade to serve the needs of the business more efficiently. This is an important project as it will enable the redeployment of resources to value-added work. We expect the work to be completed during 2024 to 2025.

We published our new Corporate Strategy for the next three years at the beginning of April 2024. *Gambling Regulation in a Digital Age* sets out our strategic direction and related commitments for the period 2024 to 2027. We describe the actions we will take to ensure we are regulating in the public interest: protecting consumers and the wider public; maintaining public confidence in the gambling industry and the Commission; and ensuring proper standards of conduct and competence are upheld by licence holders. Our yearly business plans will set out more detail of our commitments, and outcomes will be published in future annual reports.

We have embarked on a major multi-year data transformation project to enhance our technical capability and capacity through the implementation of a data innovation hub. During 2023 to 2024 we made enhancements to the type of information we require from licensees and the frequency of those returns to ensure the information we receive is relevant and timely. From 1 July 2024, all licensees will be required to send returns quarterly. This will enable us to identify issues arising as early as possible. We also published our Evidence Gaps and Priorities document which set out key themes that we believe require in-depth research to significantly improve the evidence base on which we all rely for gambling in Great Britain. Improving the data we collect and how we use it will enrich our understanding of the market and the impacts on consumers and the wider public. In turn this will impact on the effectiveness of our work as a regulator.

We are continuing to develop our new rewards framework with the support of external experts to ensure the Commission's offering is competitive when compared to other Birmingham-based government and public sector organisations and helps us to attract and retain talented staff. We

recognise there is a balance between meeting individual expectations on the one hand and delivering fair and sustainable outcomes on the other.

Performance Analysis

Following the review of organisational performance detailed so far in the Performance Report section of the Annual Report, this section provides a summary of the financial performance of the Commission for the financial year detailing:

- Funding
- Income
- Expenditure
- Prompt payment
- Net expenditure
- Statement of Financial position
- Going concern

Funding

The Commission is an independent public body. We are funded in two ways:

- by application and licence fees set by the Secretary of State for Culture, Media and Sport, approved by Parliament and paid by the gambling industry. These fees fund all gambling regulation except for the National Lottery
- in respect of National Lottery functions, by Grant-In-Aid (GIA) from the National Lottery Distribution Fund. This GIA is not treated as income in accordance with the 2023 to 2024 Financial Reporting Manual (FRoM) issued by HM Treasury.

Income

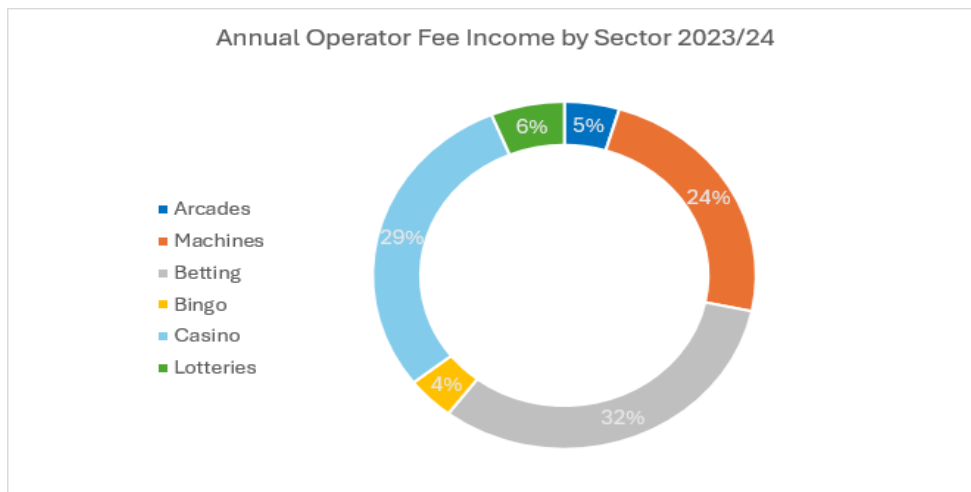
Our total income from fees and other sources was £26.18 million for the year (£26.09 million for 2022 to 2023). This figure does not include the £14.44 million (2022 to 2023 £22.56 million) of GIA funding in respect of the National Lottery functions which is transferred directly to reserves.

Our fee income for the year was made up of the following:

- operator application fee income was £1.21 million (2022 to 2023 £2.05 million)
- fees for personal licences £0.75 million (2022 to 2023 £0.76 million)

- operator annual licence fees £23.86 million (2022 to 2023 £22.89 million)
- miscellaneous income of £0.36 million (2022 to 2023 £0.39 million).

Total fee income has been analysed by industry sector in the following chart.



Expenditure

During the year, total expenditure on operational costs including depreciation was £40.41 million (2022 to 2023 £40.91 million), a decrease of £0.5 million on the prior financial year (1 per cent).

Expenditure on gambling regulation totalled £21.07 million (2022 to 2023 £19.33 million). National Lottery functions accounted for £19.34 million (2022 to 2023 £21.58 million). This included £17.03 million on the National Lottery Fourth Licence competition (2022 to 2023 £19.15 million).

Employee costs for the year were £23.31 million (2022 to 2023 £19.02 million), an increase of £4.29 million. Employee costs for gambling regulation were £18.46 million (2022 to 2023 £13.97 million) and National Lottery regulation £4.85 million (2022 to 2023 £5.05 million). Of this, £2.86 million related to the National Lottery Fourth Licence competition (2022 to 2023 £3.18 million).

For comparative purposes, the following table shows the year-on-year comparison for gambling and National Lottery regulation expenditure.

Year-on-year operational expenditure for gambling and National Lottery regulation

	2019-20 (£m)	2020-21 (£m)	2021-22 (£m)	2022-23 (£m)	2023-24 (£m)
National Lottery regulation	2.96	2.76	2.60	2.43	2.31
National Lottery competition	13.29	14.84	23.66	19.15	17.03
Gambling regulation	21.20	20.57	20.07	19.33	21.07
Total costs of operation	37.45	38.17	46.33*	40.91	40.41

* 2021-22 numbers were restated

Prompt Payment

The Commission strongly supports the policy to pay all suppliers promptly. The policy is to pay all invoices within 30 days of receipt unless a longer payment period has been agreed or the amount billed is in dispute. The Government target is 95 per cent of invoices should be paid within 30 days. In the year to 31 March 2024, 100 per cent of invoices were paid within 30 days of receipt for this year totalling value £22.6 million (2022 to 2023 100 per cent, £24.8 million).

Net expenditure for the year

During the year, the regulation of gambling under the 2005 Gambling Act, as amended and updated by the [Gambling \(Licensing and Advertising\) Act 2014](#), produced an income and expenditure surplus of £1.01 million (2022 to 2023 £7.05 million). A surplus of £0.5 million (2022 to 2023 surplus of £3.5 million) for the year was budgeted under the Commission's medium-term financial plan.

The budgeted surplus was set with the expectation that the Gambling Act Review White Paper would be released during the financial year, generating the need for investment activity which has been delayed into 2024-25.

The comprehensive net expenditure for the year is £13.9 million, including regulating the National Lottery. This deficit is due to the requirement to transfer GIA funding of £14.4 million (2022 to 2023 £22.6 million) in respect of National Lottery regulation direct to reserves and not being included as income.

Statement of financial position

At 31 March 2024 the book value of non-current assets was £2.8 million (2022 to 2023 £3.4 million). Assets less liabilities at 31 March 2024 amounted to £13.6 million (2022 to 2023 £13.0 million). The Commission holds reserves as a matter of prudent financial management, as set out in Note 1(l), Reserves.

The year-end closing cash balance at 31 March 2024 was £31.1 million (2022 to 2023 £30.1 million). During the year the cash balance reaches its peak between August and November each year, after the largest tranche of annual fees fall due, which are paid in advance by operators.

The cash position at year end reflects money collected from Gambling Regulation income from three sources:-

Source of cash	£ (Million)
Deferred income	14.6
Reserves	13.6
Cash in bank	2.9
Total	31.1

GIA to fund National Lottery regulation is drawn down monthly only as required, satisfying the normal conventions applying to parliamentary control over income and payment performance.

Going Concern

There are no current or expected going concern issues for the Commission. The current reserves policy is to maintain reserves at £7.0 million, the balance at the 31 March 2024 is £13.6 million. We hold Reserves for prudent financial management, particularly due to the fact we are fees funded and don't have any other source of income, should we be impacted as a result of changes in the industry impacting our fees, and for unpredictable events such as a judicial review.

The Board and DCMS are aware of the reserve excess and a review of the reserves policy will be undertaken in 2024 to 2025. The Board, DCMS and HM Treasury (HMT) have approved the use of £4.1million of the reserves during 2024/25, which is expected to reduce the reserves to £9.5 million by 31 March 2025.

Sustainability

In response to the growing imperative for environmental stewardship and sustainability across all sectors and in line with the Greener Commitments, the Commission is proud to present our 2023 to 2024 Sustainability Report. As the regulatory authority responsible for overseeing the gambling industry in the UK, we recognised the pressing need to integrate environmental considerations into our regulatory framework and operational practices.

This report marks a significant step in our journey towards embracing sustainability as a core principle in our approach. With a firm belief in the interconnectedness of environmental, social and economic well-being, we have embarked on a path to reduce our environmental footprint, promote eco-friendly practices, and contribute to a greener, more sustainable future.

From reducing energy consumption and waste generation to promoting sustainable procurement practices and supporting biodiversity conservation, our greener commitments encompass a broad spectrum of initiatives aimed at mitigating climate change and preserving natural resources. By leading by example and encouraging industry-wide adoption of sustainability practices, we aspire to set new standards for environmental responsibility within the gambling sector.

This report serves as a testament to our commitment to environmental sustainability and our determination to make a positive impact on the planet.

Sustainability Performance Summary

2023 to 2024 compared to 2022 to 2023

Direct Greenhouse from buildings: Direct Greenhouse Gases generally increase during the 3rd and 4th quarter as these are colder months. We have made a consistent effort to reduce temperatures within the office and the benefits of this can be seen through comparison between Q3 and Q4 of 2022 to 2023 in comparison to Q3 and Q4 of 2023 to 2024. Landfill: Waste management is managed by our landlord, however through consultation we are aware that what isn't recycled is incinerated and used to produce energy. Recycling: Whilst there is a general trend that the percentage of waste that is recycled has decreased, it's worth noting the remainder is

processed into energy; we have also seen a steady decrease in overall waste produced as part of our efforts to reduce waste.

Overall GGC performance

Scope 1:

Direct GHG emissions – these occur from sources owned or controlled by the Commission, for example emissions as a result of combustion in boilers, or emissions from fleet vehicles.

Scope 2:

Energy indirect emissions – as a result of electricity that we consume which is supplied by another party, for example electricity supply in buildings.

Scope 3:

Other indirect GHG emissions – all other emissions which occur as a consequence of our activity, but which occur from sources that are not owned or controlled by the Commission, for example emissions as a result of staff travel on official business.

Total Tonnes CO₂

Details of the Commission Performance

Details of the Commission Performance					Overall Emission (Reduction) / Increase	
Scope	Type	2023-24	2022-23	Base Line 2017-18	The Commission 2017-18 Baseline	Government target 2017-18 Baseline
Scope 1					-63%	-58%
tCO ₂ e	Gas	8.16	8.07	4.55		
Kwh		44,616	44,206	24,725		
Cost £		£10,842	£10,823	£9,148		
per full time equivalent staffing		0.02	0.02	0.01		
Scope 2						
tCO ₂ e	Electricity	39.02	39.06	102.45		
Kwh		173,419	185,044	266,504		
Cost £		£12,126	£51,938	£28,139		
per full time equivalent staffing		0.10	0.12	0.32		
Scope 3						
tCO ₂ e	Travel	40.89	44.06	132.22		
Kms		518,859	365,500	1,184,066		
Cost £		£147,345	£92,921	£301,816		
per full time equivalent staffing		0.11	0.13	0.41		
Total tCO₂e		88.07	91.19	239.22		

Gambling Commission Greening Commitments

Overview

The Commission utilise a rented private building that has a multitenancy occupancy which makes management of energy consumption difficult and closely linked to the building usage. The building is also not Public Sector owned so adjusting the building parameters requires consultation and Landlord approval.

Adapting to Climate Change

We are beginning the process of understanding and preparing a plan for the risk of climate change to our operations. This will be developed to work towards meeting our Greening Commitments. The Commission expects to achieve its commitments before the government targets.

Reduce the overall greenhouse gas emissions from a 2017 to 2018 baseline and also reduce direct greenhouse gas emissions from the estate and operations from a 2017 to 2018 baseline

This is primarily made up of two sub-targets:-

- Meet the Government Fleet Commitment for 25 per cent of the Government car fleet to be ULEV by 31 December 2022, and 100 per cent of the Government car and van fleet to be fully zero emission at the tailpipe by 31 December 2027.

The Commission does not own any vehicles, so we have no target to reach.

- Reduce the emissions from domestic business flights by at least 30 per cent from a 2017 to 2018 baseline and report the distance travelled by international business flights, with a view to better understanding and reducing related emissions where possible.

Travel costs and our emissions output have increased as the Commission is growing from a small base. Travel policies will be reviewed during 2024 to 2025 to compensate for emissions so that they require lower carbon options to be considered first as an alternative to each planned flight.

Mitigating climate change: working towards Net Zero by 2050

The Commission are focused on our continued use of renewable energy and have liaised with the landlord to ensure that all the energy used within our building is sourced from renewable sources and that our waste is either recycled or utilised to create energy.

We are focused on reducing our CO2 footprint through initiatives around use of vehicles and travel along with a focus to reduce our annual footprint

through means of reducing waste and energy consumption across the wider Commission.

Details of the Commission's performance – Total travel				Overall Emission (Reduction) / Increase	
Travel Type	2023-24	2022-23	Base Line 2017-18	The Commission 2017-18 Baseline	Government target 2017-18 Baseline
Passenger Vehicles - Cars				-56%	-30%
Kms	47,510	41,238	276,376		
Cost	£13,285	£11,531	£77,279		
tCO2e	7.79	7.03	51.32		
Number of trips	468	453	523		
Other Domestic Rail					
Kms	265,752	173,088	657,442		
Cost	£85,896	£57,435	£196,303		
tCO2e	9.42	6.14	31.03		
Number of trips	1,263	885	3,660		
Other Domestic Flight					
Kms	9,179	4,394	50,420		
Cost	£1,575	£739	£12,173		
tCO2e	1.19	0.57	13.31		
Number of trips	13	5	69		
Other Short Haul Flight (Economy)					
Kms	77,449	20,500	66,671		
Cost	£8,403	£2,904	£8,866		
tCO2e	8.36	1.69	10.95		
Number of trips	25	13	42		
Other Short Haul Flight (Business)					
Kms	103,129	-	-		
Cost	£33,596	£0	£0		
tCO2e	11.13	0.00	0.00		
Number of trips	6	-	-		
Other International Long Haul Travel (km)					
Kms	15,839	126,280	133,157		
Cost	£4,589	£20,312	£7,195		
tCO2e	2.99	28.63	25.61		
Number of trips	2	9	6		
Total Travel					
Kms	518,859	365,500	1,184,066		
Cost	£147,345	£92,921	£301,816		
tCO2e	40.89	44.06	132.22		
Number of trips	1,777	1,365	4,300		

Minimising waste and promoting resource efficiency

Data on waste is collated (in line with Sustainable Operations on the Government Estate (SOG E) targets) for all offices and land owned by the Commission:

- waste to landfill (residual office waste)
- waste reused and/or recycled (paper, aluminium cans and glass)
- waste incinerated
- hazardous waste.

Waste minimisation and management and finite resource consumption				Overall Emission (Reduction) / Increase	
Type	2023-24	2022-23	Base Line 2017-18	Commission Base Line 2017-18	Government Target 2017-18 Baseline
Waste Refuse and paper - (Reused / recycled)					
tCO ₂ e	5.31	4.36	4.13	29%	70%
Cost	£2,212	£1,676	£1,352		
per Full Time Equivalent staffing	0.01	0.01	0.01		
Waste Refuse and paper - (Incinerated with energy recovery)					
tCO ₂ e	12.79	12.94	14.64	(13%)	(5%)
Cost	£1,262	£1,276	£380		
per Full Time Equivalent staffing	0.03	0.04	0.05		

Waste increased in 2023 to 2024; this was primarily due to greater office occupancy and steadily increasing headcount.

- Landfill: The target has been achieved, 0 per cent of our waste goes to a landfill. Landfill delivery is managed by our landlord, however through consultation we have managed to secure sustainability in our energy supply. Whatever isn't recycled is incinerated and used to produce energy.
- Recycling: Whilst there is a general trend that the percentage of waste that is recycled has decreased, it's worth noting that the remaining percentage is processed into energy
- Single-use consumer plastics are not utilised within the Commission. We do not produce food or food waste, nor do we require single use plastics in any part of our operations. We provide staff with washable cutlery, glasses, and cups. We are currently aligned with the commitment to eliminate all single use consumer plastics

Total waste, water and paper consumption

Type	2023-24	2022-23	Base Line 2017-18	Overall Emission (Reduction) / Increase	
				Commission 2017-18 Baseline	Government target 2017-18 Baseline
A4 paper / reams					
Reams	143	80	1,300	(89%)	(50%)
Cost	£657	£275	£3,271		
per Full Time Equivalent staffing	0.37	0.24	4.04		
A3 paper / reams					
Reams	5		40	(88%)	(50%)
Cost	£45	£-	£198		
per Full Time Equivalent staffing	0.01	-	0.12		

Reducing our water use

The Commission's water usage has increased by **327m³** year on year; this will primarily be due to greater office occupancy and steadily increasing headcount.

Reducing Water Usage				Overall Emission (Reduction) / Increase	
Type	2023-24	2022-23	Base Line 2017-18	Commission Base Line 2017-18 Baseline	Government target 2017-18 Baseline
Water consumption /m ³	2,446	2,119	2,067	18%	(8%)
Water supply costs (office estate)	£4,731	£4,098	N/A		
per Full Time Equivalent staffing	6.4	6.44	6.42		

Reducing environmental impacts from ICT and Digital

The Commission continuously leverages technology to reduce our overall environmental impact. Initiatives include replacing desk phones with softphones (software for making telephone calls over the internet) and promoting the use of softphones over mobile phones to further reduce our physical impact and footprint. Additionally, improvements to our videoconferencing capabilities support effective hybrid working, thereby minimising the need for travel. All end user equipment is configured with automated sleep timers, and only energy efficient monitors are used. We recycle all ICT plastics, such as toner and ink cartridges, for reuse. More broadly, sustainable ICT solutions will be integrated into the Commission as a standard practice through sustainable procurement, design, implementation, and asset management.

Nature Recovery and biodiversity action planning

The Commission do not own or manage any natural lands or green areas – we are located on the 4th Floor of an office building with no access to roofs/gardens etc, so we have been limited with what we are able to do regarding improving natural assets. We are however moving to a new building in approximately 2026 to 2027 and should the new building grant us opportunity to invest further in this area, we will do so and include in any future reports.

Procuring sustainable products and services

In relation to sustainable procurement, we follow Crown Commercial Services guidelines which are detailed below:

“We follow the Government Buying Standards which set out mandatory minimum standards for goods and services such as paper, office equipment, ICT, cleaning products, furniture, construction and fleet. Our product expertise helps us keep pace with other international standard setting bodies, and where these are more appropriate to consult to ensure we give you access to the best sustainable solutions possible, we do so.”

