

# Public Document Pack



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24 September 2018

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE** will be held in the HMS Brave Room at these Offices on Tuesday 2 October 2018 at 6.00 pm when the following business will be transacted.

Members of the public who require further information are asked to contact Rebecca Brough on (01304) 872304 or by e-mail at [democraticservices@dover.gov.uk](mailto:democraticservices@dover.gov.uk).

Yours sincerely

Chief Executive

## Scrutiny (Policy and Performance) Committee Membership:

K Mills (Chairman)  
M I Cosin (Vice-Chairman)  
T A Bond  
P I Carter  
R J Frost  
J M Heron  
S C Manion  
M J Ovenden  
M Rose  
D A Sargent

## AGENDA

### 1 **APOLOGIES**

To receive any apologies for absence.

### 2 **APPOINTMENT OF SUBSTITUTE MEMBERS**

To note appointments of Substitute Members.

3      **DECLARATIONS OF INTEREST** (Page 4)

To receive any declarations of interest from Members in respect of business to be transacted on the agenda.

4      **MINUTES**

To confirm the Minutes of the meeting of the Committee held on 3 July 2018 and 11 September 2018 (to follow).

5      **PUBLIC SPEAKING**

Please note that in accordance with the agreed Protocol for Public Speaking at Overview and Scrutiny, the right to speak only applies to agenda item 12.

The right of the public to speak does not apply to the following agenda items: Apologies, Appointment of Substitute Members, Declarations of Interest, Minutes, the Forward Plan, the Scrutiny Work Programme, any agenda item that is not accompanied by a written report and items that are exempt business.

Members of the public wishing to speak must register to do so by no later than 2.00 pm on the second working day before the meeting.

6      **DECISIONS OF THE CABINET RELATING TO RECOMMENDATIONS FROM THE SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE**

There were no decisions taken by the Cabinet at its meeting held on 1 October 2018 in respect of recommendations from the Scrutiny (Policy and Performance) Committee.

7      **ISSUES REFERRED TO THE COMMITTEE BY COUNCIL, CABINET, SCRUTINY (COMMUNITY AND REGENERATION) COMMITTEE OR ANOTHER COMMITTEE**

There are no items for consideration.

8      **ITEMS CALLED-IN FOR SCRUTINY OR PLACED ON THE AGENDA BY A MEMBER OF THE COMMITTEE, ANY INDIVIDUAL NON-EXECUTIVE MEMBERS OR PUBLIC PETITION**

(a) Items placed on the agenda by a Member of the Committee or any individual Non-Executive Member

Any individual Councillor may request that a matter is placed on the agenda of one of the Council's Overview and Scrutiny Committees by providing Democratic Support with notice of the matter prior to the agenda being published.

There are no items for consideration.

(b) Items the subject of Call-In

Executive Decisions may be called-in by the Chairman or Spokesperson of the Scrutiny (Policy and Performance) Committee or any three non-executive members.

There are no items for consideration.

(c) Public Petition

There are no items for consideration.

9 **NOTICE OF FORTHCOMING KEY DECISIONS** (Pages 5 - 8)

It is intended that Members should use the Notice of Forthcoming Key Decisions to identify topics within the remit of the Committee for future scrutiny.

10 **SCRUTINY WORK PROGRAMME** (Pages 9 - 12)

It is intended that the Committee monitor and prioritise its rolling work programme.

11 **UNIVERSAL CREDIT UPDATE**

To receive an update from the Director of Customer Services, East Kent Housing on the impact of the implementation of Universal Credit.

12 **LAUNCH OF A LOCAL AUTHORITY LOTTERY** (Pages 13 - 25)

To consider the attached report of the Director of Finance, Housing and Community.

**Access to Meetings and Information**

- Members of the public are welcome to attend meetings of the Council, its Committees and Sub-Committees. You may remain present throughout them except during the consideration of exempt or confidential information.
- All meetings are held at the Council Offices, Whitfield unless otherwise indicated on the front page of the agenda. There is disabled access via the Council Chamber entrance and a disabled toilet is available in the foyer. In addition, there is a PA system and hearing loop within the Council Chamber.
- Agenda papers are published five clear working days before the meeting. Alternatively, a limited supply of agendas will be available at the meeting, free of charge, and all agendas, reports and minutes can be viewed and downloaded from our website [www.dover.gov.uk](http://www.dover.gov.uk). Minutes are normally published within five working days of each meeting. All agenda papers and minutes are available for public inspection for a period of six years from the date of the meeting.
- If you require any further information about the contents of this agenda or your right to gain access to information held by the Council please contact Rebecca Brough, Democratic Services Manager, telephone: (01304) 872304 or email: [democraticservices@dover.gov.uk](mailto:democraticservices@dover.gov.uk) for details.

Large print copies of this agenda can be supplied on request.

