

Bolsover District Council

Executive

28th September 2020

Community Lottery Scheme

Report of the Portfolio Holder - Partnerships and Leisure

This report is public

Purpose of the Report

- To seek approval to establish a Community Lottery Scheme for Bolsover District that will provide an additional income stream to our community and voluntary sector, whilst also providing an opportunity for the Council to raise money to fund additional community focused initiatives.

1 Report Details

- 1.1 A community lottery scheme would offer a valuable, additional income stream to our community and voluntary sector, enabling them to tackle specific issues around loneliness, participation and engagement that aligns with the Council's Ambition Statement. Whilst also providing the Council with additional monies to allocate as community grants or develop new community focused projects.
- 1.2 The simplest way for a council to operate a lottery is to engage an External Lottery Manager (ELM). There would then be a contractual arrangement with the appointed ELM for the management of the lottery on the council's behalf, including website management, administration of ticket sales and payments, prize management and marketing. ELMs are not primarily to be a vehicle for profit for commercial organisations, but the intention is that they enable councils and other societies to raise funds for their own non-commercial purposes.
- 1.3 The Procurement team undertook a Request for Quotation tender and one submission was received from Gatherwell Ltd. The evaluation criteria was based upon 70% quality and 30% price.
 - Gatherwell rated as 1 with a score of 90%
- 1.4 Gatherwell Ltd is by far the largest provider of council lotteries, with our research indicating that it operates 71 community lottery schemes at present.
- 1.5 The contract will be for an initial period of two years with three possible extensions each of two years. The initial contract would cost £5,871 to set up and the ELM would then take 17% of income from the scheme as their management fee.

- 1.6 The community lottery project would be managed by Gatherwell on a day-to-day basis and an operational plan is attached at appendix 1 which shows how the scheme will operate and how good causes can be approved.
- 1.7 The projections below are based on the 16+ population within Bolsover District with 0.5 - 1.5% of that population playing the lottery in the first year. This is based on averages across the council lottery platforms Gatherwell run with each player purchasing on average 1.8 tickets per week.

**Bolsover Community Lottery
Projections**

£1 Ticket Price / 1 Ticket per week									
<i>Ticket Price £</i>	<i>Number of players</i>	<i>% of Pop</i>	<i>Tickets bought per week</i>	<i>Number of weeks</i>	<i>Gross Return</i>	<i>Central Fund (10% contribution)</i>	<i>Good Causes (50%)</i>	<i>30% of all players choose the central fund as their good cause</i>	<i>Total to Bolsover District Council</i>
1	350	0.5	1.8	52	£32,760	£3,276	£16,380	£4,914	£8,190
1	700	1	1.8	52	£65,520	£6,552	£32,760	£9,828	£16,380
1	1050	1.5	1.8	52	£98,280	£9,828	£49,140	£14,742	£24,570
1	1400	2	1.8	52	£131,040	£13,104	£65,520	£19,656	£32,760
1	1750	2.5	1.8	52	£163,800	£16,380	£81,900	£24,570	£40,950

Year 1 expectation between 0.5% and 1.5%

2 Conclusions and Reasons for Recommendation

- 2.1 It is recommended that members agree to award the contract to Gatherwell Ltd as highlighted in 1.3 following a compliant procurement exercise.

3 Consultation and Equality Impact

- 3.1 No consultation was required.
- 3.2 Community lotteries are classed as low risk by the Gambling Commission; they are considered a form of 'incentivised giving'. There are procedures in place to mitigate the risks of problem gambling, which include;
- Maximum of 20 tickets per supporter
 - No instant reward or gratification when purchasing
 - Direct debit and recurring payments (no cash)
 - Unable to buy single tickets, or tickets for a draw on the same day

4 Alternative Options and Reasons for Rejection

- 4.1 Not run a Community Lottery Scheme and continue to fund community initiatives from our general fund budgets. This was rejected as budgets are reducing and we need to look at alternative avenues to raise income.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 The cost to set this project up will be £5,000 and approx. £871 for the necessary licence fees from the Gambling Commission and Lotteries Council. (N.B. Gambling Commission fees are dependent upon the size of the lottery and these are the lowest prices). It is proposed this money is allocated from the Transformation Reserve.
- 5.1.2 The ELM recommend setting aside a yearly budget of £3,000 for marketing the scheme. However, with the marketing and communication methods the Council currently utilises, this extra budget is not required and can be met from using our own channels and within existing resources and budgets.
- 5.1.3 The jackpot is underwritten by prize insurance and all other prizes are covered by Gatherwell so there is no financial risk to the Council arising from the prizes.

5.2 Legal Implications including Data Protection

- 5.2.1 The Gambling Act 2005 creates eight categories of permitted lottery, one of which is a local authority lottery. Local authority lotteries are promoted by the relevant council and the net proceeds can be used for any purpose for which the authority has power to incur expenditure.
- 5.2.2 If we were to set up a Bolsover District Community Lottery, it must be run under an operating licence issued by the Gambling Commission and would need to comply with the specific licence conditions and relevant codes of practice.
- 5.2.3 As proposed in this report, we can appoint an ELM to manage the lottery on our behalf in accordance with Section 257 of the Gambling Act. The ELM will also need to obtain the necessary consent and operating licence from the Gambling Commission. However, the Council would remain responsible for ensuring that the lottery operates lawfully if an ELM is appointed. To this end, we will need to appoint a responsible officer(s) for the Gambling Commission's lottery licence and it is recommended that the Section 151 Officer be nominated for this purpose.

5.3 Human Resources Implications

- 5.3.1 None identified

6 Recommendations

- 6.1 That the contract be awarded to Gatherwell as the External Lottery Manager for the provision of a Community Lottery Scheme for Bolsover District Council.

- 6.2 The contract will be awarded initially for two years with the possibility of three additional periods each of two years.
- 6.3 The Head of Leader's Executive and Partnerships be given delegated authority in consultation with the Portfolio Holder - Partnerships and Leisure to extend the contract for the maximum of three additional periods each of two years. Extensions to be conditional upon the satisfactory performance of the contractor.
- 6.4 That the Section 151 Officer be nominated the responsible officer(s) for the Gambling Commission's lottery licence.
- 6.5 That £5,871 be allocated from the Transformation Reserve budget to set up the scheme and any ongoing costs are met from income received from the Community Lottery Scheme.

7 **Decision Information**

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	None Directly
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
1	Community Lottery Scheme
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
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