Government buying standards are adhered to at each procurement level within the Commission.



Andrew Rhodes

Chief Executive and Accounting Officer
5 September 2024

Accountability report

Overview of the accountability report

The accountability report is made up of three sections: the corporate governance report, remuneration and staff report and the parliamentary accountability and audit report. The contents and purpose of each report is outlined below.

- 1. Corporate governance report:** this outlines the governance structure of the Commission, its key decision-making bodies and the interests of leading decision-makers. This is part of the Commission's accountability to Parliament, by being transparent about who makes the Commission decisions and how they do so. Describing governance structures and managing interests are key features of best practice in corporate governance and are requirements of the Commission's framework agreement with DCMS and Cabinet Office guidance.
- 2. Remuneration and staff report:** this discloses the remuneration of senior leaders and gives an overview of the policies that govern all staff within the Commission. This transparency is required for parliamentary oversight of the Commission by demonstrating that Commission officials are bound by appropriate standards and their performance can be measured against those standards.
- 3. Parliamentary Accountability and Audit Report:** this brings together the Commission's key parliamentary accountability documents and covers regularity of expenditure, accountability disclosures, and the Certificate and Report of the Comptroller and Auditor General to the House of Commons. This information allows parliamentary oversight of how the Commission complies with the requirements of Managing Public Money (MPM). The Commission must demonstrate how we exercise our fiduciary duties when handling public resources, and how we maintain high standards of probity.

Corporate governance report

Directors' report

The Commission is made up of non-executive Commissioners, appointed by the Secretary of State, and led by a Chair. The Commission's key decision-making body is the Board of Commissioners. Details of the Chair and Commissioners for 2023 to 2024, including their declared interests, are detailed below.

Recruitment for six new Commissioner posts was opened in January 2023 and appointments were made in September 2023. Carol Brady and Trevor Pearce left the Commission within the 2023 to 2024 year.

The Commission is managed by the Executive Team, led by the Chief Executive. Executive Team meetings are the key management decision-making body. The CEO was appointed a Commissioner in July 2023. Details of the Chief Executive Officer and Executive Team for 2023 to 2024, including their declared interests, can be found in this section.

Board of Commissioners

One Commissioner (Carol Brady) resigned in July 2023 and another Commissioner (Trevor Pearce) resigned in December 2023. Two Commissioners (Catharine Seddon and John Baillie) resigned in April 2024. Seven new Commissioners were appointed in September 2023. One of whom (David Rossington), was appointed as a full time Board member, whereas previously he was an interim Board member.

Marcus Boyle

Chair

Marcus was appointed Chair of the Commission on 5 September 2021 for a term of five years.

Marcus has held senior leadership roles in public and private sector bodies.

In addition to chairing the Commission, he is also a Non-Executive Board Member of the Cabinet Office, Chair of The Room Group Limited, Partner in Freston Ventures, and a Trustee of the Serpentine Gallery.

Previously, he has been an equity partner for two leading global professional services firms and chaired the British American Drama Academy.

Catharine Seddon

Senior Independent Director (Commissioner term ended on 10 April 2024)

Catharine brings experience of regulation in a wide variety of sectors as well as media knowledge.

Catharine spent 20 years as a filmmaker before taking up public non-executive roles. She started as a graduate trainee producer with the BBC and soon specialised in high-end film documentaries, eventually setting up her own production company.

She became a magistrate in 2000 and later left television to take up a variety of other judicial roles in the Courts and Tribunals Service, to become a member of the Human Tissue Authority, to sit on the Determinations Panel of The Pensions Regulator and on the Legal Services Board (LSB).

Catharine is now the deputy chair of the Human Fertilisation and Embryology Authority (HFEA), the Senior Independent Director for the Personal Finance Society and a board member of the Children and Family Court Advisory and Support Service (CafCass). She is a tutor for the Civil Service College and has recently joined the Disciplinary Committee of the Royal College of Veterinary Surgeons (RCVS). Catharine is also a trustee for special needs charity CPotential.

Charles Counsell

Commissioner – appointed September 2023

Charles has been a Board member of Government Arm's-Length Bodies since 2011, first as Executive Director of Automatic Enrolment (AE) at The Pensions Regulator (TPR), then as Chief Executive of the Money Advice Service (MAS) and then as Chief Executive of The Pensions Regulator (TPR).

Throughout his career, his roles have focused on setting up and delivering large change programmes requiring significant stakeholder relationship engagement: initially in the private sector (23 years, including 17 as a consultant) and latterly (12 years) in senior public sector appointments.

Alongside Charles' role at the Commission, he is also a non-executive member of Scottish Widows pensions Independent Governance Committee.

Claudia Mortimore

Commissioner – appointed September 2023

Claudia brings over 25 years' experience of criminal law and regulation to her role as a Gambling Commissioner.

She spent the first 10 years of her career working as a barrister then, after a career break to raise three children, prosecuted drugs, tax and money-laundering offences for the Revenue and Customs Prosecutions Office and fraudulent trading offences for the Department for Business and Trade.

Since 2013, Claudia has worked in senior positions in the Enforcement Division of the Financial Reporting Council (FRC), the body which regulates accountants, auditors and actuaries in the public interest and which sets the UK Corporate Governance and Stewardship Codes.

During her time at the FRC, Claudia has led major investigations into serious and complex audit and accountancy failures. Since 2017 she has been a key member of the Enforcement Division's Senior Leadership Team, which has steered the Division through a period of significant change and growth.

Claudia has a particular interest in Diversity and Inclusion and has also played a key role in promoting the importance of mental health and well-being at the FRC.

David Rossington

Commissioner – appointed interim January 2023 becoming substantive September 2023

David is a former senior civil servant. He has worked for the DCMS, including as Finance Director, and other Government departments, and has extensive knowledge of gambling policy and the National Lottery.

David has been a member of many Boards over a number of years and has undertaken a wide range of work on policy, finance and efficiency, and commercial and delivery.

Since stopping full time work, he has assisted the Commission as an independent member of the Programme Board for the 4NL Programme, formally the National Lottery Competition Committee, and is also deputy chair of the Advisory Committee on National Records and Archives, which works with The National Archives. He is Treasurer of a charity for veterans (Stoll), and an Oxford community arts charity (Arts at the Old Fire Station).

David holds a degree in History and French from Oxford, a Masters in Public Policy from the Kennedy School, Harvard University, and an Economics MSc from Birkbeck College, London. David took an accountancy qualification while a civil servant, although is no longer in practice.

John Baillie

Chair of Audit and Risk Committee (Commissioner term ended on 10 April 2024)

John Baillie is a Chartered Accountant and a former partner of a Big Four firm in Scotland and then London.

He is a past chair of the Accounts Commission for Scotland, the Scottish local authority watchdog, and served two three-year terms. He was also Chair of Audit Scotland, the Scottish equivalent of the National Audit Office.

He was a member of the Reporting Panel of the UK Competition and Markets Authority for nine years.

John was professor of finance and accountancy at the University of Glasgow. He was also a visiting professor of accountancy at University of Edinburgh and has held similar appointments at other Scottish universities.

Helen Dodds – appointed September 2023

Chair of the National Lottery Committee

Helen Dodds is an international lawyer, consultant and board member. She is currently a board member of the Human Tissue Authority, a director and trustee of the St John's Eye Hospital Group, a director of LegalUK, and an

Honorary Senior Fellow of the British Institute of International and Comparative Law.

Prior to this, she was a board member of the London Court of International Arbitration. She is a qualified (now non-practising) solicitor and in her executive career she was for many years Global Head of Legal, Dispute Resolution at Standard Chartered Bank. She has a degree in Modern History from Oxford University.

Helen Phillips – appointed September 2023

Commissioner

Helen is a former front-line regulator, having held senior roles at the Environment Agency from where she was recruited to be the founding Chief Executive of Natural England. Helen is also a former board member of a large, regulated organisation in the water industry.

Since moving to non-executive work in 2015, Helen has chaired the Legal Services Board, the oversight regulator of lawyers in England and Wales, until 2023, was a founding board member until 2021 of Social Work England, the regulator of social workers in England, and has also chaired Chesterfield Royal Hospital NHS Foundation Trust from 2015 to 2024.

Helen's current non-executive portfolio of roles reflects her continuing interest in professional standards and healthcare. She currently chairs the Chartered Insurance Institute, the standards body for general insurance and financial planning professionals, and in 2023 was appointed Chair of NHS Professionals Ltd, the staff bank that provides 120,000 professionals to the NHS.

Lloydette Bai-Marrow – appointed September 2023

Chair of the Remuneration and Nominations Committee

Lloydette Bai-Marrow is an anti-corruption expert and economic crime lawyer, specialising in corporate compliance and investigations. She is the Founding Partner of Parametric Global Consulting, a corporate investigations consultancy.

She worked as a senior prosecutor in various UK government departments, including the Serious Fraud Office. Lloydette chairs the Board of Spotlight on Corruption, a UK-based anti-corruption charity, and serves as a trustee

for the Unite Foundation. She sits on the Legal Panel for WhistleblowersUK.

She is a Senior Visiting Lecturer at the International Anti-Corruption Academy and a member of the Conduct Committee of the Institute of Chartered Accountants in England and Wales.

She is a Co-Founder and Director of the Black Women in Leadership Network (BWIL), a non-profit network committed to increasing the representation of black women in leadership and decision-making positions.

She also serves as an Associate Non-executive Director for an NHS Mental Health Trust in London.

Sheree Howard – appointed September 2023

Chair of the Audit and Risk Committee

Sheree is a Fellow of the Institute and Faculty of Actuaries and has over 25 years' experience in the UK financial services industry, both in insurance and banking. Initially following the established actuarial path of working in a life assurance company, Sheree saw the opportunity to transfer the risk focus of her actuarial training into general insurance with senior roles in underwriting and pricing, establishing corporate actuarial functions, finance and capital and risk management.

After a period in insurance and banking in areas of risk and compliance, Sheree joined the Financial Conduct Authority in 2017 and, having been the Executive Director of Risk and Compliance Oversight for a number of years, is now the Executive Director of Authorisations.

She brings experience and knowledge of the process of regulation, alongside a key focus on risk management, audit and controls.

She has been a Governor, including Chair, for more than 10 years of a maintained Special Needs School, and has provided pro bono advice to several other charities. In addition she is a Trustee of the school funds charity.

Stephen Cohen

Chair of the National Lottery Competition Committee (up to 19 March 2024)

Stephen has over 40 years' experience in asset management in Asia, Europe and the USA. He has worked as a portfolio manager, in business development, operations and in IT. Stephen is the Chair of the JPMorgan Japanese Investment Trust plc, a Commissioner at the Civil Service Commission and Chair of Audit for both the Advanced Research Invention Agency and the Schroders Capital Global Innovations Trust plc. Stephen brings a global business perspective, deep experience of finance, investment, corporate strategy and corporate governance.

Carol Brady

Commissioner (term ended on 31 July 2023)

Trevor Pearce CBE QPM

Chair of the National Lottery Committee, Chair of the Remuneration and Nominations Committee (term ended 31 December 2023)

Directors' report – Executive Team

Andrew Rhodes

Chief Executive Officer

Andrew joined the Commission as Interim Chief Executive in June 2021, was appointed as permanent Chief Executive Officer (CEO) in June 2022 and was appointed as a Commissioner by the Secretary of State in July 2023.

As the Commission's Accounting Officer, Andrew is personally responsible for safeguarding public funds, for propriety and regularity in the handling of those public funds and for the day-to-day operations and management of the Commission.

Andrew joined the Commission from Swansea University, where he was Registrar and Chief Operating Officer, and previously held a range of senior civil service roles at Director-General and Director level at the Department for Work and Pensions (DWP), the Food Standards Agency and the Driver and Vehicle Licensing Agency (DVLA).

View a full list of the Chief Executive's responsibilities in our [Corporate Governance Framework, section 2 - Roles, responsibilities and conduct](#).

Sarah Gardner

Deputy Chief Executive Officer

Sarah joined the Commission in 2009 and has held a number of leadership roles across the Commission.

She spent her earlier career as a civil servant in various government departments covering a wide range of topics including tax, international policy, consumer protection, competition, regulation, small business, and enterprise policy. Sarah was appointed Deputy Chief Executive in June 2020. As part of her current role, she oversees a portfolio which includes regulation of the National Lottery and the development of strategy.

Tim Miller

Executive Director - responsible for Research and Policy

Tim joined the Commission in 2016 after a career spanning over 15 years in the regulatory and public sector.

He was previously head of policy and communications at the Local Government Ombudsman, and prior to that was head of public affairs at the Parliamentary and Health Service Ombudsman. These roles followed ten years at the Law Society of England and Wales in a variety of regulatory posts.

In his role at the Commission, Tim also leads the Commission's programme of work to implement the Gambling White Paper.

John Tanner

Executive Director – responsible for Fourth National Lottery Competition

John joined the Commission in 2019 and is a highly experienced project delivery professional with an extensive background in delivering major government projects across a number of departments, most recently HM Revenue and Customs (HMRC) and the Home Office.

He is a graduate of the Infrastructure and Projects Authority's Major Projects Leadership Academy.

John has been responsible for the successful running and outcome of the Fourth National Lottery Competition allowing the transition to a new operator for the first time in the history of the National Lottery on 1 February 2024 and oversight and assurance of the delivery of the Allwyn full application by 28 February 2025.

Kay Roberts

Executive Director - responsible for Operations

Kay was appointed as Executive Director of Operations at the Commission in September 2022. She leads the Licensing, Compliance, Enforcement, and Intelligence functions at the Commission.

She has had a successful career as Head of Operations for Ombudsman Services. In this previous role, Kay had leadership responsibility for the delivery of dispute resolution for the Communications, Energy and Parking sectors.

Kay is a qualified Trading Standards Officer and worked for local government for over 15 years, latterly as Head of Enforcement, Fraud, and

Investigations for Cheshire East Council. She has always had a keen interest in regulation and consumer protection, starting her career with a degree in consumer protection.

Lucy Denton

Director of Communications - responsible for Communications, Public Affairs and Contact Centre

Lucy joined the Commission in July 2021 having established herself as an innovative leader in government communications.

She joined from the Office of the Public Guardian, an agency of the Ministry of Justice, where she led the multi-disciplinary Communications team. Her team's award-winning diversity and inclusion campaigns received notable praise within the industry.

Prior to this, Lucy led strategic communications and campaigns at the Government Digital Service for over two years. She pioneered award-winning digital communications as part of the cross-government response to the 2015 Ebola crisis while at the Department of Health and worked at the House of Commons for four years, orchestrating cutting-edge social media and digital strategies to engage audiences.

Helen Gibson

Finance Director - responsible for Finance, Procurement, Business Planning and Performance Reporting.

Helen joined the Commission in March 2022, having worked in a number of senior Finance roles within central government.

She previously worked in the Cabinet Office and the Department for Exiting the EU, with significant experience across Finance, Shared Services, Corporate Services and also Operational delivery. This includes leading on finance and corporate activities for the G7 Presidency Taskforce, managing through a challenging period of time to help deliver the first in-person international Summit since COVID-19, in June 2021.

Alistair Quigley

Chief Technology Officer - responsible for Digital, IT and Facilities

Alistair was appointed in May 2016 as Chief Technology Officer at the Commission. He has had a 35-year career in IT and started his early career managing a Midlands-based IT training centre, before spending six years with National Express, becoming their IT Director and overseeing the transport firm's rapid online growth.

He was managing director of IVU Traffic Technologies UK, a specialist software developer, before joining the Commission 18 years ago.

Helen Child

Head of Governance and Data Protection Officer

Helen has worked for the Commission since 2019. She is responsible for corporate governance, information and risk management, and expert groups.

She has previously worked in the voluntary sector, and for the Metropolitan Police Service, Transport for London and in the Civil Service.

Helen is a trustee of Family Society, an adoption agency operating in the Midlands.

Natasha Harris

Executive Director of People Services

Natasha joined the Commission in August 2023 as the Executive Director for People Services. Natasha is an accomplished HR Director with more than 20 years' experience working in public and private sector organisations.

Having delivered transformational change in different contexts, Natasha has been credited for her ability to develop and implement HR strategies that improve the overall employee experience and positively impact organisational performance. With equality, diversity and inclusion as a cornerstone to delivering an improved employee experience, Natasha has driven demonstrable change by leveraging and creating opportunities to diversify the workforce by embedding inclusion into workplace practices including attraction, recruitment and development.

Alongside her work and family life, Natasha volunteers as a school governor at a local special school for children with autism and sits on the HR and Remuneration Committees at Birmingham City University.

Katharine Diamond

General Counsel

Katharine joined the Commission in January 2024.

She is a barrister and was called to the Bar in 1998. Katharine has extensive experience in legal roles across government and arms-length bodies in a wide range of public law areas spanning litigation, advisory, legislative drafting, information law and regulatory disciplines. Katharine is a qualified arbitrator.

Katharine has held roles including the first Director at the Pubs Code Adjudicator, Senior advisory lawyer in the Department for Energy and Climate Change (DECC) and in DCMS, Advisory and Bill lawyer in the Cabinet Office and Employment litigation lawyer in the Government Legal Department.

Throughout her career, Katharine has honed her craft in providing strategic advice in technical, complex and novel legal areas often at the intersection of public and private law; building, developing and leading cohesive and diverse teams in the advisory and regulatory fields.

Nadine Pemberton Jn Baptiste (resigned 30 November 2023)

General Counsel

Nadine joined the Commission in March 2021 and is a solicitor with extensive experience in leadership roles in compliance and enforcement matters, spanning the regulatory, criminal and civil fields across the public sector. Nadine has held roles at the Crown Prosecution Service, the Care Quality Commission, the Child Maintenance and Enforcement Commission, the independent Office for Police Conduct, the Revenue and Customs Prosecution Office and Social Work England.

Register of disclosable interests

The Commission has adopted a Managing conflict of interest policy to outline the approach taken to avoiding, declaring and managing the interests of Commissioners, Executives and members of advisory groups.

The policy requires eligible individuals to submit an annual declaration, alongside updates as interests are acquired or disposed of. All agendas require attendees to declare any relevant interests in agenda items at the start of each Board, Committee or Executive meeting and absent themselves from those discussions. No directorships or other significant interests were held by Board members or executives that may have conflicted with their management responsibilities.

Directors' disclosure

As far as the directors are aware, there is no relevant audit information of which the auditors have not been made aware. All reasonable steps have been taken by the directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

A handwritten signature in black ink, appearing to read 'A Rhodes'.

Andrew Rhodes
Chief Executive and Accounting Officer
5 September 2024

Statement of Accounting Officer's responsibilities

Under the Gambling Act (2005), the Secretary of State for Culture, Media and Sport has directed the Commission to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

DCMS have appointed the Chief Executive as Accounting Officer of the Commission. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Commission's assets, are set out in MPM published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

A handwritten signature in black ink, appearing to read "A Rhodes". The signature is cursive and somewhat stylized.

Andrew Rhodes
Chief Executive and Accounting Officer
5 September 2024

Governance statement for the year ended 31 March 2024

This section sets out the internal control and risk management systems in place within the Commission, and the structures in place to review the efficacy of those systems.

