

**TO: EXECUTIVE  
13 NOVEMBER 2018**

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**BRACKNELL FOREST LOTTERY  
Borough Treasurer**

**1 PURPOSE OF REPORT**

- 1.1 To report on the findings of the Lottery Working Group established by the Executive in January 2018.

**2 RECOMMENDATIONS**

**That the Executive:**

- 2.1 **Confirms its support to establish a local lottery, to be named the Bracknell Forest Lottery, on the broad terms set out in the previous report to the Executive in January 2018;**
- 2.2 **Agrees to support the conclusions and recommendations of the Working Group as set out in paragraphs 5.8 a) – h), including specifically to;**
- a) **Adopt the terms and conditions for the involvement of local voluntary organisations in the Lottery, as set out in Annex A, which restricts involvement to charities active in the Bracknell Forest area;**
  - b) **Delegate authority to agree allocations from the lottery's central fund to the Executive member for Transformation and Finance (or such other Executive Member as the Leader may nominate from time to time), advised by a Working Group of non-executive councillors to be nominated by the Leader..**

**3 REASONS FOR RECOMMENDATION**

- 3.1 The Council acknowledges the positive impact that voluntary sector organisations can make in improving the lives of local people. It was agreed by the Executive at its meeting in January that establishing and promoting a local lottery that can secure funding for such organisations will allow the Council to support them in a sustainable way. The Working Group was established to advise the Executive on how a lottery would work in practice and to raise any additional points for consideration.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not applicable since it has already been determined that the conclusions of the Working Group will be reported back to the Executive.

**5 SUPPORTING INFORMATION**

- 5.1 At its meeting on 23 January 2018, the Council's Executive agreed to support the creation of a local lottery for Bracknell Forest and to establish a Working Group, chaired by the Chairman of Overview and Scrutiny, to engage with Gatherwell and with local voluntary sector organisations on arrangements for their involvement in the lottery. The Executive also agreed to consider a further report prior to the lottery going live that would propose a policy and process for agreeing which types of voluntary groups could put themselves forward for lottery support and for the allocation of the good causes central fund, based on findings of the Working Group.
- 5.2 The Working Group first met on 7 June and considered a presentation by Ben Speare, Managing Director of the lottery management company Gatherwell, which operates local lotteries on behalf of many local authorities, schools and other not for profit organisations.
- 5.3 Mr Speare explained the key elements of the lotteries operated by Gatherwell on behalf of local authorities and responded to questions from Working Group Members, with the key points being as follows:
- Lotteries were a way of raising money by opening up fundraising to optimistic and prize motivated supporters as well as traditional altruistic supporters;
  - Lotteries tend to be seen as positive by the public, as the Local Authority makes no profit but empowers other organisations, as long as this funding stream is additional to existing funding for good causes supported by the Local Authority;
  - Supporters can buy tickets over the phone but mainly do so through the lottery website, with the majority of purchases through recurring payment plans;
  - Tickets cost £1 per week although players are unable to sign up for a single week at a time, the minimum payment being £4.34 for a month;
  - Numbers are chosen in a combination from 0-9. Players choose their numbers or allow the system to choose a lucky dip. Players select who the main beneficiary of their ticket will be;
  - The odds of winning any prize are 1 in 50;
  - The jackpot is £25,000, however the risk of having to pay out and put the prize pot in deficit is underwritten by Gatherwell;
  - Gatherwell provide the Local Authority with a PCI compliant website, an allocated account manager, daily emails from the system to update on ticket sales, a support desk facility for players and beneficiaries, marketing materials and expertise in running lotteries;
  - Local authorities are responsible for agreeing criteria which good causes would need to comply with in order to participate and for checking beneficiary eligibility, for obtaining a Gambling Commission licence through appointing two named officers, and for the marketing responsibility of the lottery;
  - Local Authorities are required to commit to a year with the lottery, moving to a 3 month rolling notice thereafter;
  - Good cause beneficiaries were able to apply to join the lottery through the website, and would populate their own webpage;
  - There is no limit to the number of good causes able to participate, since each bring their own supporters;
  - Careful consideration would need to be given to the involvement of the Mayor's charity to avoid any perception that it was being favoured over others;
  - Income from lottery sales is split;
    - 60% goes to good causes
      - 50% to a chosen individual cause
      - 10% to a central fund, for which the rules are determined by the local authority

