

January 2009 Quick Survey – Further Analysis of Lottery Comments

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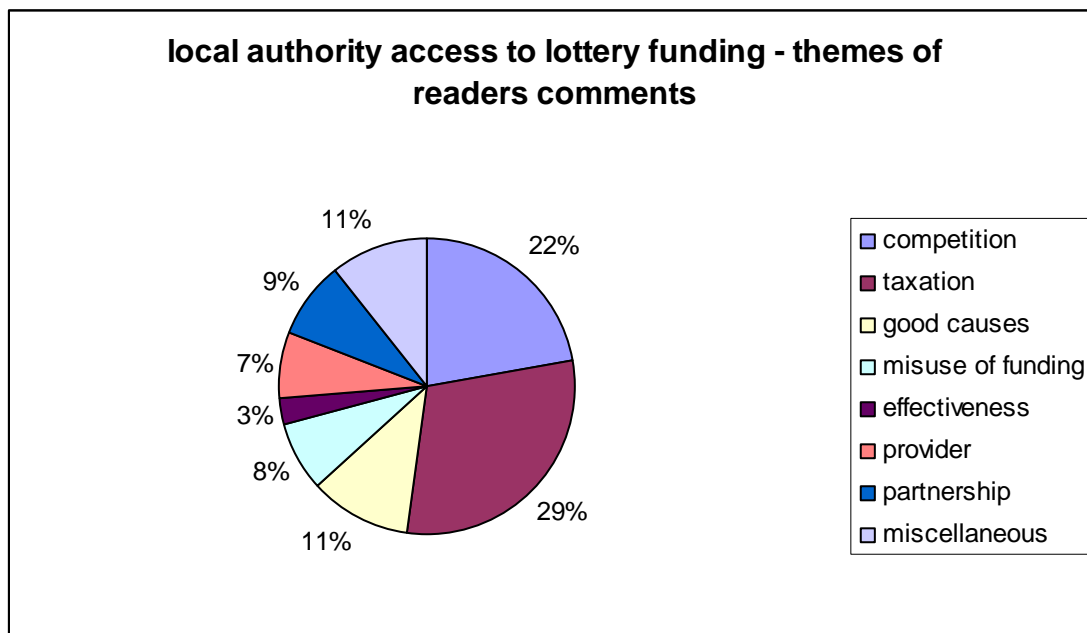
In our January E-news survey we asked the following question: Should local authorities have access to lottery funds?

DSC provided a snapshot analysis of reader responses in its February 2009 enewsletter. However, there were nearly 450 comments left by readers which we thought were deserving of further analysis.

In general, the results showed mainly negative responses to the potential inclusion of local authorities in the bidding process for lottery funding, with a few positive and conditional outcomes raised.

1. Graphic representation of results

A number of recurrent themes became apparent when reading through the comments. After reviewing all the comments a set of eight categories was developed based on the themes which emerged. These were then calculated and the prevalence of particular themes is represented in the in the chart below. Following the chart each individual category is described in more detail, along with some selected comments for illustration.



2. Themes of comments provided in response to survey question

22% – (Competition) Creating competition and reducing funding available for Voluntary and Community Sector (VCS) groups

29% – (Taxation) Lottery funding subsidising taxation and statutory services

11% – (Good causes) The definition of a ‘good cause’ and political control of funded projects

8% – (Misuse of funding) Money given to local authorities could be misused

3% – (Effectiveness) VCS groups can use funding more effectively than local authorities

7% – (Provider) It is the activity being funded that is important; the body delivering it is irrelevant

9% – (Partnership) Local authorities should be able to access lottery funding through working in partnership with VCS groups

11% – (Miscellaneous) Could not be categorised because the meaning was unclear or comment was unrelated to the topic

3. Further description of themes including representative comments

(22%) Creating competition and reducing available funding for Voluntary and Community Sector (VCS) groups

There is a great amount of pressure on VCS groups to secure vital funding due to competition within the sector. Allowing local authorities to bid for these funds would overwhelm VCS groups as they have bigger budgets and are often better-resourced to write applications, in addition to having access to a wider range of funding:

‘It is hard enough for voluntary organisations and charities is difficult enough with the competition that is out there without having to compete with local authorities as well – besides which they have paid employees well versed in accessing funding pots from other sources, and it would be unfair competition for them to be able to access this as well’

‘It is enough that they double their budgets through ESF, ERDF and LEADER funds in competition with third sector organisations’

Many people who commented also mentioned that there is already a lack of funding for the voluntary and community sector, and that lottery funding is one of the most important sources of support.

‘Lottery funding has become the lifeblood of many small local charities, and it would be disastrous if Councils took this away from them’.

In light of the recession, some people connected this idea to the attitude that lottery funding should be restricted to VCS groups, as it is becoming increasingly difficult to obtain funding from other avenues that have been affected by the economic downturn:

In the recession lottery money should be focused on charities (but not to the complete exclusion of local authorities) Doing so removes the temptation to substitute lottery cash for conventional public spending - and helps deal with the increased difficulty in raising cash from business and individuals.