Governance framework

The Commission has complied with government guidance for corporate governance in arm's length bodies. These requirements are primarily codified in the framework agreement with the DCMS, and the Commission's governance framework.

The Commission meets the requirements of government guidance for corporate governance by:

- setting out and publishing a governance framework
- ensuring decisions are supported by effective papers and recorded in minutes
- provision of core reporting to Board, Executive Team and other committees on a regular rhythm, including financial and operational performance and risk
- annual effectiveness reviews of the Board and committees
- maintaining skills analysis and succession plans to inform Commissioner recruitment to support the public appointments process to ensure a strong mix of knowledge and experience at Board level
- managing an up-to-date declarations of interest register and ensuring interests are managed appropriately.

The Commission's governance framework, including a scheme of delegations (general, financial and regulatory), code of conduct, anti-fraud and corruption, complaint and public interest disclosure policies are published in the Corporate Governance Framework. Compliance with the requirements of the framework, and its effectiveness, is reviewed annually in a Board Effectiveness Review (BER).

In 2023 to 2024 Board effectiveness was reviewed internally, testing the Commission against the Cabinet Office guidance for Board effectiveness reviews: principles and resources for arm's-length bodies and sponsoring departments. The review tested Board effectiveness against indicators, finding 3 areas effective and one area fully effective.

Decision-making and scrutiny

The Board of Commissioners, led by the Chair, Marcus Boyle, oversees the business of the Commission. The day-to-day activity of the Commission is managed by the leadership team, led by me as Chief Executive and Accounting Officer.

Commissioners are responsible for the strategic direction of the organisation and oversee delivery of the Commission's Strategy and business plan.

Meetings of the Board of Commissioners are governed by the Rules for the conduct of business and provide the opportunity for robust and constructive challenge and debate amongst board members and senior management.

Discussions and decisions at Board (and Committee or Executive Team) are almost always supported by written papers. All Board, Committee and Executive Team meetings are minuted, and actions and decisions are logged and tracked.

During the year, a significant amount of time in formal board meetings was focused on the Gambling Act Review programme of work, the award and implementation of the Fourth National Lottery Licence and enhancing the Commission's performance against strategic objectives.

The Board has also developed the strategy for 2024 to 2027 and the business plan for 2024 to 2025. The Board continues to make use of several sub-committees of Commissioners and, in some cases, Commission employees, to undertake more detailed scrutiny or to make delegated decisions. The membership and remit of these committees are outlined as follows. Commissioners also retain direct responsibility for some regulatory decisions through the regulatory panel process.

The Commission has an induction and development process in place for Commissioners to ensure they are aware of and able to exercise their responsibilities. New Commissioners receive an extensive programme of training to ensure a solid foundation of knowledge about consumer issues in gambling and the operating environment and diversity of the sector. The induction programme has also ensured that training has been provided on MPM. Existing Commissioners receive regular written briefings, training and other developmental activity.

Committees and sub committees

Board

Chair: Marcus Boyle.

Senior Independent Director: Catharine Seddon.

Members of the Board:

- John Baillie
- Lloydette Bai-Marrow (from 11 September 2023)
- Carol Brady (until 31 July 2023)
- Stephen Cohen
- Charles Counsell OBE (from 11 September 2023)
- Helen Dodds (from 11 September 2023)
- Sheree Howard (from 11 September 2023)
- Claudia Mortimore (from 11 September 2023)
- Trevor Pearce (until 31 December 2023)
- Helen Phillips (from 11 September 2023)
- David Rossington CB (interim Commissioner until 10 September, full appointment from 11 September 2023)
- Andrew Rhodes (from 4 July 2023)

Audit and Risk Committee

Chair: John Baillie (until March 2024)

Chair: Sheree Howard (from March 2024)

Members:

- Trevor Pearce (until November 2023)
- David Rossington
- Sheree Howard (from November 2023)
- Helen Dodds (from November 2023)

Independent member: Chris Andrew.

Remit: assurance of financial and risk management processes and structures, including engagement with internal and external audit.

Remuneration and Nominations Committee

Chair: Trevor Pearce (until December 2023)

Chair: Lloydette Bai-Marrow (from January 2024)

Members:

- Lloydette Bai-Marrow (from November 2023)
- Carol Brady (until July 2023)
- Helen Phillips (from November 2023)
- Catharine Seddon.

Remit: oversight of executive level recruitment, remuneration, performance management processes, board effectiveness and Commissioner recruitment (via DCMS).

National Lottery Committee

Chair: Trevor Pearce (until December 2023)

Chair: Helen Dodds (from January 2024)

Members:

- Helen Dodds (from November 2023)
- Sarah Gardner
- Claudia Mortimore (from November 2023)

Independent member: Victor Olowe (from September 2023)

Remit: oversight of the Commission's management of the licensee of the 3rd licence.

National Lottery Competition Committee

Chair: Stephen Cohen.

Members:

- John Baillie
- Carol Brady (until July 2023)
- David Rossington
- Catharine Seddon
- John Tanner
- Charles Counsell (from October 2023)

Independent member: vacant

Remit: programme board for the 4th National Lottery Licence competition through to implementation.

Expert Groups

Advisory Board for Safer Gambling

Digital Advisory Panel

Lived Experience Advisory Panel

Industry Forum (Inaugural meeting in March 2024)

Regulatory Panel

Not a standing committee.

Remit: convened to make regulatory decisions in respect of operator and personal licenses, and enforcement action.

The Regulatory Panel determines some licence applications and deals with significant regulatory decisions which may include the revocation of licences. The Regulatory Panel did not sit during 2023 to 2024. One case was withdrawn before the hearing in 2023 to 2024. This case required three Commissioners to attend meetings with their legal adviser in addition to substantial preparation and review time.

Audit and Risk Committee

The Audit and Risk Committee (ARC) supports the Board and the Accounting Officer in their responsibilities by monitoring the integrity of the Commission's annual statutory financial statements, reviewing the Commission's governance, internal control and risk management systems, and by reviewing the internal and external audit services.

In 2023 to 2024 the ARC focused particularly on the Commission's approach to Risk Management and seeking assurance on the Executive Team's management of the key strategic risks facing the Commission, including, but not limited to, risks associated with the Gambling Act Review programme and the Fourth National Lottery Licence competition and implementation.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee supports the Board and Accounting Officer in their responsibilities for remuneration and performance management, senior appointments and succession planning.

In 2023 to 2024, the Remuneration and Nomination Committee were particularly involved in the skills analysis informing Commissioner recruitment.

National Lottery Committee

The National Lottery Committee advises the Board and the Chief Executive in relation to the exercise of certain Commission functions under the National Lottery Act [National Lottery Act 2006 \(legislation.gov.uk\)](https://www.legislation.gov.uk). The Committee has decision making powers in a number of areas delegated to it by the Board. A significant part of the Committee's business is engagement with and review of the National Lottery operator's strategy and performance.

In 2023 to 2024 the Committee's main focus was the management of the operator's exit from the 3rd Licence and the closedown of the Commission's 3NL operation. On 19 March 2024, the Board agreed that the National Lottery Committee will close in September 2024 once 3NL activity is completed and Governance for 4NL regulation will be Business as Usual without a committee.

National Lottery Competition Committee

The National Lottery Competition Committee advises the Board and the Chief Executive in respect of the National Lottery Fourth Licence competition, and through oversight of the process of the competition. The Committee has decision making powers in a number of areas delegated to it by the Board. The Senior Responsible Officer for the competition, John Tanner, has also been a member of the Committee since November 2019.

In 2023 to 2024, the Committee has focused its work on the award of the licence and implementation of the transition between the third licence and fourth licence, oversight of ongoing litigation and stakeholder management. On 19 March 2024, the Board agreed that the National Lottery Competition Committee will close with immediate effect and will be replaced by a Programme Board for the remaining duration of the 4NL Programme.

The Executive Team

The [Executive Team](#) leads the management of the Commission, making decisions about projects, policy, procedure, issues and cases which cannot be resolved at an operational level as they are novel or contentious, or significantly affect the Commission's finances or staff.

The scope of the Executive Team therefore extends to:

- strategic leadership of the Commission
- collective concentration on strategic issues affecting the Commission
- scrutiny and challenge of Commission policies and procedure
- review of business delivery, operational and financial performance.

The Executive Team also agrees items for escalation to the Board of Commissioners.

The Commission draws on other areas of specialist knowledge by retaining four expert groups. Members of these groups do not have any delegated powers but provide advice to inform Commission policymaking and practice. Members of expert groups are bound by their codes of conduct and the Commission's Managing Conflicts of Interest Policy.

Advisory Board for Safer Gambling (ABSG)

The ABSG provides independent advice to the Commission on issues related to safer gambling and prevention of harms to inform regulation. The ABSG is chaired by Dr Anna van der Gaag CBE.

Digital Advisory Panel (DAP)

The DAP comprises experts from the digital sector, including specialists in networks, retail and logistics. The DAP provides the Commission with advice on matters regarding technology, digital trends and the implications for the Commission as a regulator. The DAP is chaired by Andy Payne.

Lived Experience Advisory Panel (LEAP)

LEAP provides expert independent advice based on its members' personal lived experience of gambling harms.

LEAP members are appointed by the Commission based on their individual personal experience of gambling harms. The group's membership, collectively, is designed to provide perspectives from experience of a wide range of gambling harms. Gambling harms take many forms and can result from people's own gambling or from the gambling of somebody else, such as a family member.

Industry Forum

The Industry Forum provides the Commission with insight into the views of industry about the Commission's plans, the quality of Commission services, and the wider environment in which gambling operators work.

Senior Independent Director

The Senior Independent Director (SID) holds an important role within the governance structure. Consistent with the UK Corporate Governance Code and with DCMS guidance, the Board has appointed a Senior Independent Director from among its current members.

The role of the SID is to provide a Board-level lead for high standards of governance, act as a sounding-board for the Chair and act as a route to resolve any concerns about the operation of the Board.

Catharine Seddon was the SID for the Commission during the 2023 to 2024 year.

Board performance

Meeting attendance by Commissioners is given in the following table, based on the number of meetings each Commissioner was eligible to attend.

During the 2023 to 2024 year, we had a large number of extraordinary board meetings concerning the 4th National Lottery Licence. Extraordinary Board meetings are called with short notice and are out of cycle with our planned meetings.

Commissioner	Board (Note 1)	Audit and Risk Committee	Remuneration And Nomination Committee	National Lottery Committee	National Lottery Competition Committee
Marcus Boyle	20/20		1/1		
John Baillie	19/20	7/7			8/9
Lloydette Bai-Marrow (Term Started: 11 Sept 2023)	11/12		1/1 (Note 5)		
Carol Brady (Term Ended: 31 July 2023)	7/7		1/1 (Note 4)		1/1 (Note 4)
Stephen Cohen	19/20				9/9
Charles Counsell OBE (Term Started: 11 Sept 2023)	9/12				5/7 (Note 6)
Helen Dodds (Term Started: 11 Sept 2023)	11/12	3/3 (Note 3)		3/3	
Sheree Howard (Term Started: 11 Sept 2023)	10/12	3/3 (Note 3)			
Trevor Pearce (Term Ended: 31 Dec 2023)	13/15	1/4 (Note 2)	2/2	4/4	
Helen Phillips (Term Started: 11 Sept 2023)	11/12		1/1 (Note 5)		

Commissioner	Board (Note 1)	Audit and Risk Committee	Remuneration and Nomination Committee	National Lottery Committee	National Lottery Competition Committee
Claudia Mortimore (Term Started: 11 Sept 2023)	11/12			3/3	
Catharine Seddon	20/20		2/2		9/9
David Rossington	19/20	7/7			9/9
Andrew Rhodes (Appointed: 4 July 2023)	14/15				
Chris Andrew (Independent)		6/7			
Victor Olowe (Independent)				4/4	

Note

1. Thirteen 4NL extraordinary Board meetings and one extraordinary Board meeting on the Gambling Act Review
2. Trevor Pearce left the Committee before the November meeting
3. Sheree Howard and Helen Dodds joined the Committee from the November meeting
4. Carol Brady left the Commission.
5. Helen Phillips and Lloydette Bai-Marrow joined the Committee from the November meeting
6. Charles Counsell joined from the October meeting.

Risk and internal control framework

Risk management

The Board, supported by the ARC, oversees the arrangements in place for risk management. The Commission's risk management process was reviewed and revised during 2023 to 2024. Responsibility for risk management was moved to the Governance team in late 2022 with a focus on developing the Commission's risk management culture and reviewing processes and practice. Additional resource to support this work was put in place during the year.

The Commission operates a Risk Management Policy and a Strategic Risk Register which are regularly reviewed. The Commission finalised the Corporate Strategy for 2024 to 2027 during Q4 2023 to 2024, and a phased review of the Strategic Risk Register is now underway to ensure any risks impacted by the strategy are appropriately reflected. Programme and Operational (Business as Usual) Risk Registers are in development. The Commission's Board, ARC and Executive Team are committed to continue strengthening risk management maturity across the organisation and have been sighted on our future development plans for risk management. These committees have approved the Commission's Risk Management Policy, Risk Appetite Statement and phased plans for ongoing development and enhancement.

Current practice is based on regular review and updating of risks and control adequacy and effectiveness, including assessing the progress in completing mitigating actions, with new and changed risks being submitted to the Performance and Delivery Panel and Executive Team for approval, with regular reporting to the ARC. The ARC reports quarterly to the Board, and the Board considers the Strategic Risk Register at least twice a year, as well as setting the risk appetite annually.

The risk management policy

The risk management policy sets out how the Commission will develop and maintain a mature risk management culture over time, grounded in the Commission's operating context and supporting continuous improvement. The policy outlines roles and responsibilities, goals for enhancing the risk management culture, the Commission's approach to determining risk appetite, the use of risk registers and risk management processes, and review and reporting arrangements.

The Commission's risk appetite

The Commission's risk appetite is expressed in an overarching risk appetite statement which describes its attitude, at a point in time, to accepting risk in each of the areas of principal risk (based on the categories set out in the Orange Book <https://www.gov.uk/government/publications/orange-book><https://www.gov.uk/government/publications/orange-book>). The statement outlines the risks that the Commission is exposed to and the risks that it is willing to take to achieve its strategic objectives and strategy. Draft appetite statements are developed with subject matter experts to set out the acceptable level of risk. Appetite statements are reviewed and agreed with the Board annually to enable risk appetite to inform risk management and escalation and decision making.

Emerging risks for 2024 to 2025

Risks associated with the implementation of the Fourth National Lottery Licence. The licence was awarded from February 2024 and full implementation of the licence requirements is programmed through 2024 to 2025. Litigation in respect of the outcome of the Fourth National Lottery Licence competition is managed as an issue.

Volume, pace, capacity and capability for change management in respect of programme work to deliver the Gambling Act Review, and key objectives from the 2024 to 2027 Corporate Strategy (enhancing core operational functions and using data and analytics to make gambling regulation more effective).

Potential for legal challenge (up to and including judicial review) to the Commission in respect of implementation of the Gambling Act or other policy change.

Digital and Data; ensuring that the Commission has appropriate skills, capacity, resilience and processes to manage the introduction of new systems and capabilities, whilst maintaining effective data governance, design authorities and compliance with procurement requirements.

Powers and capacity to tackle unlicensed gambling and to disrupt illegal activities constrained by legislative framework.

Principal risks and uncertainties during 2023 to 2024

The principal risks and uncertainties are managed through the Commission's Strategic Risk Register as part of the internal control framework. Risks and controls are subject to continuous review and improvement activity.

IT and Operational Resilience

Risks relating to organisational security, including vulnerability to cyber-attacks, lapses in the management and maintenance of critical functions, including the pipeline of IT systems development and replacement

Mitigating actions: Transfer to cloud-based services completed with process and governance arrangements subject to internal audit review; business continuity plans reviewed and updated in year; detailed reporting on cybersecurity assessments; vulnerabilities identified and resolved in timelines based on criticality; and mitigating activity added to monthly performance reporting.

Opportunities and further work: Development of digital roadmap and design authority arrangements to support existing system development and new procurement work.

Operations and Regulatory Role

The risk that the Commission does not have the appropriate resources, skills or tools to effectively regulate the gambling industry both now and as it continues to develop and innovate, including as a result of rapidly changing technology; failures to appropriately carry out our remit in respect of licensing, compliance and enforcement functions; and negative impact on gambling consumers, the industry and/or the wider public as a result of regulatory action or inaction.

Mitigating actions: Development of enhanced regulatory performance reporting and management information, quality assurance and oversight in Operations function (licensing, compliance and enforcement).

Opportunities and further work: Enhancing core operational functions is a key strategic outcome of the 2024 to 2027 Corporate Strategy, including

procurement of a new Case Management system and wider review of our approach and outcomes.

Legal

Litigation relating to the Fourth National Lottery Licence Competition; potential for judicial review of Commission policy decisions; challenges to regulatory decision-making by licensees; and inadequate or ineffective proactive and reactive legal engagement.

Mitigating actions: Increasing in-house and contracted legal resource to manage shifting demand for legal advice and support; dedicated programme governance for Fourth National Lottery and Gambling Act Review focused on oversight and assurance; and regular engagement with sponsor department on legal issues and litigation.

Opportunities and further work: Continuous improvement to in-house legal resource and knowledge.

Financial

A range of risks covering income and expenditure, forecasting and budgetary controls.

The risk that as a fees-based regulator, the Commission's income and planned expenditure are impacted by market changes; the risk that the current fees model does not offer independence for the Commission to review the licence fees, resulting in a lack of flexibility to respond to emerging regulatory challenges; and the risk that the Commission is unable to adequately forecast and manage income to meet obligations.

Mitigating actions: Horizon scanning and tracking of licence changes to inform forecasting resulting in an outturn of 1 per cent variance between forecast income and expenditure in year. Internal audit review of income forecasting gave substantial assurance and recommendations for ongoing improvement. Ongoing management and oversight of key risks which could cause significant financial impact to the Commission.

Opportunities and further work: Gambling Act Review committed to begin fees review in 2024, continuous improvement activity in Finance

function; and close working between Licensing, Finance and Market Insight teams to forecast market changes which impact income.

People

Risks associated with the inability to attract, recruit and retain suitably skilled and experienced staff; not having the right number of people with the right skills to deliver the Commission's objectives and strategy; inadequate access to industry specific and specialist knowledge; inadequate and/or ineffective learning and development strategy to facilitate key business activities and prepare appropriately for future challenges; and lack of appropriate diversity and inclusion in the organisational structure which impact the Commission's ability to effectively regulate the gambling industry.

Mitigating actions: Diversity and inclusion strategy introduced, internal audit review of single points of failure used to inform resource and succession planning.

Opportunities and further work: People Strategy and employee value proposition development, and introduction of organisational design approaches to underpin strategic workforce and resource planning.

Governance and Decision Making

Risk that the Commission does not have appropriate and effective governance and decision-making arrangements; that roles and responsibilities are not clearly defined; that the Commission is not compliant with regulations and codes of practice as an arm's length body.

Mitigating actions: Change in Board composition in year via recruitment of seven new Commissioners and the appointment of the CEO as a Commissioner; focused induction plan delivered to support development of organisational and industry knowledge; increased engagement of Commissioners in stakeholder and industry engagement activities.

