

# North Yorkshire Council

## Chief Executive

9 January 2025

### Approval of reviewed policies as required to hold the Gambling Commission Remote Operator Licence to continue to run the former Harrogate District Local Authority Lottery

#### 1.0 PURPOSE OF REPORT

- 1.1 To seek approval of the policies listed below by North Yorkshire Council which are required as part of holding the existing Gambling Commission Remote Operator Licence used to operate a Local Authority Lottery, The Local Lotto for the Harrogate District, that was managed by the former Harrogate Borough Council:
- Protection of children and vulnerable persons
  - Fair and open gambling
  - Implementation procedures
  - Protection from Crime and Disorder
  - Social Responsibility in Gambling
  - Anti-money laundering
  - Gambling Policy
- 1.2 To seek approval to update the schedule of persons holding qualifying positions on the Council's Remote Operating Licence.

#### 2.0 SUMMARY

- 2.1 Former Harrogate Borough Council held a Gambling Commission Remote Operator Licence to run its Local Authority lottery. THE LOCAL LOTTO was launched in 2018 as an alternative means for the local voluntary and community sector to generate additional income and to reduce the reliance on the council for grant funding. The lottery is now in its 6<sup>th</sup> year and has generated over £320,000 for the former Harrogate district voluntary and community sector.
- 2.2 As part of holding the licence the various policies required to be compliant need reviewing therefore it is now timely to re-adopt the policies under North Yorkshire Council as part of the review process. The existing policies were transferred across under the Local Government Regulations 2008 as part of Local Government Re-organisation.

#### 3.0 BACKGROUND

- 3.1 On the 13 December 2017 former Harrogate Borough Council approved the establishment of a local authority run community lottery to support the local voluntary and community sector. This would provide a free online fund-raising platform to the sector to assist them in generating funds and to reduce the long-term reliance on the Borough Council for grant funding. After 12 months of operation if the lottery had been successful and proven to be a sustainable source of income a saving would be made by ceasing the council's community grant scheme.
- 3.2 In order to operate the lottery the council applied for an Operator Licence from the Gambling Commission, in this instance a remote operating licence was sought as players

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would only be participating by means of remote communication (Internet and telephone). Harrogate Borough Council had to provide assurance that it understood its responsibilities to meet the licensing objectives as set out in the Gambling Act 2005 and has arrangements in place to provide gambling services or facilities in a manner consistent with the licensing objectives.

- 3.3 Rachel Joyce and Trevor Watson are the named individuals on the licence. There are specific roles and responsibilities as part of the licence that the licensees must be accountable for. Some of these responsibilities are referenced within the specific policies such as the anti-money laundering where Rachel Joyce is the named primary responsible officer. The below provides a breakdown of the roles and who is responsible:

<b>Responsibility</b>	<b>Primary &amp; secondary named responsible officer</b>
Overall strategy and delivery	Rachel Joyce and Trevor Watson
Financial planning, control and budgeting	Rachel Joyce and Trevor Watson
Regulatory compliance	Rachel Joyce and Trevor Watson
Marketing and commercial development	Rachel Joyce and Trevor Watson
Gambling related IT provision and security	Rachel Joyce and Trevor Watson
Nominated officer for anti-money laundering	Rachel Joyce and Trevor Watson

- 3.4 Lotteries are a form of gambling and as such, local authorities are required to ensure that children and other vulnerable persons are not exploited by their lottery. In order to successfully obtain a licence to operate a local authority lottery from the Gambling Commission the council must have in place and implement policies and procedures to meet the requirements of the licensing objectives and the Gambling Commission's Licence Conditions and Codes of Practice. The purpose of these policies and procedures are to promote socially responsible gambling. These policies are standalone solely for the operation of The Local Lotto by North Yorkshire Council.

- 3.5 In accordance with the licensing objectives, the Council's written policies and procedures must ensure that:
- The Council will be protected from being a source of crime and disorder, being associated with crime and disorder, or being used to support crime.
  - Gambling will be conducted in a fair and open way. This should include procedures for the protection of customer funds and complaints and disputes procedures. The name of Council's alternative dispute resolution entity must also be provided where applicable.
  - Children and other vulnerable person will be protected from being harmed or exploited by gambling.

- 3.6 On the 14 February 2018 the required policies for the licence were approved by Harrogate Borough Council and subsequently the council was granted its licence. In July 2018 THE LOCAL LOTTO for the Harrogate district was launched.

- 3.7 As part of LGR transition officers engaged with the Gambling Commission on the position of the operating licence. It was concluded that as the geographical remit of the licence was to remain the same the existing policies would be transferred over under the structural changes legislation and that only an application of variation of name and registered head office address was required. The variation to the licence took effect on the 7 June 2023.

- 3.8 Although the existing policies remain in place the Council is obligated to review these policies periodically as part of licence compliance work. The policies have been reviewed and there are no material amendments to make to the former Harrogate Borough Council operating policies other than to reflect the change from Harrogate Borough to North

Yorkshire Council. Therefore, the policies appended to this report are to be carried forward and approved by North Yorkshire Council.

- 3.9 The lottery continues to be sustainable with 119 voluntary and community sector organisations using the platform to raise funds for their cause. Current performance shows that the Council is on track to raise just over £49,000 for the sector over 12 months if all players continue to support their chosen cause (16/12/2024). Over £330,000 has been raised for the sector over the six years of operation which far outweighs the former Harrogate Borough Council annual small grants scheme contributions. Like any lottery there are peaks and troughs in ticket sales, but it has consistently generated over £40k a year over the last six years.

Around £16k of the ticket sales income annually is generated for THE LOCAL FUND, the community pot that provides a small grants fund opportunity to apply into on an annual basis to the former Harrogate District. This fund is managed by Two Ridings Community Foundation and alongside other philanthropic giving, funds are allocated annually which includes the income from the lotto (10p in every £1 ticket sold goes into the Fund or should a player choose to solely support the Fund 60p goes into the Fund).

- 3.10 The Localities Service will be reviewing the LOCAL LOTTO in the new year to determine whether the model can be included in the VCSE offer across North Yorkshire. If deemed viable a new licence will be required to cover all of North Yorkshire. Policies will need to be reviewed as part of this process and a procurement will be required for the External Lottery Management. Currently Gatherwell Ltd. provide the hosting platform, carry out all the draw management, financial payments, monthly reporting returns required as part of the licence and marketing materials to the causes.

#### 4.0 CONCLUSIONS

- 4.1 North Yorkshire Council requires an Operator's Licence from the Gambling Commission to continue to run the former Harrogate District lottery. The reviewed policies referred to above are a necessary requirement to be compliant with the licence conditions.

- 4.2 The Council is required to notify the Gambling Commission of changes to persons who meet the 'qualifying position' criteria. Currently Rachel Joyce and Trevor Watson are listed as holding qualifying positions on the Council's operating licence. A qualifying position is one where an individual by the terms of their appointment has primary responsibility for:

- the management of the licensed activity (that is, the lottery)
- the financial affairs of the society
- ensuring the society complies with the requirements of the Gambling Act
- the marketing of the lottery
- management of the IT used in connection with the lottery

Due to the changes in management responsibility, it is proposed that an application is made to the Gambling Commission to remove Trevor Watson as holding a qualifying position and replace him with Marie-Ann Jackson the Head of Localities.

#### 5.0 RECOMMENDATION(S)

i) That the Chief Executive under paragraph 5.15 of the Officers' Delegation Scheme considers and approves (with or without amendment) the policies for the operation of The Local Lotto for the Harrogate District in relation to:

- Protection of children and vulnerable persons
- Fair and open gambling
- Implementation procedures

- Protection from Crime and Disorder
- Social Responsibility in Gambling
- Anti-money laundering
- Gambling policy

ii) That the Chief Executive approves the submission of the application to the Gambling Commission to replace Trevor Watson with Marie-Ann Jackson the Head of Localities as holding a qualifying position on the Council's Remote Operating Licence for The Local Lotto for the Harrogate District.

Rachel Joyce  
Assistant Chief Executive – Local Engagement

Report Author – *Ann Duncan, Senior Development Officer, Localities Service, Communities Team*

# Anti Money Laundering, Proceeds of Crime and Terrorist Financing Policy

## Introduction

### Purpose

**North Yorkshire Council** (the **Operator**) is committed to the prevention of opportunities for money laundering activities within its organisation.

