

<b>Policy and Resources Committee Meeting</b>	
<b>Meeting Date</b>	Wednesday 18 <sup>th</sup> October 2023
<b>Report Title</b>	Setting up a Local Authority Good Causes Lottery
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Charlotte Hudson, Head of Housing and Communities
<b>Lead Officer</b>	Stephanie Curtis, Community Services Manager
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. For Members to decide whether to proceed with a Good Causes Community Lottery following the recommendation from Communities Committee</li> <li>2. Should Members agree to proceed, to consider how this should be funded. Options include a) To use General Reserves; b) to ask all Members to allocate a portion of their Members Grant; or C) to utilise another funding option as felt appropriate by the Committee.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 This report sets out the proposal for creating a Good Causes Community Lottery and asks the Policy and Resources Committee to agree the funding for this proposal.

## **2 Background**

- 2.1 Local authorities have been able to set up community lotteries since legislation was passed in 2007. There are currently 68 local authorities licensed to run lotteries by the Gambling Commission and regulated under the Gambling Act 2005. It works by enabling good causes to help themselves with the local authority facilitating this by holding the operating licence in an umbrella manner.
- 2.2 Although the Council provides financial support to the voluntary sector in Swale, increasing budget pressures are making this difficult. A community lottery model has the potential to enhance and extend the Council's support, benefiting more local causes and residents. It extends the Council's support because a wider range of groups will be eligible to participate in the community lottery than are supported through the current funding structures. In addition, the community lottery model makes the Council the facilitator instead of the provider.
- 2.2 Thorough research undertaken it has been found that large society lotteries have been set up by other local authorities. This research has been pulled together in a business case that is set out in Appendix I.

- 2.3 This proposal was discussed by the Communities Committee at their meeting on the 6<sup>th</sup> September, where the below was agreed:
- (1) That a Local Authority Good Causes Lottery be set-up.
  - (2) That the Head of Housing and Communities in consultation with the Chair of the Communities Committee to establish a partnership with an existing deliverer of lotteries in the marketplace (an External Lottery Manager – ELM) for the lottery to be run and managed.
  - (3) That the Head of Housing and Communities in consultation with the Chair of the Communities Committee to carry out the licence application process.
  - (4) That the Committee recommend funding for this project to the Policy and Resources Committee
- 2.5 The Communities Committee were in agreement that it should be set-up, but as the funding for it would fall outside the existing budgetary framework they were not able to agree how it could be funded. They did discuss whether Members should be asked to consider allocating a portion of their Members Grants to pay for the set-up of this lottery, however they did not wish to do this.

### **3 Proposals**

- 3.1 Once the good causes lottery project is established, ticket sales would cover the ongoing costs for the External Lottery Manager (ELM) that would lead it. Additionally, it is felt that the internal staff requirement for its ongoing management can be covered by existing resources within the Communities team.
- 3.2 However, there is a funding requirement for the set-up costs for this project, both for the ELM and the internal staff time needed. It is expected that the first year's costs for the ELM would be £5800. It is also anticipated that in order to set-up the project, there would be a need for an additional 1 day a weeks time for an officer within the Communities Team – this would be £5000. A total of £10,800 is required for the set-up of this scheme.
- 3.3 Consideration has been given as to whether the set-up of the scheme could be managed within the communities' team without additional temporary resource, but other work streams would need to be deprioritised. Given the recent restructure within the team and reduction in resource, this is not recommended.
- 3.4 There is no existing budget or reserve currently identified for the set-up of this project and would therefore fall outside of the budgetary framework and the need for a decision by this Committee as to how this can be funded.
- 3.5 The Recommendations for the Committee to consider are:
- 1) For Members to decide whether to proceed with the Good Causes Community Lottery following the recommendation from Communities Committee.
  - 2) Should Members agree to proceed with the Good Causes Community Lottery, to consider how this should be funded. Options include:

- a) To use General Reserves to fund the set-up costs.
- b) To ask all Members to allocate a portion of their Members Grant towards the set-up costs – although this option was not recommended by Communities Committee.
- c) To utilise another funding option as felt appropriate by the Committee.

