

Appendix 1: Setting up a Local Authority Good Causes Lottery – Business case

1.0 Introduction

- 1.1 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.
- 1.2 Although the Council provides financial support to the voluntary sector in Swale, increasing budget pressures are making this difficult.
- 1.3 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.

2.0 Society Lotteries

- 2.1 Lotteries are a way for smaller organisations to raise income. They are regulated by the Gambling Act 2005. There are different types of lotteries available; this proposal falls within the category of 'society lotteries'.
- 2.2 Society lotteries are promoted for the benefit of a non-commercial society. A society is non-commercial and conducted for:
- Charitable purposes;
 - The purpose of enabling participation in, or of supporting sport, athletics or a cultural activity;
 - Any other non-commercial purpose other than that of private gain.
- 2.3 There are two variants of society lotteries, the main difference being who issues the licence - local authorities permit small lotteries and the Gambling Commission permits large lotteries.

A large society lottery:

- Has proceeds that exceed £20,000 for a single draw;
- Has aggregate proceeds from lotteries in excess of £250,000 in any one year.

A small society lottery:

- Does not have proceeds that exceed £20,000 for a single draw;
- Does not have aggregate proceeds from lotteries in excess of £250,000 in any one year.

- 2.4 The most common Local Authority Community Lottery used is a large society lottery. Through research conducted, it has been found that large society lotteries have been set up by other local authorities including Aylesbury Vale, Portsmouth City Council, Melton Borough Council, Gloucester City Council, Dover District Council, Blably District Council, Tunbridge Wells Borough Council, Sevenoaks District Council, Ashford Borough Council, Tandridge Council and Hart District Council.

2.5 A local lottery such as the ones which operate in the above councils has a set of aims and unique selling point (USP) that resonates with supporters. This is because the scheme will focus on:

- Delivering the proceeds locally – A district wide lottery that delivers benefits only to local causes, unlike any other provider – supporters can be assured that the proceeds will stay in the district.
- Maximising benefits to the community – To bolster support and to help in continuing the good work the Council already does. Supporters will be offered the option of choosing a particular good cause.
- Minimising costs – The appointment of an External Lottery Manager with a tried and tested digital platform enables the scheme to be largely self-financing.
- Delivering winners locally – Whilst anyone can play, it is likely that supporters will be locally based and hence it is easier to maximise the value from winners' stories and thereby encourage more participation.

2.6 Facilitating a wider benefit – Whilst the lottery will help current funding of good causes, it will also enable local good causes to fundraise in partnership with the Council and hence enables the Council to help good causes to help themselves. It will also enable access to lottery-type funding which may not have been accessed due to barriers such as licensing, administration or ability to support such an endeavour

3.0 Partnership with an External Lottery Manager (ELM)

3.1 Setting up a partnership with an existing deliverer of lotteries in the market place (an External Lottery Manager – ELM), in effect means 'buying into' an existing lottery manager's products. As such the Council would be commissioning experts in the field to run the lottery. This ensures minimal risk to the council compared to trying to run a lottery directly as the ELM holds responsibility for the sale process, insurance of winnings etc. and is also licensed by the Gambling Commission to do this. The ELM is also able to act as a specialist advisor to the Council and provides necessary compliance training in the package

3.2 The ELM will:

- Manage the prize fund and associated insurance;
- Build the website and provide marketing materials;
- Get local good causes to sign up to the lottery and get their own webpage;
- Ask good causes to encourage their supporters to buy tickets online;
- Enable people to buy tickets per week and choose the cause they want to support;
- Conduct the draw every Saturday night and notify the winners;
- Distribute the funds to the local good causes every month and provide regular detailed reports to the Council;
- Comply with all licensing requirements including any reporting.