The Proceeds of Crime Act 2002 (**POCA**) and the Terrorism Act (**TA 2000**) impose obligations on persons and organisations in both the regulated and unregulated sector in relation to the reporting of money laundering or terrorist financing instances.

In addition, the Operator is required as a licensed lottery operator to comply with the relevant sections of the Licence Conditions & Codes of Practice (**LCCP**) pertaining to money laundering and terrorist financing.

The Operator is also committed to operating within the spirit of the licensing objectives set out in the Gambling Act 2005. The first licensing objective is particularly relevant in the context of this Policy: *"preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime"*.

The Operator has adopted this Policy in order to ensure effective controls and procedures in relation to money laundering, taking into account the risks posed to the Operator.

### Scope

This Policy applies to the Operator and all of its directors, officers, employees, workers and any other personnel working for or on behalf of the Operator involved in the management and operation of the Operator's lottery.

## Anti Money Laundering Requirements

### The POCA

There are three primary offences contained in the POCA relating to the direct handling of the proceeds of crime.

- to conceal, disguise, convert or transfer the proceeds of crime, or remove the proceeds of crime from the UK<sup>1</sup>;

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<sup>1</sup> s.327, POCA

- to enter into, or become concerned in an arrangement, in which the person knows or suspects the retention, use or control of the proceeds of crime<sup>2</sup>; and
- to acquire, use or possess the proceeds of crime<sup>3</sup>.

These offences can be committed by any person or organisation.

The POCA also contains offences in relation to the failure to disclose the suspicion of money laundering and 'tipping off', however these offences only apply to organisations within the regulated sector. The Operator is not within the regulated sector for the purposes of the POCA.

## The TA 2000

The offences within the TA 2000 relating to the handling of money or other property intended to be used for the purposes of terrorism are:

- to receive (or invite the receipt of), provide or use any money or other property which is intended to be used, or the person has reasonable cause to suspect that it may be used, for the purpose of terrorism<sup>4</sup>;
- to enter into, or become concerned in an arrangement, in which the person knows or suspects it will be used for the purpose of terrorism<sup>5</sup>; and
- to conceal, transfer or remove from the UK any money or other property which is intended to be used, or the person has reasonable cause to suspect that it may be used, for the purpose of terrorism<sup>6</sup>.

As with the primary offences under POCA, these offences can be committed by any person or organisation.

## The LCCP

The Operator is a licensed lottery operator and therefore is required to comply with the LCCP. The relevant sections of the LCCP pertaining to money laundering and terrorist financing are:

<b>LCCP Condition</b>	<b>LCCP Requirement</b>	<b>How the Operator satisfies this requirement</b>
12.1.1	The Operator must conduct an assessment of the risks of its business being used for money laundering and terrorist financing.	The Operator carries out an annual money laundering risk assessment, as set out in this Policy.
12.1.1	The Operator must have appropriate policies, procedures and controls to prevent money laundering and terrorist financing.	The Operator has implemented this Policy to ensure effective controls and procedures in relation to money laundering.

<sup>2</sup> s.328, POCA

<sup>3</sup> s.329, POCA

<sup>4</sup> ss.15-16, TA 2000

<sup>5</sup> s.17, TA 2000

<sup>6</sup> s.18, TA 2000

12.1.1	The Operator must ensure that its policies, procedures and controls are implemented effectively, kept under review, revised appropriately to ensure that they remain effective, and take into account any applicable learning or guidelines published by the Gambling Commission from time to time.	The Operator will review this Policy, together with the controls and procedures hereunder, not less than once per year. An ad hoc review of this Policy may be required from time to time in case of, for example, a change in the law or if new guidance is issued by the Gambling Commission.
15.2.1 (4c)	The Operator is required to report the appointment or change of the person which has overall responsibility for the Operator's anti-money laundering and/or terrorist financing compliance, and/or for the reporting of known or suspected money laundering or terrorist financing activity.	The Operator has appointed a Money Laundering Reporting Officer and will notify the Gambling Commission of any change in the person holding this position.
15.2.2 (1d)	The Operator is required to report any actual or potential breaches of the requirements imposed under Parts 7 & 8 of the POCA or Part 3 of the TA 2000.	The Operator has implemented a reporting procedure in this Policy.

## Risk Assessment

### Risk areas

The Operator has identified the money laundering risks posed to its organisation as falling within two key areas:

- Criminal laundering of money through the purchase of tickets on the Operator's lottery website and subsequent winnings from draws to be taken as laundered money.
- False registration and representation of good causes on the Operator's lottery website, where tickets are purchased using illegally acquired funds in order to be extracted through the false pretense of funds raised for a good cause.

### Mitigation

The Operator operates in a way that mitigates the risk of money laundering within its organisation. The controls listed below act as effective mitigation against money laundering:

<b>Risk area</b>	<b>Mitigation</b>
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Customer identification	All users must provide their full name, address, email address and date of birth in order to register an account on the Operator’s lottery website.
Method of payment	The Operator’s accepted payment methods are by direct debit or debit card. Cash payments are not accepted, which eliminates the risk of counterfeit money passing through the Operator.
Lottery draws	To minimise the risk of fraudulent behaviour and demonstrate impartiality, 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. The smaller local level prizes are generated based on a random ticket selection using the online resource <a href="http://www.random.org/who">http://www.random.org/who</a> , which is independently verified for its random number generation using atmospheric noise.
Customer prize winnings	<p>Ticket purchases are limited per participating user. This is a restriction placed upon users in the lottery systems, which makes it impossible for a single user to purchase a large amount of tickets. Therefore, a large number of individual user accounts would be needed to attempt money laundering of any significant value, which would be identified in the lottery systems.</p> <p>The maximum return possible from money laundering through the purchase of tickets is extremely low in comparison to other gambling activities.</p>
Legitimacy of good causes	To ensure the legitimacy of good causes registered on the Operator’s lottery website, a cause application and approval workflow process is in place whereby the Operator itself has a duty to verify the identity of each good cause prior to approving their inclusion and set up on the Operator’s lottery website. This workflow is comprehensively tracked and logged on system records.
Security	The lottery software resides on secure servers behind encrypted firewalls, which provide bank level security protocols in the transfer of electronic data. In addition, the servers are located in a secure data centre managed by DBS checked staff.



	There is a full audit trail of every transaction for the software, including timestamps. This allows full investigation of any suspicious activities.
Personnel	Any suspicion of illegal behaviour by the Operator’s personnel will result in a full investigation. For the duration of any such investigation, the person will be suspended from their duties for the protection of customers, the Operator’s personnel and the reputation of the organisation.
Service providers	All service providers that provide essential services to the Operator in order to operate its lottery website (such as direct debit bureaus and payment gateways) undergo thorough checks in respect of their suitability, credibility and reputation. This may include financial health checks and references.

## Assessment

The Operator assesses its overall money laundering risk as low for the following reasons:

- The opportunities for money laundering within the Operator’s organisation are limited. The low ticket value and restrictions on the number of tickets per user means that criminals would have to set up a large number of accounts to make any money laundering activity worthwhile.
- The setting up of a good cause requires validation from the Operator, which deters criminal activity.
- The overall balance of risk and effort versus reward means that attempted money laundering through the Operator’s lottery would require a lot of effort for low return and that the likelihood of discovery would be extremely high.

The Gambling Commission has also assessed the current overall risk rating for Society Lotteries and External Lottery Managers as low. The Gambling Commission risk assessment may be found [here](#).

## Suspicious Activity Reporting

### Money Laundering Reporting Officer

As the Operator is not within the regulated sector, it is not obliged under the POCA or the TA 2000 to appoint a Money Laundering Reporting Officer (**MLRO**). However, in line with guidance from the Gambling Commission, the Operator has decided to appoint a MLRO in order to more effectively satisfy its obligations under the POCA, TA 2000 and the LCCP.

The Operator has appointed **Rachel Joyce, Assistant Chief Executive** as its MLRO. The MLRO is responsible for receiving, investigating and (if deemed necessary) acting upon all Suspicious Activity Reports (**SAR**) received from Operator personnel.

