

PUBLIC LOTTERIES: REPORT FOR 2001

**Presented to the States on 12th March 2002
by the Gambling Control Committee**



STATES OF JERSEY

STATES GREFFE

120

2002

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REPORT

Introduction

The Jersey Gambling Control Committee, in accordance with the provisions of Regulation 4(4) of the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975, has the honour to submit to the States a report of the Public Lotteries promoted and conducted by the Channel Islands Lottery Committee from 11th January 2001 up to and including the Draw of 20th December 2001 - together with an income and expenditure account and balance sheet.

Channel Islands Lottery Committee

Policy for the Lottery is decided by the Channel Islands Lottery Committee. The President and members of the Jersey Gambling Control Committee and three members from the Guernsey Gambling Control Committee constitute that Committee.

Committee changes

In February 2001, the then Gambling Control Committee resigned and the States appointed a new Committee. The members of the Committee are -

Deputy L.J. Farnham - President
Senator C.G.P. Lakeman - Vice-President
Deputy I.S. Nicholls
Deputy J-A. Bridge

The Committee, together with its Guernsey partners, set about the task of reshaping the Lottery as a business, exploring more closely the possibility of the Islands joining the National Lottery, and creating a stronger relationship with the Public Lotteries Board.

Public Lotteries Board

For the purpose of advising the Jersey Gambling Control Committee on general matters connected with the Lotteries and for conducting the Draws held in Jersey, the Public Lotteries Board is constituted, in accordance with Regulation 3 of the 1975 Regulations, as follows -

Mr. I.T. Barnes (Chairman)
Mr. P.S. Cruickshank
Mr. D.A. Wallis
Mr. J. Clennett
Mr. G.J. Roscouet
Mr. P. Crespel
Ms. M. Horton
Mr. C. Fairbairn (Secretary).

The Committee would like to record its appreciation of the time and effort given by members of the Public Lotteries Board, without whom the Lottery could not take place. Presiding at Draws, however, is only one part of the duties of members in the course of the year, and the Board were involved in advising the Committee on many different issues connected with the game play, marketing and promotion of the Lottery.

Their experience and dedication continues to play an important part in maintaining a viable future for the Lottery during a period when it has undeniably been under intense competition.

In August of the period, Paul Crespel, a member who had been a Main Agent of the Committee for some years prior to joining the Board, and who had great knowledge of the Lottery business, tendered his resignation from the Board. The Committee records its thanks to him.

The policy of the Committee

Immediately prior to its decision to resign, the previous Committee successfully brought a Report and Proposition to the States regarding the future format and allocation of profits of the Channel Islands Lottery. It was decided, therefore, that all and any profits for the period would be given to the Association of Jersey Charities to distribute, on behalf of the Committee

and the States, to deserving charitable causes on the Island.

The Committee had a strong belief that the Islands should retain its own public lottery - one that could continue to provide funding for charitable and other projects as well as giving enjoyment to players. The strategy of the Committee in 2001, first referred to in the 2000 Report, was continued and built upon during the period.

Strategy 2001

1. **To inject £16,000 of forfeited prize money into supporting Draws in 2001.**
2. **To launch a series of four ‘Treble Chance Draws’ from January 2001, using a total of £2,000 of forfeited prize money at each Draw to provide a second Instant Scratch box equal to four £500 extra prizes.**
3. **To continue with four more ‘Treble Chance Draws’ up until Draw 8 on 7th June 2001, using the remainder of the allocated forfeited prize money at £2,000 per Draw.**
4. **To change the Regulations without delay to enable a ‘Full Scratch Card’ Game to be launched following the end of ‘Treble Chance Draws’, in June 2001.**
5. **To continue the information gathering process on the National Lottery’s possible introduction to the Islands.**
6. **Subject to success in negotiations, to introduce the National Lottery to the Islands as a future vehicle for fund raising for good causes.**

The Treble Chance Game was successfully introduced and extended beyond the June period until November. At the same time, it was realized that the success of any lottery depends upon capturing the imagination of the public and that this in turn depends upon a progressive change in format. To that end, having previously secured the States’ agreement in principle to the concept of a Full Scratch Card game, the Committee was successful in bringing an amendment to the Gambling (Channel Islands Lottery) (Jersey) Regulations in late July of the period which makes possible its introduction in the future. Main features of the States’ decision are that the lottery should have a varied format including -

- (i) a combination of instant prize and numbers draw;
- (ii) instant prizes only;
- (iii) a numbers draw only; and
- (iv) to charge the Gambling Control Committee to bring forward for approval by the States the necessary legislation to give effect to the proposals.

