



The Lotteries Council written response to Department for Digital, Culture, Media and Sport Consultation on Society Lottery Reform

August 2018

1 About The Lotteries Council and the society lottery sector

- 1.1 The Lotteries Council is the membership body which brings together over 400 members who either run society lotteries or provide services to support the running of society lotteries.
- 1.2 The Society Lottery sector raised over £251 million for good causes in the year to September 2017 according to Gambling Commission statistics.
- 1.3 The latest Gambling Commission figures for the percentage return to good causes show that the Society Lottery sector returned 43.6% to good causes in the year to March 2017.

2 The Lotteries Council view on the Government's consultation

- 2.1 The Lotteries Council welcomes the Department for Digital, Culture, Media and Sport's consultation and also the strong support for society lotteries set out by Sport and Civil Society Minister, Tracey Crouch MP, in her foreword to the consultation document.
- 2.2 In particular The Lotteries Council welcomes the Minister's recognition in her foreword of the complementary nature of society lottery and National Lottery good cause funding, and that "the growth of the society lottery sector to date has not been at the detriment of the National Lottery."
- 2.3 The Lotteries Council also notes that Ministers set out in Objective 5.6 in the Department for Digital, Culture, Media and Sport Departmental Plan, that the department wants society lotteries to "thrive".

3 The Lotteries Council view on the Government's objectives in reforming society lottery law

- 3.1 The Lotteries Council also welcomes the Government's three objectives in reforming the law in this area:
 - The regulatory framework for society lotteries should not be overly burdensome, and new entrants should not face unnecessary barriers;
 - Public trust and confidence in society lotteries and the good causes with which they are associated should be maintained;

- Reform should not jeopardise the position of the National Lottery and its return to good causes.

3.2 In regard to the first objective The Lotteries Council supports this objective and is strongly of the view that the current law has resulted in a regulatory framework which is overly burdensome. The Council strongly urges the Government to ensure that its new proposals are not overly burdensome.

3.3 The Lotteries Council also shares the second and third objectives. As a membership organisation with many charities as members and with good causes at the centre of what it does every day, the Council is strongly supportive of the National Lottery. The Council wishes the National Lottery to continue to grow the funds it raises for good causes, not least because some of the charities which are members of The Lotteries Council also receive funding from the National Lottery. The Council sets out the evidence for the complementary nature of the National Lottery and society lotteries at paragraph 6 below.

4 Summary of The Lotteries Council response to Government proposals

4.1 The Lotteries Council warmly welcomes the direction of travel of the Government and especially its preferred proposal to raise the society lottery annual sales limit to £100 million - a proposal the Council strongly supports.

4.2 The Council welcomes the Government's acknowledgement of the need to increase the draw limit. The Council's preferred option, and the one it has put forward since 2014, is for the limit to be raised to £10 million.

4.3 The Council acknowledges the Government's proposal to increase the per draw prize limit to £500,000. However, the Council believes the Government should be more ambitious in this area and move the per draw prize limit to £1 million, regardless of sales.

4.4 In the scenario where the Government limits the maximum prize to £500,000 the Council support the proposal to raise the per draw limit to £10 million. To reiterate, however, the Council believes the maximum prize limit should be raised to £1m, regardless of sales.

4.5 The Council supports reducing the regulatory burden on small society lotteries by raising the sales thresholds to £40,000 per draw and £500,000 per year.

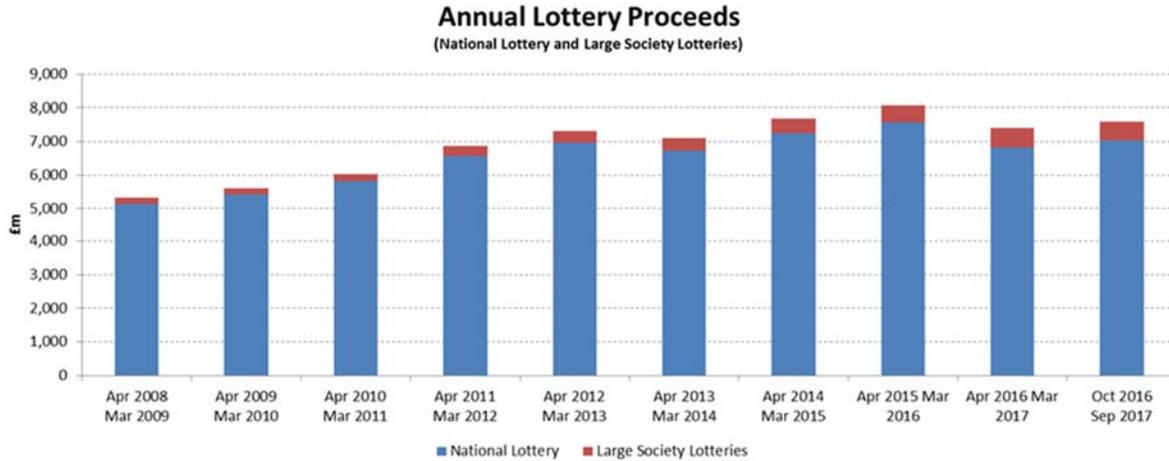
4.6 The Council believes that new lotteries should be allowed to aggregate their returns to good causes over a three-year period to enable them to meet the statutory 20% to good causes, taking into account the sizeable start-up costs new society lotteries face.