## Internal Reporting Procedure

All Operator personnel are expected to be vigilant to the possibility of money laundering occurring within the business and should use their personal judgment to identify suspicious circumstances.

Examples of suspicious circumstances may include (this list is not exhaustive):

- An unexpected material increase in the number of user accounts set up in the Operator's lottery over a short period of time.
- An unexpected material increase in the number of good cause applications in the Operator's lottery over a short period of time.
- An increase in high ticket purchases for individual players.
- Operator personnel requesting access to systems used for a purpose which is outside of their usual responsibilities.

If you are suspicious of money laundering activities occurring within the Operator organisation, you must report it to the MLRO as soon as possible using the SAR Form set out in the Annex to this Policy. It is important that suspicions are reported promptly as it can provide both the Operator and its personnel with protection against prosecution.

If you feel uncomfortable in making a SAR, you may speak with your line manager and complete the SAR Form together. You **must not** discuss your suspicions with anyone who may prejudice any investigation into criminal activity. You also **must not** delete or alter any records which may be relied upon to investigate criminal activity.

## Reporting to Law Enforcement

The MLRO, in consultation with the Operator's Legal Department, is responsible for investigating all SARs received from Operator personnel and deciding whether to make a subsequent SAR to the National Crime Agency (**NCA**) and the Gambling Commission.

## Record-keeping

The MLRO is responsible for keeping adequate records of:

- all SARs received from Operator personnel;
- all documents which relate to the investigation of SARs received from Operator personnel, including but not limited to, financial records, system records, meeting notes and legal advice (whether internal or external);
- all SARs made to the NCA and any subsequent correspondence with the NCA and other law enforcement agencies.

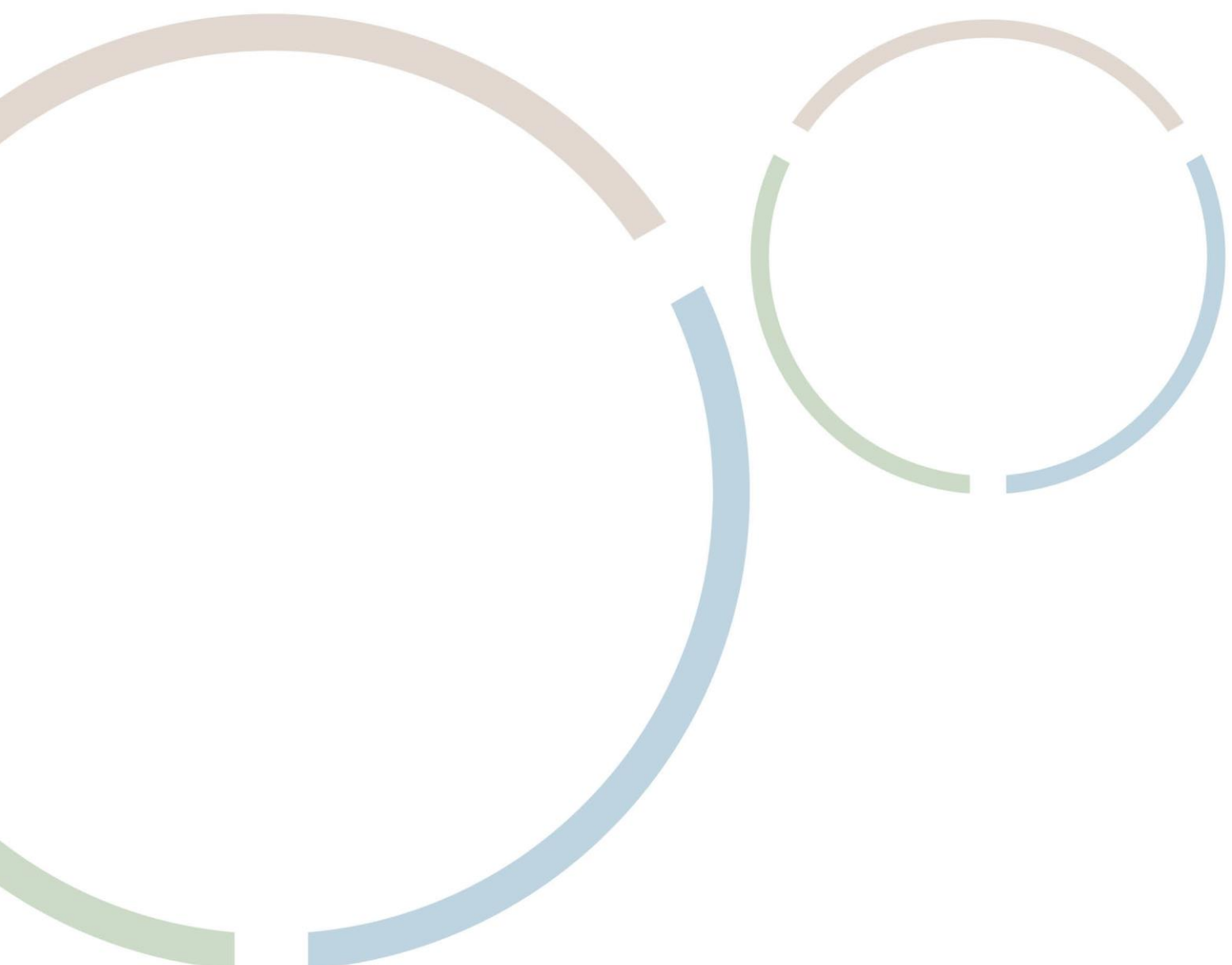
## Training

Operator employees (whether full time or part time) involved in the management or operation of the Operator's lottery will receive annual training on the matters covered in this Policy.

All new employees of Operator involved in the management or operation of the Operator’s lottery will receive training on this Policy as soon as practicable after their start date.]

Policy Information

Approval date	Replaces version dated	Responsible person	Approved by	Next review date
dd/mm/yyyy	dd/mm/yyyy	name	name	dd/mm/yyyy

