



REPORT FOR DECISION

Item No:- FC23/064

Committee:-	Finance and Governance Committee
Date:-	24 th January 2024
Author:-	Martin Hammond, Clerk
Report Title:-	Review of Lottery Policy
Wards Affected:-	All

1. Purpose of Report

To seek the committee's views on amendments to the policy which governs the use of funds raised by the Town Lottery.

2. Recommendations

That committee consider changing the approach to using lottery monies and instead will identify a single good cause which all the available money can be devoted to each year.

3. Information

- 3.1. The Lottery started in June 2022. Before it began, Council approved a policy and constitution which, amongst other things, set out how the Council intended to use the proceeds from the lottery. This is attached as Appendix One below. After 18 months, it is time to review how that is operating.
- 3.2. The Council agreed an overall "long list" of good causes that could benefit from the lottery (para 2.2 of the constitution) but identified three particular subject areas that the money would be used for during the first three rounds of awards. These were
 - Housing advice and homelessness
 - Environment
 - Health and wellbeing

3.3. Each funding round had its own theme and bids were invited from local organisations on how they might meet the objectives of that funding round. Not many applications have been received in each funding round and that might be a function of the £1000 limit that has been placed on bids in each of those rounds, itself a function of how much money the lottery has been generating.

3.4. Money has been allocated as follows since the first awards in November 2022

date	organisation	project	amount
November 2022	Accommodation Concern	Outreach work to provide housing advice to clients outside of office hours – experiment in what worked	£1000
April 2023	Kettering Allotment Association	Removal of asbestos from Margaret Rd Allotments	£830
April 2023	Groundwork Trust	Hedgehog highway on Ise valley	£600
November 2023	Big Bubble Theatre Company	Workshops in 8 schools during mental health week, teaching mindfulness and wellbeing using drama, movement and music, with resources to help schools continue the methods and techniques.	£1000
November 2023	Kettering Youth Theatre Group	Meeting operating costs - rehearsal space hire and storage costs	£1000
November 2023	Kettering Food Bank	Running costs	£500

3.5. It can be seen that the projects supported have been small scale and, whilst no doubt valuable, low impact in terms of public awareness and visibility. Whilst all lottery supporters were sent an email in summer 2023 setting out what their contributions had been spent on, it is not clear that this had much impact with them either.

3.6. The lottery has plateau-ed in terms of contributions and supporter numbers and despite two advertising campaigns, remains low profile locally. Potentially, one of the things which will enable it to gain more recognition and traction is a high profile use of its money.

3.7. One alternative to the current policy is to identify one theme and invite bids and to identify one winner each period rather than lots of winners. Therefore, there could be

an annual round of bidding and an award of £4000 or so. Alternatively, the Council might decide to commission an organisation to carry out a project on its behalf, rather than invite competing bids.

- 3.8. In both cases, members would need to agree – from the long list of good causes in para 3 of the constitution - which it would wish to prioritise in 2024/5 and/or what type of project it would like to support and how.

4. Consultation and Engagement

- 4.1. No consultation has taken place on this proposal.

5. Finance, Legal and Resource Implications

- 5.1. The lottery is raising about £4000 a year in money for good causes, after costs. It therefore takes 3 months to generate £1000. The lottery currently has £538 uncommitted within it.

6. Climate change implications

This will depend on the theme and/or projects to support.

7. Policy Implications

- 7.1. The lottery constitution set out its objectives.
- 7.2. The Council's policy is make best use of its resources. The council's overall policy objectives are:-

Economy

1. The Council will support growth and the continuing economic welfare of the town, provided this growth is as sustainable as it can be.
2. The Council will support the town centre - through encouraging and delivering facilities, through putting on events and markets, and will help to make the town centre safe, attractive, interesting and varied, with local businesses thriving alongside national retailers and service providers.

Health and Community

3. The Council will support measures to improve physical and mental health wellbeing, through its own services and in partnership with others.
4. The Council will support measures to improve public safety, road safety, and the safety of the night time economy in Kettering.

5. The Council has signed the Armed Forces Covenant and will apply it wherever possible; it will support veterans and mark the work of the country's armed forces, for example on Remembrance Day.

