



## PWYLLGOR CRONFA ELUSENNOL CHARITABLE FUNDS COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	30 June 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Update on Hywel Dda Health Charities Lottery Scheme
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Mandy Rayani, Director of Nursing, Quality and Patient Experience
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Tara Nickerson, Fundraising Manager

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

### ADRODDIAD SCAA SBAR REPORT

#### Sefyllfa / Situation

This report intends to provide the Charitable Funds Committee (CFC) with an update on the development of the Hywel Dda Health Charities lottery scheme, and to request endorsement of the development of a public lottery scheme (see further detail below) with a view to launching this scheme in September 2021.

#### Cefndir / Background

As part of the Hywel Dda Health Charities (HDdHC) approved three-year plan, the HDdHC staff lottery was due to launch in spring 2021. The staff lottery scheme was approved at the March 2020 CFC meeting to provide the opportunity to raise unrestricted funds to invest in staff health and wellbeing initiatives.

As part of the staff lottery planning process, discussions were undertaken with the Finance and Payroll Teams to discuss internal processes and procedures. As part of these discussions, employment tax implications associated with running a staff only lottery were highlighted as a concern and therefore tax advice was sought. This advice confirmed that the staff lottery winnings would be subject to employment tax deductions and there would be a financial impact on both the winnings received by staff lottery members and to Hywel Dda Health Charities.

Following these findings and more detailed discussions, the Director of Nursing, Quality and Patient Experience and the Director of Finance requested the postponement of the planned staff lottery launch to enable a review of alternative options to be undertaken in order to deliver a lottery scheme.

#### Asesiad / Assessment

Following extensive research into fundraising lotteries and the models delivered by both NHS and non-NHS charities, the public lottery model is the only alternative to a staff only lottery available to HDdHC.

A public lottery is a game where individuals pay to enter, there is at least one prize, and winning is dependent only on chance.

A public lottery would allow HDdHC to raise money from the general public as well as staff members and could appeal to a wider audience where the added incentive of a prize would enable the charity to engage with those who may not otherwise donate to, or chose to fundraise for their local NHS charity.

A public lottery could be delivered internally by the HDdHC Fundraising Team or externally by a lottery agency. The basis of this report is on the delivery of a public lottery by an external lottery agency due to the level of resources required to deliver a scheme of this nature.

## **1. The public lottery model**

Extensive research has been undertaken with regard to external agencies who deliver and oversee all aspects of a public lottery scheme. The assumptions within this report have been made based on the public lottery model provided by a leading fundraising lottery provider used by many leading national charities as well as NHS charities across the UK.

The HDdHC public lottery would be a structured weekly lottery offering the charity a guaranteed income stream, without any risk, dependent on the number of players registered to support the charity.

For every £1 played in the weekly lottery draw (£4.33 per month) by HDdHC players, the charity would receive a minimum of 50p (50%) profit. The remaining 50p (50%) of each £1 played is retained by the lottery provider to cover the provider's administration costs and the prize fund.

HDdHC lottery players would be allocated a unique six-digit lottery number which would remain theirs for as long as the player wishes to keep playing, and players could purchase more than one lottery number if they wish.

The lottery provider offers a weekly £25,000 jackpot prize and smaller prizes of £1,000, £25 and 5 entries into the next draw. These prizes are open to all lottery players participating, not only to HDdHC players, but all charity members across the UK. All players have an equal chance (1 in 63) of winning a prize.

To win a prize, winners would have to match 3, 4, 5 or all 6 digits of the winning number in the correct place in the sequence. Every Friday, the lucky winners will be sent their prizes automatically, therefore if a player wins there is no need for the individual to submit a claim. Players must be aged 16 years or over to enter.

## **2. Administration and player recruitment**

### 2.1 Administration

All administration would be undertaken by the external provider; from player sign-up to direct debit and cheque processing, to player communication, conducting the draws and processing of the prize money.

General Data Protection Regulation (GDPR) consent is captured when a player signs up and all HDdHC player data would be owned by HDdHC. The lottery provider would be data handlers only and would not contact our players for any reason other than for lottery communications.

