

**CABINET REPORT
20 JULY 2021**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: NORTH HERTFORDSHIRE COMMUNITY LOTTERY – NEW POLICIES

REPORT OF: COMMERCIAL TEAM LEADER, COMMERCIAL MANAGER AND SERVICE DIRECTOR - COMMERCIAL

EXECUTIVE MEMBER: EXECUTIVE MEMBERS FOR ENTERPRISE, THE ARTS AND TRANSPORT

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to seek approval for the Council to introduce and adhere to new policies associated with the delivery of the North Hertfordshire Community Lottery and Gambling Licence application.
- 1.2. As a reminder, the concept of the Community Lottery was approved on 15 December 2020 via Cabinet. Voluntary and Community Sector (VCS) groups such as local charities, community groups, sports clubs and schools will have the opportunity to financially benefit from this project, via funds raised through online lottery ticket sales.

2. RECOMMENDATIONS

- 2.1. That Cabinet approves the implementation of the new policies associated with launching and delivering the North Hertfordshire Community Lottery.

3. REASONS FOR RECOMMENDATIONS

- 3.1. In order to gain a lottery licence from the Gambling Commission, NHDC need to provide and adhere the following policies (as seen in appendix 1):
 - Social Responsibility in Gambling Policy
 - Implementation Procedures Policy
 - Protection from Source of Crime and Disorder Policy
 - Fair and Open Gambling Policy
 - Children and Vulnerable Person Protection policy
 - Remote Technical Standards Policy
 - Terms – Complaint Procedure
 - Terms – Site (including self-exclusion)
 - Terms – Games Rules

Gatherwell (External Lottery Manager) have provided draft copies of these policies for NHDC to adopt.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None, as the Gambling Licence cannot be completed unless the above policies are agreed and approved for use by Cabinet members.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member and Deputy Executive Member for Enterprise, The Arts and Transport have been kept updated regarding this project. The Commercial Team Leader has been in regular communication with the nominated External Lottery Manager (ELM), Gatherwell, who has experience delivering and managing other local authority lotteries. Gatherwell have also advised that in order to be successful, these policies must be adopted in order to proceed with the Gambling Licence required to launch the Lottery itself.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a Key Executive Decision and has been added to the Forward Plan (May 2021).

7. BACKGROUND

- 7.1 The aim of the Community Lottery is to generate additional revenue in support of good causes such as local charities, community groups, sports clubs and schools within the District.
- 7.2 The Community Lottery will support local groups and organisations to create and promote an additional funding stream. Members of the public/ community can purchase tickets from the North Hertfordshire Community Lottery website and choose which VCS group or organisation/s they wish to financially support via a lottery ticket sale. By doing this, it allows a large proportion of the monetary donation to go directly to the good cause.
- 7.3 The Council will also benefit financially from each ticket sale, however at a lower monetary proportion than the VCS groups.
- 7.4 The concept of the Lottery was approved by Cabinet on 15 December 2020.
- 7.5 Since being appointed in January 2021, Gatherwell (External Lottery Managers) have assisted with the completion of the lottery licence application with the Gambling Commission. Whilst completing the application it has come to light that a number of policies (as listed above) need to be included in the application in order to be successful with the licence.

- 7.6 Gatherwell have draft policies written for this purpose, that have previously been adopted by other Local Authorities when completing their application before launching a Community Lottery. In order to move forward with the application, the policies need to be reviewed and approved by relevant officers and Cabinet members. Once submitted, it is approximately 16 weeks to approval of the licence, this could mean a good causes launch in early November, mid-December for ticket sales to start and the first draw towards the end of January 2022.

8. RELEVANT CONSIDERATIONS

- 8.1 This report is seeking the approval of the policies outlined above. Since learning that the policies need to be in place prior to the application, the Commercial team have been working closely with relevant service areas to ensure each officer/ manager is content with the policy outlines and are happy to approve it on their service behalf.
- 8.2 It is important to note that the policies are only relevant to the Community Lottery and have no impact on other policies already in place at the Council.
- 8.3 In order to gain more context around the policies, the team have also communicated with other Local Authorities whom already have the policies in place. The findings were as follows:
- They are not 'council' policies they are policies solely for the lottery operation. The council will have policies as a regulating body but this activity is regulated by the Gambling Commission not the council.
- 8.4 If approved, the following process will be followed and led by the Commercial team with the assistance of Gatherwell:
- Approval at Cabinet to proceed with the application and adoption of policies - 29 June 2021
 - Notify Gatherwell of decision and proceed with Gambling Licence application
 - Submit application – 30 June 2021
 - Await application results – Approximately 20 October 2021
 - North Hertfordshire Community Lottery launch event – November 2021
 - North Hertfordshire Community Lottery first draw - January 2022
- 8.5 Copies of the policies outlined have been provided to the relevant Executive Members.

