

SUBJECT:	<i>Lottery</i>
REPORT OF:	<i>Cllr Graham Harris – Portfolio Holder Community, Health & Housing</i>
RESPONSIBLE OFFICER	<i>Martin Holt – Head of Healthy Communities</i>
REPORT AUTHOR	<i>Claire Speirs – Leisure & Community Officer Claire.speirs@southbucks.gov.uk</i>
WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

To advise members of the results of consultation carried out with local community groups on the proposed community lottery and to agree the new community lottery for Chiltern District Council in partnership with South Bucks District Council.

RECOMMENDATIONS

1. **That:**
 - (i) the establishment of a local lottery be approved;**
 - (ii) To appoint Gatherwell as the external lottery manager (ELM) to run all or part of the lottery for a period of up to 5 years, subject to annual review; and**
 - (iii) the Head of Healthy Communities be appointed to hold the licence and submit the necessary application to the Gambling Commission.**

2. Reasons for Recommendations

2.1 A local authority lottery delivered on line, which can become a valuable source of additional fund raising for local community and voluntary organisations and be used as an exemplar fund raising platform. The Vale Lottery run by Aylesbury Vale District Council has raised over £60,000 in 'Good Causes' funding in less than 9 months

2.2 Following consultation with community groups a large portion of those responding are supportive of a local lottery, 74% either agreed or strongly agreed that they were supportive of a local lottery.

2.3 A local lottery enables community groups to raise their profile and attract new supporters. The lottery also enables them to increase their income with every ticket sold.

3. Content of Report

3.1 This report should be considered in association with the report presented to Cabinet at the meeting 1st November 2016, to agree the proposal to establish a local authority lottery <http://cdc-modernlive/documents/s34111/lotterycdc191016.pdf> . Cabinet deferred any decision pending more information.

3.2 Since that meeting, Wycombe District Councils has agreed to establish a local authority lottery along the same lines as proposed and developed by Aylesbury Vale District Council.

This has led to concerns by the sector that there are number of lotteries being established locally and that the benefits may be diminished.

3.3 The Gambling Commission register of local authority details the following authorities running a lottery;

Gloucester City Council
Eastbourne Borough Council
Aylesbury Vale District Council
Tonbridge and Malling Borough Council
Portsmouth City Council
Melton Borough Council
Mendip District Council

3.4 Members are reminded that the proposed local authority lottery would deliver

- A weekly draw at a cost of £1/ticket
- 60% of ticket sales goes to causes and prizes
- On line platform that assists participants and supporters to access the lottery
- A prize fund with 1 in 50 odds of winning a prize
- A maximum prize of £25,000
- Other prizes of £1,000, £250, £25, and 3 free tickets
- Supporters would be able to choose a Good Cause or the central Community Fund
- Marketing and advertising delivered by Good Causes and Gatherwell
- Minimal administration costs following initial set up and promotion.
- Prizes are paid by direct debit
- That the Council appoints an external lottery manager (ELM) to run all or part of their lottery, and ELMs must also be licensed by the Gambling Commission. It is proposed that Gatherwell would be the ELM.

Gambling Responsibly

3.5 Lotteries are the most common type of gambling activity across the world, and considered to be a 'low risk' form with respect to the emergence of problem gambling. This is due to its relatively controlled form. The proposed Lottery scheme will help mitigate against many of the issues related to addictive gambling by :

- Being only playable via direct debit and by pre-arranged sign up
- There is no 'instant' gratification or 'instant reward' to taking part
- There will be no 'high profile' activity surrounding the draw
- The Lottery website will contain a section providing links to gambling support organisations.

3.6 Due to these factors a CDC Lottery will not significantly increase problem gambling, and the benefits to good causes in the District from the proceeds of the lottery balances possible negative issues.

4. Consultation

4.1 Full consultation has taken place with a wide range of local community groups; both based locally delivering services in the Chiltern area and others with a wider geographic spread but operating services in Chiltern District. The consultation with community groups took two forms.

