

## Written evidence submitted by Local Hospice Lottery

### Submission to the Digital, Culture, Media and Sport Select Committee's inquiry on the impact of COVID-19

Local Hospice Lottery is a wholly owned subsidiary of Farleigh Hospice (registered charity no. 284670) and exists to be the leading lottery for hospices, providing additional funding and opportunities for growth by inspiring people to support their local hospice in a fair, open and affordable way. We currently work with 23 hospices and last year contributed £5.5 million to hospice care. Our submission is based on the experiences and comments of Local Hospice Lottery and our partner hospices.

Local Hospice Lottery is a member of the Lotteries Council and has commented on and supports the Council's submission to the DCMS consultation, recognising that the response echoes many of Local Hospice Lottery's experiences.

#### • What has been the immediate impact of Covid-19 on the sector?

Over 90% of Local Hospice Lottery's new members are recruited through face-to-face fundraising either at retail and other outlets and via door-to-door approaches. During 2019/20 we had recruited in excess of 50,000 new weekly game numbers to play at £1 each. From the middle of March 2020 our fundraisers experienced resistance and queries as to the appropriateness of face-to-face fundraising and as such we halted all face-to-face fundraising activity on 17<sup>th</sup> March 2020. Following subsequent Government announcements and criteria for lockdown, our face-to-face fundraising remains halted. This has led to a significant reduction in recruitment of new members.

In addition to the significant loss of new members, the first week of April 2020 saw one of the highest weekly cancellation rates of membership ever experienced by Local Hospice Lottery. Whilst this has subsequently subsided, and weekly cancellations are now less than the average for 2019/20, the combined effect of the above two factors has been to reduce weekly gross income below budgeted levels.

The cessation of face-to-face fundraising has had a significant impact on our fundraisers, with all fundraising staff furloughed in March 2020. Reductions in processing have also led to other office-based staff being furloughed.

We also experienced considerable extra administrative work, initially to ensure that we could operate remotely and continue to run the draw compliantly for the benefit of our players and our hospice partners, and subsequently in understanding and applying for various Government schemes.

Significant initial concerns from our partner hospices across England, Scotland and Wales about the decline in other areas of their fundraising have temporarily subsided due to the additional Government funding for hospices. There is however significant concern about the sustainability of the traditional hospice fundraising model that relies on voluntary sources for over two thirds of its income. With operation of charity shops paused, concern for the welfare of an aging volunteer workforce in hospice retail expected to limit openings, and suspension of all mass participation

and community fundraising, a number of our partner hospices are already consulting with staff about closing services.

It is also important to note that as Local Hospice Lottery responded to the Covid-19 Pandemic, additional time and resource has been applied to diversify our fundraising approaches. This has been appreciated by our partner hospices and, although not at the levels to fully offset the loss of recruitment planned from face-to-face fundraising, the increase in on-line recruitment has positively impacted membership.

We have also increased communication with our players and seen positive responses to our retention campaign.

The lack of any update from the Fundraising Regulator about face-to-face fundraising since 30<sup>th</sup> March 2020, when they advised the sector that this must cease - despite a number of changes in Government Guidelines and the opening of non-essential retail on 15<sup>th</sup> June - causes concern as to the ability to return to this activity, despite work undertaken by our technology suppliers to enable this form of fundraising to be carried out in-line with social distancing measures.

**• How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?**

As mentioned above Local Hospice Lottery has utilised the Coronavirus Job Retention Scheme with its employed fundraisers. For the period of March, April and May this has had a significant positive impact on the staff - who have financial security; on our business - enabling us to manage costs and retain staff; and importantly on our partner hospices - enabling us to continue making donations at this time of increased financial need.

The rules of the furlough scheme meant that 7 of our newer staff were ineligible for the scheme. Although they joined before the end of February, the additional requirement of the scheme for staff to be included on RTI data by 19<sup>th</sup> March was unfeasible for most employers running a monthly payroll.

Our hospices partners have benefitted from additional funding announced by the Chancellor and this has provided a major relief in the short term. One of our partner hospices reported a 40% loss in voluntary income within weeks of Coronavirus impacting.

**• What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?**

Whilst short term income is relatively stable, based on reduced costs and a relatively stable membership over the past two months, the impact of not being able to replace cancelling players, let alone increase membership, will be felt by all of our partner hospices.

Within weeks of the Coronavirus Pandemic we undertook a re-forecasting of our financial situation. This highlighted a significant long-term loss in income due to our inability to undertake face-to-face fundraising.

The support schemes currently available are a vital lifeline but, at the same time, are a source of uncertainty due to their closure by the end of October and with even more urgent uncertainty in terms of the support package for hospices.

We would like to see the Government take steps to incentivise giving to charity at this time, starting from a simplification of the gift aid scheme to allow charity lotteries to claim Gift Aid.

**• What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?**

Whilst a number of the Government Schemes have clearly been beneficial for hospices in the short term, the long-term impact of Covid-19 on the nation's health, wealth and wellbeing is unknown and is likely to create significant difficulties for hospices and the broader charity sector.

In particular the anticipated economic downturn would be expected to impact charitable giving at a time when the demand for charity services will expand. DCMS and other Government Departments would gain from a more inclusive approach to charity at this time, recognising the vital role they play as part of civil society in meeting multiple needs.

**• How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?**

The experience of Local Hospice Lottery to innovate and broaden its fundraising beyond face-to-face approaches is likely to be replicated and ongoing innovation in fundraising will be crucial.

Local Hospice Lottery supports the Lotteries Council's proposal for the sector to have access to an innovation fund that supports the development of digital platforms, as well as the appropriate data management and protection, in charities and lotteries.