9. LEGAL IMPLICATIONS

- 9.1. Following Cabinet approval on the 15 December 2020 to approve the concept in principle of the establishment of a Community Lottery, a Single Tender was conducted to directly appoint Gatherwell as the external lottery manager.
- 9.2. The entering into such contracts must comply with the Council's Contract Procurement Rules (CPRs) and Rule 14 of the CPRs sets out the circumstances in which a Single Tender can be considered.

- 9.3. Single tenders fall under Rule 14 of the Contract Procurement Rules, and it is rule 14.1 c) (i)(ii) that was relied upon by the Commercial team when seeking the Single Tender: “c) Specialist consultants, suppliers, agents or professional advisors are required and: (i) Evidence that there is no satisfactory alternative; or (ii) evidence indicates that there is likely to be no genuine competition.” Consequently, a direct award was made to Gatherwell to operate the Community Lottery on behalf of North Hertfordshire District Council.
- 9.4. The term of the contract would be three years and a forecast total contract value for this term is £19.4k. This includes the initial fee of £5k and Gatherwell’s fee from each *anticipated* ticket sold (based on 2000 tickets a month).
- 9.5. Local Authority Lotteries are regulated by the Gambling Act 2005 and licenced by the Gambling Commission. Consideration will need to be given to all licencing requirements and policies/guidance necessary in the delivery of a community lottery.
- 9.6. Section 257 of the Gambling Act 2005 defines an ELM as a person that makes arrangements for a lottery on behalf of a society or authority of which he is not—
(a) a member,
(b) an officer, or
(c) an employee under a contract of employment.
- 9.7. The Licence Conditions and Codes of Practice of the Gambling Commission sets out the requirements that must be met in order to hold an operating and personal licence and all such requirements must be met.

10. FINANCIAL IMPLICATIONS

- 10.1 The projected net expenditure/income to the Council will not be realised and would be deferred. The launch which was originally planned towards the end of the 2020/21 financial year and was expecting to see net expenditure in 2021/22 of £3.2k. However the initial fee of £5k to Gatherwell has been paid so the projected net income for 2021/22 would be £1.8k. Followed by net income of £4.5k, £7.3k, £10k, £12.9k from 2022/23 up to 2026/27 and beyond.
- 10.2 The projections highlighted above will be pushed back to 2022/23.

11. RISK IMPLICATIONS

- 11.1 There are no direct risk implications relating to the recommendation in Paragraph 2.1, as approval of the new policies enables the previously approved concept of a North Hertfordshire Community Lottery to progress. However, if implementation of the new policies is not approved, this will lead to a failure to gain a lottery licence from the Gambling Commission and subsequently, a failure to deliver a North Hertfordshire Community Lottery. As a result, the identified benefits to the Council and Voluntary and Community Sector groups associated with the project will not be realised.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no direct equality implications arising from this report. One of the three objectives of the Gambling Act 2005 is to protect children and other vulnerable people from being harmed or exploited by gambling'. The promotion of the Gamble Aware via any External Lottery Manager and the Licence Holder will seek to mitigate any adverse and disproportionate impacts on vulnerable groups.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. As the recommendations in the report relate to a contract below £50,000 the "go local" policy has not been applied for the following reason: There is no local provider able to deliver a suitable alternative.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 None identified other than staffing requirements detailed in the body of the report.

16. APPENDICES

- 16.1 Appendix A1 – A9 - Gatherwell policies

17. CONTACT OFFICERS

- 17.1 Jess Wallis, Commercial Team Leader, (jess.wallis@north-herts.gov.uk)
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- 17.9 Tim Everitt, Performance and Risk Officer (tim.everitt@north-herts.gov.uk)

18. BACKGROUND PAPERS

Copies of the relevant policies can be made available upon request.