

KETTERING TOWN COUNCIL

REPORT FOR DECISION

Item No:- FC21/047

Committee:-	Finance and Governance Committee
Date:-	26 th November 2021
Author:-	Cllr Craig Skinner
Report Title:-	SETTING UP A COMMUNITY LOTTERY
Wards Affected:-	All

1. Purpose of Report

To provide information relevant to the establishment of a Community lottery for Kettering residents.

2. Recommendations

The Committee's views are sought on the preferred approach to establishing a community lottery, for recommendation to Council in December

3. Information

3.1. Setting up a community lottery would provide KTC with a vital income stream which is stable and consistent. It would allow us to have additional funds to provide grants and fund community improvements/activities directly. Just 200 entries per week would provide us with over £5,000 per year; to date Corby Lottery has raised over £25,000 for council grants and local good causes.

3.2. I propose that we utilise one of the *External Lottery Manager's (ELM)* listed on The Lotteries Council website to facilitate the new lottery. The ELM will ensure that the lottery is legal and compliant with relevant policies etc. The ELM sets up and runs the lottery taking on all financial risks (including for payment of prize money), insurance, administration (including marketing), there is no on-going cost to the council.

3.3. All options offer the player weekly cash prizes including a jackpot of 25k

3.4. Below is a comparison of the three ELM's who provide a total management service which would mean there is little administration required by KTC:

Company	Set-up fee	Ongoing costs	Benefit to council	Central fund
Gatherwell	£5,000	Northamptonshire Licensing Partnership license approx. £20 per year if more than 3,000 players per year £1,077 per year (for licenses) plus £269 initial application fees	60p in every £1 ticket goes direct to council causes (remaining 20p to pay for the prize fund, 17p for admin costs & 3p on VAT - which is reclaimable)	Yes - % to be agreed with council (usually 10p with remaining 50p going direct to causes).
Prize Provision Services	0	Northamptonshire Licensing Partnership license approx. £20 per year if more than 3,000 players per year £1,077 per year (for licenses) plus £269 initial application fees	50p in every £1 goes direct to council causes (remaining 25p for prize fund, 25p for marketing & admin)	Yes – all funds go direct to KTC
WoodsValldata	£300 + VAT	Northamptonshire Licensing Partnership license approx. £20 per year if more than 3,000 players per year £1,077 per year (for licenses) plus £269 initial application fees	58p in every £1 goes direct to KTC	Yes – all funds go direct to KTC

3.5 How it works (Gatherwell)

Local good causes sign up to the lottery and get their own webpage

- Good causes then encourage their supporters to buy tickets online
- People pay £1 per ticket per week, and choose the cause they want to support
Players are encouraged to make recurring monthly payments, generating stable income for causes
- Gatherwell conducts the draw every Saturday night, and notifies the winners
With Council approval, Gatherwell distribute the funds to good causes every month
- Gatherwell also allow Local Authorities to create a 'Central fund' and set a % (usually 10%), this can then be allocated however the council wishes (with the remaining 50% going direct to the good causes).

3.6. Prize Provision Services or Woods Valldata -

Similar to Gatherwell, they administer all aspects of lottery, including prizes and insurance. The main difference is that all monies go direct to the council to spend as it feels appropriate.

4. Consultation and Engagement

None to date

5. Finance, Legal and Resource Implications

The Council has the power to promote a community lottery; rules govern exactly how monies can be used and the management and operation of a lottery is governed by specific legislation.

6. Policy Implications

The lottery would enable the Council to raise money for specific or general purposes. It would be good practice to identify in advance how the proceeds of the lottery could be used.

Background Papers