- 3.3 There is a one-off set up fee for the adoption of the platform, but thereafter the arrangement is financed at the point of ticket sale as the ELM takes a percentage of the ticket price. It is therefore not technically a procurement.
- 3.4 The Council will not handle any transactions other than receiving its share of the income on a monthly basis. The Council will have a contract agreement with the ELM.
- 3.5 Looking at councils who are currently operating a Good Cause Lottery, the most common way to operate is as follows:
- £1 ticket per week with a weekly draw
 - Only playable online
 - Funded only via Direct Debit (no cash), rolling monthly card payment, or block ticket purchase with a single payment for 3, 6 or 12 months
 - 6 number self-selected ticket
 - Delivered via an ELM
- 3.6 Research shows that some council lotteries work on a minimum play of one ticket per week for a minimum 4 week subscription or one off 5 week payment. This is taken monthly from the supporter's account, and thus equates to a minimum monthly expenditure for the supporter.
- 3.7 It is clear that the ticket price has a significant bearing on the success of the lottery. A high ticket price reduces the administration costs, which in turn leaves more money available for good causes.
- 3.8 Research into other councils who have reviewed their scheme shows that Aylesbury Vale District Council's proposal for review of their community lottery concluded that research indicates there is a significant drop-off in the take-up rates (up to a potential 69% less participation, equating to around 50% less revenue) if a ticket is priced at £2 instead of £1.
- 3.9 A high ticket price also has the potential to reduce participation due to resistance to the (inaccurate) perception that council would be generating 'profit' from charitable enterprise.
- 3.10 It is the research into the public perception of appropriate lottery ticket pricing that is the most significant factor to consider when selecting a preferred model for the lottery. A £2 entry would also place the model in direct competition with the National Lottery.
- 3.11 Discussions with an ELM running over 80 lotteries for local authorities, schools, charities, unions and societies has found that estimated percentage of eligible population participating is between 0.5% and 1.6% with the average number of tickets being bought per supporter per week being 1.8.
- 3.12 Table 1 below shows the income that could be generated dependant upon the number of supporters and what this number of supporters is as a percentage of Swale Borough Councils 16 years and over population (93,400 based on 2021 NOMIS data). Although it should be noted that you do not have to live in the area to

play the lottery – family members/friends living in other parts of the country are able to play, which does increase the scope.

Ticket Price	% of SBC Supporter population	No. of Supporters	Tickets bought per week	No. of weeks	Gross Return	Good Causes (50%)	SBC Admin. (10%)	Prizes (20%)	External Lottery Manager Organisation (17%)	VAT (3%)
£1	0.5 %	467	Av. 1.8	52	£43,711	£21,855	£4,371	£8,742	£7,430	£1,311
£1	1.0 %	934	Av. 1.8	52	£87,423	£43,711	£8,743	£17,484	£14,862	£2,623
£1	1.6 %	1494	Av. 1.8	52	£139,838	£69,919	£13,984	£27,967.60	£23,722	£4,195

3.13 If the take up of the borough’s supporter population is at 0.5% with each supporter purchasing the average 1.8 tickets per week it could be generating gross sales of £43,711 per annum. If it achieves 1%, it would generate £87,423 per annum and 1.6% would generate £139,838. It is difficult to predict the level of income generation, but the discussions with 5 councils shows the average net return for good causes ranges from between £30,000 and £40,000 per annum. In addition, Tunbridge Wells and Tandridge Councils achieved total gross incomes of £55,405 and £139,262 respectively in their first year.

3.14 Looking at how other councils manage their schemes, distribution of proceeds from each ticket sold would be in the region of the figures set out below in Table 2.

	% allocation	£ allocation per ticket	Comment
Good causes	50	£0.50	This is far in excess of the minimum (20%) required by the legislation governing lotteries and other popular lotteries (National Lottery 25%; Postcode Lottery 32%; and Health Lottery 20.3%).
Prizes	20	£0.20	To fund prizes of £1,000 and below.
ELM	17	£0.17	To pay for the External Lottery Manager’s running costs including the cost of the insurance policy they will hold for funding the top prize of £25,000.
SBC admin	10	£0.10	To cover the annual Gambling Commission licensing fee, Lotteries Council membership and marketing. The Gambling Commission permits the local authority to use net proceeds of such lotteries for any purpose for which they have the power to incur expenditure. Any remaining funds can be allocated through our current funding arrangements for VCS.
VAT	3	£0.03	
Total	100	£1.00	

3.15 The prize structure offers supporters the opportunity to win prizes of up to £25,000. The odds of winning the ‘grand prize’ are the same as this is an insured prize and

supporters select their numbers of choice. The prize structure and odds for the draws are set out in the table 3 below.