The National Lottery

The newly constituted Committee together with its Guernsey partners immediately set about investigating the possibility of extending the National Lottery to the Islands.

During the course of the year, three visits were made to the United Kingdom to meet officials of the Lord Chancellor’s Department, the National Lottery Commission and Camelot. These culminated in a meeting in November between officials from both Islands with officials from the Lord Chancellor’s Department, the Department for Culture Media and Sport, H.M. Treasury and H.M. Customs and Excise, which set out to establish the actions that would have to be taken by the various parties if the National Lottery is to be extended to the Island.

The Committees of both Islands now have a clear understanding of how the National Lottery might be extended to the Islands and also the wider associated issues that come into play.

Main Agents

The Committee maintained four appointed Main Agents who acted on its behalf in distributing tickets to the many hundreds of sub-agents in the Island as well as selling tickets directly to the public.

The Main Agents were -

Mr. J. Toudic
B.B. O’Connor Ltd.
Mr. and Mrs. M. Vowden
Mrs. S. Le Brocq

All Main Agents purchased tickets at a discount of twelve per cent for all Treble Chance Draws during the year and thirteen

per cent for the Christmas Draw in respect of the guaranteed sales. All purchases in excess of the initial guaranteed amounts were at fifteen per cent for normal Draws and eleven per cent for the Christmas Draw.

All agents, including sub-agents, were offered an additional commission equal to one per cent of any winning ticket sold by them of a value of £750 or more. The agent however, had to register with the Lottery Controller and purchase a special stamp number to stamp the reverse side of all his tickets, in order to receive the ex-gratia payment.

At the end of August Mrs. Sue Le Brocq tendered her resignation as a Main Agent of the Committee, with her Agency being taken over by B.B. OConnor Ltd. The Committee records its appreciation both to Mrs. Le Brocq and the remaining Mair Agents for their hard work and enthusiasm during the year.

The Lottery Game

The Treble Chance Lottery game was similar to that which preceded it, with the addition of a second scratch panel containing four prizes of £500. These four extra prizes were financed from prizes left unclaimed from previous years and carried forward in both Islands to provide the additional Bonus scratch panel.

In addition to the Bonus scratch prizes, the Treble Chance Game included the following range of prizes -

(A) DRAWN PRIZES

Top Prize	£20,000 MINIMUM*
Four Prizes of £250	£250
50 Prizes of £100	£100

*** For every 1,000 tickets sold in excess of 80,000 tickets, £500 will be added to the value of the Top Prize.**

(B) INSTANT PRIZES

Inserted into the issue of tickets printed there will be -

One Prize of £5,000
40 Prizes of £25

Inserted into every 2,000 tickets printed there will be -

Ten Prizes of £10
Ten Prizes of £5
40 Prizes of £2
170 Prizes of £1

Total: 230 Instant Prizes worth £400

The introduction of the new Bonus panel saw a stabilization of sales in the early part of the year. It was agreed after consultation with the Main Agents in both Islands to continue with the Treble Chance game for the remainder of the year. To keep public interest, new game plays were planned for the year by the C.I. Lottery Committee based upon a Noughts and Crosses format between April and June, followed by Crown and Anchor until the end of August.

The game format changed again in September until the Christmas Charity Draw, based on a 'Bag the Cash' theme, which relied on the player correctly identifying three cash bags of winnings.

Sales for these draws continued to fall, and the Committee was eager that the final draw of the year, the Charity Christmas Lottery, should be one of the most successful ever promoted.