**Declarations of Interest****Disclosable Pecuniary Interest (DPI)**

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

**Other Significant Interest (OSI)**

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

**Voluntary Announcement of Other Interests (VAOI)**

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

**Note to the Code:**

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.



# Notice of Forthcoming Key Decisions

[This updated version of the Notice supersedes all other versions issued in previous months]

Publication Date: 31 August 2018

## Notice of Forthcoming Key Decisions which will be made on behalf of the Council

Key Decisions 2018/19	Item	Date of meeting at which decision will be taken by Cabinet (unless specified otherwise)
1	Neighbourhood Plans	June 2013 and ongoing (see entry)
2	Review of Tenancy Strategy and Tenancy Policy	To be confirmed
3	Review of Local Plan	(i) 1 March 2017; (ii) 1 October 2018; and (iii) June/July 2019
4	Property Acquisitions	Ongoing (decisions to be taken by Portfolio Holder for Corporate Resources and Performance)
5	To consider an options appraisal and feasibility study for Tides Leisure & Indoor Tennis Centre and seek approval to progress to the detailed design phase	2 July 2018
6	Dover Waterfront Masterplan Area Action Plan	This decision will now be incorporated into the Local Plan Review
7	Planning Enforcement Plan	10 September 2018
8	Representations on the Thanet District Council Local Plan	1 October 2018
9	To seek approval for public consultation on the draft Sandwich Walled Town Conservation Area Appraisal	Dates to be confirmed
10	Hackney Carriage and Private Hire vehicles - access for wheelchair users	5 November 2018
11	Development of a social lettings agency	October-December 2018 (to be confirmed)
12	Approval of project to develop housing to be occupied on an interim basis by homeless households	14 May 2018
13	To seek Cabinet approval for public consultation on draft Upper Deal Conservation Area Character Appraisal	Dates to be confirmed
14	Letting of the café/restaurant on Deal Pier	Decision to be taken by the Portfolio Holder for Property Management and Environmental Health (September)
15	Aylesham Village Expansion – Acquisition of third-party land	October-December 2018

Key Decisions 2018/19	Item	Date of meeting at which decision will be taken by Cabinet (unless specified otherwise)
16	Statement of Community Involvement	14 May and 10 September 2018
17	Dover District Council Local Development Scheme	14 May 2018
18	Kent Environment Strategy	14 May 2018
19	Transfer of Freehold of Sandwich Guildhall	2 July 2018
20	Sandwich Historical Boatyard	Decision taken by the Leader of the Council on 15 June 2018
21	To decide on requirements for a new Public Spaces Protection Order following public consultation	2 July 2018
22	To consider the cessation of cash and cheque transactions at Council Offices	This item has been withdrawn
23	Creation of a local property company	This item has been withdrawn
24	Contaminated land strategy	2 July 2018
25	Consideration of pest control provision	Decision to be taken by the Portfolio Holder for Property Management and Environmental Health (September)
26	Award of contract for Kearsney Abbey café building extension	Decision taken by the Portfolio Holder for Property Management and Environmental Health on 1 August 2018
27	Catering provision at Kearsney Abbey and Russell Gardens	1 October 2018 (to be confirmed)
28	Award of contract for landscape and listed structure repairs at Kearsney Abbey	1 October 2018 (to be confirmed)
29	To consider the delimitation of Hackney Carriage vehicles	1 October 2018
30	Award of contract for the refurbishment of Norman Tailyour House	1 October 2018 (to be confirmed)
31	Deed of Variation to the Aylesham Development Agreement	October-December 2018
32	To approve arrangements for the implementation and delivery of infrastructure for a Bus Rapid Transit System connecting Whitfield to Dover town centre	1 October 2018/5 November 2018
33	Redevelopment of William Muge and Snelgrove Houses site, Dover	1 October 2018
34	Grant scheme for commercial property renovations	10 September 2018
35	Approval of Kearsney Abbey café 'Changing Places' facility and contingency fund for café/landscape improvements	10 September 2018
36	Lease of Historic Boatyard, The Quay, Sandwich	Decision taken by the Leader of the Council in June 2018

<b>Key Decisions 2018/19</b>	<b>Item</b>	<b>Date of meeting at which decision will be taken by Cabinet (unless specified otherwise)</b>
37	Acceptance of grant and allocation of funding for restoration of Maison Dieu (Dover Town Hall)	10 September 2018
38	Purchase of affordable housing in Aylesham	October-December 2018
39	Demolition of Dover Leisure Centre	5 November 2018

- Note: (1) Key Decisions which are shaded have already been taken and do not appear in this updated version of the Notice of Forthcoming Key Decisions.
- (2) The Council's Corporate Management Team reserves the right to vary the dates set for consultation deadline(s) and for the submission of reports to Cabinet and Council in respect of Key Decisions included within this version of the notice. Members of the public can find out whether any alterations have been made by looking at the Council's website ([www.dover.gov.uk](http://www.dover.gov.uk)).