- 20% goes back as prizes
  - 20% covers running costs incurred by the external lottery manager (including 3% for VAT)
  - There is a £3,000 set up fee through Gatherwell plus a necessary Gambling Commission license costing £348 per year (based on revenues up to £100k), with a one-off application fee of £163, Lotteries Council membership costing £350 per year, plus an application fee of £25.
  - Total set-up costs would therefore be £3,886, with annual costs of £698.
- 5.4 The Working Group considered a proposed set of terms and conditions for a Bracknell Forest Lottery, using the model template provided by Mr Speare following the meeting. A key underpinning principle is that only organisations that are active within the Borough of Bracknell Forest are eligible to participate.
- 5.5 The Working Group met for a second time on 12 June with Phil Cook, General Manager from Involve, in attendance. As the “umbrella organisation” supporting local charities, it was felt that Involve were well placed to present the likely views of local charitable organisations on the creation of a local lottery for Bracknell Forest.
- 5.6 Mr Cook explained that Involve is a charity and company limited by guarantee, funded through core grants from Bracknell Forest and Wokingham councils and other sources such as the CCG, Bracknell Forest Homes and various grants. He gave an overview of the work of Involve, which includes supporting around 500 local charities, voluntary groups and community centres in Bracknell Forest and Wokingham boroughs.
- 5.7 Mr Cook felt that a local lottery for Bracknell Forest would represent a positive additional source of funding for the voluntary sector, as long as it was not used to replace local authority funding. With large, national charities tending to saturate the market for fundraising, a local lottery could appeal to people who would not normally donate to charity, encouraging the public to think differently and to donate via a different route, particularly if there was a clear focus on supporting local charitable organisations. He believed that the vast majority of groups in Bracknell Forest supported by Involve would be able to meet the proposed lottery terms and conditions. Some smaller groups may not have bank accounts, however they would be encouraged to do so as a matter of good practice.
- 5.8 The Working Group met for a third and final time on 19 September, to discuss how the “central fund” should be administered and to agree its recommendations to be reported to the Executive. The Working Group agreed to advise the Executive as follows;
- a) It supports the concept of a local lottery, with the core purpose of raising funds for local charities, voluntary organisations and good causes in the Borough.
  - b) The lottery should be named “The Bracknell Forest Lottery”.
  - c) Gatherwell should be appointed as the external lottery manager.
  - d) The Council will need to play a lead role in establishing the lottery (i.e. nominated officers for the Gambling Commission license, funding set up costs, approving the participation of good causes).

- e) It is very important that the funds should be viewed as additional to, rather than potentially replacing, the Council's core support to voluntary groups, particularly CAB, Involve and Shopmobility.
  - f) The participation of locally active charities should be encouraged and that the terms and conditions attached as Annex A should be adopted.
  - g) The Mayor's nominated charity would be able to participate in the Lottery in its own name, assuming it fulfils the proposed terms and conditions.
  - h) In order to avoid any perception of Members allocating money from the central fund in ways that would benefit the Council's core functions, decisions around the central fund should be taken by a Committee of Non-Executive Councillors, meeting each quarter, adopting a similar process to that operated by both Bracknell Town Council and Binfield Parish Councils who periodically invite applications for financial support from local voluntary organisations.
- 5.9 In respect of point (h) above, the Council's constitution does not permit Executive decisions (which would include under legislation allocation of the lottery central fund moneys) to be delegated to a group of non-executive councillors. It is therefore proposed that the final decision on allocations is delegated to an executive member, to be taken on advice from a working group of non-executive councillors who would meet to consider bids received for the funding available.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 6.1 The establishment of a local lottery by a Council is an Executive function and is permissible under the General Power of Competence as set out in the Localism Act 2011. A tender process for the procurement of the lottery operator is not required as the award is for a public service concession under the Concessions Contract Regulations 2016 and Lotteries are in any event exempt from the Regulations.

### Borough Treasurer

- 6.2 The financial implications are set out in the main body of the report. The scale of the central fund to be allocated by the Council will depend on the number of ticket sales. Based on the experience of Aylesbury Vale District Council, it is possible that the central fund could provide around £5,000 of funding for local groups, once the Bracknell Forest lottery is well established.

### Equalities Impact Assessment

- 6.3 There are no direct implications from this paper.

### Strategic Risk Management Issues

- 6.4 Should the lottery be created and subsequently prove to be unsuccessful, there would be reputational and limited financial risks for the council. These would be mitigated by working with an experienced lottery management company.
- 6.5 A lottery provides the opportunity for the council to continue to support local voluntary organisations despite its difficult financial position.

## **7 CONSULTATION**

- 7.1 Involve, an organisation supporting and representing local community and voluntary groups, has been consulted.

### Background Papers

#### **Annex A – Terms and Conditions – Good Causes**

##### Contact for further information

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