5 Timescale for implementation of consultation outcomes

- 5.1 The Lotteries Council understands that, following the end of the consultation period on 7 September 2018, there will be a three-month consideration period before the Government decides what action to take on this issue. Thereafter, presuming changes are to be implemented, there will be a period of parliamentary consideration of proposed legislative changes.
- 5.2 The Council urges the Government to keep the consideration period to a minimum and not to delay in beginning the parliamentary process, or once passed to delay the implementation of the new legislation. This is because the interaction between growing ticket sales and the current annual sales limit means that some Council members will face having to consider expensive and bureaucratic changes in early 2019 unless the limits are raised around the turn of the year. This would ultimately lead to charities and good causes losing out.
- 5.3 The timing of new legislation on this issue is therefore of importance and the Council urges the Government to ensure that new legislation is in place and operational by December 2018.
- 5.4 Society lotteries were promised a triennial review of sales and prize limits during the passage of the Gambling Act 2005. A review followed in 2008, resulting in an increase to the sales limits. Successive Governments have given undertakings to continue these reviews but there have been no changes since 2008. The Gambling Commission in their advice stated that they do not believe that triennial reviews are necessary and that *“trigger points from data collected by the Commission could be used to flag the need to consider a review”*. Given the length of time since the last increase in limits, during which there has been a demonstrable need for further such increases, the Council prefers that the Government returns to the triennial review process, as recommended by the Culture, Media and Sport Committee in 2015.

6 Society Lotteries and the National Lottery

- 6.1 It is clear from the Government’s consultation document and the Gambling Commission advice to Government on this issue that the protection of the National Lottery’s ability to raise funds for good causes is an important objective of the Government in considering reforming the law on society lotteries. The Lotteries Council shares this objective and believes that the win-win for the country is for the Government to put in place a legal and regulatory landscape which helps grow both society lotteries and the National Lottery.
- 6.2 Gambling Commission official statistics show that society lotteries and the National Lottery have grown in tandem for most of the last decade, as the graph below shows. The only dips in the growth of the lottery sector during this decade have been in 2013-14, which reflects 2012-13 being boosted by lottery products linked to the London Olympic Games, and 2016-17 – which many commentators including the Gambling Commission, Camelot, and the House of Commons Public Accounts Committee, have put down to changes in the Lotto draw.



- 6.2.1 The House of Commons Public Accounts Committee said: *“We asked Camelot whether these contradictory game changes had contributed to people spending less on the Lotto game. Camelot accepted that, after a short-term boost to sales, these game changes had contributed heavily to a disappointing year in 2016-17”* (page 10, House of Commons Public Accounts Committee Report *“The future of the National Lottery”* April 2018).
- 6.3 The Gambling Commission has considered the issue of the relationship between the National Lottery and society lotteries in significant depth and has developed an economic model on the factors influencing the National Lottery. The Gambling Commission stated, in a letter to The Lotteries Council dated 16 March 2018, that the model showed that *“Society Lottery sales were not determined to be a material driver of National Lottery sales demand.”*
- 6.4 This position is reinforced in the Gambling Commission’s *“Review of society lotteries advice”* provided to the Government in October 2017 and published on 29 June 2018. It says (page 1) that despite well over 100% growth in the society lottery sector over the past five years *“there is no further evidence of impact on National Lottery sales.”*
- 6.5 It goes on to point out the significant difference in the size of the two markets – which is also evident from the chart in paragraph 6.2 above. On this point the Gambling Commission says: *“although a significant growth for the society lottery market, that growth is comparatively low in terms of actual spend against that of the National Lottery. It would have been unlikely to have made a significant impact, even if all of those sales had been at the expense of the National Lottery.”*
- 6.6 On page 3 of the same document, it also highlights that the Commission had reviewed previous forecasts relating to National Lottery demand and society lottery demand and it found *“that there was no statistically significant effect of society lotteries affecting National Lottery sales.”*
- 6.7 Numerous other pieces of research have examined the connection between society lotteries and the National Lottery and have found that there is no negative impact on the National Lottery from society lotteries.

