

REPORT TO:	EXECUTIVE BOARD
DATE:	WEDNESDAY, 14 FEBRUARY 2024
SUBJECT:	SOUTH AND EAST LINCOLNSHIRE COUNCIL'S COMMUNITY LOTTERY – 1 YEAR PROGRESS
PURPOSE:	TO PROVIDE AN OVERVIEW OF THE FIRST YEAR OF THE SOUTH AND EAST LINCOLNSHIRE COMMUNITY LOTTERY SCHEME
KEY DECISION:	NO
PORTFOLIO HOLDER:	Cllr Sarah Devereux, Portfolio Holder for Partnerships
REPORT OF:	Emily Spicer, Assistant Director – Wellbeing and Community Leadership
REPORT AUTHOR:	Nichola Holderness, Community Leadership Manager
WARD(S) AFFECTED:	All
EXEMPT REPORT?	No

SUMMARY

The South and East Lincolnshire Community Lottery launched in November 2022, with the first draw taking place on Saturday 26th November. In its first year the lottery has raised £34,756.80 and supported 83 local community groups across the sub-region.

The following report provides an overview of activity in the first year since the initial draw and how it is delivering much needed financial support to community groups in line with the intentions of the three councils within South and East Lincolnshire Councils Partnership who jointly committed to establishing a community lottery scheme in 2022.

RECOMMENDATIONS

1. That the progress of the South and East Lincolnshire Councils Community Lottery scheme is noted and that Members support its continuation.
2. That the changes to the 'minimum age limits' to participate in the community lottery scheme are noted.
3. That the central fund income is used to support civic community pride events designed to celebrate and promote voluntary and community sector activity, including the act of volunteering within the borough of Boston and the East Lindsey and South Holland Districts.
4. Members note details of a data security incident on 8th November 2023.

REASONS FOR RECOMMENDATIONS

To continue to raise funds for local voluntary and community groups across South and East Lincolnshire via the South and East Lincolnshire Community Lottery Scheme.

To promote and encourage voluntary and community sector activity within the borough of Boston and East Lindsey and South Holland Districts.

OTHER OPTIONS CONSIDERED

Draw the current scheme to a close (not recommended) and seek alternative fund raising activities.

1.0 BACKGROUND

- 1.1** The councils of South and East Lincolnshire have a long track record of supporting and working in partnership with the voluntary and community sector. In 2022, the three sovereign councils, Boston Borough Council, East Lindsey District Council and South Holland District Council took the decision to launch the South and East Lincolnshire Community Lottery (SELCL), with the first draw taking place on Saturday 26th November 2022.
- 1.2** The following report provides an overview of activity relating to the community lottery in its first year since its launch/the initial draw and how it has met expectations to enable additional funding to be raised for community-based initiatives and partnership opportunities with the voluntary and community sector across South and East Lincolnshire.
- 1.3** The lottery supports local good causes, community groups and clubs to raise funds through the sale of lottery tickets. Of each £1 ticket purchase:-
 - 60% goes to local good causes.
 - 20% for the prize money and

- 20% to the External Management Lottery (ELM) Company for running costs; including relevant insurance to cover the prize fund and VAT.

There are two different ways that the 60% per ticket for local good causes is distributed:

- Where the player nominates a local good cause on the website, 50% of the price of the ticket goes to this good cause and 10% to the central good causes fund.
- Where the player does not nominate a good cause the whole 60% goes to the council fund to be allocated to local community groups, clubs or support community events.

- 1.4** The SELCL is run in conjunction with Gatherwell Ltd, an External Lottery Management company (ELM) who provide expertise in operating the lottery and oversee the day to day running of the scheme.
- 1.5** It is important to note that any monies received from the lottery are used to cover running costs of the scheme. For example, marketing and promotion, to ensure the scheme is self-funding. However, this is calculated to be a small percentage of overall fund raising.
- 1.6** The first stage of the South and East Lincolnshire Community Lottery was a Good Cause Launch which was held via Microsoft Teams on 27th September 2022.
- 1.7** Potential good causes were invited to register their interest through a newly launched website www.selcplottery.co.uk. Once approved, each good cause received their own micro web page and a welcome pack that includes hints and tips on promoting their causes and encouraging supporters to purchase tickets. Tickets went on sale on 18th October 2022. Working with the communications team there has been a dedicated communication plan, in terms of promoting the South and East Lincolnshire Community Lottery.
- 1.8** The first draw of the South and East Lincolnshire Community lottery took place on Saturday 26th November 2022. 818 tickets were sold and there were 69 good causes registered. There were 21 small winners each winning three extra tickets.
- 1.9** A summary of the draw results to date can be found at appendix A.
- 1.10** To date, there are 83 good causes registered with the South and East Lincolnshire community Lottery Scheme.
- 1.11** A breakdown of good causes by district is below:

Area	Total
All areas or national	12
Boston	17
East Lindsey	21
South Holland	33
Total	83

See appendix B for full breakdown of good causes.

2.0 SOUTH AND EAST LINCOLNSHIRE COMMUNITY LOTTERY FUNDING

2.1 For every £1 community lottery ticket sold, 60p goes to local charities, voluntary organisation and good causes that have been approved. Lottery players can choose which good cause they wish to support when they buy a ticket and 50p from every ticket bought goes directly to their chosen cause.