Opportunities and further work: Development of programme level governance arrangements and SRO arrangements, refresh of corporate governance and committee structures alongside internal governance arrangements.

Following the successful implementation of mitigations, this risk is now considered within appetite and is no longer a principal risk for 2024 to 2025.

At the time of writing, the Commission is reviewing its strategic risks in light of the areas of strategic focus set out in the Corporate Strategy 2024 to 2027 which was adopted by the Board in March 2024. This review, along with the development of risk registers at the programme and operational levels, will inform updates to the Strategic Risk Register.

Internal control

The Commission has in place a wide range of internal controls to manage the risk of failure to meet our strategic and operational objectives. The systems of internal control described in this report have been in place for 2023 to 2024 and up to the date of approval of the annual report and accounts.

These systems include the following:

- effective delegations – from Board to Committees, to the Executive and to individuals
- key risk and control policies and standards in place in finance, information management, governance, IT, and people services. Further detail on information management incidents can be found in this section
- an internal audit programme of work that tests performance against control policies and controls
- Complaint and Speak up (whistleblowing) policies that are monitored quarterly by the Executive Team and the ARC. Further detail on the speak up policy can be found in this section
- financial and operational performance reporting, considered monthly by the Executive Team and quarterly by Board, and submitted quarterly to the DCMS
- Quality assurance processes for Licensing, Compliance and Enforcement and a risk-based approach to proactive compliance activity and
- lessons learned exercises conducted following casework and other significant issues.

The Commission is further developing its assessment of internal controls based on the Risk Control Framework set out in the Orange Book, which will enable regular testing of controls aligned to the government functional standards and other relevant standards applicable to our work. Further detail on this review of effectiveness can be found in this section.

Information security

The Commission has policies, processes and procedures in place to maintain compliance with General Data Protection Regulation (GDPR), the Data Protection Act 2018, and related legislation. The Information Management Team supports the Data Protection Officer to mitigate the risks and impacts of information security incidents, ensure adequate and effective controls are in place to deliver compliance, and manage Freedom of Information requests and requests from data subjects.

Information management incidents, including cyber security incidents, are reported quarterly to ARC, and the Executive Team receives escalations as needed, with an annual report to provide an overview of issues and lessons learned.

No personal data incidents met the threshold for reporting to the Information Commissioner's Office (ICO) in 2023 to 2024. 48 information security incidents were reported and investigated internally: 0 high risk, 0 medium risk, 32 low risk and 16 very low risk. Common causes were misdirected emails and post, accidental disclosure, non-compliance with policy or procedure, loss of equipment, and phishing.

The Commission's privacy policy is available on our website.

Speak up (whistleblowing) policy

The Commission has a Speak up (whistleblowing) policy in place for the confidential reporting of unlawful conduct or malpractice.

The policy is published on the Commission's website and is available to all employees and appointees. The Commission also maintains an external confidential reporting service for staff who do not wish to raise issues internally. No new whistleblowing reports were received in 2023 to 2024,

but actions from a report received in 2022 to 2023 were being implemented in this year.

Where there are whistleblowing reports, ARC receive quarterly updates on the number and topics of disclosures under the policy, as well as the outcome of subsequent investigations. They also track the completion of any actions recommended following investigation.

The previous whistleblowing policy, known as the Public Interest Disclosure policy, was reviewed and replaced with the Speak up (whistleblowing) policy in February 2024. There will be ongoing work to ensure the policy is publicised and understood by colleagues.

Operational and financial reporting

The Commission reviews and updates its business plan each year and prepares an annual budget to support the delivery of the plan.

Performance against the budget and business plan deliverables are tracked and reported to the Executive Team each month. The Executive Team also reviews the performance of core activity and Key Performance Indicators (KPIs). Together, this performance pack is provided to the Board and the DCMS each quarter. Performance reporting is subject to review and enhancement on an ongoing basis, and will be developed in 2024 to 2025.

Effectiveness of risk management and internal controls

The internal audit programme

The internal audit programme focuses on the requirement to provide assurance that the key risks faced by the Commission are properly managed and controlled. Where control weaknesses are identified, these are drawn to the attention of senior managers, who are responsible for determining and implementing an appropriate response.

The Commission's internal audit function was provided by the Government Internal Audit Agency (GIAA) in 2023 to 2024. The GIAA maintain a rolling three-year audit plan which aims to cover all key areas of the Commission in a cycle, taking a risk-based approach. The plan for a particular year is confirmed by ARC, following input from the AO and Executive Team.

GIAA's annual report provides an independent opinion on the adequacy and effectiveness of the Commission's system of internal control, together with recommendations for improvement.

The GIAA have provided a Moderate opinion on the adequacy of the framework of governance, risk management and control within the Commission for 2023 to 2024. This is a continuation of the Moderate opinion provided for 2022 to 2023.

The governance, risk management and control arrangements were found to be operating adequately in most of the areas reviewed. Notable areas of good practice and improvement include:

- Improvements to the financial forecasting process. This had been identified by internal audit as an area requiring improvement in our 2022 to 2023 work.
- Development of an appropriate risk-based approach to Compliance activity.
- Establishment of appropriate governance arrangements to support delivery of the GAR Programme.
- Evidence of positive collaboration across business areas within the organisation.

Areas where GIAA have identified that improvements are required include:

- The maturity and effectiveness of risk management activity is inconsistent across the organisation and weaker in some operational and corporate areas.
- Understanding of business-critical roles and capacity risks at a tactical and strategic level.
- The development of systems to enable the capture of operational MI that will better drive continuous improvement activity in Licensing.
- Preparations for 4NL Regulation operations was hampered by capacity constraints.

Improvement actions

For each internal audit report the Commission has agreed plans of action to resolve any issues identified. Progress against these actions is tracked by ARC and closure is subject to the approval of the internal auditors.

Review of effectiveness

To review the adequacy and effectiveness of Internal Controls, the Accounting Officer receives a report setting out the nature of internal controls, how they compare with government functional standards and/or other relevant standards, any breaches or near misses in the year, and the efficacy of remedial action.

In the 2023 to 2024 review 15 areas of control were identified; 12 were rated as effective, 3 as partially effective and 0 as ineffective. The three rated partially effective were:

- Governance framework (pending revisions to the whistleblowing policy, committee terms of reference and internal governance framework): all outstanding issues have been actioned.
- Finance performance reporting (variance from forecast): all outstanding issues have been actioned.
- Risk management (embedding a new approach, resourcing a team): all outstanding issues have been actioned.

This year, the Commission has been developing our controls analysis using the Orange Book Risk Control Framework published in May 2023. The framework identifies 93 possible control lines covering 16 areas. As a work in progress this is presented to the AO for input and comment, but our initial analysis suggests that 82 control lines apply to our operations. Of those, 50 are effective, 15 are partially effective, and 2 are ineffective. We are awaiting input on the remaining 15 areas.

The two areas rated as ineffective are:

- Reviewing lessons learned from major projects – paused pending litigation,
- Workforce planning used to inform annual planning process.

Following the review of adequacy and effectiveness the Accounting Officer has met with the Governance and Finance Teams to review risk management and internal controls. He reviewed the reports outlined above and has concluded that there has been good progress in applying and testing controls, particularly in relation to risk management and financial forecasting, and expects to see more work on planning, performance reporting, information management and internal policy management in the year to come. He noted that the internal audit programme had looked at challenging areas of the organisation and expected to see a similarly robust programme in the coming year.

The Accounting Officer confirms that these risk and control systems have been in place for the year under review and up to the date of approval of the annual report and accounts.

Financial management

The Commission's core regulatory work is funded via fees charged to the Gambling Industry. Whilst the Commission's fee income has been relatively stable recently, and the forecast is prudent, the Commission are dependent on the activity of the UK gambling market, and any changes within the industry can have an impact on future funding. The medium- to long-term impact of the Gambling Act Review White Paper on the industry is not yet clear, but we will continue to review this and the potential impact on our future income.

Throughout the year, the risk to the Commission's income and expenditure profile is continually reviewed through close monitoring of actual income and expenditure and forecasts. The Commission holds reserves as a matter of prudent financial management.

There has been no reported actual or attempted fraud at the Commission during 2023 to 2024. However, given the high profile of the gambling industry and the Commission within the public domain, it is important that the Commission remains proactive in identifying instances where there is potential for fraud and corruption. The Commission is continually seeking to enhance its counter fraud culture, embedded at all levels of the organisation, which includes training and regular communication to all staff.

The quality assurance mechanisms which have been developed for the licensing, compliance, and enforcement processes depend on accurate, timely and complete information to help safeguard the Commission's professional integrity and improve operational efficiency.

To ensure the Commission maintains robust controls over our expenditure we continually review our procurement arrangements. A central contracts database is in place and all contracts are brought in line with central frameworks where applicable.

Remuneration and staff report

Remuneration report - Introduction

This report covers the 12 months ending 31 March 2024 and sets out the policy and disclosures in relation to the remuneration of the Commissioners and senior managers of the Commission.

Senior managers

Senior managers are normally employed directly by the Commission. Increases in pay are performance based and are broadly in line with senior Civil Service pay bands. Performance targets are set and measured in accordance with the Commission's policy on pay and reward. The process for the agreement of the Executive Team's performance targets, achievements against targets, and recommendations on changes in remuneration, are reviewed by the Remuneration and Nomination Committee. Except during probation or where guilty of gross misconduct, senior managers' contracts may be terminated by either party giving 12 weeks' written notice. Details of all Executive Directors serving during the year are included in the Corporate Governance report above, including the duration of their service.

Remuneration report - Remuneration (including salary) - Audited

The following provides details of the remuneration of the Commissioners and Directors.

Directors	2023 to 2024					2022 to 2023				
	Salary	Bonus payments	Expenses as BiK1	Pension benefits	Total	Salary	Bonus payments	Expenses as BiK1	Pension benefits	Total
	(in bands of £5,000)	(in bands of £5,000)	(to the nearest £100)	(to the nearest £1000)	(in bands of £5,000)	(in bands of £5,000)	(in bands of £5,000)	(to the nearest £100)	(to the nearest £1000)	(in bands of £5,000)
Andrew Rhodes Chief Executive	185-190	10-15	-	82,000	280-285	170-175 (175-180 fye)*	-	1,000	84,000	255-260
Helen Child Head of Governance	85-90	0-5	-	34,000	125-130	25-30 (80-85 fye)*	0-5	-	29,000	55-60
Lucy Denton Director of Communications	90-95	0-5	-	36,000	130-135	85-90	0-5	-	34,000	120-125
Katharine Diamond General Counsel (from January 2024)	20-25 (105-110 fye)*	-	-	-6,000 ²	15-20	-	-	-	-	-

	2023 to 2024					2022 to 2023				
Directors	Salary	Bonus payments	Expenses as BiK1	Pension benefits	Total	Salary	Bonus payments	Expenses as BiK1	Pension benefits	Total
	(in bands of £5,000)	(in bands of £5,000)	(to the nearest £100)	(to the nearest £1000)	(in bands of £5,000)	(in bands of £5,000)	(in bands of £5,000)	(to the nearest £100)	(to the nearest £1000)	(in bands of £5,000)
Sarah Gardner Deputy Chief Executive	130-135	0-5	-	29,000	160-165	120-125	0-5	-	- 13,000 ²	115-120
Helen Gibson Finance Director	110-115	0-5	-	85,000	200-205	95-100	-	4,100	76,000	175-180
Natasha Harris Director of People Services (from August 2023)	75-80 (115-120 fye)*	-	-	15,000	90-95	-	-	-	-	-
Kay Roberts Executive Director of Operations	120-125	0-5	-	48,000	170-175	60-65 (115-120 fye)*	-	-	24,000	85-90

Directors	2023 to 2024					2022 to 2023				
	Salary	Bonus payments	Expenses as BiK1	Pension benefits	Total	Salary	Bonus payments	Expenses as BiK1	Pension benefits	Total
	(in bands of £5,000)	(in bands of £5,000)	(to the nearest £100)	(to the nearest £1000)	(in bands of £5,000)	(in bands of £5,000)	(in bands of £5,000)	(to the nearest £100)	(to the nearest £1000)	(in bands of £5,000)
Tim Miller Executive Director – Insight and safer gambling	115-120	0-5	-	47,000	170-175	110-115	0-5	-	44,000	155-160
John Tanner Executive Director – 4NLC	150-155	0-5	-	57,000	210-215	140-145	0-5	-	29,000 ²	115-120
Alistair Quigley Chief Technology Officer	105-110	0-5	-	60,000	170-175	100-105	0-5	-	19,000	120-125

Remuneration of Senior Managers (salary, expenses and payments in kind) - Audited

Previous employees

Directors	2023 to 2024					2022 to 2023				
	Salary (in bands of £5'000)	Bonus payments (in bands of £5,000)	Expenses as BiK ¹ (to nearest £100)	Pension benefits (to nearest £1,000)	Total (in bands of £5,000)	Salary (in bands of £5'000)	Bonus payments (in bands of £5,000)	Expenses as BiK ¹ (to nearest £100)	Pension benefits (to nearest £1,000)	Total (in bands of £5,000)
Nadine Pemberton Jn Baptiste General Counsel (to 30 November 2023)	70-75 (105-110 fye)*	0-5	-	29,000	105-110	95-100	0-5	-	38,000	135-140

* fye = full-year equivalent

1 BiK - Benefits in Kind for Travel and Subsistence travelling to Victoria Square House.

2 Final salary member (classic/classic plus/premium) who has transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.

Fair pay disclosure – pay multiples - Audited

The Commission is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the Commission in the financial year 2023 to 2024 was £210,000 to £215,000 (2022 to 2023 £175,000 to £180,000). This was 5.16 times (2022 to 2023 4.52 times) the median remuneration of the workforce, which was £40,505 (2022 to 2023 £39,270).

	2023-24	2022-2023
Band of highest paid directors' total remuneration (£'000)	210-215	175-180
Median total remuneration	40,705	39,270
Range of staff remuneration (£'000)	26 to 210-215	21 to 175-180

In 2023 to 2024, 0 (2022 to 2023 0) employees received remuneration in excess of the highest paid director. Remuneration ranged from £26,000 to £213,000 (2022 to 2023 £21,000 to £176,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	2023 to 2024				2022 to 2023		
	Pay ratio	Total pay and benefits £	Salary component £	% change compared to prior year	Pay ratio	Total pay and benefits £	Salary Component £
25th percentile ratio	5.48:1	36,019	35,569	2.64%	5.06:1	35,092	34,566
Median pay ratio	4.85:1	40,705	40,505	3.65%	4.52:1	39,270	38,762
75th percentile ratio	3.62:1	54,561	54,361	4.01%	3.38:1	52,458	52,020

These changes are attributable to:

- i) A change in the highest paid director's remuneration during the year due a 4.9 per cent salary increase and a bonus payment.
- ii) Changes in base salary for employees who have changed roles within the Commission during 2023 to 2024 and the realignment of salaries on certain generic roles within the organisation.
- iii) The median pay ratio is consistent with the pay, reward and progression policies for the Commission's employees taken as a whole.

Fair pay disclosures – Audited

Percentage change in total salary and bonuses for the highest paid director and staff average

		2023 to 2024		2022 to 2023	
		Total salary and allowances	Bonus payments	Total salary and allowances	Bonus payments
Staff average		7.26%	-42.70%	5.95%	63.48%
Highest paid	Director	4.90%	0.00%	14.95%	0.00%

Staff Average

This is the average percentage change in base salary from the previous financial year in respect of the employees of the entity taken as a whole. There was a 4.5 per cent salary increase during 2023 to 2024 (2 per cent salary increase during 2022 to 2023).

The 7.26 per cent movement in 2023 to 2024 (5.95 per cent 2022 to 2023) includes the changes in base salary for employees who have changed roles within the Commission during 2023 to 2024.

Bonus payments

The financial year 2023 to 2024 includes bonuses relating to performance during 2022 to 2023 for Executive staff members. Historically bonuses

were always paid out in the following year on completion of the annual reviews. During 2022 to 2023 the performance management process was changed for non-executive staff members, and quarterly reviews have been introduced. Staff can be nominated for and receive award vouchers throughout the year, based on their performance.

Highest paid Director

2023 to 2024 base salary has changed during the year due to a 4.9 per cent salary increase and a bonus payment.

Senior manager exits - Audited

There were no Senior Manager exits during 2023-24 (2022 to 2023 £nil).

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the [Superannuation Act 1972](#).

Commissioners

The Chair and Commissioners are appointed by the Secretary of State on terms set on the basis of advice from the Civil Service Senior Salaries Review Body.

Appointments are for a period of between three and five years and may be renewed for a further term. Appointments may be terminated at any time by either party giving written notice. Marcus Boyle was appointed as Chair for a five-year term commencing 6 September 2021. Marcus's contract provides for the Chair to work two days per week on average.

Commissioners work on average one day per week. Commissioners' contracts may be terminated by written notice where the Secretary of State has reason to believe that the Commissioner has been absent from Commission meetings, without explanation, for a period of longer than three months; has become bankrupt or made an arrangement with a creditor; has been convicted of a criminal offence; has breached the Code of Conduct for Board members; or has become incapacitated by physical or mental illness.

The Commissioners' appointments are not pensionable under the Civil Service pension scheme and no contributions have been paid by the Commission to any other scheme.

Independent committee members

The Commission reappointed Chris Andrew for a second three-year term as the independent member of ARC with effect from 1 January 2022.

The Commission has two independent committee members, who are remunerated for their roles. Chris Andrew sits as a member of Audit and Risk Committee. Victor Olowe was appointed as a member of the National Lottery Committee in September 2023.

Remuneration of Commissioners (salary, expenses and payments in kind)

Commissioners	2023 to 2024				2022 to 2023			
	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK** (to nearest £100)	Total (in bands of £5,000)	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK** (to nearest £100)	Total (in bands of £5,000)
Chris Andrew Independent Audit Committee Member	0-5	-	-	0-5	0-5	-	-	0-5
John Baillie	10-15	-	2,600	15-20	10-15	-	400	15-20
Lloydette Bai- Marrow (from 11 Sept 2023)	5-10 (10-15 fye)*	-	800	5-10	-	-	-	-
Marcus Boyle Chair	50-55	-	1,600	55-60	50-55	-	1,500	55-60
Stephen Cohen	10-15	-	1,300	15-20	10-15	-	100	10-15

2023 to 2024					2022 to 2023			
Commissioners	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK** (to nearest £100)	Total (in bands of £5,000)	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK** (to nearest £100)	Total (in bands of £5,000)
Charles Counsell (from 11 September 2023)	5-10 (10-15 fye)*	-	1,100	5-10	-	-	-	-
Helen Dodds (from 11 September 2023)	5-10 (10-15 fye)*	-	200	5-10	-	-	-	-
Sheree Howard (from 11 September 2023) ***	-	-	600	0-5	-	-	-	-
Claudia Mortimore (from 11 September 2023)	5-10 (10-15 fye)*	-	1,000	5-10	-	-	-	-
Victor Olowe Independent Member of the National Lottery	0-5 (0-5 fye)*	-	-	0-5	-	-	-	-

2023 to 2024					2022 to 2023			
Commissioners	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK** (to nearest £100)	Total (in bands of £5,000)	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK** (to nearest £100)	Total (in bands of £5,000)
Committee (from 18 September 2023)								
Helen Phillips (from 11 September 2023)	5-10 (10-15 fye)*	-	100	5-10	-	-	-	-
David Rossington	15-20	-	900	15-20	0-5 (10-15 fye)*	-	100	0-5
Catharine Seddon	10-15	-	1,100	15-20	10-15	-	600	10-15

Previous non-executives

Commissioners	2023 to 2024				2022 to 2023			
	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK** (to nearest £100)	Total (in bands of £5,000)	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK** (to nearest £100)	Total (in bands of £5,000)
Carol Brady (to 31 July 2023)	0-5 (10-15 fye)*	-	-	0-5	10-15	-	-	10-15
Trevor Pearce (to 31 December 2023)	10-15 (10-15 fye)*	-	900	10-15	10-15	-	900	10-15

* fye = full-year equivalent, ** BiK - Benefits in Kind for travel and subsistence expenses to Victoria Square House.