# OVERVIEW AND SCRUTINY WORK PROGRAMME 2018/19

## SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE

Month	Issue	Resource Implications for Scrutiny				Action
		Members	Officers  (Corporate Expenditure unless otherwise stated)	Scrutiny Budget Expenditure		
				Projected	Actual	
5 June 2018	Repairs to Parks, Gardens and Churchyards	Single Meeting	Director of Environment & Corporate Assets	£0	£0	To consider the report.
19 June 2018	Dover Leisure Centre Update and site visit (4.30pm)	Single Meeting	Director of Environment & Corporate Assets	£0	£0	To receive an update and conduct a site visit.
3 July 2018	To consider an options appraisal and feasibility study for Tides Leisure & Indoor Tennis Centre and seek approval to progress to the detailed design phase	Single Meeting	Director of Environment & Corporate Assets	£0	£0	To consider the report. [Identified from Forward Plan for scrutiny]
	Short Term Proposal For The Former Co-Op Building, Castle Street, Dover	Single Meeting	Directors of Environment & Corporate Assets & Finance, Housing & Community	£0	£0	To consider the report.
	To decide on requirements for a new Public Spaces Protection Order following public consultation	Single Meeting	Director of Environment & Corporate Assets	£0	£0	To consider the report. [Identified from Forward Plan for scrutiny]
August 2018	No Scheduled Meeting					

Month	Issue	Resource Implications for Scrutiny				Action
		Members	Officers  (Corporate Expenditure unless otherwise stated)	Scrutiny Budget Expenditure		
				Projected	Actual	
11 September 2018	Planning Enforcement Plan	Single Meeting	Director of Environment & Corporate Assets	£0	£0	To consider the report. [Identified from Forward Plan for scrutiny]
	Statement of Community Involvement	Single Meeting	Chief Executive	£0	£0	To consider the report.
	Performance Report Q1	Single Meeting	Chief Executive	£0	£0	To consider the report.
2 October 2018	Launch of a Local Authority Lottery	Single Meeting	Director of Finance, Housing & Community	£0		To consider the report.
	Update on Universal Credit	On-going	East Kent Housing	£0		To receive an update.
Date To be Confirmed	BREXIT Implications for the Dover District	Special Meeting	Chief Executive / Director of Environment & Corporate Assets	£0		To receive an update. [Added at request of Cllr Mills]. Location likely to be off-site.
6 November 2018	Accommodation Charter Update	Single Meeting	Director of Environment and Corporate Assets	£0		To consider the report.
	Dover Town Centre Update	Single Meeting	Head of Inward Investment	£0		To receive an update.
4 December 2018	Performance Report Q2	Single Meeting	Chief Executive	£0		To consider the report.

Month	Issue	Resource Implications for Scrutiny				Action
		Members	Officers  (Corporate Expenditure unless otherwise stated)	Scrutiny Budget Expenditure		
				Projected	Actual	
15 January 2019						
12 February 2019	Performance Report Q3	Single Meeting	Chief Executive	£0		To consider the report.
	Scrutiny of the Council's budget	Single Meeting	Corporate Management Team	£0	£0	To scrutinise the Council's budget for 2019/20.
	Fees and Charges	Single Meeting	Corporate Management Team	£0	£0	To be considered as part of the budget scrutiny process.
12 March 2019						
2 April 2019	Performance Report Targets 2018-19	Single Meeting	Chief Executive	£0	£0	To consider the report

*Please note items beyond the current month are subject to change depending on Forward Plan, etc.*

#### **Municipal Year 2018/19**

Agreed for Inclusion?	Subject	Resource Implications				Action
Yes	Creation of a Local Property Company	Single Meeting	Director of Environment & Corporate Assets	£0		To consider the report. [Identified from Forward Plan for scrutiny]

Yes	Property Investment Strategy	Single Meeting	Director of Finance, Housing and Community	£		To receive an update
Yes	Dover Town Centre Regeneration	Meeting of both scrutiny committees	Corporate Management Team	£		To hold a meeting of both scrutiny committees to consider the proposals for the regeneration of the wider town centre.
Yes	Dover Leisure Centre	On-going	Director of Environment and Corporate Assets	£0		To consider reports at each relevant stage in the process.
Yes	Digital Strategy	Single Meeting	Head of Community Services	£		To receive an update on the Council's digital strategy.
Yes	Lorry Parking in the Dover District	On-going	Various	£		To consider issues of illegal and anti-social lorry parking in the wider District.
Yes	Open Championship Golf	On-going	Corporate Management Team	£		To receive updates at appropriate milestones.

