

## Overview and Scrutiny Committee – 18th January 2021 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.
- 1.6. A progress report for the Redditch Community Lottery was presented to the Overview and Scrutiny Committee in July 2020 by the Redditch Partnership and VCS Grants Manager. The Overview and Scrutiny Committee requested a further update report to follow 6 months later – this report forms the basis of the update to the Committee.

### 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 or 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. As of December 2020, there are 30 ‘Good Causes’ now signed up to the Redditch Community Lottery with a further 2 applications pending. There are currently 198 players actively involved with an average of 1.68 tickets purchased per player. Further to the previous report in July 2020, it shows an increase in Good Causes signed up to the Redditch Community Lottery (as well as a further 2 applications pending); a slight decrease in the number of players from 207 to 198 although the average of ticket purchases per player staying virtually the same. Unfortunately, the current number of players falls below the prediction for the first year of 682 players. This has impacted on the amount of income generated by the Lottery which is below what is also predicted in the table below.
- 4.3. The table below shows how this translates into revenue from the lottery (up to 6<sup>th</sup> Jan 2021):

	Central Fund	Good Causes	Total
Total Tickets	6148	11461	17609
Total Players	131	223	342
Revenue (annual)	£6,148	£11,461	£17,609
Good Causes revenue (annual)	£3,074	£5,730.50	£8,804.50
Operator Revenue (annual)	£614.80	£1,146.10	£1,760.90
Total Operator Revenue - Central Fund + Others (annual)	£3,688.80	£1,146.10	£4,834.90
Total Good Causes Revenue (annual)			£10565.40

For almost the first year of operation, the amount of money generated in total is £17,609 with a total of 342 people who played the lottery. The amount of funding which the Council receives as part of their 10% of all ticket sales is £1,760.90. The Council also received £3,074 from players choosing the Community Lottery Fund as their “good cause”. The amount generated for other VCS good causes is £5,730.50. The remaining money is allocated to Gatherwell, prizes and VAT (which we can claim back)

4.4. The list below illustrates the funds raised by VCS groups involved with the Redditch Community Lottery for the month period between 02/11/20 to 07/12/20. This gives a snapshot of how much VCS groups currently make on a monthly basis:

• Redditch Community Fund	£232.50
• Indigo Arts	£62.00
• Where Next	£59.50
• Bromsgrove and Redditch Welcome Refugees	£56.50
• Redditch Association for the Blind	£50.00
• Astwood Bank Community Group CIC	£49.50
• Inspire Community Training	£47.50
• St Basils	£34.00
• Carers Careline	£30.00
• Disability Support Project	£27.50
• New Road Parents	£22.50
• Arts in Redditch	£20.50
• Redditch Cat Rescue	£17.50
• Support Redditch Emergency Network	£15.00
• Charlotte & Craig Saving Hearts Foundation	£12.50
• Bromsgrove and Redditch Network	£10.00
• Tidy Lives Support CIC	£10.00
• BluWave Community Transport	£8.50
• Friends of Feckenham First School	£7.50
• Redditch Baby Bank	£7.50
• The Old Needle Works Foundation	£7.50
• NewStarts	£7.00
• Sandycroft	£7.00
• Redditch Youth & Community Enterprise (RYCE)	£5.00
• Redditch Wheels Project Skatepark	£4.00
• 1st Redditch Scout Group	£2.50
• Moons Moat Conservation Group	£2.50

4.5. The figures above are from the lottery dashboard which 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).

4.6. It is important to note that we are currently working through unprecedented times due to the Coronavirus pandemic which may have affected the growth of the Redditch Community Lottery.

4.7. A recent survey (October 2020) was carried out by Gatherwell Ltd on behalf of the 69 multi-cause lotteries they support (including Redditch Community Lottery) to gain a better understanding of the ongoing impact of COVID-19 and for an insight,

directly from the Good Causes, on the services they provide. The results included the following:

- Has our lottery helped to keep funds coming in during COVID-19? **78% of causes said the lottery helped keep funds coming in during COVID.**
- Has your group/organisation been forced to cancel events because of COVID-19? **97% of Good Causes have been forced to cancel events.**
- Do you expect COVID-19 to continue to affect your fundraising over the next 6 months? **97% of Good Causes expect COVID19 to affect their future fundraising.**

Redditch Community Lottery specific survey results show:

- Has our lottery helped to keep funds coming in during COVID-19? **75% said Yes, the lottery helped to keep funds coming in during COVID19.**
- Has your group/organisation been forced to cancel events because of COVID-19? **100% of Good Causes have been forced to cancel events.**
- Do you expect COVID-19 to continue to affect your fundraising over the next 6 months? **100% of Good Causes expect COVID19 to affect their future fundraising.**

#### 4.8 Prizes and winning results:

Between 18.01.20 (first draw of the Redditch Community Lottery) and 16.12.20, there have been 406 winning tickets. This is not necessarily 406 individual winners as some players may have won a prize on more than one occasion. The prizes are as follows:

- 37 x £25
- 3 x £250
- 352 x 3 free tickets
- 1 x Forest Staycation (National Bolt-On Prize)
- 5 x £100 B&Q Voucher (National Bolt-On Prize's)
- 3 x Monthly Fruit & Veg Home Delivery for a year (National Bolt-On Prize's)
- 5 x FITBIT and Google Nest Mini Bundle (National Bolt-On Prize)

## 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. There is a Communications Plan in place which includes Anniversary and Good Cause Recruitment Campaigns and a variety of methods 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 Ltd. offer a range of ways to help grow the lottery and raise more money for Good Causes including the regular National Bolt-On Campaigns.

## **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. The original target of 40 good causes by the end of the first year although there are now 30 fully active good causes taking part.
- Continue to engage with the National Bolt-On scheme delivered by Gatherwell Ltd. For 2021, Gatherwell is introducing more National Bolt-on Campaigns and for 'New Year Campaign' they are also trialling an additional £100 to each of the supported Good Causes that the lucky winners' ticket supports - so the prize is 1 of 5 £100 Etsy Gift Vouchers PLUS £100 to the Good Cause supported by the winner.
- Regularly review the Communications Strategy (Internal/external communications).