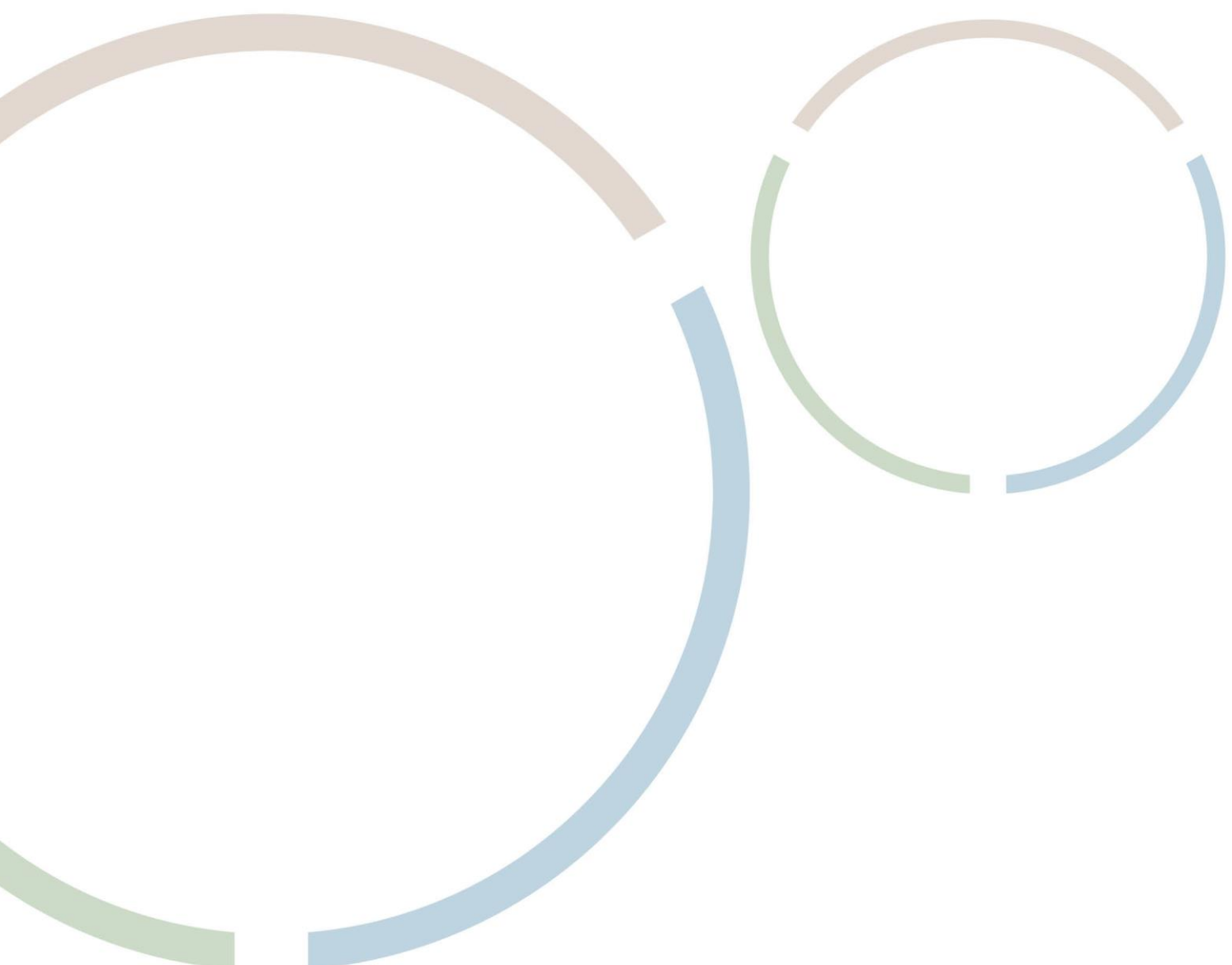


## Annex: Suspicious Activity Report Form

<b>SUSPICIOUS ACTIVITY REPORT FORM</b>			
Please complete this form and send it by email to the Operator's MLRO and Legal Departmentl.			
<b>Name:</b>		<b>Report date:</b>	
		<i>The date that you are submitting this report.</i>	
<b>Title:</b>		<b>Suspicious activity dates(s):</b>	
		<i>Please be as accurate as possible based on the information currently available.</i>	
<b>Details of suspicious activity</b>  <i>Please provide as much information as possible.</i>			
<b>Name(s) of suspected person(s)</b>  <i>If you do not know the identity of suspected person(s), please write "Unknown".</i>			

Records relevant to  
the suspicious  
activity

*Please list any records in  
your possession relevant  
to the suspicious activity.*



### **Gambling Commission questions**

Ensuring that the applicant's business will be protected from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.

- Are you aware of the Proceeds of Crime Act (POCA) and your responsibilities in relation to the Act?
- How will you ensure that you are not party to any illegal activities, for example, money laundering? What would you do if you suspect someone was attempting to use you as a way of laundering money? How would you try to detect if someone was attempting to pass counterfeit money and what would you do?
- How will you protect your equipment from crime and criminal misuse?
- Will you have CCTV or other crime prevention procedures in place?
- What security measures will be in place for cash handling?
- How will you monitor transactions and accounts for any suspicious activities?
- How will you ensure keys are kept securely (eg machine keys, keys for restricted access areas, money boxes)?
- Will you have steps in place to prevent money lending between customers?
- How will you ensure there is no collusion between customers and staff?
- How would you deal with someone if you felt they were trying to cheat in any way?
- How would you deal with someone who you felt was under the influence of alcohol or drugs?
- How will you ensure that other companies you deal with are trustworthy and reputable?
- If it came to your attention that another operator or a staff member was operating in an illegal manner, what would you do?
- For remote operators, how will you ensure there is no peer to peer collusion (e.g. in poker rooms)?

## **North Yorkshire Council: Fair and Open Gambling Policy**

1. North Yorkshire 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 Commission on Advertising Practice (CAP) and the Broadcast Commission on Advertising Practice (BCAP) code.
2. North Yorkshire Council utilise the services of a nominated External lottery management (ELM) company ensuring that the lottery is delivered on a financially sound basis as:-
  - 2.1. The financial structure of the lottery ensures that revenues are received prior to the running of any draw.
  - 2.2. Each draw is self-funded in terms of the liabilities that then arise (prizes, good cause donations etc)
  - 2.3. No players' tickets will be included in the draw unless cleared funds have been secured.
  - 2.4. The prize fund and good cause donations are calculated on a percentage basis of the revenue pot therefore ensuring sufficient funds will always be in place.
3. All terms and conditions are available for participants on the various websites of the North Yorkshire Council lottery, including the main Harrogate District Lottery website [www.thelocalotto.co.uk](http://www.thelocalotto.co.uk).
  - 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.

- 3.2. 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.
4. Our terms and conditions detail the complaints procedure should participants need to raise any issues or concern, both internally at North Yorkshire Council and externally though the use of an independent arbiter should resolution not be found.
5. No loyalty or reward schemes are being offered.
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.
- 6.1. As such the ELM nominated by North Yorkshire Council asks 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.
7. The ELM nominated by North Yorkshire Council holds responsibility for ensuring that all technical solutions remain within scope of the law.
  - 7.1. These include testing procedures for both existing, upgraded and new software propositions
  - 7.2. Ensuring that all servers are located in the UK
  - 7.3. Software protocols and administrator access is limited to core personnel
  - 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.
8. Gatherwell Ltd’s employees and their immediate families and household members and employees and their immediate families and household



members of Gatherwell's parent company (Jumbo Interactive Limited) and its associated subsidiaries are prohibited from purchasing lottery tickets and shall be ineligible for any prize.

# Gambling Policy

Approval date	Replaces version dated	Responsible person	Approved by	Next review date
dd/mm/yyyy	dd/mm/yyyy	name	name	dd/mm/yyyy

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## 1. Introduction and purpose

- 1.1. **North Yorkshire Council** (hereinafter referred to as the **Operator**, or **we, us, our**) is licensed by the UK Gambling Commission (the **Commission**) to promote a lottery under Operating Licence Number (051618-R-328935-004) .
- 1.2. The purpose of this Gambling Policy (**Policy**) is to set out the means by which the Operator complies with the Gambling Act 2005 (the **Act**) and the Licence Conditions and Codes of Practice adopted by the Commission from time to time (the **LCCP**). This includes, without limitation:
- 1.2.1. ensuring that the Operator's business is protected from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime\*;
  - 1.2.2. ensuring that children and other vulnerable persons will be protected from being harmed or exploited by gambling\*;
  - 1.2.3. ensuring that gambling is conducted in a fair and open way\*;
  - 1.2.4. the promotion of socially responsible gambling;
  - 1.2.5. cooperation with the Commission and access to premises;
  - 1.2.6. information and reporting requirements;
  - 1.2.7. marketing; and
  - 1.2.8. complaints procedure.

**\* The licensing objectives as set out in the Act.**

## 2. Scope of this Policy

- 2.1. This Policy is intended to set out:
- 2.1.1. how we comply with the principles and our obligations under the Act and the LCCP; and
  - 2.1.2. what we will expect to be done by our directors, employees, contractors, agency workers, interns, volunteers and trainees and apprentices involved in the management and operation of **THE LOCAL LOTTO for the Harrogate District (personnel)**.
- 2.2. It is intended that this Policy will help to ensure that personnel understand and are able to comply with the requirements of the Act and the LCCP to which they are subject in the course of their work.
- 2.3. Personnel should maintain an awareness of all policies and procedures relating to compliance with the Act and the LCCP.
- 2.4. This Policy will be reviewed and updated annually in order to ensure that we continue to act in accordance with our obligations under the Act and the LCCP. Revised versions will be brought to the attention of all personnel as and when necessary.

## 3. Licensing

- 3.1. The Operator will operate **THE LOCAL LOTTO for the Harrogate District** (the **Lottery**) in full compliance with:
- 3.1.1. the Act;
  - 3.1.2. the LCCP; and
  - 3.1.3. the Remote Gambling and Software Technical Standards adopted by the Commission from time to time (the **RGSTS**).

3.2. The Operator operates as a small-scale operator, as defined by the Gambling Act 2005 (Definition of Small-Scale Operator) Regulations 2006, which means that no more than three (3) individuals within the Operator are 'qualifying persons'.

