1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to present the performance outcomes from the first year of THE LOCAL LOTTO for the Harrogate District, September 2018 - September 2019.

1.2 In conjunction with the annual performance review the terms and conditions have been reviewed and a small amendment is suggested to allow further groups to benefit from the fundraising platform.

2.0 RECOMMENDATION/S

2.1 That the performance outcomes in 5.2 and the appendix are noted and that the Council continue to support the development of THE LOCAL LOTTO across the Harrogate District. This will ensure it continues to be a sustainable source of unrestricted income for voluntary and community sector groups and organisations.

2.2 That the words; ‘Organisations such as School PTAs may apply to join to fund raise for extracurricular activities that do not form part of the core offer provided by the school and that benefit the wider community’ are deleted from the Good Cause terms and conditions small print and as detailed in 5.3. This will allow Parent Teacher Associations to use the LOTTO to raise much needed additional funds that go towards developing and enhancing the school experience for children and young people across the Harrogate district. THE LOCAL FUND for the Harrogate District would also benefit
from this amendment which means even more community groups would benefit in the longer term from the increased income generated.

2.3 A further report will come back to Cabinet in the Autumn to provide considerations as to whether funds generated by the District Lottery could replace the existing funding provided through the council’s general fund for small grants. This will follow once work around a place based giving strategy for the Harrogate district is drafted by THE LOCAL FUND project group.

3.0 RECOMMENDED REASON/S FOR DECISION/S

3.1 When THE LOCAL LOTTO was established and launched there was no indication as to how successful it would be. The outcomes evidenced over the last 12 months show that it has been received well by the voluntary and community sector across the district. Given the amount that it has generated in additional funds for the sector over the reporting period it has proven to be a successful platform for smaller groups to generate a monthly income. It brings with it minimal administrative burden which is ideal for the smaller groups who are mainly volunteer led.

3.2 Following the initial setting up period and establishing a core of good causes that are using the LOTTO to generate funds the focus has been on sustaining the sales and identifying further signing up opportunities. The sound base and range of organisations using the platform helps to attract others. It is therefore the right time to review the eligibility criteria and acceptance guidance so to maximise on the benefits that the LOTTO could bring to other groups who work to benefit residents and service users across the Harrogate district.

3.3 It was agreed that a further report would be brought back to Cabinet for consideration once the LOTTO had been operating for 12-18 months and an indication to the value of the funds that were being generated was available.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION (Must be used for reports to Cabinet & Cabinet Members)

4.1 Not to support the further development of THE LOCAL LOTTO would have a negative impact on both the existing good causes that are signed up and using the LOTTO and other groups who may choose to use it in the future. The wider community would be at a disadvantage as there would be no additional funds raised through THE LOCAL LOTTO for THE LOCAL FUND.
5.0 THE REPORT

5.1 Background

5.1.1 THE LOCAL LOTTO for the Harrogate District was launched in July 2018 for good causes to sign up to benefit and use the lottery platform. The first draw was subsequently held on the 8th September 2018 and thereafter every Saturday evening.

5.1.2 The lottery is a fundraising opportunity for local voluntary and community groups, which also enables players to support the local organisations they care about most. Money raised through THE LOCAL LOTTO will contribute towards keeping the voluntary and community sector thriving across the district. The lottery is being promoted jointly by the council and THE LOCAL FUND for the Harrogate district with the back office run independently by the procured external lottery manager Gatherwell.

5.1.3 50p from every £1 ticket goes directly to local charities and voluntary or community groups that have signed up to use the LOTTO to generate a monthly income. A further 10p goes into THE LOCAL FUND for the Harrogate District and is allocated on an annual basis through an open application process that all voluntary and community groups can apply into. This is better than the national lottery where only 30p in £1 goes back into the community. THE LOCAL FUND can also be supported in its own right as a good cause if the supporter does not have a preferred good cause to support but still wants to support local community groups. In this instance 60p in the £1 would go into the community fund pot.

5.1.4 The remaining 40p is split into the following; 20p into the prize fund, 17p to Gatherwell for their administrative costs and 3p VAT. The council takes no income from the ticket sales.

5.1.5 The funds raised are paid to the signed up groups selling tickets on a monthly basis. Funds are unrestricted too which means groups can use the income as they see fit.

5.2 The key outcomes over the last 12 months

5.2.1 The below summarises the key achievements over the last 12 months but the full presentation can be found in the annual report in Appendix 1.

The information provided covers the period of the 8th September 2018 to the 8th September 2019.

- 84 groups signed up and using THE LOCAL LOTTO to generate a monthly income
- £49,503 generated by local groups through ticket sales
- £18,845 raised for THE LOCAL FUND through LOTTO ticket sales
- £13,265 paid out in winnings. The highest cash prize won has been £2,000, this has been won twice
- 1826 winners of either a cash prize or 3 free tickets
- 989 supporters
- The first Local Authority Lottery in Yorkshire
- In the top 5 performing lotteries managed by Gatherwell out of 62 across the country
- Significantly growing local giving across the district

5.2.2 We have had immense support from the voluntary and community sector across the district over the last year which has strengthened our relationship with both new and existing partners. We have increased our knowledge in what groups are active within the community and have been able to offer support in other ways too through links made to other council and partners projects and initiatives.