- 6.7.1 The April 2012 NERA Economic Consulting report, “Assessment of Lottery Market Issues”, which was commissioned by the then Department of Culture, Media and Sport and the Gambling Commission, did not find evidence to support any impact of society lotteries on the National Lottery. Instead it found the impact of deregulation of society lotteries would likely *“be an increase in total proceeds available to good causes.”*
- 6.7.2 The May 2013 nfpSynergy report, “A Chance to Give”, said: *“We believe we can create regulations that minimise the regulatory burden for all organisations using society lotteries (without any conceivable impact on the National Lottery) and maximise the amount of money that is raised for good causes.”*
- 6.7.3 The February 2014 report by the Centre for Economic and Business Research, “How Society Lotteries could do even more for good causes”, said: *“there is little evidence to support the notion that society lotteries undermine the National Lottery.”* It also said: *“If regulations were to be relaxed, the potential increase in society lottery-donated funds to good causes would, in all likelihood, complement rather than detract from those provided by the National Lottery.”*
- 6.7.4 The March 2015 House of Commons Culture, Media and Sport Committee report “Society Lotteries”, said: *“We do not consider that there is any indication that the Lottery is being significantly affected by any of the society lotteries currently operating.”*
- 6.7.5 The December 2017 report by the National Audit Office, “National Lottery funding for good causes”, said: *“The Department has stated that it is not aware of any evidence of significant substitution of sales between the Lottery and society lotteries to date.”*
- 6.8 The market for lottery products is capable of further growth, and indeed has been growing for many years. The Department for Digital, Culture, Media and Sport and Camelot have made this point in regard to whether other products sold by the National Lottery take sales away from Lotto sales and say that they do not. Logically that must therefore be the same for society lotteries.
- 6.8.1 Giving oral evidence to the House of Commons, Public Accounts Committee on 24 January 2018, Sue Owen, Permanent Secretary at the Department for Digital, Culture, Media and Sport said: *“It is important to note that the different bits of the lottery are not competing, we don’t think, against each other. Many players do both. Half the Lotto players also play other games and, of the ones who play scratch cards, I think about a quarter also play the lottery, so we don’t think the different games are cannibalising each other.”*
- 6.9 As well as the huge difference in scale there are many other significant differences between the National Lottery and society lotteries. These are:
- they are subject to different legislation and regulatory regimes;

- the National Lottery, unlike society lotteries, has no draw, annual turnover or prizes limits;
- the National Lottery, unlike GB society lotteries, operates across the whole of the nation, including Northern Ireland and the Isle of Man. Society lotteries regulated by the Gambling Commission can only operate in England, Scotland and Wales.
- Society Lotteries have to give at least 20% of ticket income to good causes. This is not the case for the National Lottery with National Lottery scratch cards giving only between 5% and 16% to good causes, according to the National Audit Office. The most recent annual Gambling Commission statistics (year to March 2017) show that the National Lottery returns 21.5% to good causes from sales of all of its products.

6.10 All of these differences and distinctions with the National Lottery would remain in place with the society lottery reform package supported by The Lotteries Council, protecting the unique and distinct operating environment of the National Lottery. This allows the Government to meet its third objective of protecting the National Lottery.

7 National Lottery and Society Lottery advertising

7.1 Camelot, the current licence holder of the National Lottery, has previously raised the issue of Share of Voice in the lottery market, claiming that National Lottery Share of Voice has decreased by 25% (source: Hansard, House of Commons Public Accounts Committee meeting 24.1.18). The Lotteries Council's understanding, using information sourced from Nielsen AdDynamix, is that Camelot's share of voice did reduce between 2015-16 and 2016-17 but by 9% not 25%. However, this coincided with a reduction in their media spend by 13.9% in this period. The 9% reduction in share of voice would therefore seem attributable to Camelot's own decision to reduce their media spend by 13.9% over that period.