3.3. In case of any change to the Operator's key personnel whose details and responsibilities have been notified to the Commission in relation to The Operator's operating licence (i.e. 'qualifying persons' named within Schedule X of each operating licence of the Operator):

3.3.1. we must notify the change to the Commission as a key event as soon as reasonably practicable, and in any event, no later than five (5) business days after the change has occurred. This notification must be made through the Commission's eServices portal; and

3.3.2. we must complete the **Application to Vary a Licence Form** (available through the Commission's website) and submit it to the Commission, together with the requisite fee.

3.4. If it is intended that an individual will be added to The Operator's operating licences as a 'qualifying person', that individual must first complete an **Annex A Declaration** (available through the Commission's website). This would usually take place around the same time that the **Application to Vary a Licence Form** is completed.

#### 4. External lottery manager

4.1. The Operator has appointed Gatherwell Limited, an external lottery manager licensed by the Commission under account number 36893 (**Gatherwell**) to manage and administer the Lottery on the Operator's behalf.

4.2. The Operator remains ultimately responsible for its own compliance with the Act, the LCCP and the RGSTS, however Gatherwell shall assist in all aspects of the Lottery's operation to meet such requirements.

#### 5. General compliance

5.1. The Operator will ensure that:

5.1.1. its game rules and/or terms and conditions under which gambling is offered do not contain provisions which may be regarded as unfair as defined in the Consumer Rights Act 2015;

5.1.2. the game rules and/or terms and conditions for the Lottery are written in clear and understandable language, and are made available to all prospective and existing customers; and

5.1.3. weekly lottery members will be notified of any changes to the game rules and/or terms and conditions for the Lottery in advance of the changes coming into effect.

5.2. Gatherwell (on our behalf) will ensure that the following notice is displayed prominently on the Lottery website: "**THE LOCAL LOTTO for the Harrogate District, promoted by North Yorkshire Council, a [[Local Authority Lottery OR Society Lottery]] licensed by the Gambling Commission Gambling Commission Account No: (051618-R-328935-004).**". The notice will include a direct link to a specific page on the Commission's website so that the Operator's status can be easily verified.

6. Protection of the Operator's business from being a source of crime or disorder, being associated with crime or disorder or being used to support crime

- 6.1. The Operator will refuse to be associated with any lottery or other gambling activity that may be illegal.
- 6.2. The Operator will refuse to enter into any contract or relationship with suppliers, contractors or agents that are suspected of being associated with any potential or actual criminal activities.
- 6.3. The Operator has adopted an Anti Money Laundering, Proceeds of Crime and Terrorist Financing Protocol (**AML Protocol**) in order to ensure effective controls and procedures in relation to money laundering, taking into account the risks posed to The Operator. The AML Protocol applies to all personnel involved in the management and operation of the Lottery.

7. Ensuring that children and other vulnerable people will be protected from being harmed or exploited by gambling

Protection of children

- 7.1. The Operator and Gatherwell will ensure that the Lottery rules and any Lottery marketing and promotional literature adequately and effectively advertise the minimum legal age limit.
- 7.2. When a prospective customer registers on the Lottery website, they will be asked to confirm that they are 18 years of age or older. We and Gatherwell may conduct random proof of age checks from time to time to ensure compliance with age restrictions.
- 7.3. The Operator and Gatherwell will review on a regular basis the methodology adopted in order to establish whether or not a prospective or actual customer is at least 18 years old and will implement all reasonable improvements that may become available as technology advances and as information improves.
- 7.4. The Operator will not accept lottery entries from any person who we know or suspect to be under 18 years old. In case of any doubt over whether a person meets the legal minimum age requirement, we (or Gatherwell on our behalf) may ask the person to provide proof of age documentation, such as a drivers licence, passport or other government issued ID.
- 7.5. If a person is unable to prove, on request from the Operator (or Gatherwell on our behalf), that they meet the legal minimum age requirement:
- 7.5.1. we will refund any Lottery entries purchased by that person; and
  - 7.5.2. that person will not be eligible to receive any prize. Jackpot prize winners must provide valid proof of age to Gatherwell (who verify proof of age on our behalf) before any prize will be paid out.
- 7.6. It is a criminal offence to invite or allow a person under 18 years of age to enter a local government lottery. As such:
- 7.6.1. any personnel who knowingly or recklessly invites a person under 18 years of age to enter the Lottery will be subject to disciplinary action;
  - 7.6.2. if any supplier, contractor or agent engaged by the Operator knowingly or recklessly invites a person under 18 years of age to enter the Lottery, we will review our commercial

relationship with that supplier, contractor or agent, which includes the likelihood of terminating such relationship.

#### Problem gambling

7.7. If a person known or suspected to be a problem gambler purchases a Lottery entry for or subscribes to the Lottery, or an existing customer is suspected of becoming a problem gambler:

- 7.7.1. any requests for additional lottery entries should be politely refused;
- 7.7.2. the customer should be tactfully referred to GambleAware by Customer Support; and
- 7.7.3. the customer's details should be logged for the purpose of possible exclusion from future participation in lotteries managed by the Operator.

#### Self exclusion from gambling

7.8. Customers will be given the opportunity to self-exclude either by telephone, in writing or by an automated process via the relevant lottery website.

7.9. Gatherwell (on our behalf) will ensure that procedures are implemented which are designed to identify separate accounts held by the same person, in order that, if an existing customer opts to self-exclude from gambling, they are excluded from all accounts.

7.10. The Operator and Gatherwell will ensure that self-excluders from gambling:

- 7.10.1. are given the opportunity either to self-exclude immediately without any cooling off period or to consider self-exclusion further, for example in order to discuss problem gambling with a counseling or support service;
- 7.10.2. are removed from any gambling related marketing databases within two (2) days of receiving the self-exclusion request;
- 7.10.3. are excluded for a minimum initial period of six (6) months;
- 7.10.4. may request an additional self-exclusion period of up to at least five (5) years;
- 7.10.5. remain self-excluders at the end of the period chosen by the customer for a minimum of seven (7) years, unless the customer takes positive action to gamble again;
- 7.10.6. are given a one (1) day cooling off period before being allowed to begin gambling again during the period following the end of their initial self-exclusion;
- 7.10.7. will not receive any future gambling-related marketing materials, unless the customer takes positive action to gamble again and has specifically agreed to accept such materials.

7.11. If a person who has self-excluded attempts to purchase a Lottery entry or subscribe to the Lottery:

- 7.11.1. the Lottery entry or subscription will be rejected by Customer Support and the self-excluder will be advised in writing of the reasons for the rejection and tactfully referred to GambleAware; and
- 7.11.2. the self-excluder will continue to be excluded from all future draws conducted by the Operator.

7.12. If an existing customer opts to self-exclude from gambling:

- 7.12.1. the Lottery subscription held by the self-excluder should be cancelled as soon as possible;

- 7.12.2. all payments in relation to Lottery entry purchases for draws which have not yet taken place should be refunded at the earliest opportunity; and
- 7.12.3. the customer will be excluded from all future Lottery draws.

#### Other vulnerable people

- 7.13. The Operator is committed to ensuring that Lottery entries or subscriptions are not knowingly sold to other vulnerable people, for example those under the influence of alcohol or drugs, or anyone who is incoherent or suffering from a cognitive disability.

## 8. The promotion of socially responsible gambling

#### Information on how to gamble responsibly and help for problem gamblers

- 8.1. The Operator and Gatherwell will ensure that information about how to gamble responsibly and how to access support services in respect of problem gambling is available to all prospective and actual customers of the Lottery.
- 8.2. The Lottery website, and marketing and promotional literature promoting the Lottery, will advertise the BeGambleAware logo and the GambleAware website, provided that the Operator is permitted to do so.
- 8.3. We may, from time to time, also signpost to other organisations which provide gambling support or counselling services. For example, GamCare offers advice, support and counselling services in respect of problem gambling.
- 8.4. The following text will be utilised in support of the BeGambleAware logo: *"Always play responsibly, if you need to talk to someone about your gambling please contact Gamble Aware"*.
- 8.5. The Operator is a member of the Lotteries Council. The Lotteries Council financially contributes to GambleAware on the Operator's behalf. This contribution supports research into the prevention and treatment of gambling related harm, develops harm prevention approaches and identifies and funds treatment to those harmed by gambling.