The Christmas Charity Draw

The planning and promotion of the Christmas Charity Draw remains the most important of the year. In a time of declining sales, the Christmas Draw continues to draw significant public interest and support without which the C.I. Lottery would not continue its important work of providing funds for local Charities.

Previous Christmas Draws having been successful, the Committee was confident that it could sell the 800,000 tickets needed to provide a very high top prize and surpass the performance of the previous year. Planning started early in the summer with marketing designed in-house to keep down costs. An important contribution was made by the Islands' media, for

broadcasting and printing the Committee's daily Press Releases, which played an invaluable part in the successful promotion of the draw.

In the event, tickets sales surged from the outset, with the £150,000 starting value of the top prize rising to over £200,000 within two weeks. The top prize continued to climb rapidly, allowing additional reserves of tickets to be called upon from stocks held in Guernsey. The Committee are delighted to report that just 2,000 tickets were left unsold from a Jersey issue of 424,000 tickets on Lottery Day.

Guernsey also experienced excellent ticket sales, selling over 350,000 tickets, which amounted to a joint sales level of 772,500 tickets by Lottery Day. For their effort and hard work in this co-operative effort, the Jersey Committee would like to publicly recognise the contribution played by the Guernsey Committee and its Secretary, Mr. C.W. Hunt. Working together the C.I. Lottery Committee achieved a top prize of £267,000, the third highest since Channel Island Draws began in 1975.

The Lottery Show

Channel Television continued to broadcast the Lottery Draw in a programme hosted by Sharon Campbell and sponsored by Stanley Racing. The programme was broadcast immediately after each and every Draw of the year and continued to attract a wide audience throughout the Channel Islands. The appreciation of the Committee goes to Stanley Racing for this important contribution to Island life and also to Michael Lucas, Managing Director of Channel Television and his staff for their help and enthusiasm during the year.

Marketing and promotion

Marketing for the Lottery was undertaken by Committee Officers, ably assisted by the local representative of Scientific Games, Mr. Richard Eker. The result was an imaginative and colourful campaign transmitted through poster, press and television that provided a very positive Lottery message at a price that fell inside of the budgeted figure.

The year's ticket sales

The very successful Christmas Charity Draw was responsible for 33.8 per cent of the total sales for the year and kept the Lottery viable. This would give credence to the anecdotal evidence pointing to greater ticket sales for Draws with greater than normal prizes. The remainder of the draws promoted on a three-week cycle saw a steady decline from Draw 1, where close to 80,000 tickets were sold through the summer season, where sales flattened out to a level of approximately 63,000 tickets, falling away to just below the 50,000 level before the Christmas draw. Guernsey sales also declined, albeit not as steeply.

Ticket sales for the period therefore recorded a fall of 15.2 per cent in Jersey and 6.5 per cent in Guernsey. Joint sales fell by 11.3 per cent year on year.

The Lottery website at www.gov.je

With the assistance of the Computer Services Department, the Lottery results for current and past draws were made available as part of the States of Jersey Website.

The Association of Jersey Charities

Founded in 1971 after discussions between Lord Mountbatten of Burma and Sir William Butlin at the Jersey Variety Club, the Association of Jersey Charities now represents approximately 200 Jersey charities. The Committee is pleased to support their efforts for local charitable causes and recognise the importance of Channel Island Lottery profits as the mainstay of the Association's funding. This was fundamental in the decision of the Committee to ask the States to support the grant of Lottery profits to the Association for the year. This amounted to a grant by the States of £137,532.00.

Grants by the Association are only available to its members from the second year of membership and are considered at each of its Quarterly Meetings. Applicants having already made formal written application describing the use to which the grant would be applied, then have to give a short presentation and answer questions from the membership at the meeting. No grant is made in excess of £20,000.00 to any member during the same financial year in order that the greatest possible number of charitable causes may benefit from the funding.

Not all applications are successful, however, as they undergo the strictest scrutiny. The relationship whereby the Committee is able to delegate awards to the Association, who are then able to assist its membership, works well. The grants approved in 2001 by the Association of Jersey Charities are listed below, and well illustrate the very real benefits accrued by Lottery

profits for the benefit of local good causes.