Sustainability

6. The Council has approved motions declaring a climate emergency. It will continuously explore ways of encouraging and supporting sustainable habits and opportunities for local people.
7. The Council will continue to expect high sustainable standards, improved energy and water use and insulation standards when responding to planning application consultations; it will oppose applications which unsustainably reduce or do not replace natural habitat or damage water courses, or which do not seek to optimise the use of public transport, walking and cycling as means of travel.
8. The Council will, within its own remit, strive to protect, restore and enhance our local biodiversity and the natural world that surrounds us and of which we are all a part and will strive to take the most sustainable approach to the design and delivery of its own services
9. The Council will support the development of walking and cycling infrastructure and the growth of public transport.

Background Papers

Lottery policy and constitution

Grants monitoring schedule

Bank statements

APPENDIX ONE

KETTERING TOWN WEEKLY LOTTERY - CONSTITUTION AND ARRANGEMENTS

1. Introduction

- 1.1 Kettering Town Council (KTC) , at its meeting on 15th December 2021 agreed to establish a community lottery, to raise money for good causes within the parish of Kettering.
- 1.2. The lottery will be known as the Kettering Town Lottery
- 1.3. This document sets out how the lottery will be administered and managed and how decisions will be made about the allocation of monies arising from the lottery.

2. Purpose of the Lottery

- 2.1. The lottery is established to raise money for local good causes, and the Town Council will, from time to time, decide which organisations or projects will be supported from the proceeds of the lottery, usually through a decision by its Finance and Governance Committee.
- 2.2. The purposes for which the lottery money can be used will be confined to
 - The **health and wellbeing** of residents of Kettering, including sports and activity provision, physical and health services and play facilities
 - **Housing** standards, homelessness services and improving access to housing in the parish of Kettering,
 - **Cultural** opportunities and development
 - Measures which improve the **safety and security** of residents of Kettering
 - Measures which improve access to **services for vulnerable people, care service** provision and
 - Providing **advice and information** services for residents of Kettering including debt advice
 - Measures which assist residents of Kettering to develop their full potential, **develop skills and secure employment**
 - Measures which improve **sustainable lifestyles** and which improve biodiversity and tackle climate change

3. Governance

- 3.1 Only full Council can determine whether to change this constitution or to terminate the operation of the lottery.
- 3.2. The full Council will determine in advance at the start of each financial year, which of these purposes will be prioritized in that year and communicate these to existing and future supporters of the lottery to inform decisions by each actual and potential supporter about their participation in the lottery.
- 3.3. In making decisions about which organizations or projects to support, the Finance and Governance Committee shall:-
 - meet in public,
 - enable members of the public to express their view about options for use of the proceeds before a decision is taken and

- base their decision on information about how organisations and projects will make use of the money and what outcomes will be secured from the expenditure.
- 3.4. Organisations and projects will be given at least four weeks to make bids for the use of lottery proceeds for each round of spending. The Finance and Governance Committee will determine the frequency of each round of spending.
- 3.5. The lottery will be administered in line with the license conditions applied by North Northamptonshire Council and the regulations and codes of conduct issued by the Gambling Commission.
- 3.6. The Town Clerk of Kettering Town Council will be the responsible officer for the overall conduct of the lottery and for managing the contract and contractual relationship with the External Lottery Manager (see below).
- 3.7. Nothing in this constitution will prevent a member of the Town Council from participation as a supporter of the lottery, provided that this is declared when a decision about the lottery or the use of its proceeds are made. Officers of the Town Council involved in the management of the lottery are however not permitted to be a supporter.

4. Management and administration

- 4.1. The Council will appoint an organisation accredited by the Gambling Commission to manage the lottery on its behalf (the external lottery manager, or ELM) .
- 4.2. From 1st April 2022, that organization will be Woods Valldata, of Lansdowne House, Bumpers Way, Chippenham, Wiltshire, SN14 6NG, trading as Affinity Lottery.
- 4.3. Whilst KTC remains legally responsible for the operation of the licence, all administrative arrangements, except those set out below, will be managed by Woods Valldata.
- 4.4. Woods Valldata (the ELM) will recruit supporters through an on-line portal. There is no restriction on the place of residence for supporters, provided it is within the UK. Supporters will be asked to sign up to a monthly direct debit and will be prevented from buying more than five “tickets” each week.
- 4.5. The fee for a lottery ticket will be £1.
- 4.6. The lottery draw will take place on a Friday each week, or another day where that Friday is a bank holiday. Prizes are as set out below.
- 4.7. The ERM will comply with the Councils’ privacy policy and the law in the way it retains and uses personal data held by each supporter. Only the surnames and town of residence will be published in respect of prize winners.
- 4.8. The Town Council shall be responsible for all regulatory reporting in relation to its and its supporters’/donors’ participation in the weekly lottery.
- 4.9. The Town Council will secure the necessary local authority or Gambling Commission licences.
- 4.10. All Intellectual Property Rights and all other rights in the Deliverables and the Pre-existing Materials shall be owned by the ELM
- 4.11. Appendix 1 sets out the respective roles and responsibilities of the Town Council and the ELM

