

DCMS Consultation on Society Lottery Reform

Icon Response

31 August 2018

The Institute of Conservation, Icon, welcomes the opportunity to respond to the DCMS's [Consultation on Society Lottery Reform](#). Icon supports the aim of increasing good cause returns but calls for more transparency in society lotteries' disbursement of funds and rigorous assessment of the reform's impact on The National Lottery.

Icon is a membership organisation and charity, which brings together those with a passion for the care of cultural heritage. Icon raises awareness of the cultural, social and economic value of caring for heritage and champions high standards of conservation. Icon takes a leading role in setting sector standards in conservation services and practice, which directly helps to ensure that lottery money for conservation and related projects is well spent. We represent nearly 3,000 individuals and organisations and many others who share a commitment to improving understanding of and access to our cultural heritage.

Consultation Questions

1. 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

Society lotteries play a vital role in raising funds for good causes and Icon supports the government's objective to drive an increase in their good cause returns. However, society lotteries should not be reformed at the expense of The National Lottery's contribution. The National Lottery and society lotteries must operate in complementary but distinct markets to maximise their returns to good causes.

The heritage sector, which conserves and makes accessible the nation's cultural heritage, depends on the Heritage Lottery Fund's (HLF) distribution of The National Lottery funds. The HLF's grants and funding streams have had a transformative and vital impact on the sector. The sector is increasingly dependent on HLF income to produce public services that enrich people's lives in an overall reduced funding environment for culture.

Icon supports the government's preferred option on condition that:

1. The impact of the change is monitored and assessed

Increases in sales limits and prize sizes could allow society lotteries to be more directly in competition with The National Lottery. Competition can lead to lower revenues and less money for good causes. Any increase in sales limits and prizes needs to be gradual and its impact on The National Lottery monitored and analysed. There appears to be an overall steady decline in income from The National Lottery, so the symbiosis between The National Lottery and society lotteries may already be more precarious than generally thought. Any amendment should be accompanied by an impact report on the affects to The National Lottery and its distributors' ability to fund good cause projects. The assessment should be used to review and refine policy as necessary.

2. Society lotteries have more transparent, regulated and accountable frameworks for distributing funds

Moderate deregulation could enable society lotteries to make a greater contribution to good causes and complement The National Lottery's essential funding. However, society lotteries' process of selecting good causes should be more transparent, regulated and accountable.

Each of The National Lottery funders follows guidelines when deciding who receives funding. HLF's grant decisions are directed by the Policy Directions set by the DCMS Secretary of State and any not-for-profit group can apply. HLF provides support for applicants in the form of dedicated case officers, mentoring networks, opportunities for sharing of good practice and help with communication and publicity for funded projects. HLF has a rigorous framework for accountability, including interim and final project reporting, impact assessment and results dissemination.

This contrasts with the individual decision-making procedures of society lotteries, some of which pre-select applicants. Any deregulation of the society lotteries should be accompanied by greater transparency and stricter scrutiny of the criteria for grant decisions. An accountable and open framework is needed to ensure that a wide variety of deserving projects can benefit from society lottery funding.

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

As per our answer to the first question, any increase should be subtle so that prizes do not compete against The National Lottery's "life-changing" prizes. We agree with the government's preferred option on condition that 1) the impact of any increase is monitored and assessed to protect The National Lottery's vital contribution to good causes and that 2) any potential deregulation is accompanied by more transparency on how society lotteries' good cause returns are distributed.

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

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

NA

If yes, in what timeframe:

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

NA

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 per our answer to the first question, any increase should be subtle so that prizes do not compete against The National Lottery's "life-changing" prizes. We recommend a more gradual increase than the government's preferred option as there is insufficient evidence to predict the full impact of such a considerable increase. Any deregulation should be conditional to 1) the impact being monitored and assessed to protect The National Lottery's vital contribution to good causes, and to 2) the enforcement of more transparency on how society lotteries' good cause returns are distributed.