*** As a full-time employee of another public body (the FCA), Sheree Howard is unremunerated in her role at the Commission.

Salary

'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to United Kingdom (UK) taxation. This report is based on accrued payments made by the Commission and thus recorded in these accounts.

Apart from the Chair and Chief Executive, all Commissioners are paid a fixed amount for work that entails approximately one day of time per week. No employees or Commissioners were remunerated by way of service companies or third parties.

Expenses as benefit in kind

The Commission incurred costs for travel, subsistence and accommodation in respect of the Chair and the Commissioners whilst attending meetings at Victoria Square House. These expenses could be viewed as benefits in kind and treated by HM Revenue and Customs (HMRC) as a taxable emolument. To avoid doubt, such taxes are paid by the Commission.

The Commission also incurred costs for travel, subsistence and accommodation in respect of some Senior Management whilst attending meetings at Victoria Square House. These expenses could be viewed as benefits in kind and treated by HMRC as a taxable emolument. To avoid doubt, such taxes are paid by the Commission.

Bonuses

Bonuses are based on performance and are considered as part of the annual review process. Bonuses relate to the performance in the year in which they become payable to the individual. There were £37,750 bonuses paid to Directors during 2023 to 2024 (2022 to 2023: £14,775).

Remuneration report - Pension entitlements

The following provides details of the pension interests of the Commissioners and Directors. This has been subject to audit review.

Pension benefits 2023 to 2024 – Audited

Directors	Accrued pension at pension age as at 31 March 2024	Real increase in pension and related lump sum at pension age	CETV* at 31 March 2024	CETV* at 31 March 2023	Real increase in CETV*
	£'000	£'000	£'000	£'000	£'000
Andrew Rhodes Chief Executive	45 - 50	2.5 - 5	859	731	51
Helen Child Head of Governance	5 - 10	0 - 2.5	105	71	19
Lucy Denton Director of Communications	10 - 15	0 - 2.5	154	116	17
Katharine Diamond General Counsel (from January 2024)	30 - 35 plus a lump sum of 5 - 10	0 - 2.5	609	606	-7
Sarah Gardner Deputy Chief Executive	45 - 50 plus a lump sum of 115 - 120	0 - 2.5 plus a lump sum of 0	910	820	11

Directors	Accrued pension at pension age as at 31 March 2024	Real increase in pension and related lump sum at pension age	CETV* at 31 March 2024	CETV* at 31 March 2023	Real increase in CETV*
	£'000	£'000	£'000	£'000	£'000
Helen Gibson Finance Director	40 - 45 plus a lump sum of 60 - 65	2.5 - 5 plus a lump sum of 5 - 7.5	662	543	60
Natasha Harris Director of People Services (from August 2023)	30 - 35	0 - 2.5	438	418	7
Kay Roberts Executive Director of Operations	0 - 5	2.5 - 5	56	18	27
Tim Miller Executive Director - Insight and Safer Gambling	20 - 25	2.5 - 5	302	239	26
John Tanner Executive Director – 4NLC	15 - 20 plus a lump sum of 5 - 10	2.5 - 5 plus a lump sum of 0	276	200	45
Alistair Quigley Chief Technology Officer	30 - 35	2.5 - 5	686	580	48

*CETV = Cash Equivalent Transfer Values

1 Final salary member (classic/classic plus/premium) who has transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.

2 Taking account of inflation, the CETV funded by the employer has decreased in real terms.

3 Pension benefits accrued during the year calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contribution made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

	2023 to 2024			2022 to 2023
	Permanently employed staff	Temporarily employed staff	Total	Total
Directly employed	321	40	361	315
Agency staff	-	2	2	4
Total	321	42	363	319

Number of Senior Staff by grade - Audited

The total number of Senior Staff by grade was as follows.

Analysis of Senior staff by grade

Grade	2023 to 2024	2022 to 2023
17	1	1
16	8	7
15	2	2
Non-executive directors	11	7
Total	22	17

The Commission have eleven Executive Directors and eleven Non-Executive Directors, these are the only staff categorised as being at a grade equivalent to the senior civil service.

Staff report

Analysis of Commissioners and employee costs - Audited

	2023 to 2024			2022 to 2023
	Permanent £'000	Short term £'000	Total £'000	Total £'000
Salaries and wages	15,410	1,666	17,076	13,743
Social security costs	1,684	170	1,854	1,599
Other pension costs	3,966	413	4,379	3,679
Total Commissioners and staff costs	21,060	2,249	23,309	19,021

Retirement benefits

The following disclosures are made in accordance with IAS 19, 'Employee Benefits'.

Employees

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha' – are unfunded multi-employer defined benefit schemes, but the Commission is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2024. You can find details in the [resource accounts of the Cabinet Office: Civil Superannuation](#).

For 2023 to 2024, employers' contributions of £4,336,610 were payable to the PCSPS (2022 to 2023 £3,641,665) at one of four rates in the range 26.6 per cent to 30.3 per cent of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023 to 2024 to be paid when

the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £41,530 were paid to one or more of the panel of three appointed stakeholder pension providers (2022 to 2023 £38,687). Employer contributions are age-related and ranged from 8 per cent to 14.75 per cent.

Employers also match employee contributions up to 3 per cent of pensionable earnings. In addition, 0.5 per cent of pensionable pay was payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £459,336 (2022 to 2023 £399,239). No contributions were pre-paid.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the CSOPS or alpha - which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation.

Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 were switched alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits

in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes).

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of classic, classic plus, premium, nuvos and alpha. Benefits in classic and classic plus accrue at the rate of 1/80th of final pensionable earnings for each year of service.

In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium.

In nuvos, a member builds up a pension based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent. In all cases members may opt to give up (commute) pension for a lump sum on retirement up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, classic plus and premium, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages).

[Further details about the Civil Service pension arrangements.](#)

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance has been used in the calculation of 2023 to 2024 CETV figures.

The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Former Director General – OFLOT

Upon the merger between the Commission and the National Lottery Commission in 2013, the Commission inherited a pension liability for a former Director General of OFLOT from 1993 to 1998. This pension is an unfunded defined benefit scheme which has benefits by analogy to the PCSPS and is paid directly from the Commission's own funds. In 2001, upon the recipient reaching retirement age, pension payments commenced.

A full actuarial valuation of the scheme was carried out by the Government Actuary as at 31 March 2024 and the present value of the liability as at 31 March 2024 is £169,000 (2022 to 2023 £177,000).

Off-payroll appointments

i) For all off-payroll engagements as of 31 March 2024, for more than £245 per day and that last for longer than six months

For all off-payroll engagements as of 31 March 2024, for more than £245 per day and that last for longer than six months.

Data definitions	Number of payroll engagements
Number of existing engagements as of 31 March 2024	38
of which...	
Number that have existed for less than one year at time of reporting	21

For all off-payroll engagements as of 31 March 2024, for more than £245 per day and that last for longer than six months.

Data definitions	Number of payroll engagements
Number that have existed for between one and two years at time of reporting	7
Number that have existed for between two and three years at time of reporting	4
Number that have existed for between three and four years at time of reporting	3
Number that have existed for four or more years at time of reporting	3

Confirmation that all existing off-payroll engagements, outlined previously, have at some point been subject to a risk-based assessment as to whether assurance is required and where necessary that the individual is paying the right amount of tax.

ii) For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day and that last for longer than six months

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day and that last for longer than six months.	Number of payroll engagements
Data definitions	
Number of new engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024.	28
of which...	
Number assessed as caught by IR35	14
Number assessed as not caught by IR35.	Nil
Number engaged directly (VIA PSC contracted to department) and are on the departmental payroll	14
Number of engagements reassessed for consistency and/or assurance purposes during the year	Nil
Number of engagements that saw a change to IR35 status following the consistency review	Nil

iii) For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024.

Data definitions	Number of payroll engagements
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	Nil
Total number of individuals on payroll and off-payroll that have been deemed 'board members, and/or senior officials with significant financial responsibility', during the financial year	26

Reporting of Civil Service and other compensation schemes – exit packages – Audited

Exit package cost band (including any special payment element)	2023 to 2024		2022 to 2023	
	Number of compulsory redundancies	Number of other departures agreed	Number of exit packages by cost band	Number of exit packages by cost band
£0-£25,000	-	4	4	4
£25,001 – £50,000	-	1	1	1
£50,001 – £100,000	-	-	-	1
£100,001 – £150,000	-	-	-	-
£150,001 – £200,000	-	-	-	-
Greater than £200,000	-	-	-	-
Total number of exit packages	-	5	5	6

Exit package cost band (including any special payment element)	2023- 24				2022-23	
	Cost of compulsory redundancies (by band)		Cost of other departures agreed (by band)		Total exit packages by cost band	Total exit packages by cost band
	(£'000)		(£'000)		(£'000)	(£'000)
	Excluding CILON	CILON	Excluding CILON	CILON		
£0-£25,000	-	-	27	29	56	29
£25,001 – £50,000	-	-	20	7	27	37
£50,001 – £100,000	-	-	-	-	-	80
£100,001 – £150,000	-	-	-	-	-	-
£150,001 – £200,000	-	-	-	-	-	-
Greater than £200,000	-	-	-	-	-	-
Total number of exit packages	-	-	47	36	83	146
					(£)	(£)
Total exit costs paid in year					82,816	145,719
Highest paid (excl. CILON)					19,629	78,737
Median paid (excl. CILON)					10,579	7,803
Lowest paid (excl. CILON)					10,579	4,962

Compensation for loss of office – Audited

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972.

The previous table shows the total cost of exit packages agreed and accounted for in 2023 to 2024 (2022 to 2023 comparative figures are also given).

5 employees left under Voluntary Exit terms during 2023 to 2024. They received separate compensation payments totalling £82,816 which were paid in 2023 to 2024, the year of departure. None of the employees affected were senior managers or executives.

Exit costs are accounted for in full in the year of departure.

Ill-health retirement costs are met by the pension scheme and are not included in the previous table.

Where the department has agreed early exit retirement or ill-health retirement, the additional costs are met by the department and not by the Civil Service pension scheme.

Professional Services External Resources (non-payroll staff)

Consultancy costs

During 2023 to 2024, the Commission incurred consultancy costs totalling £88k (2022 to 2023 £189k).

Below shows a summary of costs by consultancy type:

Type	2023-24	2022-23
	Amount £000	Amount £000
Human Resource, Training & Education Consultancy	-	-
Finance Consultancy	-	123
IT/IS Consultancy	66	37
Technical Consultancy	22	29
	88	189

Temporary (non-payroll) Staff

During 2023 to 2024, the Commission incurred agency staff costs totalling £565k (2022 to 2023 £102k). The main reason for the increase in temporary workers relates to exceptional additional work connected with 4NL Licence competition.

Below shows a summary of costs by type:

Type	2023-24	2022-23
	Amount £000	Amount £000
Temporary Workers – Admin and Clerical	409	8
Interim Managers	114	94
Specialist Contractors	41	-
	564	102

Employment statistics for 2023 to 2024 (as at 31 March 2024)

Department Split Summary

	As at 31 March2024	As at 31 March2023
Organisational area	Number of employees	Number of employees
National Lottery	29	36
Regulatory Delivery Operations	125	132
Enabling Services	219	168
Total	373	336

Total Employment by contract type

	As at 31 March2024 Number of employees	As at 31March2023 Number of employees
Fixed term employees	38	29
Permanent employees	335	307
Total	373	336

Diversity - Disability

	As at 31 March2024 Number of employees	As at 31 March2023 Number of employees
Employees with a disability as defined under the Equality Act 2010	31	26

Employees without a disability as defined under the Equality Act 2010	342	287
Not disclosed	-	23
Total	373	336

Employees by Department

Directorate	As at 31 March 2024	As at 31 March 2023
	Number of employees	Number of employees
3rd National Lottery Licence	2	17
4th National Lottery Competition	27	19
Compliance and Licensing	67	73
Enforcement, Intelligence, Sports Betting Intelligence (SBI) and Anti-Money Laundering (AML)	48	59
Communications and Engagement	26	25
Finance, Legal, People Services and Project Management Office (PMO)	60	40
Data Infrastructure Projects	0	0
Digital and Technology and Facilities	37	20
Executive	12	12
Governance and Information Management	31	12
Research and Policy	50	45
Strategy	13	14
Total	373	336

Policies for Disabled People

We display the “Disability Confident” kite mark and “Happy to talk flexible working” to send a clear signal that our organisation welcomes applications from everyone and is an inclusive employer. We are happy to offer flexible working options across the Commission and always ask at interview what people are looking for and try to accommodate where possible.

At interview stage we offer reasonable adjustments to ensure equal opportunity for all applicants to share their competencies. Every new starter receives an office and technology orientation, as well as a face-to-face Display Screen Equipment (DSE) assessment and a Health and Safety training session within the first few days of joining. This allows us to ensure that colleagues can work safely, comfortably, and where any reasonable adjustments may be required, ensure that these are addressed.

Our website is fully accessible thanks to the redesign work led by our Digital team, who are ambassadors for accessibility and have delivered awareness training and development support to all colleagues during the past 18 months.

Diversity - Ethnic origin

	As at 31 March 2024 Number of employees	As at 31 March 2023 Number of employees
Asian or Asian British – Indian	24	19
Asian or Asian British – Other	1	1
Asian or Asian British – Pakistani	11	8
Black or Black British – African	11	5
Black or Black British – Caribbean	6	5
Mixed – White and Asian	4	1
Mixed – White and Black Caribbean	4	4
Not disclosed	8	8
Other Ethnic Background	8	6

Other Mixed Background	3	3
Other White Background	6	5
White British	261	242
White Irish	5	7
Prefer not to say	21	22
Total	373	336

Diversity – Age

Age range	As at 31 March 2024 Number of employees	As at 31 March 2023 Number of employees
25 and under	12	14
26-34	85	73
35-44	124	114
45-54	104	94
55 and over	48	41
Total	373	336

Diversity - Gender

2023-24 (As at 31 March 2024)				
Gender	Directors	Senior management	Other employees	Total
Female	7	10	173	190
Male	4	9	170	183
Total	11	19	343	373
2022-23 (As at 31 March 2023)				
Gender	Directors	Senior management	Other employees	Total
Female	6	10	162	178
Male	4	9	145	158
Total	10	19	307	336

We are committed to promoting Equality, Diversity, and Inclusion (EDI) throughout the organisation. We are proud of the action we are taking to support EDI and wellbeing both through our recruitment processes and internal policies to support our ethos of creating a diverse culture.

Sickness rates

	2023-24	2022-23
	Percentage of working days lost	Percentage of working days lost
Quarter 1	2.59%	2.16%
Quarter 2	2.55%	2.38%
Quarter 3	2.52%	2.40%
Quarter 4	2.53%	2.79%
Total	2.55%	2.43%

During the year, the average proportion of working days lost to sickness was 2.55 per cent (2022 to 2023 2.43 per cent) which includes long term absence related to mental health, covid, cold and/or flu and extended periods of recovery following operations. Our occupational health and employee assistance partners provide us with ongoing support for colleagues and management alike.

Staff turnover percentage

As of 31 March 2024, the staff turnover percentage at the Commission was 15.09 per cent (15.02 per cent as at 31 March 2023). We will continue to report this figure in future years in line with Cabinet Office guidance.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

Relevant union officials

There were 9 employees who were relevant union officials during 2023 to 2024.

During 2023 to 2024 there were 7.94 full time equivalent employees who were relevant union officials during 2023 to 2024. In 2022 to 2023 there were 7.94 full-time equivalent union officials.

Percentage of time spent on facility time

	As at 31 March 2024	As at 31 March 2023
Percentage	Number of employees	Number of employees
0%	-	-
1-50%	9	9
51-90%	-	-
100%	-	-

Percentage of pay bill spent on facility time

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Total cost of facility time	5	27
Total pay bill	23,209	19,021

The percentage of the total pay bill spent on facility time was 0.02 per cent in 2023 to 2024 and (0.14 per cent 2022 to 2023).

Paid trade union activities

2 per cent of time was spent on paid trade union activities as a percentage of total paid facility time in 2023 to 2024 and 7 per cent in 2022 to 2023.

Colleague Engagement

Overall colleague engagement is currently 70 per cent which has continued to improve since 2021 (56 per cent). The Commission has been certified as a Great Place to Work and achieved UK Best Workplace recognition during 2022, reflecting on the positive action being taken to provide colleagues

with a positive and rewarding work experience. Our priorities during 2024 include Leadership, Strategy and investing in Careers & Development.

Health & Safety

The Commission recognises our legal requirements under the Health and Safety at Work Act 1974. We consistently ensure as far as reasonably practicable that we meet all legal requirements that are expressed within the Act and the many Approved Codes of Practice associated with it. There have been no accidents reported in the last 12 months, of which none were Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable.

Employee Wellbeing

We care about the health and wellbeing of our colleagues. Our leadership communications convey genuine sentiment that colleagues' health and wellbeing is of primary importance. These messages set the tone for our wellbeing culture and filter down through line managers and across colleagues.

Our colleagues recognise and value our wellbeing-focused culture which was evidenced in the latest annual colleague survey.

We provide a wide range of services and access to support which include an Employee Assistance Programme and access to free counselling, Mental Health First Aiders, monthly 'no meeting day' in the calendar for all colleagues, flexible working policies, Occupational Health support, a Dignity at Work Helpline and menopause advocates.

We've created a Domestic Abuse / Violence toolkit offering guidance to support our line managers, which has enabled them to recognise warning signs, as well as facilitate conversations.

Hybrid Working

As a result of listening to colleagues' voices, through the pulse survey and the various forums, our Executive Team decided to retain hybrid working and, to support the department heads, published a set of Hybrid Working Principles to facilitate this, which empowered and enabled each department to determine the hybrid working arrangements that met their needs. Informal feedback across the Commission concludes that hybrid working practices continue to be a huge benefit to colleagues in terms of financial and wellbeing impacts.

Parliamentary Accountability and Audit Report

Fees and charges - Audited

In accordance with MPM, entities should provide an analysis of fees and charges income where material.

The Commission aims to ensure that the costs incurred in delivering the organisation's areas of strategic focus are recovered from the industry through application and licence fees set by the Secretary of State. We periodically review our costs to drive efficiency and value for money as well as review our approach to cost recovery via fees to see how it could be made more equitable.

