**Depaul UK Submission**

**Society Lotteries Consultation**

**Department for Culture, Media and Sport**

**September 2018**

**Introduction**

1. This written submission is in addition to one made by Depaul UK to the consultation’s online survey. We have produced this written submission in order to explain our answers. It shows how implementing our recommendations would help increase funding for our work in improving the lives of young people affected by homelessness.

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| **About Depaul UK** 1. Depaul UK works in some of the UK's most disadvantaged communities, preventing homelessness and supporting vulnerable young people. Last year we provided services including emergency accommodation, longer-term housing and community outreach to over 3,000 young people. Our Nightstop network operates across the UK and we deliver many other services across London, the North East, Greater Manchester and South Yorkshire.
2. Depaul UK holds a holds a society lottery licence from the Gambling Commission.
3. If you have any questions or would like more information please contact Dan Dumoulin, Depaul UK’s Policy and Public Affairs Manager: daniel.dumoulin@depaulcharity.org.uk; 07989 404363.
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**Summary of recommendations**

1. **Depaul UK urges the Government to keep the consideration period to a minimum and to work towards implementing new legislation as soon as possible.** Without legislative change the funding we receive from our society lottery may decrease in 2019.
2. **The individual per draw sales limit should be increased to £10 million.** This would prevent us from having to cap draw sizes, and therefore the funding we receive, for the foreseeable future.
3. **The individual per draw maximum prize limit should be increased to £500,000.** Increasing the maximum prize limit would help our society lottery to attract new players, while at the same time retaining society lotteries’ differentiation from the National Lottery.
4. **The annual sales limit should be increased to £100 million.** The current £10 million limit means that the charitable income produced by society lotteries cannot increase as it would do without such a low limit being in place. We are also concerned that the interaction between the increasing player base for our lottery and the current annual draw limit will mean we have to reduce the number of draws and therefore funding for our services.
5. **We do not believe that changes we suggest in this submission will have a negative effect on the funding for good causes provided by the National Lottery.** This view is supported by evidence from the Gambling Commission.

**Depaul UK and the People’s Postcode Lottery**

1. Depaul UK has received a total of £6,630,501 funding from society lotteries, managed by People’s Postcode Lottery, in the last five years. This funding enables Depaul UK to provide more emergency Nightstop accommodation. Nightstop enables volunteer members of the public to use their spare room to give a young person threatened with homelessness a safe place to sleep for a few nights.
2. Nightstop is almost entirely run on voluntary income, society lottery funding is critical to maintaining and growing the service across the UK. It means we can sustainably deliver more Nightstop services in areas that most need it. The funding also allows us to provide more training for staff and improve evaluation of our services. The unrestricted nature of the funding means we can use it flexibly to better meet the changing needs of young people.
3. We see first hand how the current draw limits are causing excess administration costs and are burdensome to the running of society lotteries.

**Comment on consultation process**

1. Depaul UK welcomes this consultation and the Government’s recognition that changes to the current legislative framework may be required. We urge the Government to keep the consideration period to a minimum and to work towards implementing new legislation as soon as possible. This is because the interaction between growing ticket sales and the current annual turnover limit means that the number of draws for our society lottery may have to reduce in 2019, which would reduce the vital funds we receive from the lottery.

**Society Lotteries and the National Lottery**

1. In addition to the funding we receive from our society lottery, Depaul UK also received £620,824 funding from the National Lottery in the last five years. This National Lottery funding helps to provide support for our Nightstop service and our Get Up & Go! service which supports young people facing homelessness to get into education, employment and training. It is therefore in the interest of the young people we support for both society and National Lottery funding to be secure, growing sources of charitable income.
2. We do not believe that the changes we suggest in this submission will have a negative effect on funding for good causes provided by the National Lottery. We note that the Gambling Commission stated, in a letter to The Lotteries Council dated 16 March 2018, that their work showed that “Society Lottery sales were not determined to be a material driver of National Lottery sales demand.”
3. We also note the Gambling Commission’s ‘Review of society lotteries advice’ provided to the Government in October 2017, and published on 29 June 2018. It states (page 1) that despite more than 100 per cent growth in the society lottery sector over the past five years “there is no further evidence of impact on National Lottery sales”.

**Answer to consultation questions**

**Q1. Do you consider that the individual per draw sales limit should be amended?**

* **The individual per draw sales limit should be increased to £10 million.**
1. Depaul UK is concerned that the current £4 million limit will, in conjunction with the annual limit, unnecessarily cap the amount of funding we receive from our society lottery.

1. Our preferred option is for the draw limit to be raised to £10 million. Whilst an improvement on the current situation, a rise in the per draw sales limit to £5 million is likely to result in the value of tickets in each of our draws coming up against the draw limit by 2022. This will result in administrative problems and additional costs at that point, which could be avoided with a higher draw limit.
2. The current consideration of updating the society lottery limits has been on-going since at least 2014, when the society lottery sector first put forward proposals for the draw limit to be raised to £10 million. It therefore 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. We therefore believe that the Government should ‘future-proof’ the draw limit by raising it to £10 million.

**Q2. Do you consider that the individual per draw maximum prize limit should be amended?**

**Q3. 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?**

* **The individual per draw maximum prize limit should be increased to £500,000**
* **The individual per draw sales limit should be increased to £10 million**
1. [Answer to questions two and three] Depaul UK believes that the draw sales limit should be increased to £10 million for reasons we outline above. We also accept the case for limiting the maximum prize at £500,000. Increasing the maximum prize limit would help our society lottery to attract new players, while at the same time retaining society lotteries’ differentiation from the National Lottery.

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

* **The annual sales limit should be increased to £100 million**
1. We support the Government’s preferred option to increase the Annual Sales Limit for society lotteries to £100 million. The current £10 million limit means that the income, and thus the charitable contribution of society lotteries, cannot increase as it would do without such a low limit being in place.
2. We are also concerned that the effect of the interaction between the increasing player base for our lottery and the current annual draw limit will be to reduce the number of draws per year, thereby reducing funding for our services. For example, the current, frustrating, limits means that if we reach, or come close to the £4 million draw limit in two draws we are unable to hold a third draw. This is despite being up to £2 million away from reaching the annual limit of £10 million. Perversely, selling more tickets for each draw reduces the total funding we receive over the course of a year.