#### Account validation, purchase limits and monitoring of possible problem gambling

- 8.6. All customers require validation and set up before a gambling transaction may be processed, which limits the facilitation of instant gambling. For example:
  - 8.6.1. If the customer opts to pay by direct debit for a weekly lottery product, the Direct Debit Guarantee ensures a time lag between lottery ticket purchase and the first lottery draw.
  - 8.6.2. If the customer opts to pay by debit card for a weekly lottery product, there will be a minimum one (1) day lag before the customer will be entered into a draw.
  - 8.6.3. If the customer opts to pay by debit card for a single play raffle product, there is a minimum of one (1) hours' lag between the purchase and draw time.
- 8.7. In order to promote responsible gambling practices, the Lottery website checkout process (provided by Gatherwell on our behalf) limits customer purchases to twenty (20) lottery entries per transaction. This restricts the ability for customers to gamble beyond their means. Gatherwell will monitor this limitation and may adjust it from time to time, taking into account the number of customers which reach the purchase limit.



- 8.8. Gatherwell produces a monthly report of high ticket customers, which includes any customers who have purchased twenty (20) or more lottery entries (**High Ticket Customers**). Customer Support should contact all High Ticket Customers to confirm their ticket purchases and, if necessary, make adjustments to the number of tickets purchased.
- 8.9. If during contact with a High Ticket Customer, Customer Support identifies that the High Ticket Customer may be a problem gambler, communications with the High Ticket Customer should be reviewed to decide what action is required. This may include a follow up call to the High Ticket Customer.
- 8.10. If Customer Support holds a reasonable belief that the High Ticket Customer's behaviour may be typical of problem gambling, it may be necessary to cancel the High Ticket Customer's Lottery subscription and prevent the High Ticket Customer from making further purchases of Lottery entries. The relevant High Ticket Customer should be advised of this in writing. All communications should be handled with utmost care and discretion.
- 8.11. All communications with High Ticket Customers and any decisions made are logged by Gatherwell and provided to the Operator on request.

#### Death of a gambling customer by suicide

- 8.12. We are required to notify the Commission, as soon as reasonably practicable, if we know or have reasonable cause to suspect that a person who has played in the Lottery has died by suicide, whether or not such suicide is known or suspected to be associated with gambling. If any personnel become aware of such an event, a key person of the Operator will be responsible for notifying the event to the Commission at the earliest opportunity, including the following information about the deceased person:
- 8.12.1. their full name;
  - 8.12.2. their date of birth (if available); and
  - 8.12.3. a summary of all gambling transactions relevant to that person.

Gatherwell will provide assistance to enable the Operator to comply with this requirement.

## 9. Ensuring that gambling is conducted in a fair and open way

- 9.1. The Operator ensures that the Lottery will be conducted on a financially sound basis, given that:
- 9.1.1. the financial structure of the Lottery ensures that revenues are received prior to the running of any draw;
  - 9.1.2. each draw is self-funded in terms of the liabilities that arise (such as prizes and charitable donations);
  - 9.1.3. no customers' tickets will be included in the draw unless cleared funds have been received;
  - 9.1.4. the prize fund and charity donations are calculated based on a percentage (%) of the total ticket receipts, which ensures that funds will be in place to support the liabilities of the Lottery.
- 9.2. Gatherwell (on our behalf) ensures that all technical solutions for the Lottery remain in compliance with the Act, the LCCP and the RGSTS. This includes:
- 9.2.1. testing procedures for existing, upgraded and new software propositions;

- 9.2.2. ensuring that all servers hosting lottery software are located in the United Kingdom;
- 9.2.3. software protocols and administrator access is limited to core Gatherwell staff;
- 9.2.4. all suppliers, contractors and agents engaged by Gatherwell are advised of its standards before they are allowed to deliver technical support. Access is limited on an 'as needs' basis according to their scope of work and is monitored and logged.

9.3. The Lottery will be conducted in accordance with strict game rules, which are drafted by Gatherwell and approved by the Operator. The game rules will be accessible to all prospective and actual customers through the Lottery website. All new customers must accept the game rules at the point of sign up and no new account may be created on the Lottery website without accepting the game rules.

9.4. Gatherwell (on our behalf) will notify customers if any changes are made to the game rules. In case of minor changes to the game rules, Gatherwell will notify customers via a pop up on the Lottery website. In case of major changes to the game rules, Gatherwell will additionally provide written notice by email to all registered customers in advance of the effective date of the changes.

9.5. The Operator provides a set of Frequently Asked Questions (**FAQs**) which explain to prospective and actual customers how the Lottery operates, including how to play the Lottery, the probability of winning a prize and what happens in the event of a win. The FAQs are published on the Lottery website.

9.6. The jackpot draw process is based upon the result of the Australian National Lottery Super66 game, as published on the Lottery West website ([www.lotterywest.wa.gov.au](http://www.lotterywest.wa.gov.au)). The winning number for each weekly draw will be the six digit number (in the same order) of the Australia National Lottery Super66 draw which takes place on the Saturday night of the same week.

9.7. If a local draw is offered, the draw process is based upon the random generation of a winner from the tickets in the local draw. The winner will be selected at random using the online resource <http://www.random.org/>, which is independently verified for its random number generation using atmospheric noise.

9.8. Prize winners will be notified by email within two (2) weeks of the date of the draw. The notification will include a link to claim the prize. Gatherwell (on our behalf) may withhold payment of the prize until we are satisfied that the prize winner has fully complied with the game rules, including the minimum legal age and proof of residence in Great Britain.

9.9. Jumbo Interactive Group employees and members of their immediate family and/or household are prohibited from purchasing Lottery entries and are not eligible for any prize in the Lottery.

## 10. Cooperation with the Gambling Commission and access to premises

10.1. The Operator will ensure that all personnel are aware that:

- 10.1.1. they must cooperate with the Commission's enforcement officers in the proper performance of their compliance functions;
- 10.1.2. the Commission's enforcement officers have rights of entry to business premises, as specified in Part 15 of the Act;
- 10.1.3. they must immediately inform the Operator's key personnel in the event of a visit from the Commission's enforcement officer(s).

## 11. Information and reporting

- 11.1. The Operator will make reasonable efforts to ensure that the Commission is provided with any information that relates to or is suspected to relate to an offence under the Act, including an offence resulting from a breach of the LCCP.
- 11.2. All key events specified under the LCCP will be notified to the Commission as soon as reasonably practicable, and in any event, no later than five (5) business days after we become aware of the event. This notification must be made through the Commission's eServices portal. Key events may relate to:
- 11.2.1. operator status
  - 11.2.2. relevant persons and positions;
  - 11.2.3. financial events;
  - 11.2.4. legal or regulatory proceedings or reports;
  - 11.2.5. gambling facilities.
- 11.3. The Operator will complete and submit Regulatory Returns in accordance with the quarterly periods set by the Commission within 28 days of the end of each quarterly period:
- 11.3.1. Quarter 1: 1 April - 30 June;
  - 11.3.2. Quarter 2: 1 July - 30 September;
  - 11.3.3. Quarter 3: 1 October - 31 December; and
  - 11.3.4. Quarter 4: 1 January - 31 March.

## 12. Marketing

- 12.1. The Operator will ensure that any incentive, reward scheme, or other arrangement under which a customer may receive money, goods, services or other advantage is proportionate to the type and level of the customer's gambling and is designed in such a way that:
- 12.1.1. The circumstances and conditions to which the benefit is available are clearly described and readily accessible to the customers being offered the potential benefit;
  - 12.1.2. Neither the receipt nor the value or amount of the benefit is dependent upon the customer gambling for a predetermined length of time or frequency and the amount of the benefit is not altered or increased if the qualifying activity or spend is reached within a shorter time than the whole period over which the benefit is offered;
  - 12.1.3. If the value of the benefit increases with the amount the customer spends, it does so at a rate no greater than that at which the amount spent increases;
  - 12.1.4. If the benefit comprises free or subsidised travel or accommodation which facilitates the customer's attendance at particular licensed premises the terms which it is offered are not directly related to the level of the customer's prospective gambling.
- 12.2. When producing marketing materials or running marketing campaigns, the Operator will comply with the advertising codes of practice adopted by the Advertising Standards Authority from time to time, including:
- 12.2.1. the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (**CAP Code**); and
  - 12.2.2. the UK Code of Broadcast Advertising (**BCAP Code**).
- 12.3. The Operator will ensure that gambling and lottery advertising must not be of strong appeal to children or young persons, especially by reflecting or being associated with youth culture.