Current application and licence fees range from £40 to £1,077,027 dependent on operator size and licence type. The Commission's total income from fees and other sources was £26.18 million for the year (2022 to 2023 £26.09 million). Further analysis of fees and charges is provided in the Performance Analysis section.

Regularity of expenditure – Audited

Losses and special payments – Audited

MPM states that individual losses and special payments of more than £300,000 should be noted separately.

There were no losses or special payments exceeding £300,000 during 2023 to 2024 (2022 to 2023 nil).

Gifts – Audited

MPM states that any gifts where the total value exceeds £300,000 must be recorded and disclosed.

There were small value gifts received during 2023 to 2024 at the International Association of Gaming Advisors (IAGA) International Gaming Summit which have been disclosed. Gifts did not exceed £300,000 in either 2023 to 2024 or 2022 to 2023.

Remote contingent liabilities – Audited

MPM states that any material remote contingent liabilities (that is, those that are disclosed under parliamentary reporting requirements and not under IAS 37) should be reported.

There are four remote contingent liabilities relating to a mixture of tribunals and legal challenges assessed as up to a 10 per cent probability of incurring costs totalling £68,760 as at 31 March 2024 (2022 to 2023 £255,760).

The remote contingent liabilities figure has been calculated under the guidance of IAS 37, based on events existing at the balance sheet date.



Andrew Rhodes
Chief Executive and Accounting Officer
5 September 2024

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Commission for the year ended 31 March 2024 under the Gambling Act 2005.

The financial statements comprise the Commission's;

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 March 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Gambling Act 2005 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Commission's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Commission's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate/report.

The going concern basis of accounting for the Commission is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Gambling Act 2005.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Gambling Act 2005; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Commission or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the Commission from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Gambling Act 2005;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Gambling Act 2005; and
- assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Commission will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Gambling Act 2005.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Commission's accounting policies;
- inquired of management, the Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Commission's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Commission's controls relating to the Commission's compliance with the Gambling Act 2005 and Managing Public Money;
- inquired of management, the Commission's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Commission for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Commission's framework of authority and other legal and regulatory frameworks in which the Commission operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Commission. The key laws and regulations I considered in this context included Gambling Act 2005 and Managing Public Money.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of fraud in revenue recognition, through my assessment of the design and implementation of controls over invoice raising, the new licence awards in year; and testing the appropriateness of revenue transactions.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and external specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date

Comptroller and Auditor General

9 September 2024

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial statements

Statement of comprehensive net expenditure

(SoCNE) for the year ended 31 March 2024

	Notes	2023 - 2024 £'000	2022 - 2023 £'000
Income			
Licence fee income	5b	25,825	25,703
Other income	5c	357	387
Total Operating Income		26,182	26,090
Expenditure			
Staff costs	4a	(23,309)	(19,021)
Other expenditure	4b	(16,013)	(20,987)
Provision release	4c	24	-
Interest cost on pensions liability	4c	(7)	(3)
Depreciation and amortisation	4c	(369)	(38)
Right of use asset depreciation	4c	(740)	(856)
Total Operating Expenditure		(40,414)	(40,905)
Net Operating Expenditure		(14,232)	(14,815)
Interest received	5b	629	457
Finance costs	4b	(50)	(10)
Finance expense	4b	(29)	(20)
Corporation tax	4b	(177)	(87)
Net expenditure for the year		(13,859)	(14,475)
Other comprehensive expenditure			
Actuarial Gain / (Loss) on pension scheme liabilities		(3)	23
Comprehensive net expenditure for the year		(13,862)	(14,452)

The notes on pages 128 to 168 form part of these accounts

The Commission receives GIA funding to cover National Lottery expenditure. GIA is treated as a financing transaction rather than revenue and is taken directly to reserves.

Statement of financial position

For the year ended 31 March 2024

	Notes	31 March 2024 £'000	Restated 31 March 2023 £'000
Non-current assets			
Property, plant and equipment	6	1,086	1,057
Right of use Assets	7	1,418	2,158
Intangible assets	8	315	184
Total non-current assets		2,819	3,399
Current assets			
Trade and other receivables	11	1,405	11,134
Cash and cash equivalents	10	31,132	30,051
Total current assets		32,537	41,185
Total assets		35,356	44,584
Current liabilities			
Trade and other payables	12a	17,656	26,787
Provisions	13	1,547	1,542
Retirement benefit obligations	14	19	18
Lease Liabilities	15	748	757
Total current liabilities		19,970	29,104
Total assets less current liabilities		15,386	15,480
Non-current liabilities			
Deferred Income	12 b	625	566
Lease Liabilities	15	1,013	1,735
Retirement benefit obligations	14	150	159
Total non-current liabilities		1,788	2,460
Total assets less total liabilities		13,598	13,020
Taxpayers' equity			
General Fund Reserve		13,767	13,197
Pension scheme Reserve		(169)	(177)
Total equity		13,598	13,020

Year ending 31 March 2023 numbers restated for Trade receivables and Trade Payables, further information is included in Note 2 of the accounts.

The notes on pages 128 to 168 form part of these accounts

A handwritten signature in black ink, appearing to read 'A Rhodes'.

Andrew Rhodes

Chief Executive and Accounting Officer

Gambling Commission

5 September 2024

Statement of cash flow
for the year ended 31 March 2024

	Notes	£'000	Restated £'000
Cash flows from operating activities			
Net Operating Expenditure	SoCNE	(14,232)	(14,815)
<u>Adjustments for non-cash transactions expenditure</u>	4c	1,092	897
<u>Trade and other receivables - (Increase)/Decrease in trade and other receivables</u>	11	9,729	9,122
<u>Trade and other payables - Increase/(Decrease) in trade payables</u>	12a, 12b	(9,072)	(14,077)
<u>Adjustments for Corporation Tax</u>	4b	(177)	(87)
<u>Use of provisions - utilised in year</u>	13	-	(138)
<u>Pension schemes</u>			
Unfunded pension scheme - payments	14	(18)	(16)
Net cash inflow/(outflow) from operating activities		(12,676)	(19,114)
Cash flows from investing activities (i.e. that flow through the balance sheet)			
<u>Purchase of property, plant and equipment and Right of Use assets</u>			
Additions	6&7	(531)	(317)
Interest Received	5b	629	457
Net cash inflow/(outflow) from investing activities		98	140
Cash flows from financing activities			
Grant in aid received from DCMS	20	14,440	22,557
Lease liability payments	15	(781)	(857)

Net cash inflow/(outflow) from financing activities	13,659	21,700
Net increase/(decrease) in cash and cash equivalents in the period (as calculated above)	1,081	2,726
Cash and cash equivalents at the beginning of the period	10 30,051	27,325
Cash and cash equivalents at the end of the period	10 31,132	30,051

Year ending 31 March 2023 numbers restated for Trade receivables and Trade Payables, further information is included in Note 2, Prior period adjustments.

Statement of changes in taxpayers' equity

for the year ended 31 March 2024

	Notes	Pension scheme reserve s £'000	General fund £'000	Total Reserve £'000
Balance at 31 March 2022		(213)	5,128	4,915
Changes in tax payers' equity				
Other Adjustments				
Grant in aid received from DCMS	20		22,557	22,557
Movements in Reserves				
Actuarial gains/losses	14	23		23
Transfers to / from other reserves		13	(13)	-
Total		36	(13)	23
SoCNE - Retained (Surplus)/Deficit for year			(14,475)	(14,475)
Balance at 31 March 2023		(177)	13,197	13,020
Changes in taxpayers' equity				
Other Adjustments				
Grant in aid received from DCMS	20		14,440	14,440
Movements in Reserves				
Actuarial gains/losses	14	(3)		(3)
Transfers to / from other reserves		11	(11)	-
Total		8	(11)	(3)
SoCNE - Retained (Surplus)/Deficit for year			(13,859)	(13,859)
Balance at 31 March 2024		(169)	13,767	13,598

Notes to the accounts

1. Statement of accounting policies

The policies adopted are in accordance with the International Financial Reporting Standards (IFRS), to the extent that they are meaningful and appropriate in the public sector context, as adopted and interpreted by the FReM.

a) Accounting conventions

These are the accounts for the Commission, covering the twelve months from 1 April 2023 to 31 March 2024. They have been prepared in a form directed by the Secretary of State for DCMS with the approval of HM Treasury, in accordance with Schedule 4 of the [Gambling Act 2005](#) (The Act). A copy of the accounts direction can be obtained from the Commission. The particular policies adopted by the Commission are described in this section and have been applied consistently during the year. No new accounting standards have been adopted during the year.

b) Non-current assets

Non-current asset purchases are capitalised if the original purchase price of an item or group of related items is £2,500 or more and the asset or group of assets has a useful life that exceeds one year. Purchased software licences are classified as intangible assets.

Valuation of non-current assets

The value of the Commission's property, plant and equipment, right of use assets and intangibles are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence or legal or other limits on the use of an asset.

Extension options

At lease commencement the Commission makes a decision as to whether it is reasonably certain to be exercising break clauses and extension options. This judgement impacts the length of the lease term rather than the lease liabilities and right of use assets. This is reviewed if there is a

significant event or significant change of circumstances during 2023 to 2024.

Depreciation and amortisation

Depreciation and amortisation are provided on all non-current assets on a straight-line basis to write off the cost or valuation evenly over the asset's currently anticipated life as shown in the following table;

Anticipated life of assets

Asset	Anticipated life
IT Hardware	4 years
IT Software Licences	Over the life of the licence
IT Developed Software	5 years
Furniture, fixtures and fittings	10 years
Equipment	7 years
Telecoms	7 years
Motor Vehicles	4 years
Right of use asset	Over the life of the lease

Depreciation and amortisation are charged in full in the month following acquisition of the asset, with no charge being made in the month of disposal. No amortisation is charged on software development until the asset is completed and about to be used.

Property, plant and equipment

Property, plant and equipment is stated at depreciated historic cost as a proxy for fair value. All of the Commission's assets are short life assets (less than 10 years) and therefore depreciated historic cost is not considered to be materially different from fair value. A review of property, plant and equipment is undertaken annually to ensure that all items are still in use and that disposals have been appropriately treated through the year.

Property leases assessed for IFRS 16 Right of use assets are valued using a cost model which has been used as a proxy for current value as the underlying asset value of the short lease is unlikely to fluctuate significantly.

Annual reviews are also undertaken to identify any impairment of assets in accordance with the IAS 36. Any gain or loss arising from the disposal of property, plant and equipment is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the SoCNE account as other income or other expenditure.

Intangible assets

The Commission's intangible assets are recorded in accordance with IAS 38. IAS 38 sets out the criteria for recognising and measuring intangible assets and requires disclosures about them. An intangible asset is an identifiable non-monetary asset without physical substance. Such an asset is identifiable when it is separable, or when it arises from contractual or other legal rights.

Under IFRS software development is classified as an intangible asset. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the Commission intends to complete the asset and sell or use it
- the Commission has the ability to sell or use the asset
- the intangible asset will generate probable future economic or service delivery benefits, for example there is a market for it or its output, or where the asset is to be used for internal use, the usefulness of the asset can be determined
- there are adequate financial, technical and other resources available to the Commission to complete the development and sell or use the asset
- the Commission can measure reliably the expenses attributable to the asset during development.

Internal staff costs that have been directly incurred in the implementation of capital projects are identified as capital expenditure, provided that they satisfy the conditions of IAS 38. Research costs have not been capitalised.

Software purchases that have not required development prior to completion are identified as additions within the category software in the intangible fixed asset note.

In accordance with the FReM, all intangible assets are carried at fair value. Depreciated historical cost is used as a proxy for fair value, which is considered not to be materially different from fair value.

c) Provisions, Contingent Liabilities and Contingent Assets

Provisions are assessed according to International Accounting Standards (IAS) 37 guidance, ensuring a legal or constructive obligation exists at the balance sheet date, which have a probable outflow of economic resources and can be measured reliably.

Provisions and contingent liabilities are measured at the best estimate (including risk and uncertainties) of the expenditure required to settle the present obligation and reflects the present value of expenditure required to settle the obligation where the time value of money is material.

Unquantifiable contingent liabilities cannot be measured as it is not possible to obtain a reliable estimate, due to the nature, scope, range and scale of possible scenarios that might occur. These contingent liabilities are treated as unquantifiable.

A contingent asset is included where a possible asset is identified in line with IAS 37. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

d) Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a defined benefit scheme and is unfunded and contributory.

The Commission recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis.

Upon the merger between the Commission and the National Lottery Commission, the Commission inherited a pension liability for the former Director General of the Office of the National Lottery (OFLOT). This pension is an unfunded defined benefit scheme which has benefits by

analogy to the PCSPS and is paid directly from the Commission's own funds. In 2001, upon the recipient reaching retirement age, pension payments commenced. This was calculated using actuarially assessed assumptions at 31 March 2024.

e) Leases

Under IFRS 16, the Commission has categorised all leases as right of use leases, with the exception of those leases which are exempt either by having less than 12 months to run from 31st March 2024 or are considered low value (less than £5,000).

Rentals due under leases are charged over the lease term on a straight-line basis, or on the basis of actual rental payable where this fairly reflects usage.

f) Right of use assets

The definition of a lease has been updated under IFRS 16, and there is more emphasis on being able to control the use of the asset identified in a contract. There are new requirements for variable lease payments such as RPI/CPI uplifts, and there is an accounting policy choice allowable to separate non-lease components.

At inception of a contract, the Commission assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Commission assesses whether:

- the contract involves the use of an identified asset
- the Commission has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use
- the Commission has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Commission allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

The Commission assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. The Commission reassesses this if there are significant events or changes in circumstances that were unanticipated.

As a lessee

Right of use assets

The Commission recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates
- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the lease term.

The Commission applies IAS 36 Impairment of Assets to determine whether the Right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury.

The lease payment is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the Commission's estimates of the amount expected to be payable under a residual value guarantee, or if the Commission changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Commission is reasonably certain to exercise, lease payments in an optional renewal period if the Commission is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Commission is reasonably certain not to terminate early.

When the lease liability is remeasured a corresponding adjustment is made to the right of use asset or recorded in the SoCNE if the carrying amount of the right of use asset is zero.

The Commission presents right of use assets that do not meet the definition of investment properties per IAS40 as Right of use assets on the Statement of Financial Position. The lease liabilities are included within current and non-current liabilities on the Statement of Financial Position.

g) Impairment of intangibles, property plant and equipment

Each year, the Commission reviews the carrying amount of its intangible assets, property, plant and equipment to determine whether there is any indication that its assets have suffered any impairment in value. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. The assets' residual values and useful lives are reviewed and adjusted if appropriate. The recoverable amount is the higher of the fair value less costs to sell and the value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment is immediately recognised as an expense.

h) Employee costs

Under IAS 19 Employee Benefits legislation, all employee business or employment related costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave as at the year end.

Permanent and short-term employee costs are presented in accordance with IAS19. Permanent and short-term employees are identified as follows:

- permanent employees are those with a permanent (UK) employment contract with the Commission
- short-term employees are other employees engaged on the objectives of the entity (for example, short-term contract employees, agency/temporary employees, locally engaged employees overseas and inward secondments where the entity is paying the whole or the majority of their costs).

i) Value Added Tax

The Commission is not registered for VAT and therefore all costs are shown inclusive of VAT where VAT has been incurred.

j) Licence fee receipts and fee income recognition

Income is recognised in line with IFRS 15 principles. In practice there has been no change in recognition from the policy followed under IAS 18.

The Commission collects fee income in relation to the Gambling Act 2005. The Commission recognises income in the following way:

- **Operator licence application fees**
 - Income is recognised in full when the operator licence is issued.
- **Operator licence annual fees**
 - Income is recognised equally over the duration of the licence.
- **Personal licence fees**
 - 60 per cent of the application income received is recognised when the licence is issued (to reflect the application costs).
 - The remaining 40 per cent is recognised equally over the duration of the licence (i.e. 5 years).

- 35 per cent of the maintenance renewal income received is recognised when the licence is issued (to reflect the renewal costs).
- The remaining 65 per cent is recognised equally over the duration of the licence (i.e. 5 years).

k) Financing grant-in-aid

The Commission receives Grant In Aid funding for National Lottery operations. In accordance with the FReM, Grant In Aid is treated as a financing transaction rather than as revenue as it is a contribution from a controlling entity.

l) Reserves

The Commission holds reserves as a matter of prudent financial management, principally so that it can fund legal action in furtherance of its regulatory objectives, manage short-term fluctuations in its licensing income and provide for foreseeable but not yet certain liabilities such as other provisions. This also allows the Commission to manage its in year financial position accurately. Following an update to our Reserves Policy within 2022 to 2023, the Commission calculates that reserves of £7 million meet this requirement. The Commission has built further reserves to fund an expansion of activities during the period 2024 to 2026. As an arms-length body, the Commission does not hold reserves to cover terminal liabilities as these would be met by DCMS.

m) Functional and presentational currency

The Commission's functional and presentational currency is sterling. The very small number of transactions denominated in a foreign currency have been translated into sterling at the exchange rate ruling on the date of the transaction. Any exchange rate gains or losses are recognised in the appropriate period.

n) Corporation Tax

The Commission is registered with HMRC to pay Corporation Tax on interest received on cash balances held in the bank.

o) Segmental reporting

The Commission operates in three distinct material segments:

- to regulate commercial gambling,
- to regulate the current National Lottery,
- to commission the fourth National Lottery.

All three segments fall within one main geographical segment, the UK. The Commission has distinct sources of income for the three segments: licence fees for gambling regulation, GIA for National Lottery regulation, and also GIA to fund National Lottery Commissioning. Each segment is accounted for separately within the procurement and finance systems apart from cross charges.

Staff and non-staff cross charges are calculated as part of the budget (Business priorities) process, costs are approved by the Executive Team and recognised monthly in the Financial Accounts based on the forecast.

At the year-end, a reconciliation of forecast to actuals is completed and actual expenditure incurred is used for cross charging. The segmental reporting format in Note 3, Statement of operating costs by operating segment reflects the Commission's management and internal reporting structure.

p) Cash and cash equivalents

The Commission's cash deposits are held with a single commercial bank, and with the Government Banking Service.

q) Treatment of penalty packages

Section 121 of the Gambling Act 2005 provides that the Commission may require the holder of an operating licence to pay a penalty if the Commission determines that a condition of the licence has been breached.

The Commission may impose a financial penalty following a review under section 116(1) or (2) of the Act. The Commission also has the power to impose a financial penalty without carrying out a licence review. Once a financial penalty has been imposed, the Commission pays received monies into a Consolidated Fund, once it has deducted its costs and a reasonable share of its expenditure, as set out at section 121(5)(c).

Where the Commission has issued a penalty in respect of a regulatory failing or breach, in the majority of cases the penalty is paid directly to a benefactor (where a benefactor has been identified) or to a nominated responsible gambling charity. The Commission only recovers any direct

costs as a result of undertaking the investigation or the imposition and enforcement of the penalty. The amounts retained by the Commission are shown within the accounts as other income.

In the event that a fine is issued for a regulatory breach, the Commission will collect the fine and pay it to the Consolidated Fund having deducted the costs of its investigation under the principle above.

Cost recovery or amounts due to be passed over to the Consolidated Fund at the year end are shown within Note 5(d), Consolidated Fund Income.

