

REPORT TO CUSTOMER FOCUS SCRUTINY COMMITTEE

Date of Meeting: 30th January 2025

Report of: Director for People and Communities

Title: Exeter Community Lottery update

Is this a Key Decision?

Not applicable: Scrutiny is not a decision-making body.

Is this an Executive or Council Function?

Not applicable: Scrutiny is not a decision-making body.

1. What is the report about?

1.1 Update on Exeter Community Lottery first year of operation and amount raised for good causes.

2. Recommendations:

2.1 To note the update.

3. Reasons for the recommendation:

3.1 To give an update on the work of the Exeter Community Lottery over the first year of operation.

3.2 To note the amount raised for good causes in the city.

4. What are the resource implications including non-financial resources

4.1 Staff within the Communities Team administer the lottery which includes monthly authorisation of payments to good causes, quarterly returns, and vetting and support for good causes wishing to register. This is supported by weekly social media and news posts by the Communications Team. Based on this activity, staff administration costs are estimated at around £4,000 a year.

4.2 Non-staffing costs in year one:

Marketing	£3,994.00
Lotteries Council Membership	£410.00
Gambling Commission Licence	£352.00
Gambling Commission Membership	£796.00
Gambling Commission Annual Fee	£597.00
Total	£6,149.00

4.3 External Lottery Manager set up fees were waived as we achieved targets set for the launch in May 23.

4.4 The licence fees and marketing costs have been met through the income raised so far from ticket sales and the income to the central community fund.

4.5 Going forward annual fees are expected to be in the region of £1200 to £1300 which includes the Lotteries Council Membership and the Gambling Commission annual fee.

5. Section 151 Officer comments:

Not Applicable Scrutiny is not a decision-making body.

6. What are the legal aspects?

6.1 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 the power to incur expenditure.

6.2 Exeter Community Lottery is run under an operating licence issued by the Gambling Commission and needs to comply with the specific licence conditions and relevant codes of practice.

6.3 We have appointed Gatherwell to manage the lottery on our behalf in accordance with Section 257 of the Gambling Act. However, Exeter City Council remains responsible for ensuring that the lottery operates lawfully. To this end, we are required to have a least one, preferably two, Personal Management Licence (PML) holders at Strategic Director and Head of Service level. Following the senior leadership restructure the Chief Executive is working with Senior Management board to ensure officers are appointed to these roles appropriately.

7. Monitoring Officer's comments:

Not Applicable: Scrutiny is not a decision-making body.

8. Report details:

8.1 Council agreed in December 2022 to support the establishment of a local community lottery for Exeter to be managed by an 'External Lottery Manager' to deliver the scheme on the council's behalf. Gatherwell were appointed as the External Lottery Manager (ELM) in January 2023. Gatherwell have experience of managing around 110 lotteries for local authorities across the UK. Gatherwell manage the lottery on the council's behalf, this includes website management, administration of ticket sales and payments, prize management, and marketing.

8.2 The launch of the lottery to the community and voluntary organisations in the city took place in May 2023. Over 70 groups attended the online launch, and 76 groups registered ready for the first draw which took place on the 22 July.

8.3 In the first 12 months of the Exeter Community Lottery there has been a steady increase in new causes registering to take part. 121 causes registered in the first

year. Of these 121, 97 are active with more than one supporter. Gatherwell prompts registered causes with regular emails to offer support and ideas for promoting their cause to potential supporters.

8.4 The amount raised for all causes in year one, including the City Council Community Fund, is £47,492.40. The total amount raised for the (City Council) Community Fund is £17,416.40. As stated, a proportion of this went to year one set up fees and annual costs

When players register for the lottery, they have the option of choosing a cause to support. They can choose from one of the many registered organisations in the city or alternatively choose to support the Exeter Community Fund and see the funds distributed to many groups across the city as part of the city council grants programme.

