

STATES OF JERSEY



CI LOTTERY: ALLOCATION OF 2019 PROCEEDS

**Lodged au Greffe on 21st October 2020
by the Minister for Economic Development, Tourism, Sport and Culture**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to agree, in accordance with the provisions of Regulation 4(5) of the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975, to allocate £1,388,268, to the Jersey Community Foundation and the Association of Jersey Charities, divided equally between them, for onward distribution in support of the Island community.

**MINISTER FOR ECONOMIC DEVELOPMENT, TOURISM, SPORT AND
CULTURE**

REPORT

The [Gambling \(Channel Islands Lottery\) \(Jersey\) Regulations 1975](#) stipulate that the proceeds from sales of all Channel Islands Lottery tickets are to be applied “in such manner and for such purposes of public benefit as the States shall from time to time by Act direct.”

The net proceeds from sales of lottery tickets in 2019 were £1,388,268.

It is the Minister’s recommendation to the States that the total £1,388,268 of these funds are divided equally and allocated to the Jersey Community Foundation and the Association of Jersey Charities for distribution in Jersey in support of the Island community. This is subject to the signing of Service Level Agreements. Both organisations support this proposal.

Background

Lotteries have been used by the government of Jersey to raise funds for the public good since at least the 1750s. The Central Market, Fort Regent conversion and various port structures were funded through its profits. The Jersey lottery in its modern form was launched in 1966 and operated under the Gambling (Jersey) Law 1964. It is thought to be one of the oldest 20th century lotteries in the British Isles and has continued to evolve at various points in its history. In 1975, it was combined with the Guernsey scheme to create the Channel Islands Lottery, which remains the structure today.

Over the past decade, the lottery has been rejuvenated and it has increased in public popularity as a result. A greater proportion of the funds now go to good causes as a result of a restructure in which overheads were reduced and games were modernised. Sales increased considerably in Jersey, rising from £104,000 in 2010 to £8.75 million in 2019. In 6 of the past 7 years, the top prize in the Christmas Draw has reached £1 million. Profits available to the community have shown a major and sustained increase.

Lottery Allocation				
Year	Income/Profit	Total Jersey Sales	Top Xmas Prize	
2019	£ 1,388,268	£ 8,753,100	£ 1,000,000	
2018	£ 1,374,112	£ 9,106,650	£ 977,184	
2017	£ 1,399,097	£ 7,949,000	£ 1,008,410	
2016	£ 1,250,482	£ 7,958,850	£ 1,120,220	
2015	£ 453,966	£ 6,716,850	£ 1,161,750	
2014	£ 701,802	£ 5,682,700	£ 1,220,600	
2013	£ 684,555	£ 4,434,000	£ 1,038,000	
2012	£ 401,702	£ 3,303,000	£ 686,000	
2011	£ 419,572	£ 2,174,211	£ 751,500	
2010	£ 423,699	£ 104,000	£ 750,000	

Context for change

As the CI Lottery profits increased, it became clear that there was an opportunity for the funds to benefit a wider range of Islanders across a broader cross-section of good causes in Jersey.

The UK National lottery, which was set up in 1994, served as an example. The money it raises is donated to good causes by 12 distributors, which includes the Arts Council England, National Lottery Heritage Fund, UK Sport, British Film Institute and the National Lottery Community Fund, which provides funding to people-led projects and activities that help communities to thrive.

It is a long-standing ambition to diversify the recipients of lottery funding in Jersey to share it across other good causes, alongside the registered charities it currently benefits.

In the second half of 2019, a proposal was lodged to appoint a UK charity (Grantscape), to allocate the lottery proceeds in Jersey. Grantscape, which had grant-giving expertise, offered to introduce updated governance and oversight that would be appropriate for the increased levels of funding that had to be distributed and the larger pool of recipients. The aim was to ensure transparency and ease of access for the charitable organisations and good causes that would apply. Part of this new arrangement included distribution of lottery proceeds specifically to good causes in sport (and active lifestyle), heritage, culture and arts in Jersey, in a similar way to the UK National Lottery.