<b>Subject:</b>	<b>LAUNCH OF A LOCAL AUTHORITY LOTTERY</b>
<b>Meeting and Date:</b>	<b>Cabinet – 1 October 2018</b>
<b>Report of:</b>	<b>Mike Davis, Director of Finance, Housing and Community</b>
<b>Portfolio Holder:</b>	<b>Councillor M J Holloway, Portfolio Holder for Community Services</b>
<b>Decision Type:</b>	<b>Non-Key</b>
<b>Classification:</b>	<b>Unrestricted</b>
<b>Purpose of the report:</b>	To launch a local authority lottery by March 2019 that will raise new funds for participating local good causes, and help to fund an increase in the DDC Community Grants programme.
<b>Recommendations:</b>	<p>That Cabinet:</p> <ol style="list-style-type: none"> <li>1. Authorise the Director of Finance, Housing &amp; Community Services to make an application for and to accept a Gambling Commission licence on behalf of the Council to operate a local authority lottery under the Gambling Act 2005 as amended.</li> <li>2. Approve the Gambling and Lottery Policy.</li> <li>3. Approve the use of an External Lottery Manager that has worked with other Local Authorities running similar schemes for greater assurance.</li> <li>4. Authorise the Director of Finance, Housing &amp; Community Services to appoint an External Lottery Manager (ELM) to run the day-to-day operations of the lottery, for an initial one year period, ensuring compliance with procurement standing orders and obtaining of competitive quotes where applicable.</li> <li>5. Approve the eligibility criteria for good causes to participate in the Dover District Lottery.</li> <li>6. Approve the apportionment of the Central Fund to the DDC Community Grants programme.</li> <li>7. Authorise Dover District Council's membership of the Lotteries Council in order to demonstrate best practice and to provide access to free membership services on legal and compliance issues.</li> <li>8. Authorise the Director of Finance, Housing &amp; Community Services to discharge the powers and functions of the Council in relation to the running of a local authority lottery.</li> </ol>

## 1. Summary

- 1.1 The proposed Dover District Lottery would raise new funds for participating local good causes, and help to fund an increase in the DDC Community Grants programme. Participating good causes would receive 50p in the £1, providing a regular income stream to support their work in the community, at no cost to them. Players would have the option to specify which participating good causes they wanted to support, as well as making a 10p contribution to a Central Fund which will increase the amount of funding available to community groups and projects via the DDC Community Grants programme. Where players do not opt to support specific good causes, 60p in the £1 is apportioned to the Central Fund.

Standard Lottery Proceeds Apportionment				
	Player chooses specific good cause		Player chooses Central Fund (no specific good cause)	
	%	£ per ticket	%	£ per ticket
<b>Specific Good Cause</b>	50	£0.50	-	-
<b>DDC Community Grants (Central Fund)</b>	10	£0.10	60	£0.60
<b>Prizes</b>	20	£0.20	20	£0.20
<b>External Lottery Manager (Administration)</b>	17	£0.17	17	£0.17
<b>VAT</b>	3	£0.03	3	£0.03
<b>TOTAL</b>	100	£1.00	100	£1.00

## 2. Introduction and Background

- 2.1 Dover District Council has a strong track record of supporting local community and voluntary groups. The Council's community development team provides a wide range of support to help build the capacity of local groups to deliver voluntary services, projects and activities in the community. Through its Community Grants programme the Council also directly funds local community/voluntary groups and projects. In 2018/19 community grants totalling £23,500 were awarded to 32 community and voluntary groups and projects.
- 2.2 The launch of a Local Authority Lottery provides an innovative and low-cost way for the Council to continue its strong support of the community and voluntary sector, without placing additional pressures on Council budgets.
- 2.3 Local lotteries have proved effective as part of charity fundraising strategies, and are becoming increasingly used in the public sector to complement existing funding campaigns. The first schools lottery was launched in 2013, and in 2015 Aylesbury

Vale District Council became the first local authority to launch an online lottery to support local good causes. There are currently 26 local authority lotteries operating in Britain, including Thanet, Tonbridge & Malling, and Tunbridge Wells in Kent.

- 2.4 This would be an online lottery only with a standalone branded website. The name of the lottery is still to be decided. Participating local good causes will have their own branded webpage to promote the lottery. Tickets cost £1 per week and can only be purchased online by direct debit or payment card on a monthly recurring plan, or with a three, six or 12 month one-off payment. 60p in every £1 goes to good causes, which compares favourably with the National Lottery where only 28p goes to good causes. Draws are conducted every Saturday at 8pm with results posted live online. Prizes are paid into nominated accounts, or can be donated to chosen good causes.