4.2 An event was held at King George V House 12th December themed around funding, community groups were invited to attend to hear talks from GLL Spacehive, Community Impact Bucks and Gatherwell (Lottery management company). Gatherwell explained the process behind the lottery and how community groups could benefit. Following this information event an email based survey was undertaken with community groups

4.3 Twenty-four people attended the event, representing nineteen organisations. Those attending included Action 4 Youth, Amersham Action Group, Chesham Community Arts, Chesham Youth Centre, Dial-a-Ride and Padstones. Seventeen organisations completed a feedback survey. Attendees were asked: Would you be supportive of utilising the following funding streams in addition to grant funding? Twelve of the seventeen organisations answered this question, and eleven of them were supportive.

4.4 Comments received on the feedback included:

- Thank you for invitation. I will definitely follow up on Spacehive and Local Authority Lottery'
- 'LA lotteries look really positive - would like to see marketing campaign developed around them engaging 'employers' to offer the lottery as an employee or volunteer benefit.'
- 'Well planned out presentations. A lot of ideas to take back and discuss'
- 'We need this local lottery asap! A presentation evening with Sport England Reps and other similar bodies would be great'

4.5 Online consultation took place between 13th February and 5th March 2017. Information was sent to the following organisations:

- Town & Parish Councils
- Schools
- Sports Clubs
- Grant applicants
- Revit groups
- Youth Clubs
- Community Associations
- Community Groups
- Social media.
- Discussed at Funding Fair 1st March.

The organisations were asked what type of organisation they were, how they currently fund their organisation, whether their organisation could benefit from a local lottery, whether they feel supportive of a local lottery and if they would be willing to promote the lottery to their supporters.

Survey highlights:

- 32% of respondents were a community group
- 35% were a charity
- 70% of organisations currently raise funds through grant funding
- 77% felt they could benefit from a local lottery
- 74% were either agreed or strongly agreed that they were supportive of a local lottery.

5. Options

- Proceed with lottery programme working with the community groups who have expressed an interest in signing up to the lottery.
- Do not proceed with lottery programme.

6. Corporate Implications

Reports must include specific comments addressing the following implications;

6.1 Financial

Financial – the long term costs for the Council are within current budget estimates and enable future alternative funding streams for the voluntary and community sector at a time of diminishing resources.

The potential for community funding is only limited by the maximum value of tickets that can be sold in a single lottery, currently £4 million and the maximum aggregate value of lottery tickets that can be sold in any calendar year, currently £10 million.

However it is very unlikely that this level of ticket sales would occur, as the population of the two districts is insufficient to reach these figures. However it is not anticipated that in the first 5 years of the lottery that more than 10,000 weekly supporters would be using the lottery enabling £312,000 to be awarded to Good Causes.

It is proposed that the set up costs are taken from existing resources in the joint Community budget for 2017/18.

6.2 Legal

The operation of lotteries (excluding the National Lottery) is regulated by the Gambling Act 2005. Local Authorities may run "local authority lotteries" to raise funds to cover anything for which they have the power to incur expenditure. All local authority lotteries must be licensed by the Gambling Commission, which was set up as the regulatory body under the 2005 Act. The licensing regime includes the need for a Personal Management Licence (PML) held by an individual within the organisation as well as an Operating Licence.

The Gambling Commission has issued statutory guidance. This confirms that local authority lotteries must apply a minimum of 20% of the gross proceeds for any purpose for which it has power to incur expenditure, up to a maximum of 80% of the proceeds may be divided between prizes and expenses, and the maximum value of tickets that can be sold in a single lottery is £4million. The maximum aggregate value of lottery tickets that can be sold in a calendar year is £10 million, the maximum prize in a single lottery is £25,000 or 10% of the gross ticket sales (whichever is greater) and rollovers are permitted provided the maximum single prize limit is not breached.

Local authority lotteries may employ an external lottery manager (ELM) to run all or part of their lottery, and ELMs must also be licensed by the Gambling Commission.

The appointment of an ELM will need to be formalised by entry into a contract.

7. Links to Council Policy Objectives

This report seeks to further support the voluntary sector and promote volunteering through the development of wider fund raising opportunities for the sector at a time that grants are becoming harder to access.

8. Next Step

Should members decide to proceed with a local lottery licensing applications will need to be submitted to the Gambling Commission, once approved a marketing plan can be developed.

Background Papers:	It is a legal requirement that we make available any background papers relied on to prepare the report and should be listed at the end of the report (copies of Part 1 background papers for executive decisions must be provided to Democratic Services)
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Appendix One: Lottery survey results





