

## Overview and Scrutiny Committee - 2<sup>nd</sup> July 2020 The Redditch Community Lottery

### 1. Introduction and Background

- 1.1. In September 2018, the Executive Committee approved the establishment of a local lottery. As part of its commercialism programme, Redditch Borough Council looked at how it could deliver better services and outcomes for residents whilst addressing the continued reductions and pressure on budgets. The lottery was an idea formed through this programme.
- 1.2. Redditch Borough Council currently makes an annual allocation for grant funding for voluntary community sector organisations. Applying this lottery model has the potential to keep the benefits enjoyed from this system of discretionary funding and should also reduce the Council's costs to provide them.
- 1.3. Redditch Community Lottery delivers benefits to local good causes. Any group or organisations matching the agreed criteria can apply to join.
- 1.4. Redditch Community Lottery has an overarching Business Plan and a suite of supporting policy documents to ensure the effective running of the lottery, support and safeguarding for lottery players and to meet the requirements of the Gambling Commission to acquire the necessary lottery licence.
- 1.5. The Council also has a contract in place with its External Lottery Manager (ELM), Gatherwell Ltd. who delivers the online lottery on the Council's behalf.

### 2. Timeline of activity

- 2.1. The table below shows a brief timeline of activity for the development and implementation of the Redditch Community Lottery.

05.09.18	The Executive Committee approved the establishment of a local lottery.
05.02.19	The Executive Committee approved the required Redditch Community Lottery Business Plan and associated Policies.
20.09.19	The Gambling Commission Licence was awarded to the Redditch Borough Council.
12.11.19	The 'Good Causes' Launch Event took place at the Redditch Town Hall.
17.12.19	Tickets went on sale for the Redditch Community Lottery
18.01.20	The first Lottery draw took place

### 3. How it Works

3.1 A weekly online lottery draw takes place every Saturday at 8pm. Tickets cost £1 a week and consist of 6 numbers. Players can choose numbers to do a lucky dip. Each ticket can either support the central cause (causes we choose as the Council) or a specific good cause listed on the website. The jackpot prize of £25,000 is an insured prize (arranged as part of the ELM contract). Supporters can either pay Direct Debit or payment card with either a monthly recurring payment or a 1/3/6/12 month payment upfront. Winners will be notified via email and are paid directly into a nominated account or they can donate their winnings to the good cause.

3.2 Each pound spent on the lottery is split in the following way – 50% goes to good causes, 10% goes to the central fund (this is RBC, and will cover costs with the rest reallocated to the VCS through the grants programme), 20% goes towards prizes, 17% goes to the ELM with 3% VAT (which RBC can claim back).

### 4. Facts and figures

4.1. The table below (Redditch Community Lottery Business Plan) shows the 'possible levels' of engagement for the Redditch Community Lottery:

Year	Ticket Price £	% of RBC Player Pop.	Number of Players	Tickets bought per week	Number of weeks	Gross Return	RBC share (10%)	Good Causes (50%)	Prizes (20%)	ELM (17%)	VAT (3%)
1	1	1.00%	682	1	52	35456	3546	17728	7091	6028	1064
2	1	1.50%	1023	1	52	53184	5318	26592	10637	9041	1596
3	1	2.00%	1364	1	52	70912	7091	35456	14182	12055	2127
4	1	2.50%	1705	1	52	88641	8864	44320	17728	15069	2659
5	1	3.00%	2046	1	52	106369	10637	53184	21274	18083	3191

4.2. Currently the number of 'Good Causes' signed up to the Redditch Community Lottery is 28; there are 207 players actively involved which averages to 1.66 tickets purchased per player.

4.3. Using our current status, the table below shows how this translates into revenue from the lottery:

	Central Fund	Good Causes	Total
Tickets	126	218	344
Players	75	134	207
Revenue (annual)	£6,552	£11,336	£17,888
Good Causes revenue (annual)	£3,276	£5,668	£8,944
Operator Revenue (annual)	£655	£1,133	£1,788
Total Operator Revenue - Central Fund + Others (annual)	£3,931	£1,133	£5,064
Total Good Causes Revenue (annual)			£10,732

4.4. Individual examples of VCS groups involved with the Redditch Community Lottery and the projected revenue they can gain from this project are listed below:

- Where Next Association - £598;
- Astwood Bank Community Group CIC - £520;
- Bromsgrove and Redditch Welcomes Refugees - £650;
- The Community Fund - £3,931.

4.5. The Support Redditch Emergency Network is the latest organisation to sign up to join the Redditch Community Lottery (May 2020).

4.6. The figures provided above from the dashboard capture the first 6 months of the Redditch Community Lottery being in operation. The dashboard provides the ability to monitor the success of the lottery through the figures provided by it (numbers of good causes, numbers of players, income generated for good causes, income generated for RBC as the provider).

4.7. Unfortunately we are currently working through unprecedented times due to the Coronavirus crisis which may have affected the growth of the Redditch Community Lottery.

## 5. Outline of promotion

5.1. The Redditch Community Lottery has its own dedicated website [www.RedditchCommunityLottery.co.uk](http://www.RedditchCommunityLottery.co.uk) which is managed by Gatherwell Ltd. on the council's behalf. There includes a dedicated customer services team offering support to both players and local good causes by either telephone or email.

5.2. A variety of methods are used to promote the Lottery including Social media - Facebook, Twitter; press releases; partnership networks (internal and external) etc.

5.3. Approved 'Good Causes' are signed up 'free of charge' and receive their own Redditch Community Lottery webpage and also receive ongoing support with promotional materials, help and advice.

5.4. Gatherwell offer a range of ways to help grow the lottery and raise more money for good causes. For example, Gatherwell has introduced a new campaign which will deliver 5 National Bolt-On Draws during 2020. The first National Bolt-on Draw took place at the beginning of this year offering 5 x Fit Bit and Google Nest Mini as bolt-on prizes. A Redditch Community Lottery player was one of the first winners of this National bolt-on draw.

## 6. Future ideas for enhancing the lottery

6.1. To enable the Redditch Community Lottery to further support VCS groups to increase the revenue they raise the Grants Team will:

- Carry out targeted campaigns to increase the numbers of Good Causes involved (target of 40 by the end of the first year).
- Continue to engage with the National Bolt-On scheme delivered by Gatherwell Ltd. and also to introduce 'local raffles' sourcing quality prizes from local business – again delivered through Gatherwell Ltd on the Councils behalf.
- Review the Communications Strategy (Internal/external communications).