	<b>Winning Odds</b>	<b>£ Prize</b>
<b>Match 6 numbers</b>	1:1,000,000	£25,000
<b>Match 5 numbers</b>	1:55,556	£2,000
<b>Match 4 numbers</b>	1:5,556	£250
<b>Match 3 numbers</b>	1:556	£25
<b>Match 2 numbers</b>	1:56	£3 in free tickets
<b>Overall odds of winning a prize</b>	1:50	

- 2.5 Established local authority lotteries such as Aylesbury Vale District Council (population 174,000) which launched its lottery in 2015 is generating £69,000 a year for good causes with tickets sales of approximately 115,000 sold per annum supporting 161 good causes. The good causes themselves have a vested interest in supporting and promoting the lottery, and for the most proactive this can generate new income of £3,000-5,000 a year (based on 150+ ticket sales a week). More modest sales of 30-50 tickets a week would still generate in the region of £800 a year for a good cause.

- 2.6 The most successful local authority lotteries have enabled local good causes to build a sustainable level of regular income. Sales of 150-200 tickets per week would raise an annual income of £3,900-£5,200. Local good causes will need to meet the following criteria to participate in the lottery.

The meet the eligibility criteria **Good causes** must:

- Provide community activities or services within the Dover District, which are of benefit to the residents of the Dover District
- Have a formal constitution or set of rules
- Have a bank account requiring at least two unrelated signatories
- Operate with no undue restrictions on membership

**And be either:**

- A constituted group with a volunteer management committee with a minimum of three unrelated members that meets on a regular basis (at least three times per year)

- A registered charity, with a board of trustees

**Or:**

A registered Community Interest Company (CIC), and provide copies of their Community Interest Statement, details of the Asset Lock included in their Memorandum and Articles of Association, and a copy of their latest annual community interest report

In line with the DDC Community Grants programme, the following organisations will not be eligible to participate in the lottery:

Registered or for-profit business organisations  
 Individuals (for example, for personal sponsorship)  
 Political Parties or Political Groups  
 Groups seeking donations towards general appeals  
 District, County, Town or Parish Councillors  
 Organisations in receipt of a Public Precept, such as Town and Parish Councils

- 2.7 There is no cost to the good cause and they are provided with their own branded web page and bespoke marketing materials to drive participation and further promote the lottery through their own web page. The good causes keep 50% of all ticket sales generated through their web page. The good causes are paid their income automatically every month.
- 2.8 Dover District Council's Community Services team would control oversight, governance and marketing of the lottery. A number of safeguarding measures will be in place to prevent problem gambling. The lottery will not offer instant gratification. Tickets cannot be purchased "over the counter" and credit and debit card payments cannot facilitate "instant play" into a draw for that week. Players will require a bank account and a series of validation and set-up checks in order to play and claim prizes. Limits will be in place to ensure individuals cannot buy excessive numbers of tickets. Promotion of the lottery will comply with the Advertising Codes of Practice and Gambling Industry Code for Socially Responsible Advertising. The website will include links to Gamble Aware.
- 2.9 Dover District Council is committed to being socially responsible in all its dealings. In order to manage the potential risks associated with gambling, Cabinet is being asked to approve new policies to protect children and vulnerable people from being harmed or exploited by gambling, to protect individuals from excessive and addictive gambling, and to ensure that the Council is protected from being, or associated with, a source of crime or disorder, or being used to support crime. This primarily relates to money laundering.
- 2.10 There will be regular monitoring and evaluation of the performance and governance of the lottery during the first year of operation. Cabinet will be updated on performance after the first six months and, if necessary, recommendations brought forward.

### **3. Identification of Options**

- 3.1 Option 1 - To make all necessary preparations for the launch a local authority lottery for the Dover District in the fourth quarter of 2018/19, utilising identified lottery providers who already provide tested Local Authority lottery schemes.



- 3.2 Option 2 – Not to proceed further with plans to launch a local authority lottery for the Dover District.

#### 4. Evaluation of Options

- 4.1 Option 1 is preferred. The launch of a local authority lottery provides an effective way for the Council to increase funding to the voluntary and community sector. The lottery enables participating good causes to generate a sustainable income stream, whilst the Central Fund will support an increase in the DDC Community Grants budget. Utilising an existing Local Authority provider will also provide added assurance to the success of the scheme introduction..
- 4.2 The current DDC Community Grants programme is over-subscribed. In 2018/19 there were 52 applications to the Community Grants programme requesting funding of £38,470 (up 47% on 2016/17). Only 32 projects and groups could be supported from the £23,500 budget available in 2018/19.

#### 5. Resource Implications

- 5.1 The revenue implications of the launch of a local authority lottery for the Dover District are minimal and primarily relate to the set-up costs for licencing and the appointment of an external lottery manager. It is also recommended that a limited budget for marketing be made available. The only on-going costs are in respect of the annual renewal of the Gambling Commission licence, and membership of the Lotteries Council. The budget for the project can be met from existing resources.

