

Appointments to the National Lottery Committee

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Executive summary

1. The Board approved the establishment of the National Lottery Committee (the Committee) in September 2013.
2. The Board subsequently approved changes to the Committee's Terms of Reference in September 2014. The current Terms of Reference are attached in Appendix 1.
3. The membership of the National Lottery Committee needs to be amended due to the departure of a Commissioner member and an Executive Director of the Committee. A resolution to amend the membership of the Committee is attached in Appendix 2. The Board is recommended to approve the resolution.
4. The Board is also asked to approve, in principle, a proposal that the current Chief Executive should be appointed as an employee member of the Committee when she ceases to hold the office of Chief Executive, but continues as an employee on a part time basis for a period.

Background

5. The Public Bodies (Merger of the Gambling Commission and the National Lottery Commission) Order 2013 abolished the National Lottery Commission and transferred the National Lottery Commission's functions to the Gambling Commission.
6. In preparation for the merger, the Board approved the establishment of the National Lottery Committee (the Committee). Under the original Terms of Reference, the Committee's role was advisory only. That was changed in September 2014 and some decisions are now delegated to the Committee.
7. The purpose of the Committee, per the current Terms of Reference, is to exercise certain decision making powers in respect of the National Lottery and to advise the Board and the Chief Executive in relation to the exercise of the Commission's functions under the National Lottery etc. Act 1993. The Committee's current Terms of Reference are attached in Appendix 1.

Issues

8. The Committee comprises a minimum of four Commissioners and may include nominated employees. On 17 October 2013, the Board passed a resolution appointing the following members to the Committee:
 - a. Graham Sharp (Chair)
 - b. Robin Dahlberg
 - c. Robert Foster
 - d. Anthony Lilley
 - e. Mark Harris
9. A resolution to amend the membership of the Committee is attached in Appendix 2. The amendments are required as Robert Foster's term of office as a Commissioner ended at the end of March and Mark Harris's employment with the Commission came to an end on 1 May 2015.
10. As part of the arrangements for managing with the delay in the appointment of a successor to the Chief Executive, and to maintain continuity, Jenny Williams is continuing on a part time basis for a period after she ceases to be Chief Executive (and a Commissioner) at the end of September. In that role, Jenny will focus on supporting

her successor and the Commission on National Lottery and remote/international matters. It is suggested that once she ceases to be advised by the Committee as CEO she joins the Committee as Mark Harris did.

11. Under the Committee's current Terms of Reference, the Chief Executive 'normally' attends meetings of the Committee. To give the Chief Executive more flexibility to delegate normal attendance to a director it is proposed, as part of the annual review of the Corporate Governance Framework, to revise the Terms of Reference for the Committee in order to provide for another member of the Executive Group to attend in place of the Chief Executive at the latter's discretion.

Recommendations

12. The Board is recommended to approve the resolution in Appendix 2.
13. The Board is also asked to endorse, in principle, the plans for the Chief Executive to be appointed to the Committee, as an executive member, from the end of September and for the September review of Corporate Governance to allow the CEO to delegate 'normal' attendance at National Lottery Committee meetings to an Executive Director

Appendix 1:

Terms of Reference of the National Lottery Committee

Introduction

1. This document sets out the terms of reference for the National Lottery Committee of the Gambling Commission (the Commission) and the scheme delegation of licensing and regulatory decisions to the National Lottery Committee and employees.

Constitution

2. The Commission will maintain a committee to be known as the National Lottery Committee.

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 National Lottery etc. Act 1993. These include:

Advice

- The grant of the section 5 licence (a review of the governance arrangements for consideration of this will be necessary before the next licence competition begins)
- Proposals to impose a financial penalty and the level of a proposed penalty
- Seeking a High Court Order in respect of a Licence breach, or otherwise commence litigation
- Proposals regarding the possible revocation of a licence and the decision to revoke a licence
- To approve written explanations given to those affected for decisions made under reserved functions of the Commission.

Decisions

- The grant of section 6 licences that does raise new issues of principle or contentious issues
 - Variations to the section 5 and 6 licences that does raise new issues of principle or contentious issues
 - Consideration of applications for 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
 - To make recommendations about expenditure in excess of budget and/or any increase in the overall budget for the year
 - To make recommendations about the annual budget for National Lottery regulation
 - Monitoring and oversight role of the National Lottery operator and its performance
4. In certain cases the National Lottery Committee shall refer matters to the Board for decision, as indicated on the scheme of delegation, as annexed at table 1.