## 4 Alternative Options

- 3.5 To not provide funding – This option is not recommended as a discussion was undertaken by the Communities Committee at their meeting on the 6<sup>th</sup> September regarding the potential delivery options for this project, along with the need for it. This Committee felt that the good causes lottery should be taken forward and it was felt that using an External Lottery Manager (ELM) rather than in-house was the preferred option. Detailed pros and cons for delivery options as considered by the Communities Committee can be found in Appendix I. As funding to support the voluntary sector may become more difficult to find by the Council, this lottery would provide an alternative mechanism by which to ensure some support is provided.

## 5 Consultation Undertaken or Proposed

- 5.1 Consultation was undertaken with other local authorities that are running such lotteries. This is summarised in Appendix 1.
- 5.2 Consultation was undertaken with the Communities Committee at their meeting on the 6<sup>th</sup> September where it was agreed that a good causes lottery should be set-up. Although they agreed they do wish for this to be set-up, they were not able to agree the funding as it would fall outside of the existing budgetary framework.

## 6 Implications

Issue	Implications
Corporate Plan	This links to Priority 3: Tackling deprivation and creating equal opportunities for everyone
Financial, Resource and Property	<p>Set up and operating costs for the ELM are shown in Table 5 of Appendix I. Year 1 is £5800 and Year 2 £4300 – although the second year costs should be recovered through ticket sales .</p> <p>There are resource implications for staffing the setup of the scheme which are to an extent unknown. Officers feel the resource requirement to implement this would be 1 day a week for 6 months – it is estimated that this would cost £5000. Once the scheme is set-up, the ongoing management would be covered by existing staff resource.</p> <p>Funding this project would falls outside the budgetary framework as there is no specific budget or reserve is identified. As such, a</p>

	<p>decision on how this project can be funded is required from the Policy and Resources Committee.</p> <p>Although the Communities Committee did not agree that Members should be asked to contribute from their Members Grants, this remains an option for funding.</p> <p>The funding could also be taken from General Reserves, although this would increase the budget gap for this financial year and corresponding savings will need to be made elsewhere.</p>
Legal, Statutory and Procurement	<p>Two responsible Officers will need to be appointed to hold the licence and submit the necessary Remote Society Operating Licence application to the Gambling Commission.</p> <p>The contract between the Council and the ELM will have contractual liabilities. It is understood that the ELMs use standard terms and conditions for their services and it is known that other local authorities have found them acceptable. The Council will ensure that its Legal Department are fully involved in the appointment and contract negotiation process to ensure that all contractual liabilities taken on are acceptable.</p>
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	None identified at this stage
Health and Wellbeing	None identified at this stage
Safeguarding of Children, Young People and Vulnerable Adults	<p>The contract to be agreed with the ELM will cover statutory obligations, including Child Safety, Equalities and Safeguarding policies. It will also encompass the issue of gambling responsibly. In addition, the Council will share information about gambling responsibly and this risk will be monitored by the Safeguarding Officer.</p>
Risk Management and Health and Safety	<p>These are detailed in Appendix I</p> <p>The contract to be agreed with the ELM will include a requirement on them to maintain an up-to-date risk assessment relating to the provision of the service and make this available to the Council.</p> <p>This is a potentially low-risk scheme, which requires low investment, to cover officer time and external implementation support, initial licence fees and annual licence fees.</p> <p>The contract with the ELM would include provision to terminate with 3 months' notice if tickets sales are not projected to be high enough to cover the Council's year 2 and onward costs.</p> <p>However, this risk would only be low if the lottery is run in partnership with an ELM; if it was to be run in house, the risks in terms of investment could be extremely high.</p>

Equality and Diversity	EIA to be carried out. Details within Appendix 1
Privacy and Data Protection	None identified at this stage

## **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Business Case for Community Lottery Fund

## **8 Background Papers**

- None