

**SCRUTINY MANAGEMENT BOARD
13TH FEBRUARY 2018**

PRESENT: The Chair (Councillor Miah)
The Vice-chair (Councillor Parsons)
Councillors Bebbington, Fryer, Gerrard, Hachem, K. Harris
and Seaton

Councillor Draycott, as a signatory to the Call-in, to address
the Board in accordance with Scrutiny Committee Procedure
Rule 11.7

Councillor Barkley, Cabinet Lead Member for Finance and
Property Services
Councillor Page, Cabinet Lead Member for Communities,
Safety and Wellbeing

Chief Executive
Strategic Director of Neighbourhoods and Community
Wellbeing
Head of Neighbourhood Services
Democratic Services Officer (MH)

APOLOGIES: Councillors Lowe and Taylor

Also in attendance, to observe as other signatories to the Call-in, Councillors
Hamilton, C. Harris and Huddleston.

The Chair stated that this meeting would be recorded and the sound recording
subsequently made available via the Council's website. He also advised that,
under the Openness of Local Government Bodies Regulations 2014, other
people may film, record, tweet or blog from this meeting, and the use of any
such images or sound recordings was not under the Council's control.

36. DISCLOSURES OF PECUNIARY AND PERSONAL INTEREST

No disclosures were made.

37. DECLARATIONS – THE PARTY WHIP

No declarations were made.

38. CALL-IN OF CABINET DECISION – CHARNWOOD LOTTERY

The decision taken by the Cabinet on 18th January 2018 in respect of this
matter had been called-in under Scrutiny Committee Procedure 11.7 and
required consideration by the Board.

The Board considered a report of the Head of Strategic Support which

included the report considered by the Cabinet, the minute outlining the Cabinet decision and reason for it, the reasons for Call-in and the desired outcome, and the process for reviewing the decision as set out in Scrutiny Committee Procedure 11.7 (item 4 on the agenda filed with these minutes).

In accordance with Scrutiny Committee Procedure 11.7, Councillor Draycott, as a signatory to the Call-in, addressed the Scrutiny Management Board. Further to the reasons stated in the Call-in, she stated the following, in summary and including in response to questions from the Board:

- (i) The proposal to establish a lottery did not fit with the ethos of local government which was to deliver services that benefitted people. Even at a time of reduced Government funding, promoting a lottery was not the solution.
- (ii) There remained issues that were unclear. In particular, would organisations seeking funding from the Council have to sign up for the lottery scheme, whether a maximum spend was in place, would the extra VAT the Council would have to pay affect its ceiling, and how the distribution of prizes fitted into the final projections for the scheme.
- (iii) There were people who might gamble on the lottery when they could ill afford to do so. That might result in the Council having to deal with more problems in the future.
- (iv) There remained concerns regarding individuals or groups that did not wish to be involved in or seek funding derived from gambling.
- (v) It was hoped that the Board would refer those concerns back to the Cabinet and that the proposal would not proceed any further.

Having addressed the Board, Councillor Draycott left the table.

Councillor Barkley, Cabinet Lead Member for Finance and Property Services, and Councillor Page, Cabinet Lead Member for Communities, Safety and Wellbeing, had been invited to assist the Scrutiny Management Board with its consideration of the matter. They were assisted by the Strategic Director of Neighbourhoods and Community Wellbeing and the Head of Neighbourhood Services. The following was stated, in summary and including in response to questions from the Board:

- (i) The Council would need to obtain a Local Authority Licence from the Gambling Commission to operate a lottery.
- (ii) The Council was aware of local organisations that used lotteries as part of their fundraising. However, the Council was looking at ways to provide support to the wider local voluntary and community sector. Organisations with their own lotteries could join the Council scheme.
- (iii) The lottery would have both a maximum limit of 50 tickets per person per week and a maximum limit of 20 tickets in any one transaction.
- (iv) The Council would not receive any net VAT income as a result of lottery ticket sales. The Council would be able to recover the VAT incurred as a result of services provided by the proposed external lottery manager. More detailed information in relation to the VAT

- position had been circulated to councillors.
- (v) The Council officers who would be supporting the scheme had been consulted and had raised no concerns about doing so.
 - (vi) Information about the prize structure for the lottery had been set out in the original Cabinet report.
 - (vii) The Council's contract with the external lottery manager would be for one year initially and a three month rolling contract after that.
 - (viii) The Council was looking at ways in which it could support the voluntary and community sector. The lottery would provide one way of doing so and would be a platform for organisations to receive funding directly. Subject to meeting certain criteria, organisations could be included in the lottery scheme and people could then choose from the participating organisations where they wanted the majority of their good cause contribution to go to. The remainder of the good cause contribution would be added to the Council's grants budget.
 - (ix) The external lottery manager was licensed and had policies and procedures in place to protect vulnerable people. The lottery would not result in the instant gratification that was often associated with problem gambling.
 - (x) It was likely that introducing a lottery would in part result in people making additional expenditure and would in part displace existing expenditure directed towards good causes.
 - (xi) Lottery tickets could be bought via a website or over the telephone. There would be a surcharge if payment was made by credit card, but customers would be warned that that was the case. Payment could also be made via a debit card or direct debit.
 - (xii) It was expected that the scheme would raise £35-£40,000 in the first year depending on when it started.

Having assisted the Board, Councillor Barkley, Councillor Page, the Strategic Director of Neighbourhoods and Community Wellbeing and the Head of Neighbourhood Services left the table.

During consideration of the matter the following issues were discussed by members of the Board:

- (i) The scheme provided an opportunity for money to be raised locally for local projects. There could be an opportunity for small organisations, which would not be able to run their own lotteries, to join the scheme.
- (ii) There seemed to be a number of safeguards in place to protect vulnerable people. However, it was a concern that payments by credit card would be accepted.
- (iii) Only people who wanted to spend money on purchasing tickets would do so. The Council should not prevent people from having the freedom to do so.
- (iv) It was not the Council's role to run a lottery. The Council's role was to provide services, especially to the vulnerable who included people with gambling problems.

RESOLVED that the decision of the Cabinet be supported.

Reason

Having considered the decision and the reasons for it, the Board was content that the decision was appropriate. In particular, the Board was satisfied that the questions raised as part of the Call-in had been addressed, the scheme provided an appropriate opportunity for money to be raised locally for good causes and safeguards were in place to reduce the risk of the lottery causing problem gambling.

NOTES

1. No reference may be made to these minutes at Council on 30th April 2018 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of the minutes.
2. These minutes are subject to confirmation as a correct record at the next ordinary meeting of Scrutiny Management Board.