“We are really grateful to HBC for developing THE LOCAL LOTTO. We have limited resources for fundraising and this is an easy way for us to bring in much need funds to help develop our services for local disabled people. We really hope that our supporters who buy tickets are all winners”!

5.2.3 The community groups that have signed up have also benefited from an increase in profile through the various events where we have promoted the lottery and all who use it. Additionally some groups have had small videos made to help assist them with their ticket sales. This in turn has also communicated out what they have to offer as a group and how you could get involved/ access their services within the community.

5.2.4 Feedback from supporters/players has been positive. The majority of supporters play because they want to give to a chosen good cause but have the added bonus that they may win a prize too. I had heard about the local lotto via social media and thought it was a great way to give to charity whilst ‘playing’ a lottery.

“I decided to support a specific organisation for personal reasons (Dementia Forward) but if you are unsure which organisation to support you can choose The Local Fund which helps a wide range of organisations i the local community. Although I have been lucky enough to win a cash prize, this was an added bonus and the giving to charity is more important to me”.

5.2.5 There have been huge benefits in developing THE LOCAL LOTTO alongside THE LOCAL FUND for the Harrogate District project. As there are synergies between both we have been able to sign post groups to both as possible sources of funding and have been ambassadors for both.

5.2.6 Although the onus is on the groups that sign up and use the LOTTO to generate ticket sales and market the scheme the council has promoted the LOTTO whenever there has been an opportunity to do so at community events. This has raised the profile of both projects and the type of projects that the council are working on.
5.3 **Review of the eligibility criteria**

5.3.1 As part of the annual performance review the eligibility criteria has been considered. We have been approached by nearly a dozen Parent Teacher Associations (PTA’s) over the year to ask if they could use the LOTTO to raise funds for their school.

5.3.2 Currently the wording within the eligibility criteria document states that ‘Organisations such as School PTAs may apply to join to fund raise for extracurricular activities that do not form part of the core offer provided by the school and that benefit the wider community’. Currently there is one PTA that has been approved to join the LOTTO as it fits the description, this is Coppice Valley Primary School who are raising funds for their community garden. The garden is available to all residents who live within the vicinity and is accessible at all times.

5.3.3 PTA’s currently have a significant task to fund raise to pay for and supplement school activities and equipment. There are varying ways in which this is done within the different school settings but there isn’t currently a fund raising platform available to all schools of a similar nature to a community lottery across the district.

5.3.4 Research has been carried out into whether other Local Authority Lotteries across the country allow PTA’s to raise funds through their community lotteries. The general stance is that the majority of the Gatherwell run lotteries do allow PTA’s to raise funds through their lottery. Vale lottery currently has 27 PTA’s, Guilford has 14 and East Herts has 5 and one after school club.

5.3.5 Given that we have 95 schools across the Harrogate District there should be a good take up rate. This also means that the potential to raise additional income for THE LOCAL FUND would be significant.

5.3.6 It is therefore recommended as per 2.2 that the current small print referring to PTA’s be removed and subject to the applicant groups meeting the main eligibility criteria of having a constitution or terms of reference and a bank account associated to the group they will be allowed to sign up and benefit from the platform.

5.3.7 Further to this agreement all PTA’s will be written to be told of the opportunity and how the LOTTO works.

6.0 **REQUIRED ASSESSMENTS AND IMPLICATIONS**

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.
6.2 **Financial:** Other than the Gambling Commission license fee at £348 and the membership cost to the Lotteries Council £375 (required as part of the license conditions) there is no other financial commitment to the LOTTO by the council as the external lottery manager takes 17p in every £1 ticket sale to cover their administrative costs. The council do not make any income from the ticket sales.

**Human Resources:** The council continues to provide some officer time to develop the project mainly through communications and around the governance as part of the sign up process. These functions are carried out as part of existing posts that already have a remit to work with the voluntary and community sector across the district.

**Legal:** The Council continues to review and meet the legal requirements of its Local Authority Gambling Licence and has submitted its annual return to the Gambling Commission within the stated timescales.

**Risks:** A full risk register for THE LOCAL LOTTO has been developed and is managed through the council’s corporate risk management system. The main risk is that the lottery isn’t a success due to the community groups and charities not using it to generate income and therefore not gaining supporters/players. The outcomes over the year demonstrate that it has been a success in the first year however to sustain the performance the groups will need to continue their marketing and communication activities and maintain their supporters base.

**Equality and Diversity:** The lottery is positive on protected characteristic groups as many are beneficiaries of the funds raised either directly or indirectly through the groups and organisations that they may use/attend. Those who don’t have access or can’t access a computer can still play by purchasing tickets through the local support line.

7.0 **CONCLUSIONS**

The first year of THE LOCAL LOTTO has been very successful. Groups have put a lot of hard work into generating ticket sales and have subsequently seen the rewards through their monthly income. In the second operating year there is a focus on both sustaining and building on the success. There are still many groups within the district that could benefit from the platform and many more supporters to get on board.

**Background Papers** – none

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