List of grants approved in 2001

	£
Jersey Animals Shelter - replacement vehicle	14,000
Jersey Children's Holiday Group - travel costs for disadvantaged children	5,000
The Shelter Trust - carpeting and partially furnishing shelter for the homeless	19,682
Glanville Residential Home - contribution to replacement of roof	20,000
Little Sisters of the Poor - upgrade central heating system	20,000
Headway - contribution to purchase of minibus	10,000
Les Amis Incorporated - refurbishment of bathrooms and toilets	15,000
Abbeyfield Jersey Society - roof repairs to Residential Home	20,000
Jersey Arts Centre Association - renewal of lighting dimmer system and control desk	13,850
TOTAL	137,532

The administration charge

The charge, equal to 1.5 per cent of the tickets sold by the Guernsey Committee and paid to the Committee, is a contribution made in respect of work undertaken for the administration and management of the Lottery, and in the undertaking of lottery draws.

The payment fell to £16,176 during the period, [£17,302 in 2000] reflecting lower sales and went some way to offset the recharges made by the States Treasury in connection with the payment and reconciliation of winning tickets, and the financial management of the Lottery Fund.

States Treasury recharges

Included in the total Draw Expenses for the period is the sum of £54,700 [£40,600 in 2000] which refers to charges made to the Committee for the many services provided by the Treasury including the administration of the Lottery (Jersey) Fund, preparing accounts on behalf of both Islands, reconciling winning tickets, paying commissions, auditing accounts and being present at all Lottery Draws.

The Gambling Control Department

In line with States policies and endeavouring to offer best value, the Department continued to lower its fixed and other costs. In line with the anti-inflation strategy, costs of permits and registration of clubs and societies were maintained at the previous year's level.

The Committee's Gambling and Lottery Controller, Mr. C. Fairbairn, announced in late October his intention to resign after 27 years' service. The Committee wishes to record its thanks and wishes him well in his retirement. The Committee also wishes to note the contribution of the Lottery Assistant, Jenny Turner, who has completed 25 years of service to the Committee.

The Committee is pleased to note the appointment of Mr. Bevan Anthony as Executive Director to the Gambling Control Committee with overall responsibility for the Jersey side of the Channel Islands Lottery, as well all Gambling Control matters.

Channel Islands Lottery (Jersey) Fund
Balance sheet as at 31st December 2001 (unaudited)

	2001		2000	
	£	£	£	£
FUNDS EMPLOYED				
Accumulated Fund		133,920		133,920
Balance held on behalf of the Sport, Leisure and Recreation Committee		127,862		197,012
Balance held on behalf of the Association of Jersey Charities		67,237		0
		<u>329,019</u>		<u>330,932</u>
REPRESENTED BY				
<i>Current assets</i>				
Debtors and prepayments	279,309		248,214	
Cash	<u>439,765</u>		<u>518,761</u>	
		719,074		766,975
<i>Current liabilities</i>				
Uncollected prizes	262,720		248,627	
Creditors	<u>127,335</u>		<u>187,416</u>	
		(390,055)		(436,043)
		<u>329,019</u>		<u>330,932</u>

Notes:

- Included in the surplus of **£217,237** (2000 - £289,612) is a sum of **£88,170** (2000 - £83,920) relating to time-expired prizes which have been credited back to the fund. The surplus for the year excluding time expired prizes in 2001 is **£129,067** (2000 - £205,692).
- In accordance with a States decision of 13th February 2001, the lottery profits from the Channel Islands Lottery during 2001 should be paid to the Association of Jersey Charities for the benefit of the community and the charitable needs of the Island.
- The Gambling Control Committee has directed that the surplus arising from time-expired prizes of £88,170 be transferred to the Accumulated Fund to be utilised to support future draws. The remainder of the unappropriated lottery profits has been made available to the Association of Jersey Charities.
- Included within the amount **£279,308** (2000 - £248,214) shown under debtors and prepayments, is a sum of **£279,308** (2000 - £247,607) relating to the amount due from the States of Guernsey for its share of the expenditure of the Channel Islands Lottery.