(29%) Lottery funding subsidising taxation and statutory services

Many people indicated that giving lottery funding to local authorities could be considered as subsidising or replacing taxation, insofar as it might be used to subsidise services that should already be funded by central government and local taxes:

Surely if funds from the lottery went back into public services that would make buying a ticket a stealth tax. And it is the poorer people in communities who spend most on the lottery. Originally, the pledge was that the 'good causes' money would not go to provide or subsidize statutory funds. However, if you kept the amount going to good causes the same but increased the tax on profits of Camelot that could provide the income for LA's.

Some comments suggested that if local authorities had access to lottery funding, it would allow central government to cut its own funding to local authorities, making them more reliant on lottery and other sources of external funding:

'Central Government will inevitably use any extra external funding to LAs to cut its own funding to LAs - leaving less money overall to help people and issues that need on the ground support locally. The Lottery should support the additional, essential support provided by the third sector, not prop up core public services.'

Many comments also cited the 2012 Olympics as a drain on lottery funding, which has had a detrimental effect on the level of funding awarded to VCS groups:

'It has been made to shrink enough for the NGO sector because of the Olympics'

Some comments however, have suggested that most lottery ticket-buyers are aware that these ticket sales fund the Olympics, and are happy to contribute to this:

I think that people who purchase Lottery tickets are quite happy that a proportion of the money is allocated for 'good causes', which they understand to mean charities. We know that money is being given to the 2012 Olympic fund; when I was at school in the 1960s we had a fund box at our playing field that was used to fund the Olympic athletes who, at that time, were amateurs. The 2012 Olympic fund is not viewed in the same way but, as long as everyone is honest and says how much is going towards this major national event which will promote sport and good health, lottery ticket purchasers are happy to contribute. This will also alleviate some of the burden placed on British taxpayers

(11%) The definition of a 'good cause' and political control

A number of comments showed that local authorities are not perceived to be 'good causes', which the lottery was set-up to fund. In connection with this, many people believed that if the lottery was used to fund local authorities, its main functions would

change to further government priorities rather than to support the voluntary sector, which goes against its original intentions:

Lottery tickets are sold on the understanding some proceeds go to "good causes". I don't think buyers would consider subsidising LAs as being a good cause.

This would be a significant further step in the government's takeover of lottery funds. The whole initiative was launched on the firm pledge that lottery funds would only support additional funding for charities – in open programmes. Over recent years this pledge has been steadily eroded, or hijacked, so that the main functions of the lottery is to fund core governmental priorities with highly targeted outcomes.'

(8%) Money given to local authorities could be misused

Some comments claimed that if local authorities were given access to lottery funding, they would not spend the money appropriately, and would be used to cover core costs such as staffing, or to prop-up departmental budgets:

'I have worked at a senior level in local government for more than 8 years and have seen a level of waste of grant funding that is frankly immoral. Big Lottery Funding should not be used as either a central or local government slush-fund and I strongly oppose this.'

(3%) VCS groups can use funding more effectively than local authorities

A few people argued that VCS groups offer a better and more personal approach to serving the community's needs, and can utilise the funding more efficiently. A number of comments discussed the inability of local authorities to meet those needs in the same way, stating that they don't understand communities or have a positive track record of working within communities. By contrast, VCS groups were closer to local people and more responsive to their communities' needs. If lottery funding was used by local authorities, it could be 'taking away from the real people and organisations who do the real work on the ground':

'They don't reflect the needs of people at grassroots – it should be consortiums of local groups who understand what is needed on the ground and know how to make full use of the money, not spend it on endless policy documents and overpaid executives!'

It was also suggested that VCS groups are more innovative than local authorities in delivering their services, and that local authorities can be inflexible and rigid.

One user left the following comment which helps to sum up these arguments:

'Local authorities do not have all the answers to improving communities and if the Govt. is going to be true to their word, the Lottery should be used to empower community groups to bring about positive change to their community on their own terms'

(7%) It is the activity being funded that is important; the body delivering it is irrelevant

Some people argued that local authorities could deliver projects to the same standards of voluntary organisations, and therefore should be entitled to access lottery funding. However, it was also suggested that access to lottery funding should be conditional on funding activities being discretionary, and not the statutory responsibility of the local authority, to support the principle of additionality.

To exclude LA's loses so many opportunities; however the money should not be used for mainstream statutory services but to provide clearly new and additional services and staff to a project to pump prime the initiative. LA's are not the dreadful dragons that people often perceive them to be but are good at enabling and spearheading regeneration and community development.

(9%) Local authorities should be able to access lottery funding through working in partnership with VCS groups

It was argued in many comments that local authorities should be able to access lottery funding through working with VCS groups, offering services and support-in-kind such as help with application-writing, financial management and free legal and technical advice. This could provide stability for projects if VCS groups faced any difficulties that may otherwise force them to cease operating.

'Local Authority and Wigan Leisure & Culture Staff (particularly in Wigan) drive forward collective groups of voluntary sector organisations and/or support individual organisation. Such groups can provide more of a strategic approach to project planning and also have access to the resources to enable projects to be delivered/rescued if they start to waiver.'

(11%) Miscellaneous – Comments that could not be categorised because the meaning was unclear or unrelated to the topic