<i>Launch Budget</i>	<i>2018/19 £</i>	<i>On-Going £</i>
External Lottery Manager	3,000	-
Gambling Commission licence application	163	-
Gambling Commission lottery licence	348	348
Lotteries Council membership	350	350
DDC Launch marketing	3,000	-
TOTAL	6,861	698

- 5.2 The lottery will be operated by an external lottery manager. There is no annual cost for the external lottery manager as the lottery's running costs are covered by the administration charge (17p) on ticket sales. All ticket payments would be handled by the external lottery manager. 80% of ticket revenue would be paid into a client deposit account for the prizes and good causes. There would be no financial risk to the Council in the event that the income from the lottery does not cover the prize fund. The prize fund and good cause donations are calculated on a percentage basis of the revenue pot therefore ensuring funds will always be in place and jackpot prizes are funded through an underwritten insurance policy provided by a reputable underwriter established in the UK, again paid for as a percentage of each entry.
- 5.3 In terms of officer time, the Council's primary role will be to market and promote the lottery to generate ticket sales, and engagement with, and approval of, on-line applications from the good causes.

#### 6. Corporate Implications

- 6.1 Comment from the Section 151 Officer: “The Section 151 Officer and the Accountancy Section have been consulted on the report and have no further comments to add. (LS)”
- 6.2 Comment from the Solicitor to the Council: “The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make (HR)”.
- 6.3 Comment from the Equalities Officer: Whilst the report does not specifically highlight any equality implications, consideration has been given to the protection of children from harm. Members are reminded that, in discharging their responsibilities they are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>
- 6.4 Other Officers (as appropriate):

7. **Appendices**

Appendix 1 – Gambling and Lottery Policy

8. **Background Papers**

Presentation – Dover District Lottery Operational Plan

Lottery Terms & Conditions

Contact Officers: Kevin Charles, Funding & Communication Manager (ext. 42309)

Shaun Taylor, Community Development Manager (ext. 42164)



## Gambling and Lottery Policy

<b>Policy</b>	Implementation of Gambling and Lottery Policy and Procedures
<b>Purpose</b>	The process for implementing Dover District Council policies and procedures relating to the operation of a local authority lottery
<b>Created by/date</b>	Community Services (September 2018)
<b>Validated by/date</b>	Cabinet (October 2018)
<b>Renewal</b>	October 2019

### 1. Children and Vulnerable Persons

- 1.1 Dover District Council understands its requirements as part of the Licence Conditions and Codes of Practice ("LCCP") and takes its responsibilities to the protection of children and vulnerable persons very seriously.
- 1.2 Dover District Council understands that there is a legal requirement to prevent the sale of lottery tickets to under 16's.
  - 1.2.1 All payers need to self-validate their age through both a positive tick box confirming they are over 16 and date of birth validation
  - 1.2.2 To ensure compliance with this requirement, spot checks are taken of new players of the lotteries and are subjected to further age verification validation
  - 1.2.3 As a final check before any jackpot prizes are issued, secondary age validation is also sought (passport, driving licence, etc.)
- 1.3 To ensure players are aware of the age limitations,
  - 1.3.1 clear statements will be displayed on the various websites relating to the required age to play, the age requirement is also highlighted in the terms and conditions that the player signs up to at registration.
  - 1.3.2 In addition Dover District Council have enabled their websites to permit filtering software to be used by adults (such as parents or within schools) in order to restrict access as relevant.
- 1.4 Should it come to pass that the age verification checks proved inaccurate and someone underage had gambled, then the user account would be suspended and monies returned.
- 1.5 Marketing falls into two areas:
  - 1.5.1 firstly in encouraging good cause participation (where there is a low risk of exposure to children and vulnerable people) and

- 1.5.2 Secondly in the development of materials that support participation of the individual lotteries.
  - 1.5.2.1 In this area generic marketing materials are used which can be tailored to deliver a marketing package to each individual good causes to help them market their lotteries
- 1.5.3 To ensure compliance with the Advertising Codes of Practice and Gambling Industry Code for Socially Responsible Advertising, advertising materials will regularly be submitted to the Committee of Advertising Practice (CAP) and The Broadcast Committee of Advertising Practice (BCAP) for approval.
- 1.6 As recruitment is undertaken to fill vacancies, if exposed to the direct selling of tickets then
  - 1.6.1 Applicants will need to be of a legal age to do so. And educated on the legal requirement to not sell tickets to children under the age of 16.
- 1.7 Player Accounts require validation and set up.
  - 1.7.1 In the instances of direct debit the Direct Debit Guarantee ensures a time lag between ticket purchase and the first draw.
  - 1.7.2 As draws take place once per week, Ticket purchases are therefore not capable of being purchased for immediate play and
  - 1.7.3 For internal process reasons even credit & debit card payments cannot facilitate instant play into a draw for that week and a minimum of one days lag will be effective.
  - 1.7.4 The combination of these factors does ensure it limits the capability to facilitate instant gambling and therefore significantly reduces the risk of gambling whilst under the influence of drink or other substances.

