

Appendix 4: National Lottery Committee terms of reference

Introduction

1. In accordance with Paragraph 8 of Schedule 4 of the Gambling Act 2005 the Commission has established a National Lottery Committee.
2. These terms of reference set out the purpose, membership and delegated authority of the National Lottery Committee and employees under the National Lottery, etc Act 1993 (the 1993 Act).

Purpose

3. The National Lottery Committee has been established to exercise powers in respect of National Lottery matters by way of decisions or advice to the Board of Commissioners (the Board) and the Chief Executive in relation to the exercise of the Commission's functions under the 1993 Act and provide oversight of National Lottery operator's stewardship of the National Lottery.

Membership

4. Membership of the National Lottery Committee shall comprise a minimum of two Commissioners and may include nominated employees.
5. The Board will appoint the Chair of the National Lottery Committee (the NLC Chair) and the other members of the Committee. The Chairman of the Board (the Chair of the Board) will not normally be the NLC Chair.

Agenda

6. Within a reasonable time in advance of each meeting, the NLC Chair and the Executive Director responsible for the National Lottery should agree the agenda for the meeting.
7. The agenda and meeting papers will be made available to members of the committee and all those attending at least 4 working days prior to a meeting.

Delegated powers

8. In accordance with Paragraph 8 of Schedule 4 of the Gambling Act 2005 (as amended) the Commission hereby delegates the functions set out in Table 1 to the persons set out in that table.
9. Any other decisions to grant a licence or take regulatory action which are not otherwise specifically delegated under these terms of reference are hereby delegated to the Chief Executive or an Executive Director (for the purposes of delegated decision making the term 'Executive Director' includes the Commission's General Counsel).
10. Where it is considered appropriate by the Chair of the Board, the NLC Chair, a Commissioner, the Chief Executive, or a member of staff nominated in the table, a case may be referred up to the National Lottery Committee or the Board of Commissioners, who will determine that case instead of the persons otherwise delegated to carry out that function.
11. The Board authorises the National Lottery Committee to seek:
 - a. independent professional advice it requires in meeting its responsibilities if it considers this necessary.
 - b. Information from officials

c. Information from the National Lottery operator

12. It will be normal practice to channel such requests through the Chief Executive or another member of the Executive Team.

Functions and duties

13. In addition to making decisions under the scheme of delegations, the National Lottery Committee is responsible for the following:

Providing oversight of and challenge to the performance and strategy of the National Lottery operator:

- a. To understand risks to and progress against National Lottery outcomes, in line with the statutory duties under the 1993 Act
- b. To include consideration of the wider context in which the National Lottery sits, such as stakeholders, consumer and commercial trends
- c. To include meeting twice a year with the operator to discuss annual business plans and forward strategies

Providing advice to the Board of Commissioners about the licensing and regulation of the National Lottery:

- d. To make recommendations about the annual budget for National Lottery regulation
- e. To make recommendations about expenditure in excess of budget and/or any increase in the overall budget for the year

14. The Board authorises the National Lottery Committee to consider the issues relevant to the functions set out in these terms of reference.

Meetings

15. The National Lottery Committee shall meet a minimum of four times in each financial year.
16. Additional meetings may be convened if considered necessary by the NLC Chair.
17. The Chair of the Board or Chief Executive may convene additional meetings to discuss particular issues on which they want the Committee's advice.
18. Meetings of the National Lottery Committee may be conducted at face- to-face meetings, or by telephone or video conference.

Quorum

19. The quorum shall be two Commissioners who are members of the Committee.
20. Voting for all decisions made will require a simple majority. In instances where there is a tie, then the NLC Chair shall have the deciding vote. In instances where the NLC chair is not present then the acting chair for the meeting will have the deciding vote.

Attendance at Committee meetings

21. The Chief Executive may designate such staff as they consider appropriate to attend meetings of the National Lottery Committee to assist or advise the Committee, but those staff may not take part in the decision-making process.

22. Meetings of the National Lottery Committee will normally be attended by an Executive Director, the Programme Director National Lottery and the Secretary to the Committee. Other employees of the Commission may be requested by the Committee to attend meetings to assist with discussions on any matters. Advisers may also attend if the Chair of the Board, NLC Chair or Chief Executive considers that appropriate.
23. The National Lottery Committee may ask any or all of those who attend, but who are not members, to withdraw.