Year One Revenue

Good Causes – Non ECC	£30,076.00
ECC Community Fund	£17,416.40*
Prize Fund	£15,830.80
Total to External Lottery Manager (inc. VAT)	£15,830.80
Total Income	£79,154 (number of paid ticket sales)

*Year one Costs of £6,149 were deducted from this. These should reduce to around £1,200 to £1,300 in year two. Now we are clear on the commitment, staffing costs estimated at around £4,000 will be deducted from the revenue into ECC.

Year One Top Good Causes

Sylvania Community Store and Cafe	£1,725
Exeter Strollers Walking Football Club	£1,457
Southwest MS Therapy Centre	£1,410
FREEMOOVEMENT	£1,261
Devon Family History Society	£1,168
Heavitree Bowling Club	£1,030
Royal Albert Memorial Museum (RAMM) Development Trust	£896
Parental Minds CIC	£804
Age UK Exeter	£634

Recent feedback from the South West MS Centre included the following observations:

- We like how easy it is to manage/administer – these things don't need to be over-complicated
- We like how its local money raised which stays locally – this helps us sell it even more
- The marketing tools, although basic, are just right for what we need to use it for
- The additional monthly prizes help us promote the opportunity to buy more tickets
- The payments we receive are regular with no hassle

- It's easy for players to sign up and manage their accounts
- Its income generated with little input from us which is a huge plus for any charity – it trickles in month by month and adds to our overall annual fundraising total
- We particularly liked being a part of the good news stories you shared a few months ago and would be very happy to be used as an example charity in any future promotions.

Prizes

8.5 Over the first year a total of £5,950 was awarded in cash prizes. This includes 128 people who have won £25 and 11 people who won a £250 cash prize. As part of the launch of the lottery we were able to offer a prize of a Guildhall Shopping voucher and a spa voucher worth £150 kindly donated by the Indigo Hotel.

Breakdown of takings

8.6 60% of proceeds go to good causes; 50% to the chosen good cause and 10p to the Operator (Exeter City Council) community fund. 20% goes towards prizes for players and 20% to the ELM for administration and VAT:

Local Good Causes (inc. ECC)	50%
Operator (ECC)	10%
Prizes	20%
External Lottery Manager (Gatherwell)	17%
VAT (inc. in payment to Gatherwell)	3%

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The Exeter Community Lottery directly impacts key council corporate strategic priority of

- Building Great neighbourhoods.

10. What risks are there and how can they be reduced?

10.1 In terms of ethical considerations, 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); and
- Unable to buy single tickets, or tickets for a draw on the same day.

10.2 The Gambling Commission considers it best practice to have two Personal Management Licence Holders in place. As a minimum, there should be one who has overall management responsibility for promotion of the lottery. As a result of the senior leader restructure, changes in responsibilities and the departure of senior

leaders mean that these PML responsibilities are under review, in line with the new structure.

10.3 The last 6 months have seen a slight decline in ticket sales when compared to the previous 6 months, from 41,557 tickets to 39,151. It is difficult to ascertain the cause. For 25/26 the Customer and Communities team will work with the Communications team to draw up a plan for promotion that will be delivered within existing resources. Ongoing engagement with Gatherwell and local charities to promote the lottery with community groups linked to the grants programme, and through the Council website will be undertaken.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4. The report is for information only.

12. Carbon Footprint (Environmental) Implications:

12.1 Important to complete this section in light of the Council declaring a Climate Emergency. Consider whether the recommendations you are making in the report will help, hinder or have no direct impact on delivering our carbon reduction target (carbon neutral by 2030).

12.2 You should think about things like: -

- Travel (and, if travel is unavoidable, whether lower carbon options will be pursued e.g. walking, public transport, electric car);
- Infrastructure (e.g. LED lighting, energy efficient heating/hot water, solar panels, electric car charging points);
- Waste (e.g. recycling, composting, reducing non-recyclable waste); and

- Any other specific carbon reduction initiatives.

12.3 If there are no direct carbon/environmental implications for the decision please state:

No direct carbon/environmental impacts arising from the report.

13. Are there any other options?

Not Applicable: Scrutiny as report is for noting only

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report: -

None

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