The Commission's approach to the impairment of financial assets is to provide for expected credit losses on trade receivables relating to the Consolidated Fund as described by IFRS 9. This requires the use of lifetime expected credit loss provisions for all trade receivables. These provisions are based on an assessment of risk of default and expected timing of collection, and an allowance for loss is made for potentially impaired receivables during the year in which they are identified based on a periodic review of all outstanding amounts. Allowance losses are recorded within Consolidated Fund receivables in Note 11, Trade and other receivables, when there is objective evidence that an asset is impaired.

In line with FReM 11.3.9, since the Commission acts as a principal for the collection of fines and penalties and since they do not produce a separate trust statement then the collection of fines and penalties is set out in note 5, Income cash receipts. This note details the amounts collected, surrendered and the amounts receivable and payable at the end of the reporting period. No income is included in its statement of income and expenditure other than the costs of collection.

r) Treatment of Economic Crime Levy (ECL)

From 1 April 2023, the Commission collects the ECL from licensed casino operators. The ECL is an annual charge on entities that are supervised under the Money Laundering Regulations (MLR) and whose UK revenue exceeds £10.2 million per year.

The ECL is being collected by three public bodies. These are:

- Financial Conduct Authority
- HMRC
- Gambling Commission (the Commission).

The amount payable will be determined by reference to their size based on their UK revenue from accounting periods ending in that year. Amounts will be payable by 30 September following the end of each financial year.

The Commission acts as an agent for the collection of the levy and does not include the amounts relating to these payments in the financial statements.

In line with the Finance Act Section 59.2 a deduction for reasonable administrative costs associated with the exercise of this function is included within Other Income.

s) Going concern

The financial statements have been prepared on a going concern basis. As a statutory body created under the Gambling Act 2005 we anticipate continuing to provide a statutory service in the future. The Gambling Act Review White Paper was published on 27 April 2023, and the Commission has a key role to play in supporting the delivery of proposals. The Gambling Act Review White Paper doesn't propose any legal changes to the Commission body itself; the proposal is that it continues in its current form delivering existing and new functions under the White Paper if it becomes legislation. We have also confirmed GIA financing for 2024 to 2025 to continue our work on regulation of the National Lottery and Fourth National Lottery (HM Treasury approval is required under legislation). As such the accounts have been prepared on a going concern basis.

t) Accounting standards that have been issued but not yet adopted

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 is also applied.

2. Prior period adjustments

The accounting treatment for the collection of the Economic Crime Levy was reassessed in June 2024 and it was determined that the Commission act as an agent rather than a principal in the collection of the levy. The transaction is therefore not recorded in the financial statements, but is disclosed within Note 5(d), Consolidated Fund Income. This has resulted in a material adjustment to remove the year-end accrual from the balance as at 31 March 2023. It is noted that cash recoveries only commenced in the current financial year.

As the cash recoveries are not recognised as revenue and paid across to the Consolidated Fund, an adjustment to the SoCNE is not required.

Description	As previously £'000	Adjustment £'000	Restated amount £'000
Statement of financial position as at 31 March 2023			
Current Receivables			
Consolidated Fund Receipts Due	11,132	(1,594)	9,538
Current Payables			
Consolidated Fund Payables	(11,058)	1,594	(9,464)

3. Statement of operating costs by operating segment

a) Statement of comprehensive net expenditure by operating segment as at 31st March 2024

	31 March 2024				Restated 31 March 2023			
	Gambling operations £'000	National Lottery operations £'000	National Lottery Competition £'000	Total £'000	Gambling operations £'000	National Lottery operations £'000	National Lottery Competition £'000	Total £'000
Total Income	21,707	-	4,475	26,182	26,090	-	-	26,090
Expenditure								
Staff Costs	(18,455)	(1,999)	(2,855)	(23,309)	(13,966)	(1,874)	(3,181)	(19,021)
Other expenditure	(1,531)	(304)	(14,178)	(16,013)	(4,589)	(547)	(15,851)	(20,987)
Provision release	24	-	-	24	-	-	-	-
Interest cost on pensions liability	-	(7)	-	(7)	-	(3)	-	(3)
Depreciation and amortisation	(369)	-	-	(369)	(34)	(4)	-	(38)
Right of use asset depreciation	(740)	-	-	(740)	(737)	-	(119)	(856)
Total Expenditure	(21,071)	(2,310)	(17,033)	(40,414)	(19,326)	(2,428)	(19,151)	(40,905)
Net Operating Expenditure	636	(2,310)	(12,558)	(14,232)	6,764	(2,428)	(19,151)	(14,815)

Interest and finance costs	373	-	-	373		287	-	53	340
Net Operating Expenditure after interest and finance costs	1,009	(2,310)	(12,558)	(13,859)		7,051	(2,428)	(19,098)	(14,475)
Other Comprehensive Expenditure									
Actuarial Gain / (Loss) on pension scheme liabilities	-	(3)	-	(3)		-	23	-	23
Comprehensive expenditure for the year	1,009	(2,313)	(12,558)	(13,862)		7,051	(2,405)	(19,098)	(14,452)

Year ending 31 March 2023 numbers restated

3b) Statement of financial position by operating segment as at the 31st March 2024

		31 March 2024				Restated 31 March 2023			
		Gambling operations £'000	National Lottery operations £'000	National Lottery Competition £'000	Total £'000	Gambling operations £'000	National Lottery operations £'000	National Lottery Competition £'000	Total £'000
Non-current assets		2,819	-	-	2,819	3,399	-	-	3,399
Current assets		32,536	1	-	32,537	40,751	434	-	41,185
Total assets		35,355	1	-	35,356	44,150	434	-	44,584
Current liabilities		19,872	25	73	19,970	28,993	38	73	29,104
Non-current liabilities		1,637	151	-	1,788	2,301	159	-	2,460
Total liabilities		21,509	176	73	21,758	31,294	197	73	31,564
Assets less liabilities		13,846	(175)	(73)	13,598	12,856	237	(73)	13,020

Year ending 31 March 2023 numbers restated

4. Expenditure

4a) Staff costs

Staff Costs	2023-24 £'000	2022-23 £'000
Wages and Salaries	17,076	13,743
Social Security Costs	1,854	1,599
Other Pension Costs	4,379	3,679
Total	23,309	19,021

2023 to 2024 includes redundancy and other departure costs totalling £0.083 million compared to £0.146 million paid in 2022 to 2023.

Further analysis of staff costs is in the Remuneration and Staff Report.

4b) Other expenditure

Description		2023-24 £'000	2022-23 £'000
Accommodation		785	833
Professional fees	1	9,561	8,470
Consultancy Costs	2	88	189
External Legal Fees	3	354	7,332
Travelling and subsistence		242	143
Agency Staff		565	102
Other staff costs		199	136
Recruitment, training and development		778	303
Office services		1,879	1,631
External audit fee	4	140	106
Internal audit costs		193	128
Research costs	5	1,124	1,407
Other costs		105	207
Other expenditure		16,013	20,987
Finance costs	6	50	10
Finance expense	7	29	20
Corporation Tax	8	177	87
Total other expenditure		16,269	21,104

¹ Professional fees totalling £9.56m (2022 to 2023 £8.47m). £9.20m relates to increased costs for the National Lottery Competition for ongoing project costs, of which £9.18m relates to Transition costs, £0.02m for other Professional Fees.

² Consultancy costs totalling £0.09m (2022 to 2023 £0.19m), £0.01m relates to costs for the National Lottery. Decrease compared to 2022 to 2023 due to a contract with Rothchild concluding in 2022.

³ Legal costs totalling £0.35m, which includes legal costs of £4.38m related to ongoing litigation costs for the National Lottery Competition less recovery of legal costs of £4.475m (2022 to 2023 £7.33m). £2.94m was spent with Hogan Lovells International LLP and £1.29m with Capital Law LLP

⁴ The external audit fee of £140k represents the cost of the audit of the accounts carried out by NAO. No non-audit work was undertaken by the NAO during the year. The external audit fee for 2023 to 2024 is £95k (2022 to 2023 £106k). Costs includes £45k for additional fees relating to the 2022 to 2023 audit.

⁵ Research costs includes costs associated with prevalence studies into gambling and £724k with NatCen for Gambling Survey – Research pilot. This totalled £1,124k in 2023 to 2024 (2022 to 2023 £1,407k). This also includes National Lottery research costs totalling £113k in 2023 to 2024 (2022 to 2023 £114k).

⁶ Finance costs of £50k (2022 to 2023 £10k) relate to Interest on lease liabilities. 2022 to 2023 includes a credit of £56k due to the Bloomsbury lease which ended in November 2022, comparatively reducing this compared to 2023 to 2024.

⁷ Finance expense of £29k (2022 to 2023 £20k) relating to the unwinding of discounts of provisions (see note 13, Provisions and Charges).

⁸ Corporation tax expense of £177k (2022 to 2023 £87k) relating to tax on interest receivable (see note 5b, Gambling Act 2005 income recognised). Interest received on fee income has significantly increased during 2023 to 2024 due to the increases in Bank of England rates during the year.

4c) Non-cash items

The following figures are from the SoCNE and Statement of Changes in Taxpayers Equity.

Description	2023-24 £'000	2022-23 £'000
Depreciation of property, plant and equipment	500	(101)
Amortisation of intangibles	(131)	139
Depreciation of Right of use assets	740	856
Non-cash operating expenditure	1,109	894
Interest cost on pension scheme liability	7	3
Non-cash expenditure	7	3
Legal provisions	(24)	-
Provisions released	(24)	-
Total Non-cash transactions	1,092	897

5. Income cash receipts

5a) Gambling Act 2005 Licence Revenue

This note is to show the fee cashflow during the year, prior to recognition under IFRS 15:

Description	2023-24 £'000	2022-23 £'000
Operator licence applications		
Application fees	1,067	1,754
Annual fees	25,039	24,082
Personal licence applications	791	761
Total fee income received	26,897	26,597
Interest on fee income	629	457
Total	27,526	27,054

5b) Gambling Act 2005 income recognised

Fees payable under the Act are identified by income stream and released to the Commission's SoCNE in accordance with the Commission's Financial and Accounting Policy.

Recognised fee income is included within the SoCNE as 'Licence Fee income'.

Gambling Act 2005 fee income recognised in the year is as follows:

Description	2023-24 £'000	2022-23 £'000
Operator licence applications		
Application fees	1,209	2,051
Annual fees	23,865	22,894
Personal licence applications	751	758
Total fee income	25,825	25,703
Interest received ¹	629	457
Total	26,454	26,160

¹ Interest received on fee income has significantly increased during 2023 to 2024 due to the full year effect of increases in Bank of England rates during the previous year.

5(c) Other income

Other income collected during the year relates to desk rental, contributions to costs arising from enforcement action and collection of the ECL.

Description	2023-24 £'000	2022-23 £'000
Other income	357	387
Total other income	357	387

5 (d) Consolidated Fund income

The Commission held the following balances on behalf the Consolidated Fund as at 31 March 2024.

Description	Fines and Penalties	ECL	Total 2023-24	Restated 2022-23
	£'000	£'000	£'000	£'000
Fines and penalties issued during the year	7,156		7,156	20,921
Other income		1,940	1,940	
Less:				
Costs of collection	(47)	(178)	(225)	(253)
Uncollectable debts	(2,310)		(2,310)	(2,135)
Amount payable to the Consolidated Fund	4,799	1,762	6,561	18,533
Balance held at the start of the year	11,599		11,599	22,324
Payments into the Consolidated Fund	(16,398)	(1,604)	(18,002)	(31,393)
Balance held on trust at the end of the year	0	158	158	9,464

Year ending 31 March 2023 numbers restated

Fines and penalties income

As per the FReM (11.3.9), fines and penalties are recognised at the time that the fine or penalty is imposed and becomes receivable by the entity and should be disclosed as the total amount payable to the Consolidated Fund at the point the enforcement notice is raised and then derecognised if the penalty is appealed successfully.

As set out in Note 1(q), Statement of accounting policies, Treatment of penalty packages, income payable to the Consolidated Fund does not form part of the SoCNE. There was no amount payable for fines and penalties at the 31 March 2024 (2022 to 2023 £9.46m).

Allowances for bad debts

Due to the impacts on trading during the COVID-19 pandemic, the Commission provided extended payment terms for some fines to be paid by operators. All fees must be paid on or before the date prescribed to prevent being in breach of the payment agreement. Failure to pay will result in interest charges. Interest accrues and shall be payable by Operators on any part of the financial penalty that is not paid at the rate of 2.5 per cent per annum above Bank of England base rate until the date of payment. Historically, payment plans have not been required and fines and penalties were considered to be non-complex financial assets which were low risk of not being paid.

As per IFRS 9 Financial Instruments, the Commission's Impairment Policy is to provide for expected credit losses on trade receivables relating to the Consolidated Fund. This requires the use of lifetime expected credit loss provisions for all financial penalties issued. These provisions are based on an assessment of risk of default and expected timing of collection, and an allowance for loss is made for potentially impaired receivables during the year in which they are identified based on a periodic review of all outstanding amounts.

Significant areas of judgement

There is uncertainty in the estimate of the amount to be realised by the Commission from outstanding Consolidated Fund Receivables. This estimate is based on historic recovery data and data gathered from similar companies. In line with IFRS 9, Consolidated Fund debts have been grouped into similar types, in this case preferential or non-preferential claims against the insolvency. Analysis of historic trends of recovery of these types of debts has revealed that the best estimate of recovery is 0 per cent for non-preferential, and 35 per cent for preferential.

Expected credit losses are recorded within Consolidated Fund receivables in Note 11, Trade and other receivables. Before there is objective evidence that an asset is impaired, it is an estimate of future loss including where impairment events have yet to happen.

During 2023 to 2024 a review of Consolidated Fund aged receivables determined two doubtful debts which are being pursued via the courts, an Impairment allowance has been adjusted in year.

Economic Crime Levy recovery of costs of collection

The Commission collects the Economic Crime Levy on behalf of HM Treasury, as set out in Note 1(r), Treatment of Economic Crime Levy (ECL). The cost of administration can be recovered from the Levy, at 31 March 2024 the amounts were £0.178m (2022-23 £0.253m).

6. Property, Plant and equipment

Description	Information Technology	Furniture & fittings	Plant & machinery	Assets under the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost/valuation					
At 1 April 2023	3,280	2,254	185	111	5,830
Additions	481	9	-	41	531
Disposals	(1,815)	-	(179)	-	(1,994)
Reclassification*	3	3	(6)	-	-
Assets brought into use	111	-	-	(111)	-
At 31 March 2024	2,060	2,266	-	41	4,367
Accumulated depreciation					
At 1 April 2023	2,742	1,847	184	-	4,773
Charged in year	359	141	-	-	500
Disposals	(1,813)	-	(179)	-	(1,992)
Reclassification*	2	3	(5)	-	-
At 31 March 2024	1,290	1,991	-	-	3,281
Carrying value at 31 March 2024	770	275	-	41	1,086
Carrying value at 31 March 2023	538	407	1	111	1,057

* Reclassification relates to an adjustment within the year to correct prior year postings, where fixed asset additions were allocated incorrectly.

Description	Information Technology	Furniture & fittings	Plant & machinery	Assets under the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost/valuation					
At 1 April 2022	2,874	2,293	185	215	5,567
Additions	196	-	-	111	307
Disposals	-	(44)	-	-	(44)
Assets brought into use	210	5	-	(215)	-
At 31 March 2023	3,280	2,254	185	111	5,830
Accumulated depreciation					
At 1 April 2022	2,473	2,260	185	-	4,918
Charged in year	271	21	-	-	292
Disposals	-	(44)	-	-	(44)
Adjustment *	(2)	(390)	(1)	-	(393)
At 31 March 2023	2,742	1,847	184	-	4,773
Carrying value at 31 March 2023	538	407	1	111	1,057
Carrying value at 31 March 2022	401	33	-	215	649

* During 2022 to 2023 a review of all assets and their remaining useful life resulted in a one-off depreciation adjustment to align assets to the depreciation policy

7. Right of use assets

In accordance with IFRS 16, the Commission has categorised all leases as right of use assets, except for those leases which are exempt either by having less than 12 months to run from 31 March 2024 or are considered low value (less than £5,000).

The right of use asset is recognised as an asset and a corresponding lease liability at the net present value (NPV) of future lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Description	Victoria Square House Land and Buildings* £'000	Bloomsbury Street Land and Buildings £'000	Plant & Equipment £'000	Total £'000
Cost/valuation				
At 1 April 2023	5,094	611	16	5,721
Right of use asset Additions	-	-	-	-
Derecognition of right-of-use assets		(611)	(6)	(617)
At 31 March 2024	5,094	-	10	5,104
Accumulated depreciation				
At 1 April 2023	2,946	611	6	3,563
Charged in year	737	-	3	740
Disposal		(611)	(6)	(617)
At 31 March 2024	3,683	-	3	3,686
Carrying value at 31 March 2024	1,411	-	7	1,418
Carrying value at 31 March 2023	2,148	-	10	2,158

Description	Victoria Square House Land and Buildings £'000	Bloomsbury Street Land and Buildings £'000	Plant & Equipment £'000	Total £'000
Cost/valuation				
At 1 April 2022*	5,094	611	6	5,711
Right of use Additions	-	-	10	10
At 31 March 2023	5,094	611	16	5,721
Accumulated depreciation				
At 1 April 2022*	2,209	493	5	2,707
Charged in year	737	118	1	856
At 31 March 2023	2,946	611	6	3,563
Carrying value as at 31 March 2023	2,148	-	10	2,158
Carrying value as at 31 March 2022	2,885	118	1	3,004

* Right of use asset value for Victoria Square House as at 1 April 2020 includes an adjustment of £358k relating to a brought forward deferred rent release provision. The Commission received a rent-free period during 2015 to 2016; during this time rental charges were accrued, and the cost benefit is being released over the life of the lease.

Victoria Square House:

Following a successful application to the Government Property Agency, the Commission signed a lease for its existing premises in central Birmingham. The lease was signed in May 2015. The lease is for a period of 10 years (with a 5-year break clause) and commenced with effect from February 2016 when the previous lease expired. As at 31 March 2024, the lease at Victoria Square House will continue for an additional 2 years to February 2026.

Bloomsbury Street:

As part of the National Lottery Competition, the Commission entered into an intra-UK government agreement for premises in Bloomsbury Street

London. The lease is for a period of 3 years and commenced with effect from 8 November 2019. The lease ended in November 2022.

Plant & Equipment:

The Commission have entered into a new lease for two photocopiers for the office. The lease is for a period of 3 years and commenced with effect from 24 February 2023. The lease will continue to 23 February 2026.

8. Intangible assets

Description	IT Software £'000	IT Software licences £'000	Websites delivering services £'000	Total £'000
Cost/valuation				
At 1 April 2023	6,534	432	298	7,264
Disposals	(4,314)	(432)	(298)	(5,044)
At 31 March 2024	2,220	-	-	2,220
Accumulated amortisation				
At 1 April 2023	6,356	432	292	7,080
Charge in year	104	-	6	110
Disposals	(4,314)	(432)	(298)	(5,044)
Adjustment *	(241)			(241)
At 31 March 2024	1,905	-	-	1,905
Carrying value at 31 March 2024	315	-	-	315
Carrying value at 31 March 2023	178	-	6	184

* During 2023 to 2024 a review of all assets and their remaining useful life resulted in a one-off depreciation adjustment to align assets to the depreciation policy.