## **2. Protection from Sources of Crime and Disorder**

- 2.1 This Policy is pursuant to the Proceeds of Crime Act 2002 (see <http://www.legislation.gov.uk/ukpga/2002/29/contents>) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (AML) Regulations (see [http://www.legislation.gov.uk/uksi/2017/692/pdfs/uksi\\_20170692\\_en.pdf](http://www.legislation.gov.uk/uksi/2017/692/pdfs/uksi_20170692_en.pdf))

- 2.2 Proceeds of Crime Act 2002:

*"An Act to establish the Assets Recovery Agency and make provision about the appointment of its Director and his functions (including Revenue functions), to provide for confiscation orders in relation to persons who benefit from criminal conduct and for restraint orders to prohibit dealing with property, to allow the recovery of property which is or represents property obtained through unlawful conduct or which is intended to be used in unlawful conduct, to make provision about money laundering, to make provision about investigations relating to benefit from criminal conduct or to property which is or represents property obtained through unlawful conduct or to money laundering, to make provision to give effect to overseas*

*requests and orders made where property is found or believed to be obtained through criminal conduct, and for connected purposes."*

- 2.3 The AML Regulations require relevant businesses to:
- put in place procedures to verify the identity of customers on entering into a business relationship or transaction and to carry out ongoing monitoring during the business relationship
  - keep records obtained in establishing customers' identities and of business relationships for five years
  - train employees in the relevant procedures and law
  - appoint a nominated officer whose role includes reporting to NCA, or its successor, suspicions of money laundering activity
  - put in place and maintain policies and procedures to cover the requirements listed above
- 2.4 Dover District Council is a professional operation and takes its responsibilities to ensure all players of their society lottery are operating within the law.
- 2.5 Dover District Council employ the services of a lottery provider a Remote External Lottery Management company and therefore mainly take transactions electronically though either Direct Debit, credit card & debit card. No cash payments can be used for payment, mitigating the chance for the passing of counterfeit money.
- 2.6 A number of safeguards are in place to validate players' identities as part of the account verification process. Additionally, safeguards are in place to ensure that ticket purchases are not excessive, therefore mitigating the risk of money laundering. If players tried to purchase excessive tickets then the system controls built into the software algorithms will advise the player that they have exceeded the number of tickets possible and stop the transaction.
- 2.7 The software resides on secure servers. These reside behind encrypted firewalls and offer bank level security protocols in the transfer of electronic data. Additionally they are situated in a secure data centre managed by Disclosure and Baring checked staff.
- 2.8 All transactions for the software will have full audit trails of every transaction made including timestamps. These audit trails will ensure that should any suspicious activity be identified a full investigation by the lottery provider staff or law enforcement bodies can be undertaken.
- 2.9 In an effort to minimise the risk of fraudulent behaviour and demonstrate impartiality throughout, the main Lottery draw each week takes the results from an independently drawn lottery. This ensures no fraudulent activity can be taken in the generation of the winning set of numbers for the draw. To ensure compliance at an entry level into the system, these numbers will need to be entered separately by two of the directors of the business each week. The smaller local level prizes are generated based on a random ticket selection from existing purchased tickets by an algorithm within the software.
- 2.10 Whilst by its definition a lottery is a random game of chance and therefore offers little opportunity for collusion or cheating, any suspicion of malpractice will result in the immediate blocking of the users account.

- 2.11 Any evidence of illegal behaviour by staff will initiate a full investigation, during which time the member of staff will be suspended from duties to ensure the full protection of the players, staff and reputation of the business.
- 2.12 All companies who provide fundamental services in the provision of the service (e.g Direct Debit Bureaux, Age Verification service providers, Prize Fund Insurance etc) undergo rigorous validation in terms of their suitability, credibility and reputation. This includes full financial health checks and references where required.

### **3. Fair and Open Gambling**

- 3.1 Dover District Council are committed to complying with the Gambling Act 2005, The Gambling Commissions Licence Conditions and Codes of Practice ("LCCP"), Lotteries Council Code of Conduct, and the CAP and BCAP codes.
- 3.2 Dover District Council utilise the services of the lottery provider who are an external lottery management company ensuring that the lottery is delivered on a financially sound basis as:
  - 3.2.1 The financial structure of the lottery ensures that revenues are received prior to the running of any draw.
  - 3.2.2 Each draw is self-funded in terms of the liabilities that then arise (prizes, good cause donations etc)
  - 3.2.3 No players' tickets will be included in the draw unless cleared funds have been secured.
  - 3.2.4 The prize fund and good cause donations are calculated on a % basis of the revenue pot therefore ensuring sufficient funds will always be in place.
  - 3.2.5 Jackpot prizes are funded through an underwritten insurance policy provided by a reputable underwriter established in the UK, again paid for as a % of each entry.
- 3.3 All terms and conditions are available for participants on the various websites of the Dover District Council lottery, including the main [www.xxxxxx](http://www.xxxxxx) website.
  - 3.3.1 As part of the sign up process for new participants new participants are asked to agree acceptance of the terms and conditions at the time of signing up. New accounts cannot be created unless the terms and conditions are accepted.
  - 3.3.2 Participants will be advised of changes to the terms and conditions via pop ups on the website. In exceptional circumstances, all participants can be emailed a link to advise them of the new terms and conditions.
- 3.4 Our terms and conditions detail the complaints procedure should participants need to raise any issues or concern, both internally at Dover District Council and externally though the use of an independent arbiter should resolution not be found.
- 3.5 No loyalty or reward schemes are being offered.