12.4. If the Operator engages a third party (other than Gatherwell) for the provision of any aspect of the Operator's licensed activities, the Operator will ensure that its terms with such third parties:

12.4.1. require the third party to conduct themselves in so far as they carry out activities on behalf of the Operator as if they were bound by the same licence conditions and subject to the same codes of practice as the Operator;

12.4.2. oblige the third party to provide such information to the Operator as they may reasonably require in order to enable the Operator to comply with its information reporting and other obligations to the Commission;

12.4.3. enable the Operator, subject to compliance with any dispute resolution provisions of such contract, to terminate the third party's contract promptly if, in the Operator's reasonable opinion, the third party is in breach of contract (including a breach of the LCCP) or has otherwise acted in a manner which is inconsistent with the licensing objectives of the Act, including for affiliates where they have breached a relevant advertising code of practice.

12.5. The Operator will not place digital advertisements on websites which provide unauthorised access to copyrighted content.

12.6. The Operator will ensure that clear, transparent and easily accessible information is made available to prospective customers to enable them to make an informed choice prior to participating in the Lottery. This includes, without limitation, details of how Lottery proceeds are distributed, the likelihood of winning a prize and how prizes are allocated.

12.7. The Operator will use reasonable endeavours to comply with industry codes of practice in respect of its licensed activities.

12.8. The Operator will only conduct direct marketing to customers who have provided their informed and specific consent to the receipt of direct marketing communications.

## 13. Complaints and disputes

13.1. Gatherwell (on our behalf) will publish a Complaints Procedure on the Lottery website.

13.2. The Operator will ensure that an independent adjudication provider will handle any disputes that arise between us and our customers, after the customer has completed our own internal dispute procedure and where a deadlock still exists.

## 14. Records

14.1. The Operator will keep records of customer communications and complaints for a minimum period of three (3) years.

## 15. Protection of customer funds

15.1. Lottery proceeds are initially paid into Gatherwell's ordinary trading bank account. Gatherwell transfers the Operator's share of proceeds from this account within fourteen (14) business days of receipt into a separate client account (having trust status) on behalf of the Operator. Funds held by Gatherwell on behalf of Operator are transferred to the Operator and our affiliated good causes on a regular basis.

- 15.2. Funds allocated to the provision of prizes are also held by Gatherwell in the separate client account to protect customers against an insolvency event. These funds are used as follows:
- 15.2.1. Cash prizes are paid directly out of the client account to prize winners.
  - 15.2.2. A portion of the funds allocated to the provision of prizes is transferred back to Gatherwell's ordinary trading bank account in consideration of Gatherwell covering the risk of jackpot prize payouts.

## 16. Training

- 16.1. Key personnel involved in the management and operation of the lottery on a day-to-day basis will receive training on all matters covered in this Policy no less than once per year.

## 17. Failure to comply

- 17.1. We regard compliance with this Policy as an extremely serious matter. Failure to comply may expose the Operator to regulatory sanctions, including financial penalties and, in extreme circumstances, the loss of its operating licence.
- 17.2. Due to the importance of this Policy, any failure to comply with the provisions set out herein by any personnel will be taken seriously and may lead to disciplinary action being taken under our usual disciplinary procedure. Breaches may result in dismissal for gross misconduct and immediate contract termination for non-employees.

### **Gambling Commission questions**

#### Ensuring the promotion of social responsibility in gambling:

- Are you aware of any organisations that can help problem gamblers? How will you make this information known to your customers?
- What are your policies and procedures where you have concerns that a customer's behaviour may indicate problem gambling? What advice would you give?
- Will you have procedures in place to prevent problem gambling arising? For example, are you aware of your regular customers, how much they usually spend, how often they usually gamble? Would you notice any drastic changes to their gambling behaviour and how would you deal with this?
- What would you do if you felt someone was gambling beyond their means?
- What are your procedures for self exclusion and how will you monitor this?
- Will you set any limits on the size of bet/stake that you take? How will you make this information known to your customers?
- What would you do if someone asked to borrow money from you in order to continue gambling, or if you knew someone was borrowing money in order to fund their gambling?
- How do you intend to contribute to research and public education on the risks of gambling and how to gamble safely (e.g. contributions to Gambling Research Education and Treatment)?

#### Ensuring that gambling will be conducted in a fair and open way:

- How will you ensure that you have sufficient resources to cover all your gambling transactions and financial obligations?
- How will you ensure that the rules and conditions of the gambling facilities you provide are available and understood, and that the terms offered are fair to all?
- How will you notify customers when your rules and conditions change?
- How will you deal with complaints or disputes? How is this information made available to customers?
- Will you use a third party arbiter for any unresolved complaints or disputes?
- Will you be offering loyalty and reward schemes? If so, how will you ensure they are compliant with the LCCP?
- How will you ensure you comply with any relevant technical standards (eg Section 240 of the Gambling Act 2005)?
- How will you ensure any third party providers comply with any relevant technical standards?
- How will you assess whether a new product needs testing and how do you ensure that you comply with the testing requirements set out in the technical standards?
- Will you comply with any codes of practice set by other organisations (e.g. Trade Associations)?

#### Ensuring that children and other vulnerable persons will be protected from being harmed or exploited by gambling:

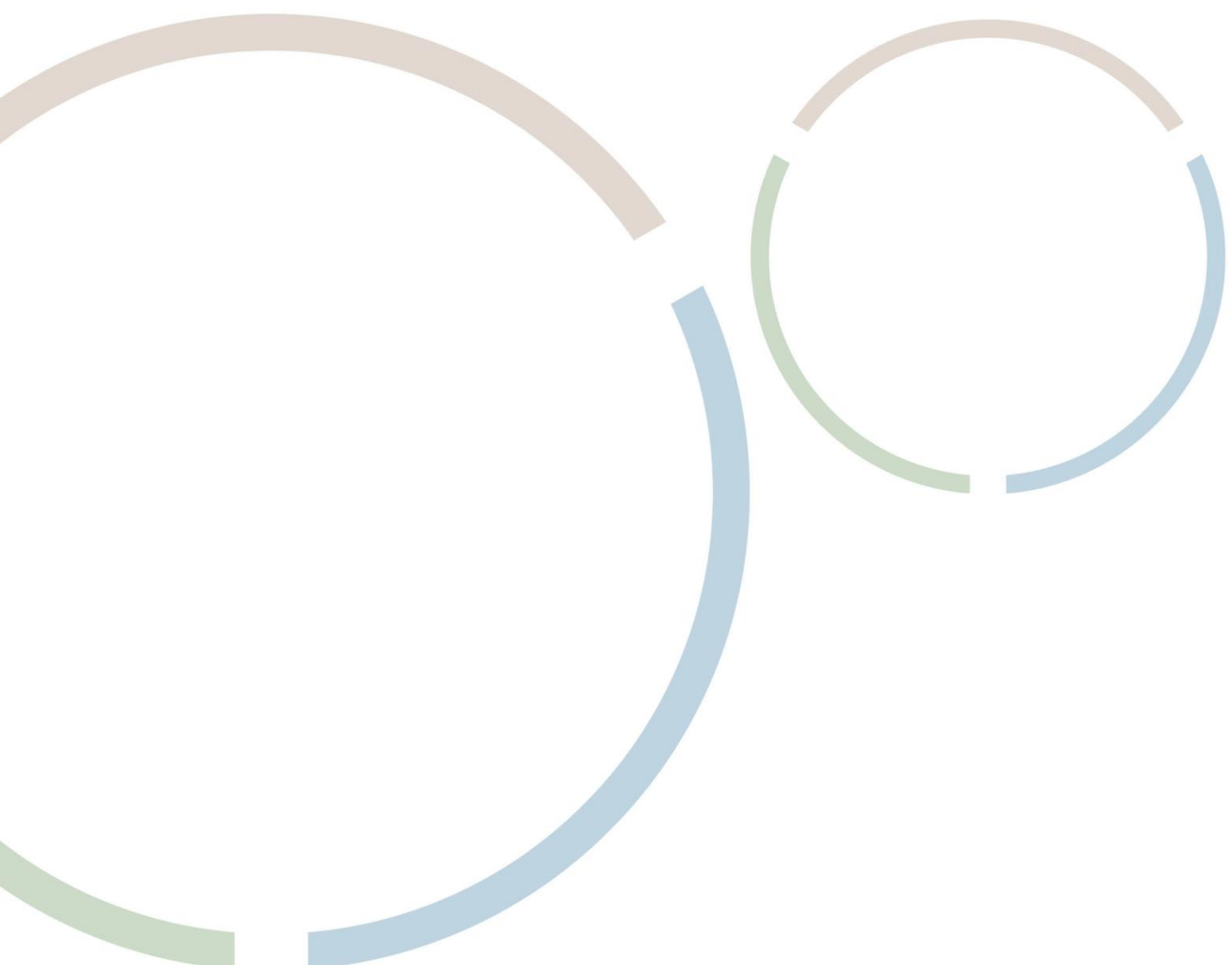
- What are your policies and procedures to prevent underage gambling?
- What information will you display relating to underage gambling?
- What age verification procedures will you have in place?
- What would you do if you discover someone underage had gambled?
- How will you prevent someone who is underage entering adult only areas?
- What are your procedures relating to the employment of young people?
- What steps will you take to ensure that any products and services you offer are not of particular appeal to children or young people?
- What marketing and advertising will you be carrying out? How will you ensure you are compliant with the Advertising Codes of Practice and the LCCP?