	Winning odds	£ prize
6 numbers	1,000,000:1	£25,000
5 numbers	55,556:1	£2,000
4 numbers	5,556:1	£250
3 numbers	556:1	£25
2 numbers	56:1	3 free tickets

- 3.16 There are no financial implications to the Council if ticket sales drop and no minimum number of tickets to sell. The ELM will manage the prize fund and any associated insurance so the Council will not be exposed to any risk. The contract with the ELM must be for an initial term of 12 months and it is usual to give 3 months' notice to terminate after this initial term. Speaking to an ELM, they have advised that if ticket sales were so low in the first 9-months that it was projected that gross sales would not enable the Council to cover its Year 2 onward costs, three months' notice could be given and the contract would end after one year. notice can be given. The Council would then not renew its licensing or need to pay for marketing.
- 3.17 Whilst the business model identifies the operating costs picked up by the ELM and taken from ticket sales there are still costs that fall to the Council. Table 4 below sets out the approximate set-up and operating costs. The ongoing costs will be funded from the 10% proceeds apportionment to the Council.

Requirement	Year 1 Cost (estimated)	Year 2 ongoing Cost (estimated)
Remote Society Operating Licence Annual Fee (based on proceeds from lottery being under £100k per annum & a first-year 25% discount on full cost of £348)	£261	£348 or £692*
Remote Society Operating Licence Application Fee (based on proceeds from Lottery being under £100k per annum)	£147	£147 or £220**
Lotteries Council Membership	£385 (only £199 paid at time of applying for Operating Licence)	£385
External Lottery Manager Organisation set up costs	£5,000 plus VAT	
Marketing and Promotional materials and activity		£3,000
Total	£5,793*** plus VAT	£3,880 or £4,297****

*The cost of the Remote Society Operating Licence annual fee is dependent on the annual proceeds from the lottery. Where proceeds are up to £100k per annum, the annual fee is £348. For proceeds between £100-500k, the annual fee increases to £692.

**Cost of application fees dependent on annual proceeds from lottery. £147 for up to £100,000. £220 for £100,000 to £500,000.

- 3.18 All other administration costs, website costs, hosting etc. are borne by the ELM. This includes handling all financial transactions in a similar manner to that with a conveyancing solicitor holds money for clients. The top prize is an insured sum, and the prize fund pot is built over time to cover all other winnings. If the prize fund pot was to grow

unnecessarily large the scheme can hold additional prize draws to ensure distribution in accordance with the licence. Prize funds cannot be used for any other purpose.

- 3.19 The Council will be responsible for approving the applications of those good causes wishing to sign up to the community lottery. The aim will be to enable a wide range of organisations and groups to apply to sign up including charities, clubs, associations, societies, community interest companies, social enterprises and schools (for extracurricular activities that benefit the wider community).
- 3.20 Looking at other councils, the following groups are eligible to register as a local good cause with the Council's Community Lottery provided they meet the terms and conditions of the lottery:
- Community Interest Companies
 - Social Enterprises
 - Schools may apply for extracurricular activities that do not form part of the core offer provided by the school and that benefit the wider community.
 - Churches and faith groups may only apply for projects that are open to the wider community where the primary aim of the project is not to promote any religion or faith.
- 3.21 In all of the Councils researched, eligible local good causes must:
- Agree to work with the appointed ELM (responsible for managing the Council's Community Lottery) to ensure full compliance with the Community Lottery scheme.
 - Operate within the Borough/District, providing facilities, activities or services for the benefit of its residents.
 - Be able to demonstrate the service it is providing by giving details of its activities and the number of beneficiaries in the Borough or District.
 - Have a committee or board of decision makers, a constitution and a bank account.
 - Actively promote equality and safeguarding within its structure and operations.
 - Have spent all previous funding received from the Borough or District in accordance with the funding award conditions attached to them.
- 3.22 The Councils researched all said that the following will not be eligible to join a Council's Community Lottery as a local good cause:
- Any organisation that the Council deems to be a political party, has the nature of a political party, or is engaged in campaigning for a political purpose or cause.
 - Groups that do not benefit local residents.
 - Individuals.
 - Organisations which aim to distribute a profit.
 - Organisations with no established management committee/board of trustees.

4.0 Process of setting up the Lottery

- 4.1 The Council will need to appoint an ELM. Although most other local authorities have used and recommended the organisation Gatherwell. The Council would need to approach other ELM organisations to get a comparison.
- 4.2 The Council would need to undertake the licence application process. The ELM will provide assistance with template policies to accompany the licence as well as the production of a Communications and Marketing Strategy and with the launch to good causes and subsequent ticket sales.

