

**BUSINESS CASE TEMPLATE**

<b>Project Name</b>	Community Benefit Lottery
<b>Project Manager</b>	<project manager>
<b>Version</b>	<version>
<b>Date</b>	<amendment date>
<b>Report To</b>	<directors board/procurement strategy group/itsg>

**REASON FOR PROJECT**

The council faces increasing budgetary pressures while trying to maintain its role a supporter of communities.

As such the council is exploring new ways of supporting the community including a community benefit lottery.

As a supplement to our grants funding it provides a number of advantages.

The “DISCRETIONARY COMMUNITY GRANTS POLICY” report (18/07/17) states “It is anticipated that the process of allocating grants will become more proactive - as the council will take steps to raise awareness and identify need and potential additional/alternative grant funding sources.”

This provides an alternative grant funding source.

**BUSINESS BENEFITS TO BE GAINED FROM PROJECT**

This would have a greater impact than the national lottery as the National

Lottery distributes 28p in the pound to good causes whereas the Vale Lottery distributes 58p. The consumer spend to grant ratio for the national lottery is 99:1 so for every pound paid by the Big Lottery Fund to causes that benefit East Herts residents, residents are spending just under £100.

The spend to grant ratio in of the Vale lottery (which we would emulate) is 1.7:1, so £1.70 is spent for every £1 going to the benefit of local people, we would aim to replicate that ratio.

The development of a local lottery would not affect the ability of local causes/groups to bid for national lottery funding.

It would relieve budget pressures by having a supplementary source of grant funding for community groups/causes.

It empowers residents to more directly support local causes.

It ameliorates the necessary limits of our grant funding policy in that:

Community groups can be funded monthly rather than biannually. This means groups that miss the September or December window for funding have recourse to turn to. It also means groups that find themselves in pressing financial need at a point when the biannual bidding window is too far away still have an option for support.

It allows groups to gain funds over and above the cap of £3,000 (capital) or £8,000 (revenue) without having to make a specific appeal or adding pressure to council budgets.

### **Specific Good Causes**

This operates much the same as above with a key difference being that players can specify where they wish the majority of their tickets proceeds to go.

Causes/community groups would set up pages on the lottery website that players would use.

Stevenage would be an enabler of essentially mini lotteries while some funds for less 'glamorous

A portion of proceeds, for example 8p of the 58p, would go into a central

pot that would be distributed by the council, these ensure that less well known causes aren't left worse off.

### **Benefits**

As with the generic benefits, in addition:

It even more empowers both individuals (players) and community groups by placing the onus on them.

It reduces the time and resource required to administer funds to the majority of community groups.

It would provide greater incentive for community groups to engage with the lottery and actively promote it to their networks, increasing the chance of success.

- Risk to less well known charities losing funding opportunities is mitigated by the central pot.

### **HOW ARE THE BENEFITS GOING TO BE REALISED**

Working with community groups and businesses to identify and top-up civic projects.

Using our community connections we will encourage groups to set up on the civil crowdfunding website [Spacehive.com](https://www.spacehive.com)

### **COST AND TIMESCALE OF PROJECT**

The project has no set-up cost of and this is self-funding, the project is about enabling communities to support the groups and projects that they

value.

It took approximately six months for Alsbury Vale to set-up their community benefit lottery. Since then

### **INVESTMENT APPRAISAL (Return on Investment/Value for Money)**

There is no new money being requested to put in.

#### Help Notes:

- Information for the Business Case should be derived or influence the following:
  - Project Plan (costs and timescale)
  - Customer/Department (business benefits/reasons for project)
  
- Quality Criteria
  - Can the benefits be justified?
  - Ensure the costs and timescale match your Project plan.
  - Are the reasons for the project consistent with the corporate or departmental programme strategy?