- What would you do if you felt someone was not capable of making an informed decision about gambling, for example, because of mental health problems, learning disabilities or substance misuse relating to alcohol or drugs?
- What age verification procedures will you have in place to prevent underage gambling online?

Implementing your policies and procedures:

- What training will you provide to your members of staff?
- How will training be delivered, updated and evaluated?
- Will you keep a record of all training provided?

How will you ensure any training provided is in line with the



# Implementation of Procedures Policy

1. North Yorkshire Council takes its legal responsibilities very seriously and requires that all officers and staff who are directly involved in the provision of facilities for gambling are aware of their legal obligations in running a successful and legally compliant Lottery.
  - 1.2 North Yorkshire Council will conduct a regular review of the Licence Conditions and Codes of Practice, reviewing and amending its policies as required.
2. **New starters**
  - 2.1 All new starters who are directly involved in the provision of facilities for gambling will be given legal training as part of the induction process. The level and depth is dependent upon the role, but covers:
    - 2.1.1 The Gambling Act 2005
    - 2.1.2 Licence Conditions and Codes of Practice (LCCP)
    - 2.1.3 Committee of Advertising Practice (CAP) and Broadcast Committee of Advertising Practice (BCAP)
    - 2.1.4 Data Protection
    - 2.1.5 Plus the process for highlighting any evidence of non-compliance
3. **Existing Staff**
  - 3.1 All officers who are directly involved in the provision of facilities for gambling are aware of their legal responsibilities and compliance is a regular agenda item at review meetings.
  - 3.2 Annual refresher courses for staff will be run to maintain knowledge and compliance.
  - 3.3 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. North Yorkshire Council: Implementation of Procedure Policy.
- 4 Training records will be kept as part of the human resources record of individuals and a register of key training delivered and renewal dates kept.
- 5 Training will be delivered in conjunction with our nominated External Lottery Manager.



# Protection from Source of Crime and Disorder Policy

1. This Policy upholds the requirements of the Proceeds of Crime Act 2002 and the Anti-Money Laundering (AML) Regulations.
  - 1.1 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.”*
  - 1.2 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 the National Crime Agency (NCA), or its successor, suspicions of money laundering activity.
    - Put in place and maintain policies and procedures to cover the requirements listed above. Harrogate Borough Council: Protection from Source of Crime and Disorder Policy
2. North Yorkshire Council is a professional operation and takes its responsibilities to ensure all players of their society lottery are operating within the law.
3. North Yorkshire Council employ the services of a nominated Remote External Lottery Management company which mainly takes transactions electronically through either Direct Debit, credit card and debit card. No cash payments can be used for payment, mitigating the chance for the passing of counterfeit money.
4. 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.

5. 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 Barring Service checked staff.
6. 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 External Lottery Manager staff or law enforcement bodies can be undertaken.
7. In an effort to minimise the risk of fraudulent behaviour and demonstrate impartiality throughout, the local level prizes are generated based on a random ticket selection from existing purchased tickets by an algorithm within the software.
8. 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.
9. 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.
10. All companies who provide fundamental services in the provision of the service (e.g. Direct Debit Bureaus, 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.

# District Lottery Policy in relation to the Protection of Children and Vulnerable Persons

1. North Yorkshire Council understands its requirements as part of the Licence Conditions and Codes of Practice and takes its responsibilities to the protection of Children and Vulnerable persons very seriously.
2. North Yorkshire Council understands that there is a legal requirement to prevent the sale of lottery tickets to people under the age of 16.
  - 2.1 To ensure compliance with this requirement North Yorkshire Council requires our nominated External Lottery Manager to spot check new players of the lottery by subjecting them to Age Verification checks via an industry recognised third party agency to ensure that they are of legal age to play.
  - 2.2 Age verification service providers can deliver positive results to ensure that players are over 18 and therefore the External Lottery Manager appointed by North Yorkshire Council has opted to only accept these positive checks as a validation of age.
3. To ensure that players are aware of the age limitations:
  - 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.
  - 3.2 In addition North Yorkshire Council has 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.
4. In the unlikely event that the age verification checks have proved to be inaccurate and North Yorkshire Council discovers that someone underage North Yorkshire Council: District Lottery Policy in relation to the Protection of Children and Vulnerable Persons has gambled then their user account would be immediately suspended and all monies returned excluding any winnings.
5. Marketing falls into two areas:
  - 5.1 Firstly in encouraging good cause participation (where there is a low risk of exposure to children and vulnerable people); and
  - 5.2 Secondly in the development of materials that support participation of the individual lotteries.

5.2.1 In this area generic marketing materials are used which can be tailored to deliver a marketing package to each individual good cause to help them market their lotteries.

5.3 To ensure compliance with the Advertising Codes of Practice advertising materials will regularly be submitted to the Committee of Advertising Practice for approval.

5.4 North Yorkshire Council will take care to avoid using marketing materials which may have the effect of attracting young children in accordance with the Committee of Advertising Practice guidance.

6. Player Accounts require validation and set up.

6.1 In the instances of direct debit the Direct Debit Guarantee ensures a time lag between ticket purchase and the first draw.

6.2 As draws take place once per week, Ticket purchases are therefore not capable of being purchased for immediate play and

6.3 for internal process reasons even credit and debit card payments cannot facilities instant play into a draw for that week and a minimum of one day's lag will be effective.

6.4 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.

# Social Responsibility in Gambling Policy

1. North Yorkshire Council is aware of its social responsibility to protect individuals from excessive and addictive gambling.
2. Limits are in place to ensure individuals cannot buy excessive numbers of tickets,
  - 2.1. This therefore restricts the capability for individuals to gamble beyond their means or gamble what they cannot afford.
  - 2.2. These limits will be monitored to see how many players reach them and may be reduced correspondingly if required.
  - 2.3. These limits are clearly highlighted at the point of purchase online.
3. Accounts require validation and set up.
  - 3.1. In the instances of direct debit the Direct Debit Guarantee ensures a time lag between ticket purchase and the first draw.
  - 3.2. As draws take place once per week, Ticket purchases are therefore not capable of being purchased for immediate play and
  - 3.3. 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.
  - 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. 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
5. A process for self-exclusion from lottery participation exists to allow anyone to Harrogate Borough Council: Social Responsibility in Gambling Policy self-exclude themselves from all propositions (existing or future) 6. 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 e on the website to direct anyone to help and support should they need help from gambling additions. Harrogate Borough Council is also a contributing member to their research and support through membership of the Lotteries Council.