

7a REFERRAL FROM OVERVIEW AND SCRUTINY COMMITTEE: 22 JUNE 2021 – NORTH HERTFORDSHIRE COMMUNITY LOTTERY - NEW POLICIES

NB: To be taken with Item 8

RECOMMENDED TO CABINET:

- (1) That the age limit for playing the North Hertfordshire Community Lottery should be raised from 16 to 18, should legislation allow;
- (2) That consideration be given to putting a policy in place which would limit any one person to buying no more than £10 worth of tickets per week;
- (3) That the concerns and issues raised by the Overview and Scrutiny Committee, as detailed in the minutes of the Committee held on 22 June 2021, be taken into account when making its final decision on adopting these policies and the lottery.

REASON FOR DECISIONS: To enable the Overview and Scrutiny Committee to comment on the report entitled North. Hertfordshire Community Lottery – New Policies prior to consideration by Cabinet.

The Executive Member for Enterprise, the Arts and Transport introduced the report entitled North Hertfordshire Community Lottery – New Policies together with the following appendix:

- Appendix 1 – Gatherwell Policies

He drew attention to the following:

- The policies went some way to addressing concerns that a Community Lottery could encourage gambling;
- This initiative was an opportunity to raise revenue for the Council at a time when local authority funding was being cut;
- The policies presented in Appendix 1 were mandatory to enable the project to go ahead.

The Service Director - Commercial drew attention to the following:

- The required Gambling Licence would take 16 weeks to obtain and once this was in place the lottery could launch;
- There was a typographical error on page 19 of the Appendix: 'Royal Borough of Kingston Upon Thames' should read 'North Hertfordshire District Council';
- The lottery was a 'Super Six' lottery, based on the Australian National Lottery – Section 9.1 (page 24) set out how the lottery would work;
- NHDC would be ensuring that the policies made clear that credit cards would not be allowed to be used to play the lottery, to ensure people have the funds prior to buying a ticket;

The following Members asked questions and took part in debate:

- Councillor David Levett;
- Councillor Daniel Allen;
- Councillor Claire Strong;
- Councillor Carol Stanier;

- Councillor Ruth Brown;
- Councillor Tony Hunter;
- Councillor Sue Ngwala.

Comments raised by Members included:

- Several members had concerns about gambling and the need to have necessary safeguards in place, such as having a policy which limited the amount of tickets any individual could buy and ensuring that anyone who had registered not to be allowed on gambling websites could not access the lottery;
- Section 9.4 of the Gatherwell Policies stated that, on average, Councils generated £40,000 per annum through their Community Lotteries – this would require a significant number of tickets to be sold;
- The Council needed to be aware of its duty to protect children in the advertising and promotion of the lottery, particularly if the beneficiaries were youth-based charities such as sports clubs;
- The player age could be raised to 18 or 21 to protect children;
- A break clause must be included to give NHDC an opportunity to review progress after one year and leave the contract if required;
- There may be an impact on existing charity lotteries around the district who may lose players to the NHDC lottery;
- The Council would need to ensure the policies protected children and young people, for example asking people to tick a box online to confirm they were over 16 did not seem like a strong enough safeguard for online ticket purchases;
- People could set up multiple accounts online to override the ticket limit per individual;
- Prominent signposting to gambling support agencies should be provided on the ticket website and a message confirming total spend before paying could be included as a further safeguard;
- There was a concern that the Council would be encouraging gambling, albeit in support of good causes, and some Members felt that the end did not justify the means - evidence showed that the people who played lotteries were those who could least afford to do so;
- If the break clause was invoked after one year, this could put the Council at risk of losing money;
- When the concept of a lottery was previously discussed, it had been suggested that revenues would be given to the Area Committees to distribute as grants, but this now appeared not to be the case;
- North Herts could look at the safeguards which other Councils had put in place, particularly regarding the safeguarding of children and safeguards over messaging and marketing;
- Many Members of the Committee did not endorse the recommendations of the Cabinet report at present and encouraged Cabinet to consider if the cost of the lottery was worth the benefit;
- Although some money had been invested in this project, it was not too late to withdraw from it if Cabinet considered this appropriate.

The Service Director - Commercial responded to questions and comments including:

- Further detail regarding how to play the lottery (specifically number matching) would be circulated to the Committee for clarification;
- It was anticipated that most people would play the lottery to support local organisations rather than with the objective of winning;
- The project would be reviewed after one year and there was a break clause at one year included in the contract which could be used if necessary;
- The prize fund was maintained by Gatherwell and linked to the 80+ other Councils, so the risk of having to pay out the top prize of £25,000 was with Gatherwell;

- The report which went to Cabinet in December 2020 set out the money anticipated to be generated for good causes and the Council each year. The projection over 6 years was that just under £70,000 per annum would go directly to good causes and just under £13,000 directly to the Council;
- The Commercial Team would speak to contacts in other Councils regarding the safeguarding of children, but this had not been identified as an issue to date and positive feedback had been received from other Councils regarding Gatherwell's management of the lotteries;
- The key message was that the lottery was being run to support good causes and not as a gamble. The potential return on £1 was small in comparison with other forms of gambling such as sports betting, therefore it was seen as low risk, but these issues would be looked into.

The Executive Member for Enterprise, the Arts and Transport advised:

- There were no guarantees on how much revenue could be raised through the lottery but it represented an extraordinarily low economic risk to the Council and was forecast to generate income from Year 2 onwards;
- Careful and sensitive marketing would be required to ensure the Council was advertising the lottery in an appropriate way and not seen to be promoting gambling to people under 18 – this would be looked into further and discussed with the Committee again as required;
- There were existing lottery-funded projects in North Hertfordshire that were used by children;
- It was acknowledged that strong safeguards should be put in place to protect children, young people and the vulnerable;
- Safeguarding of marketing messages would be taken into account and further consideration would be given to how this could be done, as well as looking at the most cost-effective ways of marketing the lottery to reduce any financial risk.

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NB: The report considered by the Overview and Scrutiny Committee on 22 June 2021 can be viewed at agenda item 14 here:

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=134&MId=2648&Ver=4>