

STATES OF JERSEY



CI LOTTERY – ALLOCATION OF 2018 BALANCE (P.99/2020): COMMENTS

Presented to the States on 4th September 2020
by the Economic and International Affairs Scrutiny Panel

STATES GREFFE

COMMENTS

Background

[P.99/2020](#) “Channel Islands Lottery: Allocation of 2018 balance” was lodged on 28th July 2020 by the Minister for Economic Development, Tourism, Sport and Culture (“the Minister”). P.99/2020 asks the States to approve allocating the remaining balance of £374,112 from the 2018 Channel Islands Lottery proceeds to the Association of Jersey Charities (AJC), under the existing Service Level [Agreement](#).

The Economic and International Affairs Scrutiny Panel decided to present these Comments not only to provide Members with its views on the proposition, but also to provide context and background to the proposed allocation to the AJC. The Panel is disappointed that P.99/2020 does not include any detail around the processes undertaken, and the new arrangements in development for the future allocation of the Channel Island (CI) Lottery Fund, which the Panel believes would have helped inform Members as to the reasons behind the proposition.

The Panel received a briefing on the proposition on 20th August from the Director of Partnerships, Office of the Chief Executive. To assist Members in understanding how the present position has been reached, the Panel sets out the background to the proposition as follows.

P.105/2019 Channel Islands Lottery: Allocation of Proceeds from 2018

[P.105/2019](#) was lodged on 24th September 2019 by the Minister for Economic Development, Tourism, Sport and Culture. In 2018, the net proceeds from sales of lottery tickets were £2,145,526. In P.105/2019, the Minister recommended that £1 million of these funds should be given to the Association of Jersey Charities to distribute to community organisations as an interim measure until new arrangements were in place for future distribution of lottery proceeds. The proposition was approved by the States Assembly on 12th November 2019.

At that time, the Panel presented a [Comments](#) paper and was supportive of P.105/2019, given its purpose to allow continuity of charitable funding. The Panel was mindful that a balance of £1,145,526 was still to be distributed from the 2018 proceeds and future arrangements for lottery distribution were being discussed.

P.33/2020 “Channel Islands Lottery: Allocation of Proceeds from 2019” and balance of 2018 Proceeds

Whilst [P.33/2020](#) was in fact withdrawn prior to debate, the Panel considers that Members might find it useful to be reminded of the purpose behind the proposition and the reason for its withdrawal.

The proposal contained in P.33/2020 was to allocate a total of £1,762,380 to the AJC out of the lottery proceeds, this sum to include the balance of the 2018 proceeds not then distributed.

The Panel understands that P.33/2020 was withdrawn because the Funders Group, a body representing the Island's key funders of local charities or charitable projects, was asked by the Minister for Economic Development, Tourism, Sport and Culture and Minister for External Relations to create the Jersey Community Foundation, to which future lottery proceeds, as well as funds from the Jersey Reclaim Fund, might be allocated for onward distribution.

P.99/2020 Channel Islands Lottery: Allocation of 2018 balance

Pending any new arrangements as to future distribution of the lottery proceeds, the Minister has lodged P.99/2020 for the allocation of the remaining balance of £374,112 from the 2018 lottery proceeds to AJC. This figure was identified during the preparation of the 2019 accounts, which revealed that the provision for unclaimed tickets relating to 2018 had been [understated](#), impacting on the profit for 2018. In addition, as P.105/2019 allocated £1 million of the previously declared profit for 2018, the balance of the grant accrued in 2018 has been adjusted to show the remaining unallocated balance in 2018.

Conclusion

The Panel understands the reasoning behind P.99/2020, given that the balance from 2018 has already been allocated to the AJC through P.105/2019. The Panel accepts that the 2018 balance had been understated and considers it sensible that the remaining balance of £374,211 be similarly allocated to the AJC.

The Panel wishes to emphasise that the above Comments apply strictly to the balance of the 2018 lottery proceeds. The Panel is aware that the Minister is giving consideration as to how future distributions of lottery proceeds might best be made, in respect of the organisation(s) responsible in future for distribution of proceeds, the sectors that might benefit and in what proportions. In this additional work, the Panel would expect to be furnished with full information to enable it to conduct a comprehensive review prior to debate of any relevant proposition.