

STATES OF JERSEY



CHANNEL ISLANDS LOTTERY: ALLOCATION OF PROCEEDS FROM 2020 (P.53/2021) – AMENDMENT

Lodged au Greffe on 7th July 2021
by the Economic and International Affairs Scrutiny Panel

STATES GREFFE

CHANNEL ISLANDS LOTTERY: ALLOCATION OF PROCEEDS FROM
2020 (P.53/2021) – AMENDMENT

1 PAGE 2, PARAGRAPH 1 –

Designate the existing paragraph as paragraph (a) and, after this paragraph, insert the following new paragraphs –

- (b) to agree that, subject to (c) below, the funds allocated to the Association of Jersey Charities be distributed solely to registered charities and that the allocation to the Jersey Community Foundation should be distributed on the following basis:
- 40% of the allocation to arts, culture and heritage;
 - 40% of the allocation to sports and active lifestyle; and
 - 20% of the allocation to applied science or applied research in the fields of engineering, biology, ecology, physics, chemistry or mathematics provided that the funds are either to be used locally or for the direct benefit of Jersey, including any education from which local residents may benefit;
- (c) to note and approve the proposal that, out of the allocation of the funds referred to in paragraph (b) above, each of the Association of Jersey Charities and the Jersey Community Foundation shall be entitled to cover its reasonable costs for undertaking its work involved in distribution of such funds with Service Level Agreements (SLAs) to be entered into by those organisations providing that such costs amount to no more than 10% of the total sums received and that any underspend at the end of 2021 be added to the amounts available for distribution;
- (d) to request the Minister for Economic Development, Tourism, Sport and Culture to present the S.L.A.s referred to in paragraph (c) to the States and to make copies available via the Government website”.

ECONOMIC AND INTERNATIONAL AFFAIRS SCRUTINY PANEL

Note: After this amendment, the proposition would read as follows –

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

(a) to agree, in accordance with the provisions of Regulation 4(5) of the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975 to agree the allocation of £1,523,936 to the Jersey Community Foundation and the Association of Jersey Charities, divided equally between them, for onward distribution in support of the Island community;

(b) to agree that, subject to (c) below, the funds allocated to the Association of Jersey Charities be distributed solely to registered charities and that the allocation to the Jersey Community Foundation should be distributed on the following basis

- 40% of the allocation to arts, culture and heritage;
- 40% of the allocation to sports and active lifestyle; and
- 20% of the allocation to applied science or applied research in the fields of engineering, biology, ecology, physics, chemistry or mathematics provided that the funds are either to be used locally or for the direct benefit of Jersey, including any education from which local residents may benefit;

(c) to note and approve the proposal that, out of the allocation of the funds referred to in paragraph (b) above, each of the Association of Jersey Charities and the Jersey Community Foundation shall be entitled to cover its reasonable costs for undertaking its work involved in distribution of such funds with Service Level Agreements (SLAs) to be entered into by those organisations providing that such costs amount to no more than 10% of the total sums received and that any underspend at the end of 2021 be added to the amounts available for distribution;

(d) to request the Minister for Economic Development, Tourism, Sport and Culture to present the S.L.A.s referred to in paragraph (c) to the States and to make copies available via the Government website.

REPORT

Background:

In December 2020 the States Assembly approved an amendment to P.141/2020 Channel Islands Lottery - Allocation of 2019 Proceeds which stated that proceeds allocated to the Association of Jersey Charities (AJC) should be distributed solely to registered charities.

The allocation to the Jersey Community Foundation (JCF) should be distributed on the basis of 40% of the allocation to arts, culture and heritage; 40% of the allocation to sports and active lifestyle and 20% of the allocation to applied science of applied research in the fields of engineering, biology, ecology, physics, chemistry or mathematics, provided that the funds are either to be used locally or for the direct benefit of Jersey, including any education from which local residents may benefit.

The Panel has noted that although the recently lodged P.53/2021 Channel Islands Lottery – Allocation of 2020 Proceeds continues with the principle of this amendment, the wording is contained within the accompanying report to the Proposition and not the Proposition wording itself. The Panel therefore wishes to amend this to reflect the wording be contained within the Proposition.

Distribution Cost of Lottery Funding:

Whilst the Panel is extremely supportive of the excellent work undertaken by both the AJC and the JCF (both of which themselves are registered charities) it is aware that each of these organisations charge a fee for the distribution of the lottery distribution to enable them to discharge their responsibilities under the terms of the SLAs; the Panel has been advised this can be up to 10% of the overall lottery proceeds allocated, which total fee could therefore amount to £152,000. The Panel recalled that the Minister for Economic Development, Tourism, Sport and Culture withdrew the proposition Channel Islands Lottery: Allocation of Proceeds from 2018 (P.87/2019) to offer a contract to GrantScape, due to their quoted cost of distributing the charitable proceeds. However, the Panel distinguishes between a fee paid to a commercial organisation based outside the island and any paid to local organisations whose objectives are wholly charitable.

Service Level Agreements (SLAs) are being finalised for the 2020 distributions for both the AJC and JCF. The panel is not aware of any confidential or commercial sensitivity within these documents which might otherwise prevent their being presented to the States Assembly and, in the interests of transparency, the Panel's amendment therefore seeks such presentation so as to inform both States Members and members of the public of the application of the allocated funds including the level of costs.

Panel Amendment:

The Panel's Amendment is in two parts, the first of which follows a similar format to the amendment of P.141/2020 lodged by Deputy Gregory Guida in December 2020 and provides a detailed breakdown of how the funds allocated are to be distributed and the second part is to inform States Members and the public as to the level of costs involved in distributing the funds under the terms of Service Level Agreements.

The Panel understands that, whilst the proposition as to distribution of the 2019 lottery proceeds was approved in December 2020, the relevant funds for onward distribution were only made available to AJC and JCF in June 2021. The Panel expresses the hope that, if proposition P.53/2021 is approved by the Assembly, the 2020 proceeds will be

paid to AJC and JCF shortly afterwards to enable them to make onward distributions in accordance with the SLAs.

Financial and manpower implications

There are no additional financial or manpower implications for the States arising from this proposition.