



## Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Marinanne Hesketh, Corporate Director Communities	Councillor Lesley McKay, Resources Portfolio Holder	19 October 2023

### Extension of the contract of the external lottery manager for the Wyre Community Lottery

**Key decision:** Yes

#### 1. Purpose of report

- 1.1 To seek approval to extend the contract of the preferred external lottery manager, Gatherwell, to continue to manage and support the Wyre Community Lottery for a further five years.
- 1.2 To seek approval for an exemption from the contract procedure rules.

#### 2. Corporate priorities

- 2.1 The Wyre Community Lottery aligns to our corporate priority of People and Communities and supports our aim to explore opportunities for communities and partners to build resilience.

#### 3. Recommendations

- 3.1 That approval is given to extend our contract with Gatherwell and for Gatherwell to act as our external lottery manager for a further five years (subject to annual review).
- 3.2 That approval is given to allow the procurement under the exemptions to contract procedures contained within the Financial Regulations and Financial Procedure Rules. This is on the grounds that exemptions are permitted to contract procedures where the “goods, works or services are of a specialised nature carried out by only one or a limited number of firms with no reasonable satisfactory alternatives available.”

## **4. Background**

- 4.1** At their 28 November 2018 meeting, Cabinet agreed to appoint the preferred External Lottery Manager (ELM), Gatherwell and to introduce the Wyre Community Lottery. Gatherwell were duly appointed and are responsible for operating the lottery and providing the website services for community groups and purchasers of tickets as well as marketing materials and general support. This includes dedicated phone numbers, email addresses and social media accounts.
- 4.2** Each ticket for the Wyre Community Lottery costs £1 per week and the proceeds are split in the following way:
- 60% to Good Causes
  - 20% to Prizes
  - 17% to the external lottery manager
  - 3% to HMRC for payment of VAT
- 4.3** The Good Causes 'pot' allows purchasers to nominate a preferred community group/good cause so that 50% of the cost goes to a specific good cause and 10% to general good causes, (Wyre Central Fund). If no specific good cause is nominated then all 60% of the good causes element goes to general good causes. All good causes are vetted by the council before they can advertise on the Wyre Community Lottery website. There is no application fee for good causes to join.
- 4.4** We have successfully worked with Gatherwell for the last four years, since we launched the Wyre Community Lottery in January 2020. They have supported us to recruit 46 local good causes including Fleetwood Museum Trust, Garstang Cricket Club, National Coastwatch Institution, N vision and Scouting organisations. These good causes support and enable Wyre residents to live a happier and healthier life as well as keeping residents connected within their own communities. On average, the good causes sell over 750 tickets to 450 players each week and there have been over 3,900 winners in Wyre, with the total amount won being over £44,000. There have also been a number of local winners, including one jackpot winner of £25,000.
- 4.5** Each year, since 2020, the Wyre Community Lottery has raised over £24,000 for those good causes and in total £109,206 of much needed support has been provided for these Wyre local charities and groups so far. £24,695 has been raised for the Wyre central fund, which will go towards Parks and Open Spaces projects. In these difficult financial times, these charity and community groups need as much help as they can to survive, thrive and support our residents and the community lottery helps them receive a regular, steady income stream.

## 5. Key issues and proposals

- 5.1** The cost of signing up with Gatherwell to manage our Wyre Community Lottery was £3,000 for the initial implementation. This was a one-off set up fee. Ongoing costs to the Gambling Commission for licensing are £400 per year and our membership to The Lotteries Council is £385 per year. This is recovered from the sale of tickets. The council does not profit from the operation of the lottery and officer time is given free of charge.
- 5.2** The lottery provides much needed regular funding for local affiliated community groups, who provide a wide range of support and opportunities for local people to stay healthy, well and connected to their community. We work closely with Gatherwell and have regular quarterly meetings. Internal audit have reviewed the processes we follow with Gatherwell and we meet regularly to ensure everything is running in line with the contract.

## 6. Alternative options considered and rejected

- 6.1** We have contacted three other providers that could potentially run a Community Lottery for the council. All three companies were asked to quote for their equivalent service. Unfortunately, no compliant responses were received within the timescales set out. Although, a minor consideration, if we were to change providers there could be an initial sign-up fee, which there would not be if we continued with our current ELM, Gatherwell. Given that the current provider meets our requirements and provides a good service, and the lack of engagement from alternatives, it is felt that the current incumbent represents the best option at this time.

## 7. Delegated functions

- 7.1** The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3 of the council's constitution): "To consider departures from Rules relating to financial and contractual matters if appropriate".

<b>Financial, Legal and Climate Change implications</b>	
Finance	The Wyre Community Lottery annual costs include a £385 Gambling Licence and £400 towards the Gambling Commission. £109,206 has been raised to date for local good causes from the Wyre Community Lottery. This amount includes the Wyre central fund, where we have £24,695 to allocate to Parks and Open Spaces projects. Wyre Council does not receive a percentage of the ticket sales, nor does it recover the cost of staff time associated with supporting the running of the lottery.
Legal	A contract for the provision of the services will be entered into with Gatherwell.

	The procurement of the preferred ELM complies with the exemption to Contract Procedures contained within the Council's Financial Regulations and Financial Procedure Rules as set out in the report.
Climate Change	There are no climate change implications arising directly from this report.

### Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
health and safety	x

risks/implications	✓ / x
asset management	x
ICT	x
data protection	x

### Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Carol Southern	01253 887655	<a href="mailto:Carol.southern@wyre.gov.uk">Carol.southern@wyre.gov.uk</a>	05/10/2023

List of background papers:		
name of document	date	where available for inspection
None		

### List of appendices

None