The HDdHC team would be responsible for ensuring all data is securely managed on the charity's customer relationship management (CRM) database.

## 2.2 Recruitment

The HDdHC team would be responsible for recruiting all players into the lottery scheme.

The charity would be provided with a dedicated charity branded lottery page on the lottery provider's website which would include both an online direct debit sign-up form and a downloadable PDF sign-up form. We would also be able to use these links on a dedicated lottery page on the HDdHC website to ensure a smooth player journey.

Bespoke leaflets would be produced, in line with our own charity branding with a FREEPOST address to be returned to the lottery provider for processing.

When restrictions allow, recruitment of players would also involve the HDdHC Fundraising Team regularly visiting HDdUHB sites to actively recruit staff and the general public in a tactful manner.

A number of NHS charities purchase the services of external marketing agencies specialising in face-to-face donor recruitment. Although we do not feel that this is appropriate at this stage, this approach would be considered as part of a review of the lottery 12-18 months after its launch.

## **3. Licensing**

HDdHC has the necessary small society lotteries license required to carry out a public lottery with an income of less than £250,000 per annum. Details of each lottery draw would be reported to the Local Authority under the terms of our lottery licence within three months of each draw.

## **4. Anticipated income**

It is anticipated that the HDdHC lottery scheme would generate the following income levels:

<b>Year</b>	<b>Participation</b>	<b>Income</b>
1	<i>Average of 1,500 plays x £4.33 per month x 12 months / 2</i>	£38,970
2	<i>Average of 1,800 plays x £4.33 per month x 12 months / 2</i>	£46,764
3	<i>Average of 2,000 plays x £4.33 per month x 12 months / 2</i>	£51,960
4	<i>Average of 2,200 plays x £4.33 per month x 12 months / 2</i>	£57,156
<b>Total income</b>		<b>£194,850</b>

The anticipated income figures have been based on estimated participation of staff and the charity's current supporters as well as the resources available to support recruitment to the scheme i.e. delivery of other fundraising priorities such as the Bronglais Hospital Chemotherapy Day Unit Capital Appeal.

## **5. Running costs**

The current HDdHC Fundraising Support Officer role would provide a dedicated resource to support the recruitment and smooth running of the scheme. This role works alongside the current fundraising team and would be responsible for the processing of the CRM data and working alongside fundraising colleagues to promote the scheme and recruit players.

The estimated costs associated with establishing and running the scheme are as follows:

<b>Running costs year 1</b>	
<b>Item</b>	<b>Cost</b>
Fundraising Support Officer (Band 4 - 0.4 full time equivalent (FTE))	£10,716
Lottery platform set-up fee	£199
Travel	£1,500
Marketing and communications	£3,500
<b>Total</b>	<b>£15,915</b>
<b>Running costs years 2 – 4</b>	
<b>Item</b>	<b>Cost</b>
Fundraising Support Officer (Band 4 - 0.4 FTE)	£33,451
Travel	£4,500
Marketing and communications	£4,500
<b>Total</b>	<b>£42,451</b>
<b>Total running costs: £58,366</b>	

## 6. Grant making

Based on our anticipated income levels and running costs, below is the estimated profit from the lottery scheme:

<b>Grant making year 1</b>	
Running costs	£15,915
Income	£38,970
<b>Total grants available</b>	<b>£23,055</b>
<b>Grant making year 2</b>	
Running costs	£13,930
Income	£46,764
<b>Total grants available</b>	<b>£32,834</b>
<b>Grant making year 3</b>	
Running costs	£14,149
Income	£51,960
<b>Total grants available</b>	<b>£37,811</b>
<b>Grant making year 4</b>	
Running costs	£14,372
Income	£57,156
<b>Total grants available</b>	<b>£42,784</b>
<b>Total grant making: £136,484</b>	

As part of the process of developing a staff lottery scheme, it was proposed that a specific grant programme would be established from the profits to invest in staff health and wellbeing initiatives. As the public lottery scheme would attract a wider audience, it is proposed that the profits of the lottery scheme are received into the charity's 'Support for Life' (general) fund, and consideration will be given to the format of soliciting and processing bids for both patient and staff benefit from the lottery's income as the scheme develops and the level of funding available is confirmed. This would ensure that 100% of profits raised from the lottery are used to provide services and activities above and beyond those which the NHS can provide, recognising that this spend must also meet the public benefit test and our charitable objectives.