5. Financial Control and prizes

- 5.1. The Town Council will make available a minimum of 60p in every £1 raised by the lottery to good causes as listed above. The remainder of the money will be reserved for prize money and administrative costs incurred by the ELM, and promotional costs incurred by the Town Council.
- 5.2. The Town Council may, in addition, set aside a sum of money in its ordinary annual budget to support publicity and promotion of the lottery and meet the costs of the licence.
- 5.3. The proceeds from the lottery, after deduction of prizes and administrative costs, will be paid into a bank account held by the Town Council which is separate from its normal business account. No other use will be made of this bank account.
- 5.4. The lottery money will be subject to external audit each year.
- 5.5. A number of guaranteed prizes will be awarded every week by random draw amongst supporters, such random draw to be carried out by the ELM by use of their random number generator software.
 - 5 prizes of £20
 - 10 prizes of £10
 - 20 prizes of £5.
- 5.6. Two further prizes may be paid each week, depending on the following conditions. The ELM's software will randomly identify six numbers each week, against which all tickets will be matched. A person whose ticket matches all six numbers will be eligible for a £25,000 prize and those whose ticket matches five numbers will win a £1000 prize. These prizes will be met by the ELM.
- 5.7. Prizes will be paid to winners by the ELM
- 5.8. Appendix 2 sets out the cash flows as they will be managed by the ELM.

6. Communications and promotional work

- 6.1. The Council will ensure that material promoting the lottery accords with the Gambling Commission Codes of Practice.

APPENDIX ONE RESPECTIVE ROLES AND RESPONSIBILITIES OF THE COUNCIL AND SUPPLIER

Management of the weekly Lottery

The Supplier shall:

- Hold and maintain valid remote and non-remote Gambling Commission ELM operating licences.
- Configure and manage a Lottery system on behalf of the Charity including full integration with BACS systems and random number generator software
- Set-up a website using a Lottery framework template and branded assets provided by the Council in the Website Briefing Template
- Host the website
- Provide and maintain a Lottery hotline facility
- Manage the Lottery hotline and handle all telephone enquiries
- Process data received via the website.
- Process data received from the Society.
- Manage the processing of Direct Debits using the suppliers Service User Number as a Facilities Managed Service
- Send customer services and administrative letters
- Send advance notice letters
- Manage the weekly draw. in accordance with the Gambling Commission's Licensing Conditions and Codes of Practice (LCCP). For the top tier insured prizes, the Supplier shall use its Random Number Generator software to select six numbers from 1 to 49.
- Manage the insurance and winners' prizes.
- Provide weekly data exports.
- Provide a suite of reports
- Provide a summary report of key information required for the Gambling Commission returns.

The Council will

- Be responsible for managing all player recruitment and associated third parties.
- Be responsible for ensuring that the Gambling Commission requirement that at least 20% of the gross proceeds are directed to the purpose of the charity for the first and all subsequent draws.
- Hold and maintain either a valid remote and non-remote Gambling Commission operating licences or a Local Authority licence
- Hold and maintain relevant licences for key individuals
- Ensure all aspects of the Licence Conditions and Codes of Practice (LCCP) are understood and followed in relation to running a lottery
- Register their lottery website with the Gambling Commission if required
- Be responsible for any age verification checks across the player pool based on the requirements set out in the Gambling Commission LCCP.
- Provide all Council Materials as requested by the supplier
- Manage the provision of Council data in the pre-agreed formats Data Management

Data Management

The Supplier will hold the accounting data for all lotteries for a period of at least 3 years from the draw date to ensure it meets its legal requirement to have the data available to substantiate and support its Gambling Commission returns

The Deliverables to be provided by the supplier include:-

- a) Affinity Lottery platform
- b) Weekly lottery draw
- c) Facilities Management of Direct Debits
- d) A regular suite of export files containing data captured/processed in standard formats
- e) A telephone number to be used for the Affinity Lottery hotline call handling
- f) Letter proofs for all new letter set-ups and amends for KTC approval where required