2.2 For 2023, the annual funding for good causes is £34,756.80.

2.3 Case Studies have been sought from good causes to highlight the benefits they have received since signing up. These case studies are used periodically in promotion of the scheme. See appendix C, D, E.

3.0 ON-GOING PROMOTION

3.1 The Community Leadership Team working in collaboration with the Communications Teams continue to promote the Community Lottery in a number of formats, whilst also supporting good causes to promote and sell tickets to their supporters. This is both for causes that are already registered to the scheme, but also new causes that may be interested in joining.

3.2 Although the figures for the first year of the Community Lottery have been positive and funds raised for good causes are excellent, there is scope to improve this in the coming year. There are no upfront costs for the good causes to join the scheme and further support can be given to promote themselves, in order to help them maximise opportunities to raise their income.

4.0 CENTRAL FUNDS INCOME

4.1 10% of the sale of each ticket goes in to the Central Fund pot.

4.2 Income at the one year point for each sovereign authority stands at £2,450.

4.3 It is proposed that going forward this income is used to support civic pride events during the year across the Partnership. Such events would be designed to celebrate and promote voluntary and community sector activity within the borough of Boston and the East Lindsey and South Holland Districts.

4.4 This would allow the SELCL to support civic recognition schemes/events, whilst also having an opportunity to promote voluntary and community sector activity including volunteering and the Partnership's community lottery as well. An example event going forward could be *Community Event* sponsored by South and East Lincolnshire Community Lottery (alongside any other partners/interested bodies who may want to add their support to such events/activities in the future).

5.0 RECENT REVIEW OF THE GAMBLING ACT 2005

5.1 Following the Government's review of the UK Gambling Act 2005, a white paper, with a number of recommendations was published in April 2023, '*High Stakes: Gambling Reform for the Digital Age*'.

- 5.2 Various recommendations were put forward for change, most notably the recommendation impacting charitable lotteries to move to a legal age limit of 18 for purchasing lottery tickets.
- 5.3 Although it remains legal (for now) for 16 and 17 year-old supporters to continue to purchase tickets for charitable lotteries, all lotteries managed by our External Lottery Manager (ELM) - Gatherwell Ltd, have now transitioned to a minimum age of 18 ahead of any legislative changes.
- 5.4 As of the 1st of October 2023, this move is now fully complete, and all relevant policies have been updated.

6.0 DATA SECURITY INCIDENT 8TH NOVEMBER 2023

- 6.1 On Friday 1st December, Gatherwell Ltd were informed by London & Zurich (L&Z), a third party organisation appointed to handle direct debit collections that a data breach had taken place.
- 6.2 This data breach impacted their (and therefore also SELCL) customers who had signed up for direct debits services on or before 8th November 2023.
- 6.3 The types of data impacted were full name, email address, billing address, phone number and bank account details (account number and sort code). No government-issued ID data (e.g. passport number, national insurance number) or payment card data was compromised as a result of the incident.
- 6.4 The incident was reported to the Information Commissioner's Office (ICO) via South Holland District Council's Data Protection officer (as Operating Licence holder) on 4th December 2023. The ICO may carry out their own investigation.
- 6.5 The incident was also reported as a precautionary measure to the Gambling Commission on 6th December 2023.
- 6.6 All supporters of the South and East Lincolnshire Community Lottery were notified via email on 11th December 2023. A copy of the email received by supporters can be found at appendix F.

7.0 CONCLUSION

- 7.1 In overview, and whilst noting the security incident reported at section 6, the first year of the South and East Lincolnshire Community Lottery has been positive, raising £34,756.80 for 83 groups, with initial set up costs of £2,800 per council and an annual running cost of £393.67 per council in the Partnership. However, by further targeted promotion there is an opportunity to increase players and increase good causes on the platform, maximising the opportunity for fund raising for local community and voluntary groups and promoting the value of volunteering within local communities. This forms the focus of year two of the South and East Lincolnshire Community Lottery Scheme.

8.0 EXPECTED BENEFITS TO THE PARTNERSHIP

- 8.1 Whilst the amount raised through the Community Lottery Fund cannot be guaranteed, providing this platform allows Good Causes from the Voluntary and Community Sector to benefit from this funding stream. It also enables residents to choose the cause they want to support within their communities and provides a funding source for those organisations.

9.0 IMPLICATIONS

9.1 SOUTH AND EAST LINCOLNSHIRE COUNCILS' PARTNERSHIP

9.1.1 Managing the Community Lottery Scheme as a Partnership ensures resources are aligned for efficiencies, that local knowledge identifies local beneficiaries within the Voluntary and Community Sector and promotion of the scheme is maximised.

9.2 CORPORATE PRIORITIES

9.2.1 The following Sub-Regional Priorities are supported through the operation of the Community Lottery Scheme:

- 1) Growth and Prosperity
- 2) Healthy Lives
- 3) Safe and Resilient Communities
- 4) Environment

9.2.3 The corporate priority of Efficiency and Effectiveness is also supported along with local priorities across the three councils that make up South and East Lincolnshire Councils Partnership.