## 7. Competitor analysis

Research has identified three main public lottery competitors operating across Carmarthenshire, Ceredigion and Pembrokeshire:

- Pembrokeshire Lottery: Helping local businesses to create jobs in Pembrokeshire. Estimated 8,500 players with an estimated annual income of over £400,000.
- Wales Air Ambulance Lifesaving Lottery: Run internally by the Wales Air Ambulance. Estimated 112,000 players with an estimated annual income of over £5.6 million.
- Tŷ Hafan's Crackerjackpot: Run internally by Tŷ Hafan. Estimated 34,000 weekly plays with an estimated annual income of over £1.9 million.

With the profits of all three lotteries identified very much focused on their own unique charitable causes, we do not anticipate that the launch of a public HDdHC lottery scheme would detract support from these schemes nor do we anticipate that local participation in these lotteries would restrict the recruitment numbers for a HDdHC public lottery.

## 8. Key actions and timeline

The following key actions and timescales are proposed to develop and launch the HDdHC public lottery scheme:

Action	Timescale
Undertake a Facebook poll to gauge interest in playing a public lottery	July 2021
Select external lottery provider following advice sought from Finance and Procurement colleagues	July 2021
Attend Staff Partnership Forum to provide a lottery update	August 2021
Development of new internal process with regards to lottery returns and data management	August 2021
Undertake Data Protection Information Assessment regarding the processing of lottery data	August 2021
Production of communications plan and marketing materials	July to August 2021
Launch of public lottery scheme	September 2021

## 9. Conclusion

Our recommendation is to proceed with a public lottery scheme, as outlined above. A public lottery would allow HDdHC to raise money from the general public as well as staff members and could appeal to a wider audience where the added incentive of a prize would enable the charity to engage with those who may not otherwise donate to, or choose to fundraise for their local NHS charity.

The key benefits of launching a public lottery for HDdHC include:

- A regular income stream for the HDdHC general purpose fund, enabling the charity to support expenditure where it is needed most.
- Engagement with the local community by participation in the lottery and the feel-good factor of supporting their local NHS charity.
- Opportunities for local organisations and businesses to support their NHS charity.
- Stewardship – lottery supporters will be encouraged to support the charity in other ways.

- Raising the profile and aims of HDdHC with staff, patients, visitors, local organisations and general public.

### Argymhelliad / Recommendation

The Charitable Funds Committee is requested to **NOTE** the content of this report and **ENDORSE** the development of a public lottery scheme using an external lottery provider with a view to launch the scheme in September 2021.

### Amcanion: (rhaid cwblhau)

#### Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	6.17 Reviewing alternative sources of funding to donations and legacies which could provide the Committee with additional leverage and access to additional funds.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	7. Staff and Resources
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report</a>	10. Not Applicable

### Gwybodaeth Ychwanegol:

#### Further Information:

Ar sail tystiolaeth: Evidence Base:	Discussions with Payroll and Finance colleagues - Finance Business Partner (Compliance and Tax)
Rhestr Termau: Glossary of Terms:	Included within the main body of the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol: Parties / Committees consulted prior to Charitable Funds Committee:	Staff Partnership Forum – Partnership leads Organisational Development team Payroll and Finance colleagues - Finance Business Partner (Compliance and Tax)

### Effaith: (rhaid cwblhau)

#### Impact: (must be completed)

<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Any issues are identified in the report.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Any issues are identified in the report.
<b>Gweithlu: Workforce:</b>	Any issues are identified in the report.
<b>Risg: Risk:</b>	Any issues are identified in the report.
<b>Cyfreithiol: Legal:</b>	Any issues are identified in the report.
<b>Enw Da: Reputational:</b>	Any issues are identified in the report.
<b>Gyfrinachedd: Privacy:</b>	No impact.
<b>Cydraddoldeb: Equality:</b>	No EqIA is considered necessary for a paper of this type.