5.0 Good Causes

- 5.1 The Council will be responsible for approving the applications of those good causes wishing to sign up to the community lottery. The aim will be to enable a wide range of organisations and groups to apply to sign up including charities, clubs, associations, societies, community interest companies, social enterprises and schools (for extracurricular activities that benefit the wider community).

- 5.2 Looking at other councils the following groups are eligible to register as a local good cause with the Council's Community Lottery provided they meet the terms and conditions of the lottery

- Charities
- Clubs
- Associations
- Societies
- Community Interest Companies
- Social Enterprises
- Schools may apply for extracurricular activities that do not form part of the core offer provided by the school and that benefit the wider community.
- Churches and faith groups may only apply for projects that are open to the wider community where the primary aim of the project is not to promote any religion or faith.

- 5.3 In all of the Councils researched, eligible local good causes must:

- Agree to work with the appointed ELM (responsible for managing the Council's Community Lottery) to ensure full compliance with the Community Lottery scheme.
- Operate within the Borough/District, providing facilities, activities or services for the benefit of its residents.
- Be able to demonstrate the service it is providing by giving details of its activities and the number of beneficiaries in the Borough or District.
- Have a committee of board of decision makers, a constitution and a bank account.
- Actively promote equality and safeguarding within its structure and operations.
- Have spent all previous funding received from the Borough or District in accordance with the funding award conditions attached to them.

5.4 The Councils researched all said that the following will not be eligible to join a Council's Community Lottery as a local good cause:

- Any organisation that the Council deems to be a political party, has the nature of a political party, or is engaged in campaigning for a political purpose or cause.
- Groups that do not benefit local residents.
- Individuals.
- Organisations which aim to distribute a profit.
- Organisations with no established management committee/board of trustees.

6.0 Gambling

6.1 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 (no cash) 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.

6.2 Due to these factors, it is not anticipated that a Council-run Lottery would significantly increase problem gambling, and the benefits to good causes in the district from the proceeds of the lottery would outweigh possible negative issues.

7.0 Next steps

7.1 If approved, the Council will need to appoint an ELM. Although most other local authorities have used and recommended the organisation Gatherwell, the Council would need to approach other ELM organisations to get a comparison.

7.2 The Council would need to undertake the licence application process. The ELM will provide assistance with template policies to accompany the licence as well as the production of a Communications and Marketing Strategy and with the launch to good causes and subsequent ticket sales.

7.3 The Gambling Commission currently has a turnaround target of 16 weeks for new applications, but during this time the ELM is able to develop the platform bespoke to the Council (a name would need to be chosen and website name secured) and complete project implementation based on ticket sales planned from estimated date for award of the licence.

8.0 Consultation with other local authorities

8.1 Four local authorities currently running community lotteries were contacted and asked a series of questions about set up and management. One local authority who were unsuccessful in running a community lottery and did not use Gatherwell as its ELM was also contacted. The key matters arising were:

- All four local authorities consulted use Gatherwell as their ELM. However, Gatherwell do have competitors and the Council will therefore approach other ELM organisations to get a comparison. Existing Council officers will complete this. The Gambling Commission requires that ELMs are licensed and registered with them so the Council will ensure this is a requirement in the tender documentation.
- It was reported that to set up and launch their community lottery required more officer time than for running it. Based on the consultation, the Council has timetabled for officer time of 1 day per week for a six-month period to allow for the set up (including to appoint the ELM) and launch and 1 day per month thereafter to promote the lottery and pass any queries received to the ELM. This scheme will be managed and monitored by the Communities Manager and team using existing staff.
- Local authorities establishing and running a community lottery conclude that this is ethically no different to the local authority applying for funding generated through lotteries for projects (i.e. the National Lottery). Lotteries are the most common form of gambling activity and are considered to be low risk in respect of problem gambling due to their relatively controlled format. However, it remains essential that measures are taken to ensure that a community lottery is implemented and run appropriately. The Council will share information about gambling responsibly and the Safeguarding officer will monitor this issue. The Council will also appoint a fully experienced ELM that is trained to be able to manage any issues relating to problem gambling and mitigate against many of the issues related to addictive gambling by making the lottery:
 - Playable online via registered sign up and by non-cash methods
 - Have no instant gratification or instant reward involved
 - Be fully compliant with the Gambling Commission licensing code of practice
 - Restrict the tickets to a maximum of 20 per supporter
- Similarly to the other local authorities consulted, the Council will become a member of The Lotteries Council initially paying £199 to become a provisional member whilst in the process of applying for a lottery licence from the Gambling Commission. Once licensed the Council will pay an additional £186 for full membership. Thereafter the annual membership fee is £385. The benefits of this membership include: access to updates on current market sector activities; free consultation with solicitor specialising in gambling and licensing advice; VAT and Taxation Specialist; Data Protection Adviser; free IBAS (betting adjudication service) dispute resolution service; use of various logos on marketing materials. In addition, the Lotteries Council make a group payment to GambleAware an independent grant-making charity using best practice in commissioning assessment, planning, evaluation and outcome reporting to support effective, evidence-informed, quality assured prevention of gambling harms.
- One key lesson learnt that was identified by several of the five local authorities was the need to take time to engage with local good causes to secure enthusiastic leads that know how the lottery works such that they can continuously promote it. One local authority decided to close the community lottery they had implemented with ELM Hive Lotto after 2 years due to poor marketing and low sales. The Council will therefore work with the Swale Voluntary and Community Sector to start this engagement and work with the appointed ELM and the Council's Communications Team to develop and implement a sustainable marketing strategy.

9.0 Other Options Considered

9.1 In considering this report, Committee can choose to:

- I. Do nothing
- II. Deliver in house
- III. Deliver through existing partner

<p>i) Do nothing</p> <p>Under this option, the status quo remains with no lottery in place</p>	
Strengths	Weaknesses
<p>The council continues to reap the benefits of the status quo. These include good PR for helping community groups, attracting more money into the organisations and thus the district</p>	<p>The Council may be faced with the future financial challenge to keep offering discretionary funding at the current level, unless they choose to prioritise it at the expense of another, potentially key services. There is no planned alternative to assist with the type of funding of these types of activities in the medium-long term.</p>
<p>ii) Deliver in-house</p> <p>This option would require the establishment of the necessary posts and systems to run a lottery in house. This has not been fully costed, but it is considered somewhere in the region of a £100-120k for set-up costs alone. This would include a lottery manager and the necessary development of software systems to enable the lottery to run. The Council also need to secure the relevant insurance to cover lottery prizes.</p>	
Strengths	Weaknesses
<p>The Council could keep supporting community causes thus continuing towards delivering corporate objectives.</p> <p>There could be a comfortable fit with the commercial approach of going into new territory and looking for alternative ways of working.</p>	<p>The Council does not have the internal expertise to set up the software for an online lottery. This would have to be brought in at commercial rates. The Council would need to develop a completely new area of operation for the lottery. This would involve at the very least a lottery manager and support assistants as well as having to source software to run the lottery itself and associated operating costs.</p> <p>No experience at all in this field and so no knowledge of how to deal with potential difficulties.</p> <p>There could be a negative perception from the public and charities that the Council is</p>

	potentially trying to take business from good causes.
<p>iii) Deliver through an external provider</p> <p>This option would see a partnership with an existing deliverer of lotteries in the market place (an External Lottery Manager – ELM).</p> <p>This in effect means ‘buying into’ an existing lottery manager’s products.</p>	
Strengths	Weaknesses
<p>The Council would be commissioning experts in the field to run the lottery which would be much lower risk – less chance of malfunctioning, legal errors etc.</p> <p>An ELM takes care of complexities around lottery licences etc.</p> <p>The Council could keep supporting community causes thus continuing towards delivering corporate objectives.</p> <p>Positive PR for the Council brand.</p> <p>This may be a more comfortable fit with the commercial approach than option ii) above, as it would be less costly and very low risk and could also be a strong example of partnership working.</p>	<p>The ELM will take a percentage of the ticket price.</p> <p>There could be a negative perception from the public and charities that the Council is potentially trying to take business from good causes – although in part this is mitigated by using an ELM.</p> <p>There could be a negative perception from the public that they already pay their council tax and the Council is trying to take more of their money.</p>

9.2 Taking into account the above analysis, this business case concludes that the best option is iii) Delivery through an external provider. This is primarily due to the now proven business model and delivery method with other councils as well as the minimised investment and risk.