Having listened to public opinion, the Ministerial team of Economic Development, Tourism, Sport and Culture, which is responsible for the lottery in Jersey, decided to withdraw the proposition and explore options to create a new mechanism for distributing lottery funds that would make use of local expertise (if possible).

Options were being explored with a view to making an announcement in March 2020. As an interim measure, the States Assembly agreed [P.105/2019](#) in September 2019 that £1 million of the 2018 lottery proceeds should be given to the Association of Jersey Charities to distribute to community organisations. In September 2020, the States approved [P.99/2020](#), which allocated the remaining balance of £374,112 from 2018 to the Association of Jersey Charities.

Ongoing charity support

Many charity organisations and good causes were negatively impacted by COVID-19 and there is still an urgent need to distribute the available lottery funds in order to support them through a period of reduced income.

The Government recognised this challenge, and in April 2020, the Jersey Funders Group (an alliance of several major donors and grant givers in Jersey, including the Association of Jersey Charities) were asked to form a new body that could assist with the distribution of monies from the Jersey Reclaim Fund, which contains money from dormant bank accounts. There was also an option for the new body to play a role in the expanded lottery distribution.

As a result, the Jersey Community Foundation was established in June 2020, replicating a successful model that already exists across the UK and in Guernsey. It has already provided a number of organisations with funding for COVID-19 related projects, distributing the first £200,000 from the Reclaim Fund in Summer 2020. It is currently assessing applications for the next tranche.

The Jersey Community Foundation (JCF) and the Association of Jersey Charities (AJC) complement each other, providing different sets of expertise and experience that will

ensure effective distribution of funds into the Jersey community and with a new focus on raising additional private funding to benefit local charities and projects.

The JCF will develop sector specific groups made up of islanders with specialist knowledge to provide advice and guidance when considering applications from organisations within the arts, culture and heritage, and sports (and active lifestyles) sectors. This will achieve the aim of widening distribution of lottery funds across a broader section of the community.

The AJC, which was established nearly 50 years ago, will continue to support a large number of Jersey's registered charities, including the Island's most well-known community organisations and smaller good causes. It allocated lottery funds as grants and also plans to expand its role as a focal point for training and for the sharing of resources and good practice among its member charities.

The proposal

It is proposed to allocate the 2019 proceeds on the following basis:

- 50% to registered charities (via the AJC)
- 30% to arts, culture and heritage (via the JCF)
- 20% to sport and active lifestyle (via the JCF)

The JCF and the AJC will each receive £694,134, for onward distribution. This will be accessible to organisations within the arts, culture and heritage, and the sports and active lifestyle sectors that are not eligible for funding from the registered charities allocation distributed by the AJC.

The Service Level Agreements covering the allocations by the two organisations will:

- ensure the proceeds benefit the widest range of good causes across the community in Jersey;
- avoid overlap and duplication;
- ensure that outcomes-based reporting is a requirement of lottery support; and
- ensure the two distributors work collaboratively to streamline and share resources to minimise overheads.

The Service Level Agreements will also ensure that both organisations adhere to the 'additionality' principle when allocating Lottery proceeds. The Minister is committed to ensuring that Lottery funding adds value and is not a substitute for Government expenditure, although it can complement Government funding.

Distribution of the 2019 CI Lottery proceeds will help to support many organisations that have been negatively impacted by COVID-19. By working in partnership with two local organisations in a new way, essential funding can be distributed to multiple organisations across a range of sectors.

This is an annual allocation that will be reviewed before a proposal is brought to the States Assembly for the distribution of the 2020 Channel Islands Lottery proceeds.

Financial and manpower implications

Subject to States approval and the signing of Service Level Agreements, £1,388,268 of the Jersey proceeds from the Channel Islands Lottery will be transferred, as stated and as soon as is reasonably practicable, to the Jersey Community Foundation Limited (£694,134) and the Association of Jersey Charities (£694,134). There are no additional financial or manpower implications for the States arising from this proposition.