7.2 In the area of Share of Voice, it is also worth noting evidence that marketing spend by different lotteries can have the effect of boosting the whole market. This was one of the findings of the April 2012 report "Assessment of Lottery Market Issues" produced by NERA Economic Consulting and commissioned by the Department of Culture, Media and Sport and the Gambling Commission. It said: *"the economic literature also provides some examples where existing games have benefitted from market entry or improvements in a competitor's game, probably reflecting marketing spillovers."*

7.3 The 2014 Centre for Economic and Business Research Report "What have we got to lose? How society lotteries could do even more for good causes", backed this position up saying: *"the academic literature reports some evidence of complementarities – where demand for one lottery boosts demand for another lottery. This is due to factors such as marketing spillovers, which occur when advertising boosts demand for rival products."*

7.4 The removal of the National Lottery's BBC TV Saturday evening televised draw, is also likely to have impacted on National Lottery Share of Voice, something the Council hopes has at least partly been rectified as a result of the draw now being shown primetime on ITV.

8 Aggregation of 20% statutory minimum contribution to charity over three years for new society lotteries

8.1 The Lotteries Council is disappointed that the Government has not included in its consultation the option of aggregation of the 20% statutory minimum contribution to good causes over three years for new society lotteries. The Council appreciates that the advice to Government provided by the Gambling Commission did not favour any change in this area. However, as a long-standing position held by the Lotteries Council and communicated to Government ever since the current review started in 2014, it is disappointing that it appears that this is no longer under consideration.

8.2 New start society lotteries have one-off sizeable start-up costs, and this makes it difficult to reach the statutory minimum to good causes in the first year of operation. The Lotteries Council thus proposes that this situation is recognised in law with the contribution being allowed to be met over an initial three-year period.

8.3 The Lotteries Council notes the Gambling Commission's advice to Government is that they offer flexibility to new start up society lotteries. However, the Council believes it would be better if this was set in law.

9 The Lotteries Council view on the consultation questions

9.1 The Council's answers to the consultation questions are shown below in red, with a written explanation of its position on each.

9.2 Individual Draw Limit

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

9.2.1 The Lotteries Council welcomes the Government's acknowledgement of the need to increase the draw limit. However, the Council's preferred option, and the one it has put forward since 2014, is for the limit to be raised to £10 million.

9.2.2 A £10 million draw limit is still a relatively small change in the limit, given it was doubled from £2 million to £4 million in the four years from 2005 to 2009. In the decade since, society lottery proceeds have more than tripled – which would suggest a limit of £12 million.

- 9.2.3 The Council opposes the option to reduce the per draw sales limit to £2.5 million. This would cause immediate problems for a considerable number of Lotteries Council members and would negatively impact on funds to good causes.
- 9.2.4 The Council opposes the option to maintain the per draw sales limit at £4 million. A £4 million limit would cause difficulties for a considerable number of Council members in the short to medium term, resulting in a loss of funds to good causes.
- 9.2.5 An increase in the per draw sales limit to £5 million, whilst an improvement on the current situation, will result in the some Lotteries Council members facing expensive and bureaucratic restructuring by around 2021/2. Again this would impact on good causes funding at that point. The Council thus prefers a £10 million per draw limit.
- 9.2.6 The Council also draws Ministers’ attention to the fact that the draw limit was set at £2 million in 2005 and then was doubled to £4 million, four years later in 2009. A decade on, during which time there has been substantial growth in the society lottery sector, it therefore seems disproportionate to only grow the limit an additional £1 million. The current consideration of updating the society lottery limits has been ongoing since at least 2014 when the Council first put forward its proposal for the draw limit to be raised to £10 million. It thus seems likely that any future change to the limits will be many years into the future, and would entail another long period of Parliamentary and Governmental scrutiny. The Council thus believes that the Government should “future-proof” the draw limit by raising it to £10 million.
- 9.2.7 Since the 2009 doubling of the draw limit, there has been no negative impact on the National Lottery. Indeed, in the nine years since 2009 National Lottery proceeds have grown 34.4% and National Lottery funds to good causes have grown 25.7%. Combined National Lottery and Society Lottery proceeds have grown by 40.9% and funds to good causes by 35.5%.
- 9.2.8 There is widespread consensus on the need to increase the draw limit to £10 million. This proposal is backed by The Lotteries Council, The Institute of Fundraising, The Hospice Lotteries Association, The Association of Air Ambulances; and over 80 major charities. It also enjoys widespread parliamentary support across political parties.

