



Cabinet

**Wednesday, 6th September, 2017 at 5.30 pm
in the Assembly Room, Town Hall, Saturday Market
Place, King's Lynn PE30 5DQ**

Reports marked to follow on the Agenda and/or Supplementary Documents

1. **MATTERS REFERRED TO CABINET FROM OTHER BODIES** (Pages 2 - 4)

Recommendations to Cabinet from the Environment and Community Panel – Local Lottery.

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RECOMMENDATIONS TO CABINET 6 SEPTEMBER 2017 FROM THE ENVIRONMENT AND COMMUNITY PANEL MEETING ON 5 SEPTEMBER 2017

EC37: LOCAL LOTTERY

The Executive Director presented the Cabinet report which detailed the proposals for introducing a Local Authority Lottery. The Panel were invited to make any appropriate recommendations to Cabinet, who would be considering the report at their meeting on 6th September 2017.

The Executive Director provided information on the company that could provide the Local Lottery model and other Local Authorities who had introduced a Lottery. Those present were reminded that a review of financial assistance grants had been carried out and budgets had had to be reduced, the Local Lottery was an idea to supplement this and provide a route for organisations to raise funds. The report set out the model which could be used and the Panel was informed that it would take at least sixteen weeks to get the necessary licences in place. It was therefore proposed to launch the Lottery in 2018.

The Executive Director informed the Panel that the report also set out how people could play the lottery and how the money was distributed. She also highlighted the Financial Implications as set out in the report.

The Chairman thanked the Executive Director for her report and invited questions and comments from the Panel, as summarised below.

Councillor Smith referred to recommendation four, which would require two named officers to hold Gambling Licences. He asked that if officers would prefer not to hold Licences could they be held by a different member of staff. The Executive Director confirmed that this would not be a problem.

In response to a further question from Councillor Smith, it was confirmed that the website design was a template and Members could look at examples from other Local Authorities if they wanted an idea on how the website would look. It would be made clear on the website the percentage of funds which would go to the good causes. The Executive Director explained that there was the opportunity for Lottery winners to donate their winnings back to the good causes.

Councillor Mrs Collop raised concern about the large management fee and that the top prize had never been won. She also commented that people should be able to purchase tickets on the day instead of sales being stopped the day before the draw. The Executive Director explained that people could buy tickets in 1, 3, 6 or 12 month blocks, however payments could be cancelled if required. She explained that the model available from Gatherwell set out the percentage fees, including the management fee. She explained that the Lottery provider would pay the money to the good causes on a monthly basis.

In response to a question from Councillor Bubb, it was explained that a client account would be operated so it would be protected if the company was to fail.

Councillor John Collop raised concern that people could get in debt through gambling, he also felt that the management fee was high. He felt that the set up costs and annual costs should come from the management fee instead of a separate fee payable by the Council. He also stated that because you would have to buy tickets in blocks you would have to remember to renew or cancel. He did not think that a Local Lottery was something that the Council should encourage.

Councillor Moriarty commented that the report stated that a tender exercise was unnecessary, but he felt that it was necessary and referred to the Borough Council's Contract Standing Orders and reference to secure competition of all contracts irrespective of source of funding. He also explained that the value of the contract was important and should consider the life expectancy of the contract, not just the initial start-up costs. He explained that the Contract Standing Orders also stated that all contracts over the value of £10,000 should be advertised on the Borough Council's website. Councillor Moriarty felt that all service providers should be invited to tender for the supply of the Local Lottery.

Councillor Moriarty also referred to the Procurement Policy on the gov.uk website and that the overriding requirement was based on value for money unless there was compelling evidence otherwise.

Councillor Moriarty raised concern regarding the set up costs, he explained that the Council had allocated £7,000 for set up costs, but he was aware that other Councils which had introduced a Local Lottery had allocated £10,000. He also commented that other service providers perhaps would hold the necessary licenses and compliance could be done through the service provider, which would be a cost saving to the Council.

The Vice Chairman, Councillor Bambridge commented that she was concerned that existing organisations would not be included in the good causes and asked what the limit was for unused funds to go into the financial assistance scheme.

The Leader of the Council, Councillor Long reminded those present of the financial situation that the Council faced and that it was a necessity to reduce some of the grants made to external organisations. The proposal for a Local Lottery would not replace the financial assistance scheme, but would offer the flexibility of choice of signing up to be one of the good causes to raise money. The scheme could be trialled and he felt that the costs involved in the set up were minor compared to the money paid out in grants and without the introduction of such a scheme no organisations would benefit from the potential to raise additional funds. The Leader also commented that the good causes on the website would promote the Lottery to their supporters. The supporters would be able to donate a percentage of their ticket sales to their chosen good cause and have the opportunity to win money themselves, which they could always donate back to the good causes.

Councillor Smith referred to the Equality Impact Assessment and he felt that lotteries targeted low income families. He also asked if Churches could not be included in the list of good causes as they were often community assets.

The Leader of the Council reminded those present that members of the public, who wanted to donate money to charity, could do so off their own back, the lottery was just another way to raise funds for third party organisations.

The Portfolio Holder for Culture, Heritage and Health, Councillor Mrs Nockolds, commented that she sympathised with those who did not agree with gambling. She reminded those present that Members had not raised concern with the money awarded to the Council by the Heritage Lottery Fund, which was a fund of money from people playing the National Lottery and had assisted the Council with many projects such as the improvements at the Town Hall and Hunstanton Heritage Gardens.

The Leader of the Council reiterated that the Local Lottery was an enablement tool for organisations to help themselves by using a Lottery facility run by the Borough Council. All good causes would have to meet certain criteria before they would be accepted and the benefit of the good cause would need to be apparent in West Norfolk.

Councillor Mrs Westrop commented that it was a good opportunity for very small charities and organisations to benefit financially, but it was important to ensure that the Council had followed the correct procurement process for introducing a Local Lottery.

Members of the Panel had indicated that they would like to discuss the Exempt Supplementary Paper which had been circulated in advance of the meeting and provided due diligence and additional background information on the preferred supplier.

RESOLVED: That under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

The Executive Director provided information to the Panel on the preferred supplier and the due diligence which had been carried out and Members of the Panel discussed the information provided.

RETURN TO OPEN SESSION

Councillor Moriarty proposed an amendment to the Cabinet recommendations. He proposed that recommendation one be amended as follows: "That Cabinet recommend to Council that a Local Lottery is established and operated by an External Lottery Manager **following a tendering exercise**". He also proposed that recommendations two to five be deleted. The proposed amendments were seconded by Councillor Westrop and after being put to the vote the amendment was carried.

The recommendations, as amended, were then put to the vote and supported by the Panel.

RESOLVED: That the Environment and Development Panel make the following recommendations to Cabinet:

1. That Cabinet recommend to Council that a Local Lottery is established and operated by an External Lottery Manager, following a tendering exercise.
2. The criteria for selecting the good causes which can become part of the local lottery detailed in Appendix 2 be adopted.
3. The monitoring and review of applications from good causes to be delegated to the Portfolio Holder for Culture, Heritage and Health and the Executive Director – Finance Services. In addition Norfolk Community Foundation to provide an independent due diligence review of these arrangements.
4. All monies raised through the local lottery which are not linked to a specific good cause will be distributed through the existing small grants financial assistance application process. Any uncommitted balance at the end of each financial year shall be donated to the Mayors Charity.