

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE**

Date: June 2019.

1. **REPORT TITLE** Lyme Lottery Review.
- Submitted by:** Partnerships Manager, Sarah Moore.
- Portfolio:** Corporate and Service Improvement, People and Partnerships.
- Ward(s) affected:** All Wards are affected.

Purpose of the Report

The Report seeks to inform the Scrutiny Committee of the findings of the Lyme Lottery Review carried out in January 2019 and the actions recommended thereof.

Recommendations (to be in bold)

- a) **That the findings of the Lyme Lottery Review be noted.**
- b) **That the operation of the Lyme Lottery is continued and is supported using existing Council resources including the Communications Team, and external partners in the voluntary, community & social enterprise (VCSE) sector.**
- c) **That the Review is scrutinised by the Committee to consider future development opportunities.**

Reasons

Since its launch in August 2017 the Lyme Lottery has facilitated access to funding for a number of voluntary, community and social enterprise (VCSE) groups operating and providing services within the Borough of Newcastle-under-Lyme. To cease the scheme now would be detrimental to those organisations and to the Borough Council's reputation.

1. **Background**

- 1.1 Following a decision by Cabinet in October 2016 the Lyme Lottery was developed in partnership with an External Lottery Manager (ELM).
- 1.2 Two ELMs, with experience of managing Local Authority Lottery schemes, were considered. A contract with Gatherwell was approved, initially on a 12 month contract, and the Lyme Lottery was launched in June 2017 with the first draw taking place on Saturday 26th August 2017. This was the first Local Authority Lottery in Staffordshire.
- 1.3 The Lyme Lottery is operated as a Local Authority Lottery under the Gambling Act 2005 as amended. This requires the Borough Council to hold a remote operating licence with the Gambling Commission and to appoint a named Licence Holder; although on advice we have 2 Licence Holders.
- 1.4 A Review of the Lyme Lottery has been carried out with a Review Report being produced in January 2019.

2. **Issues**

- 2.1 A total of £34,636 has been raised for the 81 Good Causes registered with the Lottery as of 31st March 2019. This is the net figure, excluding costs for administration and bolt on prizes.
- 2.2 The amount of funding that registered Good Causes have raised is very variable. At one end of the spectrum 5 organisations have raised in excess of £1,000.00 whilst at the other end 18 organisations have not raised any funds. Organisations that have had success in selling tickets for their cause are invariably those that have understood their responsibility for promoting the Lottery to their members/supporters.
- 2.3 Some work has been done in partnership with Support Staffordshire & Staffordshire Council for Voluntary Youth Services (SCVYS) to promote the lottery to VCSE organisations, including the production of “Tips for the Lyme Lottery”. This needs to be built on to provide some follow up support where appropriate.
- 2.4 Gatherwell have provided information comparing the Lyme Lottery with 5 other Local Authority lotteries that match closest in terms of population size, location and how long the lottery has been operating. This shows a good level of performance across 5 measures whilst also helping to indicate where improvements could be made.
- 2.5 Since the Lyme Lottery was established Stoke-on-Trent City Council has set up the Potto Lotto which operates on much the same basis (<https://www.pottolotto.co.uk/>). Given that a number of eligible organisations work across Newcastle and Stoke opportunities for some joint marketing could be explored.
- 2.6 Changes in licence holders for the Lyme Lottery remote operating licence have been necessary due to the departure from the Council’s employment of one of the remote operating licence holders.
- 2.7 Marketing has been limited because of the limited marketing budget made available to the scheme.

3. **Options Considered** (if any)

- 3.1 Ceasing the Lyme Lottery is not considered to be a viable option due to the impact that would have on the registered Good Causes and the reputation damage to the Council.
- 3.2 Continuing the operation of the Lyme Lottery is the only viable option and would be recommended.

4. **Proposal**

- 4.1 That the contents of the Lyme Lottery Review Report be noted. See section 14.1 below.
- 4.2 That the operation of the Lyme Lottery is continued and is supported using existing Council resources including the Communications Team, and external partners in the voluntary, community & social enterprise (VCSE) sector.
- 4.3 That registered Good Causes that neither achieve ticket sales nor engage in discussions about the scheme be contacted to advise them that they may be removed from the Lyme Lottery.
- 4.4 That Officers continue working with the Gambling Commission to make the necessary changes to the remote operating licence holders as and when necessary.

5. **Reasons for Preferred Solution**

- 5.1 The Lyme Lottery has been successful in facilitating access to funding for a number of Good Causes in the Borough.
- 5.2 This success needs to be built on to ensure as many eligible organisations as possible are able to access funds through the Lottery.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 In providing access to funding for a range of VCSE organisations working across a range of services the Lyme Lottery links in with all Sustainable Community Strategy & Corporate Priorities in particular:-
 - a) Creating a healthy and active community – a lot of the registered organisations provide services that support people in communities to lead a healthy lifestyle.
 - b) Creating a cleaner, safer and sustainable Borough - a number of the registered organisations provide services that work to improve community safety and the local environment.
 - c) Transforming our Council to achieve excellence – as the first Local Authority in Staffordshire & Stoke-on-Trent to set up a Lottery scheme the Council can rightly consider itself to be trailblazers.

7. **Legal and Statutory Implications**

- 7.1 There is a requirement for the Council to hold a Remote Gambling Licence with the Gambling Commission. This is in place.

8. **Equality Impact Assessment**

- 8.1 There are no adverse equality issues identified as arising from this report.

9. **Financial and Resource Implications**

- 9.1 There is an annual License Fee of £348.00 payable to the Gambling Commission. This is a requirement without which the Lottery could not be operated.
- 9.2 There is an annual Membership fee of £375.00 to the Lottery Council. This is a requirement and enables us to liaise with other Local Authority Lotteries and share good practice.
- 9.3 There are staff costs involved in administering the Lottery operation. These are currently provided through a part time administrative role in the Partnerships Team.
- 9.4 The volume of funds raised for local VCSE organisations helps to support the local economy.

10. **Major Risks**

- 10.1 Two risks were identified in the previous Cabinet Report:-

- 10.1.1 Negative publicity through the Council being seen to promote Gambling.

Two organisations raised objections in principle to the Lyme Lottery. This has not led to any negative publicity.

10.1.2 That the Lottery would not attract sufficient organisations.

The number of registered Good Causes clearly indicates this not to be the case.

10.2 No other risks have been identified.

11. Sustainability and Climate Change Implications

11.1 There are no sustainability and climate change implications.

12. Key Decision Information

12.1 This is a Key Decision since all Wards are affected.

12.2 The item is not included in the Forward Plan.

13. Earlier Cabinet/Committee Resolutions

13.1 Wednesday, 19th October, 2016, Minutes Number 9. Decision:-

i. That the Council introduce a local lottery for the Borough of Newcastle with the aim of raising funds for local charities, voluntary organisations and good causes.

ii. That authorisation is given to officers to work with an External Lottery Manager to develop and Implement a local lottery to commence as soon as practically feasible.

iii. That the Portfolio Holder and the Chief Executive receive regular update reports on the progress of the implementation of the local lottery.

14. List of Appendices

14.1 Appendix A - Lyme Lottery Review, January 2019.

14.2 Newcastle-under-Lyme – Brand Comparison, Gatherwell. Copies available from the Partnerships Team on request.

15. Background Papers

15.1 “Tips for the Lyme Lottery”, Newcastle Borough Council/Support Staffordshire. Copies available from the Partnerships Team on request.