9.3 Per draw maximum prize

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

- 9.3.1 The Lotteries Council supports raising the per draw maximum prize to £1 million. The Council believes that this increases flexibility for prizes for society lotteries whilst maintaining the very large difference in prizes between society lotteries and the National Lottery. For example, in the first six months of 2018, the average Lotto jackpot was £8.73 million, and the highest Lotto jackpot was £21 million. In the same period the average Euromillions jackpot was £51.2 million and the highest Euromillions jackpot was £155.5 million. This is a huge different in prize levels even with a £1 million society lottery maximum prize.
- 9.3.2 The Lotteries Council is in favour of a £1 million maximum prize being available, regardless of the value of tickets in a draw, as long as all other statutory provisions are met. Whilst for Lotteries Council members, charitable cause is a very important part of player motivation, prize levels also play a role, and Council members believe that giving society lotteries flexibility in this area up to £1 million is the best way to help them maximise funds to good causes, whilst maintaining a substantial difference in prize levels with the Lotto and Euromillions draws run by the National Lottery.
- 9.3.3 The Lotteries Council is opposed to the option to reduce the maximum prize and believes that there is no reason to reduce the existing limit. It would reduce flexibility on prizes and may reduce sales, thus going against the Government’s desire to see funds to good causes increase.
- 9.3.4 The current legislation states that top prizes are £25,000 or 10% of the value of tickets in a draw. The Council believes that replacing the £25,000 with £1 million is the most straightforward way of allowing society lotteries the flexibility to offer a £1 million top prize.
- 9.3.5 If the Government decides not to implement a £1 million top prize the Council recommends that the £25,000 limit, referred to above, is increased to at least £100,000. The limit has been set at £25,000 since 2005 and is thus worth significantly less in real terms that when originally set. An increase to £100,000 would future-proof that part of the Act for the foreseeable future and would provide more flexibility on maximum prizes especially for smaller scale society lotteries.
- 9.3.6 The Gambling Commission, in their evidence “Society lotteries advice: Phase 2, January 2016” page 7, quotes the 2015 NERA report, “Review of the UK Gambling Market”, which states: *“In the context of society lotteries and the National Lottery in GB the [academic] studies would suggest that whilst society lotteries offer a differentiated product with smaller jackpot sizes, substitution between society lotteries and the National Lottery is likely to remain minimal.”* The proposals that The Lotteries Council supports maintain both a differentiated product and smaller jackpot sizes, and thus this finding from NERA, supported by the Gambling Commission, applies.
- 9.4 Option of increasing the per draw sales limit to £10 million, if the top prize was capped at £500,000**

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

9.4.1 The Council supports the option of moving to a £10 million per draw limit in the scenario of the maximum prize being capped at £500,000. Whilst it favours a £1 million maximum prize, it is in favour of the draw limit being raised to £10 million in all scenarios, for the reasons provided above.

9.5 Likelihood to offer higher prizes

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

If yes, in what timeframe:

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

9.5.1 The Lotteries Council does not run lotteries itself and thus these questions are not applicable. However, the Council anticipates that its members will offer higher prizes if the changes it supports are made.

9.6 Annual Sales Limit

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):

9.6.1 The Council opposes the option to retain the limit at its current level of £10 million. The annual sales limit per society lottery has been set at £10 million since 2005 and is now very out-dated. The £10 million limit is already causing extra administration costs for many of the Council's members, with a number of other members facing having to pay extra administration costs in the near future unless the limit is raised. This means that good causes are losing out.

- 9.6.2 With regard to the option to move to a £50 million limit, whilst the Council acknowledges that this would be an improvement on the current limit, it would not have the same positive impact on charities and reduction in administration costs resulting from moving to a £100 million limit. It would also not “future-proof” the limit for the years ahead and would likely mean that the Council would need to petition Government to change the law again in the near or immediate future. There seems to be no particular rationale for imposing such a limit on raising funds for good causes.
- 9.6.3 The Council strongly supports the Government’s preferred option to increase the annual sales limit to £100 million. Such a change will resolve the problems of extra administration costs and bureaucracy being faced by many Lotteries Council members. The proposed limit is also set at such a level as to future-proof it for the foreseeable future. There is also no impact on the National Lottery resulting from increasing the annual turnover limit, as players and potential players are not generally aware of the level the limit is set at and it is thus hard to see how it could influence their behaviour in any way.
- 9.6.4 There is widespread consensus on the need to increase the annual turnover limit to £100 million. This proposal is backed by The Lotteries Council, The Institute of Fundraising, The Hospice Lotteries Association, The Association of Air Ambulances; and over 80 major charities. It also enjoys widespread parliamentary support across political parties.