Membership

5. Membership of the National Lottery Committee shall comprise a minimum of four Commissioners and may include nominated employees.
6. The Board will appoint a Chair of the National Lottery Committee. The Chairman of the Board will not normally be Chair of the National Lottery Committee.

Meetings and quorum

7. The National Lottery Committee shall meet regularly; at least eight times in each financial year. The Chair of the National Lottery Committee may convene additional meetings.
8. The quorum shall be two Commissioner members of the Committee, provided one of those is the Chair of the National Lottery Committee, or if the Chair of the National Lottery Committee is not present, three members of the Committee, of which two must be Commissioner members.
9. Meetings of the National Lottery Committee will normally be attended by the Chief Executive, the Programme Director National Lottery and Performance and the Secretary to the Committee. Other employees of the Commission may attend meetings to assist with discussions on any particular matter.
10. The National Lottery Committee may ask any or all of those who normally attend, but who are not members, to withdraw.
11. The Board, Chairman or Chief Executive, may ask the National Lottery Committee to convene additional meetings to discuss particular issues on which they want the Committee's advice.

Attendance of officials at Panel meetings

12. The Chief Executive may designate such staff as she considers 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 of the meetings.
13. Paragraph 8 of Schedule 4 of the Gambling Act 2005 (as amended) permits the Commission to delegate anything authorised or required by or under any enactment to be done by any duly authorised Commissioner, Commission employee or Committee consisting of Commissioners alone or one or more Commissioners and one or more employees.
14. Subject to the provisions of paragraph 22 below, the Commission hereby delegates the powers and functions set out in the first column of the table annexed hereto, to the persons respectively nominated in the second column of the table. Any other decisions to grant a licence or take regulatory action which are not otherwise specifically delegated under this resolution are hereby delegated to the Chief Executive or a Director (for the purposes of delegated decision making the term 'Director' includes the Commission's General Counsel).
15. Where it is considered appropriate by the Chairman, or any Commissioner, or the Chief Executive, or a member of staff nominated in the table, a case may be referred to a more senior member of staff or the National Lottery Committee who will determine that case instead of the persons otherwise delegated to carry out that function.
16. These arrangements shall supersede all previous delegation arrangements hitherto authorised by the Commission.

Authority

17. The Board authorises the National Lottery Committee to consider the issues relevant to the functions set out in paragraph three above and provide advice to the Board and advice and guidance to the Executive on those issues.

18. The Board authorises the Committee to seek any information it requires in meeting those responsibilities from employees of the Commission, the National Lottery operator, via the appropriate director, and to seek independent professional advice if it considers this necessary. (It will be normal practice to channel such requests through the Chief Executive as Accounting Officer).
19. The National Lottery Committee provides advice to the Board, and the Chief Executive as Accounting Officer. The Commission has approved a separate scheme of delegations in relation to regulatory decisions under the National Lottery etc. Act 1993 (as amended) annexed at Table 1.

Reporting

20. The Chair of the National Lottery Committee will report on matters considered by the National Lottery Committee at the next meeting of the Board. The Board and Chief Executive shall be provided with minutes of the National Lottery Committee's proceedings after each meeting.
21. 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.

Matters reserved to Commissioners

22. The Commissioners reserve to themselves, acting as a Board in accordance with the Commission's Standing Orders, the following matters:
 - a. grant of the Section 5 licence
 - b. proposals to impose a financial penalty and the level of any such financial penalty
 - c. seeking a High Court Order in respect of a licence breach, or otherwise commence litigation
 - d. proposals to revoke a licence and the decision to revoke a licence
 - e. to approve written explanations given to those affected for decisions made under reserved functions of the Commission.

Appendix 2:

Appointment of members to the National Lottery Committee: Authorised by Resolution of the Board of Commissioners on 21 May 2015

1. At the meeting of the Board of Commissioners, held on 19 September 2013, the Board agreed to establish the National Lottery Committee.
2. The Board subsequently approved changes to the Committee's Terms of Reference in September 2014.
3. The Board of Commissioners hereby amends the membership of the National Lottery Committee, with immediate effect, to comprise:
 - a. Graham Sharp (Chair)
 - b. Robin Dahlberg
 - c. Anthony Lilley
 - d. Alison Hastings
 - e. Jonathan Scott