9.3 STAFFING

9.3.1 There are no additional staffing requirements, all monitoring and promotion of the scheme is undertaken by the Community Leadership Team.

9.4 WORKFORCE CAPACITY IMPLICATIONS

9.4.1 There are no additional workforce capacity implications, all work is undertaken by the Community Leadership Team

9.5 CONSTITUTIONAL AND LEGAL IMPLICATIONS

9.5.1 The Council is required to be registered with the Gambling Commission and run under an operating licence in accordance with the Gambling Act 2005.

9.6 DATA PROTECTION

9.6.1 All data is managed by the ELM in line with their Privacy Policy, in light of the recent data security incident this will now be reviewed by the Procurement team, Data Protection Manager and Community Leadership Manager.

9.7 FINANCIAL

9.7.1 Annual costs of the scheme are £1,181. These costs consist of £796 for the Gambling Commission License and £385 for membership to the Lotteries Council. The cost is split equally between each authority and is paid for out of the income from the central good cause's pot.

9.8 RISK MANAGEMENT

9.8.1 Gatherwell Limited have ethical lottery management model measures in place to mitigate the risk of problem gambling. These measures include: -

- A maximum 20 tickets can be purchased in any one transaction per supporter.
- There is no instant reward or gratification because:
 - Tickets cannot be purchased for the day of the draw.
 - Payment must be cleared before entry.
 - A one-off single ticket cannot be purchased.
 - Play can only be through Direct Debit or card payment online (1/3/6/12 months upfront payment).
- Players can set up a self-exclusion agreement – and reasonable steps will be taken to prevent further participation, including removing name and details from marketing databases.
- Gatherwell have internal processes to identify anyone at risk and their team are trained to help identify signs of vulnerable players. This includes contacting any supporter with a high-ticket yield to ensure they are fully aware of their purchase and lottery entries.
- Links to the Gamble Aware organisation for help and support are available on community lottery websites.

9.9 STAKEHOLDER / CONSULTATION / TIMESCALES

9.9.1 The South and East Lincolnshire Council Partnership (SELCP) determine the eligibility criteria of applications from the Voluntary and Community Sector and each application is signed off by the relevant delegated officer.

9.10 REPUTATION

9.10.1 The Community Lottery Scheme has a positive impact on the reputation of the SELCP as it offers a financial support opportunity to voluntary and community sector organisations to continue their services.

9.11 CONTRACTS

9.11.1 Contract monitoring takes place once per quarter with relevant delegated staff.

9.11.2 The contract with Gatherwell Limited is an annual rolling contract with the Council able to give three months' notice to end the agreement at any time.

9.12 CRIME AND DISORDER

9.12.1 None

9.13 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

9.13.1 The Community Lottery does not have any identified disproportionate impacts on groups with protected characteristics. The following has been considered: -

- i) Age of players:

9.13.2 Taking in to account the recent White Paper recommendations, as of the 1st October 2023 all lotteries managed by our ELM - Gatherwell Ltd, have transitioned to a minimum age of 18 ahead of any legislative changes.

ii) Good causes and groups:

The community lottery provides a platform for local groups, charities, and good causes to raise funds, many of which will support residents across several protected characteristics.

iii) Religious Beliefs:

Some groups within this protected characteristic do not support gambling. Further opportunities such as the South and East Lincolnshire Crowd are promoted to these groups.

9.14 HEALTH AND WELL BEING

9.14.1 The additional funding for the Voluntary and Community sector via the Community Lottery scheme allows the groups to continue to benefit our local communities.

9.15 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

9.15.1 None

10.0 LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

MISSIONS	
This paper contributes to the follow Missions outlined in the Government’s Levelling Up White paper.	
Wellbeing	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.

11.0 ACRONYMS

SELCL – South and East Lincolnshire Community Lottery

SELCP – South and East Lincolnshire Councils Partnership

ELM – External Lottery Manager

ICO – Information Commissioner’s Office

12.0 APPENDICES

Appendices are listed below and attached to the back of the report: -	
<i>APPENDIX A</i>	<i>Community Lottery winner breakdown</i>
<i>APPENDIX B</i>	<i>Full breakdown of good causes by area</i>
<i>APPENDIX C</i>	<i>Case Study – Woodhall Spa Cricket Club</i>
<i>APPENDIX D</i>	<i>Case Study – The Meadows Day Centre</i>
<i>APPENDIX E</i>	<i>Case Study – Boston Community Tennis Partnership</i>

APPENDIX F	Email data security incident Gatherwell
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13.0 BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report. -

14.0 CHRONOLOGICAL HISTORY OF THIS REPORT

Name of body	Date
Decision - Proposal to set up a South and East Lincolnshire Councils Partnership Community Lottery scheme	23 rd March 2022

REPORT APPROVAL	
Report author:	Nichola Holderness, Community Leadership Manager nichola.holderness@boston.gov.uk
Signed off by:	Emily Spicer, Assistant Director - Wellbeing and Community Leadership
Approved for publication:	CLlr Sarah Devereux, Portfolio Holder for Partnerships