9.7 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

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):

- 9.7.1 The Lotteries Council favours raising the sales thresholds for small society lotteries in order to provide more flexibility for its members running these lotteries. The existing limits have been in place since 1976 and thus are out-dated and have reduced in value in real terms over time. This would allow growth in small society lotteries which will enable more funds to be raised for good causes. The Council favours the £40,000

per draw option and the £500,000 per annum option, being the options which will provide the most flexibility and thus the best return for good causes.

9.8 Benefit of Proposals

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

- 9.8.1 The proposals the Council supports, as set out in this consultation response, will help Lotteries Council members maximise fundraising for good causes.
- 9.8.2 There are many Society Lotteries already close to the limits on how many tickets they are allowed to sell and many others have already passed them. The limits mean they have had to, or will have to, restructure their operations into multiple charities in order to obtain additional licences, at significant cost and with no operational benefit. They also incur communications costs for explaining the changes to perhaps 100,000 members. As an example, one air ambulance charity estimates the costs of restructuring at £100k as a one-off, with £15k recurring operational costs. Another hospice charity shares that estimate but also assesses ongoing costs of £275k in operating the restructured model across six hospices. That is an unusual model, but it shows that there will be a variety of models when it comes to restructuring. This is money which could be spent directly on good causes.
- 9.8.3 The Gambling Commission advice shows that in 2016 there were 10 operators within 10% of the annual limit and a further 17 within 20%. The additional cost of restructuring to those 27 alone is calculated to be in the order of £5 million over five years, money that would be lost to good causes for no good reason. Since 2016, the sector's total income has increased by 19% so it is likely that there are many more charities approaching the limit.
- 9.8.4 The Gambling Commission advice dismisses the relevance of prizes to society lotteries, arguing that players participate because of their affinity with the good cause. However, this underestimates the importance of prizes to society lotteries. If it was only affinity to the good cause, people would simply make a donation. It is the chance of winning a prize that attracts players, and they tend to continue playing for long periods.
- 9.8.5 There are many ways of winning £1 million – it is not just the National Lottery that offers prizes at this level and considerably higher. There are many operators now offering bets on overseas lotteries, offering multi-million pound prizes, without the restrictions imposed on society lotteries. There is evidence that some charities are seeking to move into this sector, rather than that of society lotteries, because the lack of restrictions on prizes means they can raise more money for their good causes.

9.8.6 Over the last 5 years, the sector's income has grown by an average of 14% per year and the amounts raised for good causes by an average of 15% per year. The figures most recently published by the Gambling Commission, those for the mid-point of the year, show a small decline in total proceeds and money raised for good causes, the first such fall in 10 years. Removing the current bottleneck by increasing the limits on the annual and draw sales (to £100 million and £10 million respectively) and increasing the limit on prizes (to £1 million regardless of sales) will, the Council believes, do more than restore the previous trajectory. Indeed, the Council estimates that the benefit of the full package of reforms it is proposing would be an increase in funds raised for good causes of 25% – an additional £25 million per year, or £125 million over the next 5 years.

9.9 Cost of the proposals

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**

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)

9.9.1 The proposed changes would not result in any increased costs for The Lotteries Council.

9.10 Reasons for playing

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):

9.10.1 Lotteries Council members report that both good causes and prizes help drive sales.

9.11 Percentage of proceeds to prizes

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

- Yes (please specify)

- No

9.11.1 The Lotteries Council does not run a society lottery, so this question isn't applicable.

9.12 Advertising

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

- Yes (please specify)
- **No**

9.12.1 The Lotteries Council does not advertise society lotteries, and this would not change.

9.13 Returns to good causes

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

- **Yes (please specify)**
- No

9.13.1 The Gambling Commission statistics for the year to March 2017 show a return to good causes of 43.6% from society lotteries. The Lotteries Council believes that the proposals the Council support will help its membership further reduce administration costs, therefore the Council anticipates that, as a sector, the percentage return to good causes would further increase.

10 Conclusion

10.1 The Lotteries Council hopes this consultation response is useful to the Department for Digital, Culture, Media and Sport in meeting its consultation objectives and Ministers who wish to enable society lotteries to "thrive". The Council believes the package of reforms it proposes allows Ministers to "*maximise returns whilst ensuring that any changes are not to the detriment of The National Lottery*", the aspiration set out by Ministers on page 5 of the consultation document. The Lotteries Council is happy to provide further evidence to Government as required.