Non-contentious business

24. If in the opinion of the Chair of the Committee and the Executive Director with responsibility for the National Lottery any matter requiring a decision of the Committee is unlikely to be contentious, the Chair of the Committee may give notice of a proposed resolution, together with any necessary explanation and information to all members of the Committee by way of email to his/her Commission email address.
25. A resolution under the above shall be valid and effective without a meeting of the Committee provided that by the end of the sixth working day following the day on which notice was sent, no member of the Committee who would be entitled to attend and vote on the matter at a meeting has indicated dissent. In the event of such dissent, the matter shall be referred to the next meeting of the Committee for decision.
26. Such a resolution shall be reported in the next available minutes of the Committee as having been made on the last day of the period referred to in paragraph 25 above.

Reporting

27. The NLC Chair will report on matters considered by the National Lottery Committee at each of its meetings at the next meeting of the Board.
28. The Board and Chief Executive shall be provided with minutes of the National Lottery Committee's proceedings after each meeting.
29. The National Lottery Committee will make a written report at least annually on its activities to the Board. The Commission's regulation of the National Lottery will be reported in the Commission's Annual Report

TABLE 1 DELEGATION OF FUNCTIONS UNDER THE NATIONAL LOTTERY ETC ACT 1993 (as amended) 1: Decisions which must be taken by the Board of Commissioners

- (a)Licensing
 - Grant of Section 5 Licence issued under the 1993 Act
- (b)Enforcement
 - Revocation of the Section 5 Licence
- (c)Cases referred to the Board
 - Any other decisions that may fall under paragraph 8 in the Committee Terms of Reference

2: Decisions which are delegated to the National Lottery Committee

- (a)Licensing
 - Grant of Section 6 licence that **does** raise new issues of principle or contentious issues
 - Grant of variation to the Section 5 and 6 licences that **does** raise new issues of principle or contentious issues
- (b)Vetting
 - Novel or contentious vetting cases
 - Vetting cases where officials have indicated that they are minded to refuse and the person concerned wants the view of officials to be reviewed
- (c)Enforcement
 - Proposing a financial penalty
 - Imposition of financial penalty and the level of such penalty
 - Seeking a declaration from the High Court
 - Revocation of a licence issued under section 6 of the 1993 Act
- (d)Ancillary Activity
 - Consent for any Ancillary Activity which raises new issues of principle or contentious issues, determine any conditions attached to such Ancillary Activity and the amount of any payment to the good causes, under Condition 6
- (e)Fit and proper appeals
 - Considering appeals against decisions to find an individual or company not fit and proper
- (f)Other
 - Invoking the power to seek an independent review under licence condition 17 of the section 5 licence
 - Any other decisions that may fall under paragraph 8 in the Committee Terms of Reference

3: Decisions which are delegated to a Senior Manager or equivalent (or above)

- Licensing
 - Grant of variation to the Section 5 licence when no new issues of principle or contentious issues are raised
 - Approve applications for Section 6 licences which do not raise new issues of principle or contentious issues
 - Grant of variation to Section 6 licences (including class licences) which do not raise new issues of principle or contentious issues
- Approvals
 - Approve changes to scratch card game rules, game specific rules, game procedures and to the template for scratch card game procedures agreed under the class licence
 - Approve changes to the terms and conditions and rules and procedures for draw-based games under Condition 7.16 of the Section 5 licence

- Approve the Under 16s notice required under Condition 7.28 of the Section 5 licence
 - Approve 'Codes of Practice', 'Guides' and 'Strategies' as defined by schedule 7 of the Section 5 licence
 - Grant licensee consent under Condition 21.17 of the Section 5 licence to use, copy, publish or register any item of Lottery Intellectual Property
- Enforcement
- The decision to commence enforcement procedures in respect of potential breaches of the Section 5 and Section 6 licences
 - The decision to record breaches of the Section 5 and Section 6 licences when the imposition of financial penalties would not be appropriate
- Ancillary Activity
- To give consent for any Ancillary Activity which **does not** raise new issues of principle or contentious issues, determine any conditions attached to such Ancillary Activity and the amount of any payment to the good causes, under Condition 6•
- Other
- Signing witness statements and similar legal documents on behalf of the Commission where required to do so to protect the Commission's rights and property in proceedings undertaken by the National Lottery operator under requirements placed on it by way of licence conditions
 - Exercise the Commission's powers acquired under licence conditions to the extent that they are not reserved elsewhere in this scheme of delegation

4. Decisions which are delegated to a Senior Account Manager or equivalent (or above)

Vetting decisions other than those specified at 2(b) above which are:

- Grant of approval for Key Licensee Subcontractors
- Grant of approval for Category A

5. Decisions which are delegated to an Account Manager or equivalent (or above)

Vetting decisions other than those specified at 2(b) above which are:

- Grant of approval for Category C