

Society lotteries consultation

<https://www.gov.uk/government/consultations/consultation-on-society-lottery-reform>

ALL Consultation responses should be submitted via the online survey.

Large Society Lotteries

Do you consider that the individual per draw sales limit should be amended?

- No - the limit should remain at £4 million
- Yes - the limit should be reduced to £2.5m
- Yes - the limit should be increased to £5 million (Government's preferred option)
- Yes - the limit should be increased to £10 million
- Other: please specify

The Heritage Alliance's manifesto contained 5 specific asks for Government from the Heritage sector. One of these was to 'Continue to back Lottery funding for heritage'. We stated that the Heritage Lottery Fund has transformed the way we care for our heritage. We call on all political parties to protect the 20% share of National Lottery funding for HLF, and to explore opportunities to enhance that still further to meet emerging needs. Historic England and the Arts Council join HLF as the bedrock of the sector. Their future stability and adequate funding is crucial'.

We do not feel that enough research has been done on the potential impacts of changing the limits, especially the impact of the Government's preferred option of increasing the limit may have on the National Lottery and the set percentages this donates to good causes. The Heritage Lottery Fund and other National Lottery distributors are vital to the future of the heritage sector in a time of restricted grant availability. Anything which has the potential to impact the £7.9billion the HLF has awarded to over 43,000 projects since 1994 must only proceed based on full evidence that no harm at all will be caused. This does not currently seem to be the case. The Government should commission further research before proceeding with any proposals.

In addition, large society lotteries should be obliged to give at least the same proportion of funds to good causes as the National Lottery. They should have to fund the same mix of good causes as the National Lottery to avoid some sectors, such as heritage, losing out which do not have the resources to organise their own large society lotteries.

We are very concerned that the consultation states that 'there is insufficient evidence at present to predict the full impact of further deregulation on The National Lottery, though this could have the potential to be significant. Larger increases to the limits for society lotteries may not see sales rise to a level that would challenge The National Lottery's monopoly, but they could change the landscape in which it operates'. Any further action which may put at risk the vital support provided by the National Lottery should not be proceeded with until these risks have been fully explored. We note that the consultation states that the 'Gambling Commission has advised that small changes to existing limits are likely to have minimal impact on The National Lottery' without providing details of

that advice and what research it is based on. The Government has also ‘asked the Gambling Commission for information on possible impacts to the sector of cutting the per draw and prize limits’. Until this information is shared it is impossible for us, or other respondents to this consultation, to take an informed view.

We also note that the Government considers that ‘changes to the wider landscape may affect the forthcoming competition for the Fourth National Lottery licence, and potentially deter bidders as a consequence’. The proposed changes then may already have a negative impact on the good causes which rely on the national lottery for funding as bidders to run it may build falling sales and profits into their margins.

The Government recognises that ‘in the Netherlands sales of the two national lotteries dropped following growth of a large society lottery’ – this should provide a warning not to proceed without further detailed research.

The Earl of Clancarty highlighted, [in a question for Short Debate in the House of Lords](#), concerns over the large advertising spend of society lotteries. This is bound to increase if the Government’s preferred options are proceeded with, potentially draining players away from the National Lottery.

In that debate, Lord Foster of Bath (LD,) pointed out that umbrella-type lotteries, give less money to good causes and do not pay taxation in the same way as the National Lottery. If these changes are to go ahead they should be in conjunction with other changes to ensure that they are on a level playing field in terms of tax and returns to good causes.

Do you consider that the individual per draw maximum prize limit should be amended?

- No - the limit should remain at £400,000
- Yes - the limit should be reduced to £250,000
- Yes - the limit should be increased to £500,000 (Government’s preferred option)
- Yes - the limit should be increased to £1 million
- Other: please specify

We do not feel that enough research has been done on the potential impacts of changing the limits, especially the Government’s preferred option of increasing the limit, may have on the National Lottery and the set percentages this donates to good causes.

Do you think that if the maximum prize is capped at Government’s preferred option of £500,000, the per draw sales limit should be increased to £10 million, as an exception to the general prize limit of 10% of sales?

- Yes
- No
- Don’t know

Further research must be done on the potential impacts of these combined changes for the reasons set out above before any decisions are made.

If you run a large society lottery, do you think you are likely to offer higher prizes if we make changes to the maximum prize limits?

- Yes

- No
- Don't know

N/A

If yes, in what timeframe:

- Less than 1 year
- 1-5 years
- 5-10 years
- 10+ years

N/A

Do you consider that the annual sales limit should be increased?

- No - the limit should remain at £10 million (no change)
- Yes - the limit should be increased to £50 million
- Yes - the limit should be increased to £100 million (Government's preferred option)
- Other (please specify):

As above, research must be done on the potential impacts of these combined changes for the reasons before changes are made.

Small Society Lotteries

Should the sales thresholds for small society lotteries (£20,000 for an individual draw, and a £250,000 annual sales limit) be raised?

- Yes
- No

Research must be done on the potential impacts of these combined changes for the reasons set out above.

If yes, what would be an appropriate level for:

a) the individual per draw sales limit

- £30,000
- £40,000
- Other (please specify):

b) the annual sales limit

- £400,000

- £500,000
- Other (please specify):

Do you foresee any associated benefit to your company/charity as a result of this proposal (e.g. reduced admin costs)?

- Yes (please specify)
- No

N/A

Do you foresee any associated cost to your company/charity as a result of this proposal? If yes, please give details e.g. transitional costs, cost of changes to websites, etc.

- Yes (please specify)
- No

Yes, there is the potential cost and damage to the heritage sector of any fall in HLF funding as a result of these proposals impacting National Lottery sales.

Over the next 5 years, if this proposal was implemented, how much would it cost to make necessary changes?

- Less than £1,000
- £1,001- £2,000
- £2,001 - £3,000
- £3,001 - £4,000
- Greater than £4,000 (please specify)

N/A

Do you consider that your customers are playing your lotteries because of the good cause or prize? Which is more important to your customers?

- Good cause more than prize
- Prize more than good cause
- Both
- Other (please specify):

N/A

Would your company/charity change the percentage of proceeds used to payout prizes as a result of this proposal? How would this change?

N/A

As a result of this proposal would your current advertising practice change in any other way?

- Yes (please specify)
- No

N/A

Do you think that as a result of these proposals returns to good causes will increase?

- Yes (please specify)
- No

No we do not believe that these proposals will increase returns to good causes given that society lotteries are not under the same obligations to provide the same high percentage returns to good causes as the National lottery. However, it is difficult to say more without the further necessary research with the Government should undertake before making any changes. We also note that it takes a lot of time and resources to organise a small society lottery - something that many small recipients of National Lottery funding would be unable to do.