

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Environment and Community Panel		
DATE:	15 March 2017		
TITLE:	Local Lottery proposal		
TYPE OF REPORT:	Policy Development		
PORTFOLIO(S):	Resources		
REPORT AUTHOR:	Robert Street		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
To provide details on how a local lottery scheme could operate in West Norfolk and the benefits of using an external lottery manager to run and manage the local lottery. A number of local authorities, including Aylesbury Vale & Portsmouth City Council, have been set up and successfully operate local lottery schemes
KEY ISSUES:
The Panel will receive a presentation on how a local lottery scheme operates and are asked to consider if a local lottery should be set up and run on behalf of the Borough Council. The criteria for determining which good causes will be eligible to be included and benefit from the local lottery scheme will need to be agreed.
OPTIONS CONSIDERED:
The Council is actively examining options for reducing costs/generating new income as part of the cost reduction programme. The operation of a local lottery scheme provides an opportunity to generate additional income for local good causes at a time when the Council has to review the budget it can make available to fund Financial Assistance.
RECOMMENDATIONS:
The Panel is asked to recommend to Cabinet: <ul style="list-style-type: none"> i) To set up a local lottery scheme ii) To engage the External Lottery Management company to set up and manage the local lottery scheme on behalf of the Borough Council iii) The criteria for determining the good causes to be included in the local lottery scheme
REASONS FOR RECOMMENDATIONS:
To enable a local lottery scheme to be set up and run on behalf of the Borough Council.

REPORT DETAIL

1. Introduction

- 1.1 The Borough Council have the opportunity to set up a local lottery. An External Lottery Management (ELM) company would be engaged to undertake the majority of the administration and back office support for the scheme. The good causes would receive a minimum of 50% of the ticket price and the Borough Council would retain a minimum of 10% of the ticket price to fund our Financial Assistance programme.

2. Proposal

- 2.1 It is proposed that the Borough Council appoint an External Lottery Management company to assist in the set up and support of a local web based lottery.

- 2.2 The Lottery works by encouraging potential players to visit the lottery website. Once at the website they can pick a beneficiary from a list of good causes / charities or just pick the general fund and purchase £1 tickets.

- 2.3 The £1 ticket price is then distributed as follows :

- 50% to good cause
- 10% to general fund or in the event a good cause is not selected, 60% goes to the general fund
- 20% to prize fund
- 17% to External lottery Management company for running the back office and payment aspects of the lottery
- 3% to VAT

- 2.4 Once Good causes have been approved and registered on the site it will be in their interests to promote it, which then drives more people to visit the site thereby forming a virtuous circle. Anecdotal evidence suggests that it is not seen as direct competition to charities own fund raising activities, but rather as another funding stream.

- 2.5 The External Lottery Management company would host and maintain the website, and complete the administrative tasks including the collection and distribution of monies (subject to council authorisation) to prize winners and good causes.

3. Issues for the Panel to Consider

- 3.1 To consider if a local lottery should be set up and run on behalf of the Borough Council.

- 3.2 The criteria for selecting which good causes will be eligible to be included and benefit from the local lottery scheme will need to be agreed. An example of the criteria used by another local authority lottery scheme is detailed at Appendix A. The Panel is asked to review these criteria and determine the criteria for a local lottery scheme operated and run on behalf of the Borough Council.

- 3.3 To consider if the good causes should be limited to those operating in West Norfolk. If national organisations are included should conditions be applied to require that the funds generated from the local lottery be used in West Norfolk?

4. Corporate Priorities

- 4.1 The Council is actively examining options for reducing costs/generating new income as part of the cost reduction programme. The operation of a local lottery scheme provides an opportunity to generate additional income for local good causes at a time when the Council has to review the budget it can make available to fund Financial Assistance.

