

Essential Reference Paper 'C'

Project Name	Community Benefit Lottery
Project Manager	Nathan Bookbinder
Version	Version 1
Date	06/11/2017
Report To	Executive

REASON FOR PROJECT

The council faces increasing budgetary pressures while trying to maintain its role as 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 local authority lotteries distribute between 50- 60p. 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 for local authority lotteries (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 additional 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 that groups who 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 ticket proceeds to go.

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

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.

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

HOW ARE THE BENEFITS GOING TO BE REALISED

Through money distributed by the lottery according to player choice of good cause and/or council discretion.

COST AND TIMESCALE OF PROJECT

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

A working group would aim to set up the lottery by 1st June 2018.

INVESTMENT APPRAISAL (Return on Investment/Value for Money)

There is no new money being requested to put in.

Project Name	Review of fees and charges
Project Manager	Isabel Brittain
Version	Version 1
Date	06/11/2017
Report To	Executive

BACKGROUND AND REASON FOR PROJECT

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

As such the council is exploring new ways of raising revenue.

Increasingly councils are moving away from using historic prices to inform fees and charges, to understanding the true cost of providing or commissioning services and pricing accordingly, whilst recognising the service user's need for the services being charged for, and their ability to pay.

BUSINESS BENEFITS TO BE GAINED FROM PROJECT

Many councils that do decide to move towards a true full cost recovery charging policy do see relatively large increases in fees, for instance Harrow's charging policy led to an average increase in fees for discretionary services rising by ~4%. There is potentially a large return for the council.

HOW ARE THE BENEFITS GOING TO BE REALISED

Income from fees and charges.

Increased fees and charges should be paired with a realistic commitment from that service to operate more efficiently and so there would be service benefits as well.

COST AND TIMESCALE OF PROJECT

The project has no set-up or on-going cost apart from officer time setting-up.

INVESTMENT APPRAISAL (Return on Investment/Value for Money)

Financial details would follow on from a review of fees and charges.

Risk to/from Plan	Initial Likelihood/ Impact	Mitigating Factors/Actions	Residual Likelihood/ Impact
Increased fees and charges are likely to be unpopular	High/medium	Other councils have implemented this without too much controversy. Many accept that paying the real price for a given service is fairer than being subsidised.	Low/low

Project Name	Council Advertising Network
Project Manager	Nathan Bookbinder
Version	Version 1
Date	06/11/2017
Report To	Executive

BACKGROUND AND REASON FOR PROJECT

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

As such the council is exploring new ways of raising revenue.

The Council Advertising Network (CAN) enables local authorities to carry advertising campaigns from national and local brands that offer a community benefit across their websites. By combining scale with other authorities, Councils can get access to the UK's largest advertisers, resulting in higher rates of return.

CAN only works with advertisers suitable for Council websites. As extra protection, each Council has the option to pre-approve advertisers and retrospectively remove any advert, for any reason.

BUSINESS BENEFITS TO BE GAINED FROM PROJECT

Income from advertising. Apart from officer time to set-up, the council bears no costs.

Up to 20% of the advertising space can be retained for council messages - many use this within their economic development/business support strategies to allocate to local businesses (CAN only works with national advertisers).

HOW ARE THE BENEFITS GOING TO BE REALISED

Payments received from the council advertising network.

COST AND TIMESCALE OF PROJECT

The project has no initial or on-going cost. The only cost for this project is

in officer time setting-up.

INVESTMENT APPRAISAL (Return on Investment/Value for Money)

There is no new money being requested to put in.

Detailed likely income can be derived from CAN upon request if exploration of this idea in principle is approved.

Risk to/from Plan	Initial Likelihood/ Impact	Mitigating Factors/Actions	Residual Likelihood/ Impact
Adverts slow down the site	None/High	CAN have a number of measures in place to ensure performance isn't impacted. If an advert fails to load within 0.02 seconds, a default 'house-ad' will be served from an alternative ad server.	None/None
Security Risks	None/High	CAN does not gain access to the site. The advert is hosted via their site.	None/none
Adverts not compliant with website codes of conduct	Medium/high	Most adverts are compliant but there is no legal requirement to be 'compliant'. Hosting councils always retain the power of veto if they feel an advert isn't compliant.	Low/none
Reputational damage to council from hosting inappropriate adverts	Medium/medium	CAN was founded by Birmingham City Council and only works with public bodies, as such its whitelist of approved advertisers is built with political and public sensitives in mind. The council retain additional veto power.	Low/low None/None
What if local residents dislike the changes to the website	Low/medium	Councils who have held advertising for many years report zero complaints from local residents. In a recent consultation, one CAN member received 100% positive responses from local residents on the decision to pursue website advertising.	Low/None

Project Name	Council Advertising (Physical)
Project Manager	Nathan Bookbinder
Version	Version 1
Date	06/11/2017
Report To	Executive

BACKGROUND AND REASON FOR PROJECT

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

As such the council is exploring new ways of raising revenue.

Advertising brokers work with councils to find advertisers to be hosted for a fee on council assets.

These assets can include roundabouts, the sides of council buildings, vehicles etc.

BUSINESS BENEFITS TO BE GAINED FROM PROJECT

Income from advertising.

HOW ARE THE BENEFITS GOING TO BE REALISED

Payments received from the advertising broker.

COST AND TIMESCALE OF PROJECT

The project has no on-going costs. The only cost is in officer time setting-up.

In some cases there may be set-up costs associated with erecting hoardings. Set-up time is likely to be approximately six months.

The council will undertake a review of its potential advertising opportunities and present these to a potential broker.

INVESTMENT APPRAISAL (Return on Investment/Value for Money)

An assessment of the council's physical advertising infrastructure and hoarding needs to be undertaken once the broker has been contacted.

They will give an indicative assessment on return on investment.

Having contacted other councils and learned from their experiences, actual income should be assumed at ~60% of the broker's projections (which do not take into account roundabouts that already have hoardings etc.)

Risk to/from Plan	Initial Likelihood/ Impact	Mitigating Factors/Actions	Residual Likelihood/ Impact
Reputational damage to council from hosting inappropriate adverts	Medium/medium	<p>There are brokers who only work with public bodies; as such their whitelist of approved advertisers is built with political and public sensitives in mind.</p> <p>The council retain additional veto power.</p>	<p>Low/low</p> <p>None/None</p>
The council spends on hoardings but doesn't get a return	Low/Medium	Thorough financial appraisal of the final business case will ensure we only go ahead if the financial case stacks up.	Low/Low