- 3.6 Section 257 of the Gambling act 2005 highlights that "A person acts as an external lottery manager for the purposes of this Act if he makes arrangements for a lottery on behalf of a society or authority of which he is not
- (a) a member,
  - (b) an officer, or
  - (c) an employee under a contract of employment.
- 3.6.1 As such the lottery provider ask its board and staff to declare any conflict of interest in any potential target clients, in addition to the specific requirement to comply with the law as stated above for existing clients.
- 3.7 The lottery provider holds responsibility for ensuring that all technical solutions remain within scope of the law.
- 3.7.1 These include testing procedures for both existing, upgraded and new software propositions
  - 3.7.2 Ensuring that all servers are located in the UK
  - 3.7.3 Software protocols and administrator access is limited to core personnel
  - 3.7.4 All Contractors and Third Party suppliers are advised of our standards before they are allowed to deliver technical support. Access is limited to the scope of their work and monitored and logged accordingly.

#### **4. Social Responsibility in Gambling**

- 4.1 Dover District Council is aware of its social responsibility to protect individuals from excessive and addictive gambling.
- 4.2 Limits are in place to ensure individuals cannot buy excessive numbers of tickets,
- 4.2.1 This therefore restricts the capability for individuals to gamble beyond their means or gamble what they cannot afford.
  - 4.2.2 These limits will be monitored to see how many players reach them and may be reduced correspondingly if required.
  - 4.2.3 These limits are clearly highlighted at the point of purchase online.
- 4.3 Accounts require validation and set up.
- 4.3.1 In the instances of direct debit the Direct Debit Guarantee ensures a time lag between ticket purchase and the first draw.
  - 4.3.2 As draws take place once per week, Ticket purchases are therefore not capable of being purchased for immediate play and
  - 4.3.3 for internal process reasons even credit and debit card payments cannot facilitate instant play into a draw for that week and a minimum of one days lag will be effective.

- 4.3.4 The combination of these factors does ensure it limits the capability to facilitate instant gambling and therefore significantly reduces the risk of gambling whilst under the influence of drink or other substances.
- 4.4 It is not possible to borrow money or be entered for lottery draws unless cleared funds have been accepted. No exceptions will be made to this position.
- 4.5 The system data provides facilities to track major changes in the lottery participation. Any significant outliers in the numbers of tickets will be investigated as part of ongoing assessments on the correct levels for ticket participation.
- 4.6 A process for self-exclusion from lottery participation exists to allow anyone to self-exclude themselves from all propositions (existing or future).
- 4.7 Links to the support websites ([www.gamcare.org.uk](http://www.gamcare.org.uk) & [www.Gambleaware.co.uk](http://www.Gambleaware.co.uk)) plus the National Gambling Helpline are made available on the website to direct anyone to help and support should they need help from gambling additions. Dover District Council are also a contributing member to their research and support through membership of the lotteries council.

## **5. Implementation of Procedures**

- 5.1 Dover District Council takes its legal responsibilities very seriously and requires that all Officers and staff are aware of their legal obligations in running a successful and legally compliant Lottery.
- 5.2 New Starters in connection with the lottery operational delivery.
  - 5.2.1 All new starters in connection with delivery of the lottery will be given legal training as part of the induction process. The level and depth is dependent on role but covers:
    - 5.2.1.1 The Gambling Act 2005
    - 5.2.1.2 Licence conditions and codes of practice ("LCCP")
    - 5.2.1.3 Committees of Advertising Practice ("CAP") and Broadcasting Code of Advertising Practice ("BCAP")
    - 5.2.1.4 General Data Protection Regulation
    - 5.2.1.5 Plus the process for highlighting any evidence of non-compliance
- 5.3 Existing Staff in connection with the lottery operational delivery.
  - 5.3.1 All identified officers are aware of their legal responsibilities and compliance is a regular agenda item at review meetings.
  - 5.3.2 Annual refresher courses for staff will be run to maintain knowledge and compliance.
  - 5.3.3 Ad hoc on the job training forms part of the development of staff and focus areas for development are identified during the annual appraisal process and regular review process.



- 5.4 Training records will be kept as part of the personnel record of individuals and a register of key training delivered and renewal dates kept.
- 5.5 Training will be delivered in conjunction with our External Lottery Manager, the lottery provider.