5. Financial Implications

- 5.1 Other than an initial cost (estimated to be less than £5,000) to develop / configure the website, the only additional on-going costs relate to the renewal of licenses and memberships with the gambling authorities.
- 5.2 The potential income from the lottery is difficult to quantify at this time. However anecdotal evidence suggests the idea is well received by the public and could be expected to generate between £5,000 and £15,000 per annum. The additional income will contribute towards the Council's cost reduction programme to offset costs of the Financial Assistance programme. At the same time additional income will be raised for good causes.

6. Any other Implications/Risks

- 6.1 The take up and operation of the local lottery will be monitored and progress reports will initially be presented to the Environment and Community Panel after the first 6 and 12 months of operation.

7. Equal Opportunity Considerations

- 7.1 An Equality Impact Assessment is attached to this report at Appendix B.

8. Conclusion

- 8.1 The Council is actively examining options for reducing costs/generating new income as part of the cost reduction programme. The operation of a local lottery scheme provides an opportunity to generate additional income for local good causes at a time when the Council has to review the budget it can make available to fund Financial Assistance.
- 8.2 The operation of the local lottery will require limited involvement from the council – 2 council officers need to hold necessary licenses and the administration is expected to take less than 15 minutes a week.
- 8.3 Opportunity to generate additional funding for good causes. Good causes which have not traditionally benefited from the Council's limited Financial Assistance budget may receive funding as the users can pick their own cause to benefit.

9. Background Papers

- 9.1 Links to the websites and Councils

www.portsmouthlottery.co.uk

www.portsmouth.gov.uk

www.valelottery.co.uk

www.aylesburyvaledc.gov.uk

www.shapemendiplottery.co.uk

www.mendip.gov.uk

Example Good cause criteria

Application Fee

There is no application fee to join.

Criteria for joining:

We want to enable as many good causes as possible to join. In granting the Council a licence to run the lottery, the Gambling Commissions obligations are to ensure that organisations meet certain criteria.

YOUR ORGANISATION MUST:

- Provide local community activities or services *within* the West Norfolk area, which benefit the people and communities of West Norfolk - visitors to West Norfolk may also benefit from the services/facilities, but not to the exclusion of local residents
- Have a formal constitution or set of rules
- Have a bank account requiring at least 2 unrelated signatories
- Operate with no undue restrictions on membership

AND BE:

A constituted group with a volunteer **management committee** with a minimum of three unrelated members that meets on a regular basis (at least 3-4 times per year);

or, **a registered charity with a board of trustees.**

OR BE :

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

WE WILL NOT PERMIT APPLICATIONS THAT:

- Are incomplete
- Are from groups that promote a particular religious or political belief
- Are from organisations that do not do work within the boundaries of West Norfolk
- Are from individuals
- Are from organisations which aim to distribute a profit
- Are from organisations with no established management committee/board of trustees (unless they are a CIC)

PLEASE NOTE THE FOLLOWING:

The Council reserves the right to reject any application.

The Council will reserve its rights to not accept or cease to license any organisation with a minimum of 7 days notice for any reason, unless where fraudulent or illegal activity is suspected where cessation will be immediate.

Pre-Screening Equality Impact Assessment

Borough Council of
King's Lynn & West Norfolk



Name of policy/service/function		Local Lottery Scheme				
Is this a new or existing policy/ service/function?		New				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations		To set up and operate a local lottery scheme				
Question		Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>			Positive	Negative	Neutral	Unsure
		Age			/	
		Disability			/	
		Gender			/	
		Gender Re-assignment			/	
		Marriage/civil partnership			/	
		Pregnancy & maternity			/	
		Race			/	
		Religion or belief			/	
		Sexual orientation			/	
		Other (eg low income)			/	
Question	Answer	Comments				
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	Yes / No	/.				
3. Could this policy/service be perceived as impacting on communities differently?	Yes / No	/				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes / No					
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	Yes / No	Actions:				
		Actions agreed by EWG member:				
Assessment completed by: Name	Lorraine Gore					
Job title Executive director Finance Services	Date 7 March 2017					