Description	IT Software £'000	IT Software licences £'000	Websites £'000	Total £'000
Cost/valuation				
At 1 April 2022	6,534	432	298	7,264
At 31 March 2023	6,534	432	298	7,264
Accumulated amortisation				
At 1 April 2022	6,228	430	283	6,941
Charge in year	128	2	9	139
At 31 March 2023	6,356	432	292	7,080
Carrying value at 31 March 2023	178	0	6	184
Carrying value at 31 March 2022	306	2	15	323

9. Financial instruments

IFRS 7 and IFRS 9 (Financial Instruments: Disclosures) establishes principles for the presentation, recognition and measurement, and disclosure of financial instruments as liabilities or equity.

In accordance with IFRS 7 and IFRS 9, the carrying values of short-term assets and liabilities (at amortised cost) are not considered different to fair value.

The Commission is not exposed to the degree of financial risk faced by commercial entities, because of the way that it is funded.

Financial instruments also play a more limited role in creating or changing risk than would be typical of financial entities, to which these standards mainly apply.

The Commission has obtained consent from its sponsoring department to place surplus funds on bank deposit. It would also require consent from DCMS prior to acquiring financial instruments or borrowings.

Currency risk

The Commission is a domestic organisation with the great majority of transactions, and all assets and liabilities being in the UK and denominated in sterling. The Commission has no overseas operations. The Commission therefore is not exposed to currency rate fluctuations.

Interest rate risk

Other than right of use assets, the Commission has no borrowings and therefore is not exposed to interest rate risk.

Credit risk

The Commission does not provide credit arrangements for the payment of licence fees by the industry. All fees must be paid on or before the date prescribed, to prevent a breach of the licence and the licence being revoked. As the Commission relies on fees receivable from the gambling industry (payable immediately) and departmental GIA for specific projects, the Commission has very low exposure to credit risk.

Due to the impacts on trading during the COVID-19 pandemic, the Commission provided credit arrangements for some fines to be paid by operators. All fees must be paid on or before the date prescribed to prevent being in breach of the payment agreement, failure to pay will result in interest charges. Interest shall accrue and shall be payable by operators on any part of the financial penalty that is not paid at the rate of 2.5 per cent per annum above Bank of England base rate until the date of payment. Historically, payment plans have not been required and fines and penalties were considered to be non-complex financial assets which were low risk of not being paid.

In accordance with IFRS9 Financial Instruments, an impairment review is carried out regularly to assess these assumptions.

Where fines and penalties are uncollectible or, for policy reasons, (other than the imposition of an alternative penalty), the Commission decides that it is inappropriate to pursue collection, the amounts not collected are recorded as an expense. The amounts not collectible are estimated from the most appropriate data available to the Commission.

Liquidity risk

Other than right of use assets, the Commission has no borrowings and relies on fees receivable from the gambling industry and departmental GIA for its cash requirements; therefore the Commission is exposed to minimal liquidity risk.

(i) Financial assets and financial liabilities

<u>Financial assets</u>	Type of financial asset £'000	2023-24 £'000	Restated 2022-23 £'000
Cash and cash equivalents	Amortised cost	31,132	30,051
Trade and other receivables	Amortised cost	489	9,794
Deposits	Amortised cost		
Loans	Amortised cost	29	6
Contract assets	Amortised cost		
Total financial assets		31,650	39,851
<u>Financial liabilities</u>	Type of financial asset £'000	2023-24 £'000	Restated 2022-23 £'000
Trade and other payables, including Consolidated Fund	Amortised cost	(1,334)	(10,130)
Lease liability	Amortised cost	(1,761)	(2,492)
Contract liabilities	Amortised cost		
Total financial liabilities		(3,095)	(12,622)
Total		28,555	27,229

Year ending 31 March 2023 numbers restated

Definitions under IFRS 9:

Financial assets measured at amortised cost.

Held in a business model whose objective is to hold assets to collect contractual cash flows only (for example, a simple debt instrument not classified at fair value).

10. Cash and cash equivalents

Description	As at 31 st March 2024 £'000	As at 31 st March 2023 £'000
Balance at 1 April	30,051	27,325
Net change in cash and cash equivalent balances	1,081	2,726
Balance at 31 March	31,132	30,051
The following balances at 31 March were held at:		
Government Banking Service	20,537	20,059
Commercial banks and cash in hand	10,595	9,992
Balance at 31 March	31,132	30,051

The majority of the Commission's cash and cash equivalent balances are held with the Government Banking Service apart from £10,595k (2022 to 2023 £9,992k) which is held with commercial banks or as cash in hand.

11. Trade and other receivables

Description	As at 31 st March 2024 £'000	Restated As at 31 st March 2023 £'000
Trade and receivables	489	256
Consolidated Fund receipts due	1	0
Deposits and advances	29	6
Accrued income	2	88
Prepayments	799	735
Balance at 31 March	1,405	11,134

Year ending 31 March 2023 numbers restated for Consolidated Fund receivables, further information is included in Note 2 of the accounts.

¹ During 2023 to 2024 a review of Consolidated Fund aged receivables determined two doubtful debts which are being pursued via the courts, an Impairment allowance has been recognised in year. Consolidated Fund receipts due total £2.31m all of which is fully impaired. Allowance losses are recorded within note 5(d): Consolidated Fund Income, before there is

objective evidence that an asset is impaired, it is an estimate of future loss including where impairment events have yet to happen.

² Accrued income includes £88k (2022 to 2023 £166k) for interest received April 24 relating to March 24.

12. (a): Trade and other payables

Amounts falling due within one year

Description		2023-24 £'000	Restated 2022-23 £'000
Trade and other payables		1,054	476
Consolidated fund payables	1	158	9,464
Other taxation and social security		960	832
Staff Holiday Pay Accrual		88	162
Other payables	2	122	190
Accruals	3	1,320	2,106
Fees received in advance		-	380
Deferred Income	4	13,954	13,177
Balance at 31 March		17,656	26,787

Year ending 31 March 2023 numbers restated for Consolidated Fund payables, further information is included in Note 2 of the accounts.

¹ Consolidated fund payables, see note 5(d) for further details.

² Other payables 2023 to 2024 includes £104k which is payable to operators for refunds in Q1 2024 to 2025

³ 2023 to 2024 Accruals includes £460k (£340k for legal fees and £120k for secondments and subcontractors) for the 4th National Lottery licence. Accruals have reduced in 2023 to 2024 from 2022 to 2023 by £0.786m due to 4th National Lottery Licence expenditure being lower as the competition award was made in February 2024.

⁴ The Commission holds total deferred income balances of £14,579k (£13,743k in 2022 to 2023).

These relate to:

- Licence fees received, due to be released to income within one year of £13,954k (£13,177k in 2022 to 2023).
- Licence fees received, due to be released to income after one year of £625k (see Note 12b) (£566k in 2022 to 2023).

12. (b): Amounts due after more than one year

Description	2023 - 24 £'000	2022- 23 £'000
Deferred Income	625	566
Balance at 31 March	625	566

In accordance with IFRS 15, the Commission's deferred income due after more than one year relates to Personal Licence fees paid that are due to be released to income in years 2024 to 2025 onwards.

13. Provisions and charges

Description	Victoria Square House premises dilapidations	Bloomsbury Street service charge	Legal provisions	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April	1,245	73	224	1,542	1,660
Provided in the year	72	-	-	72	-
Provisions not required written back	-	-	(24)	(24)	-
Provisions utilised in the year	-	-	-	-	(138)
Unwinding of discount**	(43)	-	-	(43)	20
Balance at 31 March	1,274	73	200	1,547	1,542
Not later than one year	-	73	200	273	297
Later than one year and not later than five years	1,274	-	-	1,274	1,245
Later than five years	-	-	-	-	-
Balance at 31 March	1,274	73	200	1,547	1,542

Victoria Square House premises – dilapidations

The Victoria Square House lease expires in February 2026, at which point it is the Commission's intention to move premises. The Dilapidations estimate of £1,329k, based on the independent assessments carried out during 2024 on behalf of the Commission has been used as the basis and includes the discounted rate of £1,274k for the valuation as at 31 March 2024. The provision has then been adjusted using PES 2024 inflation and short-term general provision discounting rates. The Commission has prudently included VAT in the estimate due to it not being possible to recover the cost if charged, which is currently uncertain.

Bloomsbury Street premises – service charge

The Bloomsbury Street lease expired on 8 November 2022. The provision of £73k remains for the final closure costs relating to the building.

Legal provisions

As at 31 March 2024, there were legal cases which remained un-resolved, resulting in a provision of £200k (2022 to 2023 £224k) which relates to a data breach incident which occurred in 2021.

** Provisions have been assessed under IAS37 as either having a legal or constructive obligation at the balance sheet date 31 March 2024 and a probable outflow of costs.

14. Retirement benefit obligations

This provision recognises the payments due in respect of a former Chair of OFLOT.

As set out in accounting policy 1d, Statement of accounting policies, Pension costs, for further details refer to the Retirement benefits section of the staff report.

Description	2023 - 24 £'000	2022 - 23 £'000
Balance at 1 April	177	213
Interest cost	7	3
Actuarial loss/gain in the period	3	(23)
Pensions paid in year	(18)	(16)
Balance at 31 March	169	177
Liabilities included in the balance sheet		
Current	19	18
Non-Current	150	159
Balance at 31 March	169	177

The pension liability provision of £169k is split between, liability not later than one year (£19k), and liability greater than one year (£150k).

15. Lease liabilities

Description	Victoria Square House	Plant & Equipment	2023 -24	2022 - 23
	Land and Buildings £'000		Total £'000	Total £'000
Leases under IFRS 16				
Total future lease payments under leases are given in the table below for each of the following periods:				
No later than one year	744	4	748	757
Later than one year and not later than five years	1,009	4	1,013	1,735
Later than five years	-	-	-	-
Balance as at 31 March	1,753	8	1,761	2,492
Lease Liabilities included in the balance sheet				
Current	744	4	748	757
Non-Current	1,009	4	1,013	1,735
Balance as at 31 March	1,753	8	1,761	2,492
Movement in lease during the year				
At 1 April	2,482	10	2,492	3,329
Lease Liability in relation to new leases	-	-	-	10
Interest on lease liabilities - finance costs @ 1.99% ¹	50	-	50	10
Lease rental payments ²	(779)	(2)	(781)	(857)
Balance as at 31 March	1,753	8	1,761	2,492

¹ Interest on lease liabilities – Finance Cost - amounts recognised in SoCNE, a discount rate of **1.99 per cent** per annum has been applied in the calculations of interest on lease liabilities.

² Amount recognised in the Statement of cash flow – total cash outflow for leases

Victoria Square House

The Victoria Square House lease is for a period of 10 years (with a 5-year break clause) and commenced with effect from February 2016 when the previous lease expired. As at 31 March 2024, the lease at Victoria Square House will continue for an additional 2 years to February 2026.

Plant & Equipment: The Commission has entered into a new lease for two photocopiers for the office. The lease is for a period of 3 years and commenced with effect from 24 February 2023. The lease will continue to 23 February 2026.

16. Capital commitments

At 31 March 2024 there were no capital commitments (£0 in 2022 to 2023).

17. Commitments under leases

In accordance with IFRS 16, the Commission has categorised all leases as Right of use assets, with the exception of those leases which are exempt either by having less than 12 months to run from 31 March 2024 or are considered low value (less than £5,000).

Rentals due under leases are charged over the lease term on a straight-line basis, or on the basis of actual rental payable where this fairly reflects usage.

At 31st March 2024 the Commission had no commitments in respect of leases.

18. Contingent Asset

The Commission has settled and recovered the Contingent asset in place at 2022 to 2023. The contingent asset was estimated to be £2.0m however £1.625m was recovered which was offset against legal costs. There are no Contingent assets due to be received for 2023 to 2024.

19. Contingent liabilities disclosed under IAS 37

Gambling Regulation

There is one contingent liability payable on an employment tribunal case by the Commission at the 31 March 2024 £56,200 (£93,000 2022 to 2023).

The contingent liabilities figure has been calculated under the guidance of IAS 37, based on events existing at the balance sheet date.

Fourth National Lottery competition

The Commission considers the liability to be a contingent liability in accordance with IAS 37. Due to the ongoing legal action and complexity of the case, including the varied consequences of multiple possible scenarios and permutations, we are unable to provide reliable financial estimates. Furthermore, there are a number of commercial sensitivities surrounding the legal challenges, and disclosure of further information could be prejudicial to the ongoing case. The liabilities will remain until the legal challenges are settled, because they relate to possible obligations in respect of enduring legal challenges as a result of the Commission's decision.

20. Related party transactions

The Commission is a Non-Departmental Public Body of DCMS, which is funded through the collection of licence fees from the industry and GIA for National Lottery operations. DCMS is regarded as a related party. During the year, the Commission has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department.

Description	National Lottery operation	National Lottery Competition	2023-24	2022-23
	£'000	£'000	Total £'000	Total £'000
GIA for revenue expenditure	2,313	12,558	14,871	22,243
GIA (repaid)/payable relating to 2021 to 2022 ¹	-	-	-	(855)
GIA (repaid)/payable 2022 to 2023 ²	(97)	(862)	(959)	1,169
GIA repayable 2023 to 2024 ³	-	528	528	-
	2,216	12,224	14,440	22,557

In addition, the Commission has had a small number of transactions with other government departments and other central government bodies. These include payments the Commission has made to the Consolidated Fund for the repayment of fines and penalties issued to operators for breach of licence conditions. See Note 5d, Consolidated Fund Income, for further details.

During the year, no Board member, key manager, or other related parties has undertaken any material transactions with the Commission during the year.

All Gambling Commissioners were paid by the Commission. See Remuneration Report for further details.

GIA funding is received on a monthly basis based on forecast expenditure during the next month. Where the expenditure is not required, funds are either returned to DCMS or deducted from future claims. The details on the GIA repayable at year end are provided below

- ¹ During 2022 to 2023, £855k was repaid, which related to 2021 to 2022. GIA was to cover potential litigation costs which did not materialise before 31st March 2022.
- ² Of the GIA received, £959k relating to 2022 to 2023 was repaid during 2023 to 2024. GIA was to cover potential litigation costs which did not materialise before 31st March 2023.
- ³ GIA received during 2023 to 2024 includes £528k which was drawn down to cover potential litigation and other costs which did not materialise before 31st March 2024. This will be repayable as a reduction in 2024-25 payments.

21. Events after the reporting period

The Accounting Officer authorised these financial statements for issue on the date shown on the audit certificate.

There are no post balance sheet events to report since 31 March 2024.

Annex A

A fairer market and more informed consumers	Planned Completion Date	Status
Consumer Awareness Campaign	28/03/2024	Completed
Review and, where necessary, update our approach to tackling non-compliance related to fair and transparent terms and practices including the processing of customer withdrawals.	29/03/2024	Completed
Publish initial outputs from Consumer Voice programme	31/10/2023	Completed

Improving gambling regulation	Planned Completion Date	Status
Intranet Redevelopment	30/11/2023	Completed
Accommodation strategy	29/03/2024	Completed
Internal Risk Management	29/03/2024	Completed
Enhance data services infrastructure	29/03/2024	Completed
Business Continuity Plans	29/03/2024	Completed

Launch our Diversity and Inclusion Strategy	31/07/2023	Completed
Non GAR Consultations: Payment services - Technical update	01/11/2023	Completed
Development of data strategy	09/06/2023	Completed
Publish a corporate strategy for the year 2024 and beyond	29/03/2024	Completed
Implement a new corporate system Finance/HR IT strategy	26/07/2024	On Track
Records & Information Management Structures and Retention Periods	31/12/2024	On Track
Initiate a programme of operational enhancements to our service level provision. (Ops Improvement - Phase 1)	31/12/2024	On Track
Ops continuous improvement (Tech improvement)	30/10/2024	On Track
Developing new pay & rewards framework to incentivise retention and recruitment	30/09/2024	On Track

New Regulatory Returns	19/05/2025	On Track
Explore efficiencies and engage with DCMS on future funding arrangements to ensure regulation remains effective	01/09/2023	Superseded - moved to BAU and incorporated into the 2023 to 2024 budgeting process and medium-term forecast
Internal Governance Structures	29/03/2024	Superseded - Framework documentation work has been superseded by request from Exec team to review use of Exec subgroups to monitor progress on strategy and other key areas eg data governance.
New Case Management System	31/10/2023	Superseded – Duplicated deliverable of "Scope and implement short to medium continuous improvement tech and processes across operations."
GPTW Strategy	17/10/2023	Superseded - Will be incorporated within the wider People Strategy development (aligned to the Corporate Strategy).
Non-GAR consultations Issues to be reviewed on a case-by-case basis and may be allocated a higher priority. Consultations include: - Financial key events reporting	29/03/2024	Missed & Replanned to Next Year - Continue to analyse the responses by going through individual comments. This deliverable is missed and replanned to next year as awaiting a new

- PML/MLRO consultation - Reg Panels consultation		Tranche 1 publication date . SRO working closely with CEO and DCMS to agree a path forward.
--	--	--

Keeping crime out of gambling	Planned Completion Date	Status
Identify and undertake high impact interventions to disrupt unlicensed operators targeting consumers in Great Britain	29/03/2024	Completed
Consolidate information on third parties/white labels on our website	30/06/2023	Completed

Optimise returns to the National Lottery	Planned Completion Date	Status
3NL Deliverables	29/02/2024	Completed
Manage the transition to Fourth National Lottery Licence	31/01/2024	Completed

Protecting children and vulnerable people from being harmed by gambling	Planned Completion Date	Status
Financial Penalties framework	02/09/2024	On Track

Launch the Official Gambling Survey for Great Britain	31/07/2024	On Track
Support industry-led initiatives to enhance player protections, including the solution to the single customer view challenge and harm detection good practice.	29/03/2024	Completed
GAR Items: Consult on changing think 21 to think 25 in ordinary codes Extend test purchasing to small operators (remove exemption) Extra protections for under 25s - vulnerability statement. Review machine technical standards Consult on unsupervised AGCs (e.g. service stations)	29/03/2024	Completed
Publish Evidence Gaps and Priorities Assessment	12/06/2023	Completed
Complete scoping phase for industry data-sharing pilots	29/03/2024	Completed
Consult on proposed changes to our Licence Conditions and Codes of Practice (LCCP) in connection with the White Paper	29/03/2024	Missed & Replanned to Next Year - Continue to analyse the responses by going through individual comments. This deliverable is missed and replanned to

		next year as awaiting a new Tranche 1 publication date . SRO working closely with CEO and DCMS to agree a path forward.
Non-GAR Consultations: Gamstop extension Suicide reporting consultation	29/03/2024	Missed & Replanned to Next Year - Continue to analyse the responses by going through individual comments. This deliverable is missed and replanned to next year as awaiting a new Tranche 1 publication date . SRO working closely with CEO and DCMS to agree a path forward.
Algorithm Work	01/06/2023	Superseded - BGC have ceased their work on the algorithms project, to focus on delivering anticipated GAR commitments.

GAMBLING COMMISSION

Victoria Square House

Victoria Square

Birmingham

B2 4BP

E-Number: E03091080

ISBN: 978-1-5286-4748-9