10.0 Legal Implications and Risk Assessment Statement

- 10.1 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, with responsibility for making these appointments delegated to the Chief Executive.
- 10.2 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.
- 10.3 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 Community Services Manager.

- 10.4 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.

11.0 Risk and Benefit Analysis

	Risk	Benefits
Financial	<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. Running a lottery in partnership with an ELM, it is estimated that ongoing costs would not exceed £5,000 per annum.</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>	<p>Staff costs would be reduced if the Council chooses to operate a lottery with an external lottery manager - ELM. This option would mean the Council would facilitate self-help for community groups wishing to fundraise. A percentage of the ticket price goes directly to good causes, similar to other lotteries that operate.</p>
Reputational	<p>There is the possibility of damage to the council's reputation, in the unlikely case that the lottery becomes connected to corruption or avoidable failure (i.e through poor marketing).</p> <p>The Council's reputation could also be damaged in the event that it launches the lottery and has to close it due to lack of interest. (However, the Council could still argue it tried to do something in difficult circumstances).</p> <p>There could also be a negative reaction from residents who may</p>	<p>The Council has a reputation as a dynamic council which leads the way. If the Council chooses to operate a lottery with an experienced ELM they will jointly promote it as a facilitation of community fundraising in a difficult economic climate The key message communicated</p>

	perceive the lottery to be a stealth tax, as they already pay their council tax.	about a lottery would be that is empowering and enabling communities to help themselves.
Political	Discretionary giving is something that has come to be part of what councils do and has come to be depended on by different pockets of the wider community. It not only creates a degree of prestige for the organisation but also individual members who support those causes and sit on decision panels. Some of this impact could be lost.	The proposed eligibility criteria for good causes means that a lottery would deliver the benefits for the local community. Giving to good causes brings prestige to members serving their communities. A lottery could enable similar prestige.
Commercial	Some critics may perceive this idea to encourage gambling, which, in extreme cases, could lead to addiction and is not something a council should be doing. With 185,000 charities in the UK, it could be a risk to set up another avenue of charitable giving. The Council could also be criticised for taking business from other charity lotteries. However, the proposed option gives local good causes a potentially more effective facility with which to fundraise, rather than labour-intensive raffles etc. and would be giving opportunities to smaller groups.	There are already a number of charity and local authority run lotteries and this does not appear to be a problem. If the Council chooses to use an experienced ELM, they do not promote gambling in a hard-hitting way; the emphasis is on helping the community. For participants there is a much higher probability of winning the jackpot, compared to the national lottery. With the growth in technology, operating an online lottery would provide multiple opportunities to access potential supporters and for them to easily participate (using a range of digital devices). A Community Lottery would give more to good causes than, say

		<p>the national lottery.</p> <p>Camelot, the best known lottery provider, is seen as a successful commercial company. The lottery has the potential to have positive commercial associations.</p>
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12.0 Equality Assessment

- 12.1 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this report directly impact on end users. The impact has been analysed and does not vary between groups of people. The scheme has the potential to positively impact people with protected characteristics, as they are likely to benefit from services or activities provided by the good causes. However, until community groups sign up to the scheme, we won't know which people with protected characteristics will most likely benefit.
- 12.2 People without a bank account or payment cards may feel excluded as they will be unable to take part. However, officers consider this a proportionate approach to achieving a legitimate aim, which in this case is to reduce the risk of gambling addiction. We expect a cautious response from religious groups who may not agree with gambling as a method of raising income. However, marketing the scheme with the promotion of good causes as its focus should help to remove concerns. The results of this analysis are set out immediately below.

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	The Contract to be agreed with the ELM will include obligations on the ELM to comply fully with the Council's commitment to ensuring that the service is non-discriminatory and that residents can access the service taking account of any vulnerability.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	The Community Lottery will raise funds for local causes that support and promote equality of opportunity to some of the most vulnerable residents.

c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		No negative impacts identified
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13.0 Procurement

13.1 The consideration is that we are effectively buying into an existing and working model (via a contract with an ELM), rather than establishing our own team that runs the lottery in-house.

14.0 Resources (staffing)

14.1 This is a new area of work which would be envisaged to be incorporated within existing staff resource within Communities. This team has seen its resources reduced following recent restructure.