

PEOPLE COMMITTEE

20TH JUNE 2018

REPORT OF DEPUTY CHIEF EXECUTIVE,

MELTON COMMUNITY LOTTERY – INCREASING POTENTIAL FOR REVENUE

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to explore how the Community and Good Cause groups can increase the income they generate through their own pages.

2.0 RECOMMENDATIONS

- 2.1 **To identify a small group of members to work with the Learning, Skills and Healthier Communities Manager to explore ways to increase Good Cause activity and consequently income through the Good Cause group pages**

3.0 KEY ISSUES

Background

- 3.1 The Melton Community Lottery was created with the aim of generating income via lottery ticket sales. The money raised would be split between supporting voluntary & community sector plus it can be used to support services that have a community focus including sport & leisure. This would reduce the reliance on council and other public funds to support this expenditure thereby contributing to the efficiency plan.
- 3.2 The main objectives of the Melton Community Lottery are:
- Community Organisations can raise money to support their initiatives.
 - The Council can manage the need to reduce financial support to the voluntary sector and generate additional support for cultural activities and, if it wishes, other services the community value but may be at risk as appropriate.
 - Create an opportunity that in the future if services need to be reduced that support the voluntary sector, funding from the lottery may cushion the financial impact if they engage with the lottery.

Activity to date and future possibilities

- 3.3 Melton Community Lottery does not come with additional MBC resource for administrative and support purposes as it was created with the view that the groups would be self-sufficient. To date, 39 Good Cause groups are registered with the Melton Community Lottery.
- 3.4 The top performing cause sells 38 tickets per week, maximising the self help tools to promote and increase support for their individual causes. If the remaining 38 causes sold just half as many tickets as the top cause that should generate a minimum Good cause revenue of £20K plus per annum for all the causes instead of the £8K plus it currently generates. This does not include the Melton Central cause fund, demonstrating the significant difference even a small step would make.
- 3.5 Melton Community Lottery sits respectably in the middle in terms of ticket sales by penetration when compared with other live lotteries. There are currently 36 live local authority lotteries in the UK (51 awarded). Penetration rate is calculated by looking at the

population for each lottery against number of tickets sold. Melton has a penetration rate of 0.9% - this means that less than 1% of the population are buying a lottery ticket. The worst performing local authority has a penetration rate of 0.4% and the best performing has a rate of 3.24%. The general pattern is that the penetration rate is a reflection of the affluence of the area as well as the resource put in by the local authority around support and promotional activity. If Melton Community Lottery were to achieve a 3.24% penetration rate in line with the highest performing LA Lottery, this would achieve ticket sales of approximately 1652 tickets compared to the current 469 tickets. In revenue terms, this would generate over £50,000 per annum.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 This links to the commercialism strategy and the review of community grants currently being undertaken with the need for community groups to become less dependent on traditional government grant funding.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 The Lottery does not perform to its true potential and fails to generate sufficient income and consequently failing to meet its financial objectives as per 3.1 and 3.2.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 None identified other than those dealt with when the lottery was first established.

7.0 COMMUNITY SAFETY

7.1 The success for some groups would enable them to continue and these may well provide diversionary activities for young people, e.g. sport and physical activity groups.

8.0 EQUALITIES

8.1 Though a hard line approach has not been taken with those groups who are not engaging effectively with the Lottery, it was agreed that a condition of requests made to MBC for funding by Community Groups would be to ensure they are actively using the Melton Community Lottery in the first instance. If such groups who have received funding in the past have their funding reduced or cut, this would have a detrimental impact on the vulnerable communities they support. However, if MBC continue to fund without requiring these conditions being met, this could be perceived as unfair by those groups who are proactive and generating income to self help in the first instance, which could subsequently result in disengaging these groups.


9.0 RISKS

9.1 Probability



Very High A				
High B				
Significant C		1		
Low D				

Risk No.	Description
1	Lower than expected ticket sales due to group inactivity results in reduced or cuts to funding and consequential impact on the communities they serve.

Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic
				
	Impact			

10.0 CLIMATE CHANGE

10.1 No direct implications have been identified.

11.0 CONSULTATION

11.1 None identified

12.0 WARDS AFFECTED

12.1 All wards are affected.

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