

Response ID ANON-CHWW-FKWH-9

Submitted to **Consultation on society lottery reform**

Submitted on **2020-03-12 15:07:34**

Introduction

1 What is your name?

Name:

Dan Dumoulin

2 What is your email address?

Email:

daniel.dumoulin@depaulcharity.org.uk

3 Please indicate which organisation you belong to?

For example, member of the public, gambling operator, financial institution, trade association, charity etc:

Depaul UK

4 Privacy notice

I CONSENT to the publication of my name and organisation to indicate I responded to this consultation

Our Proposals

Proposed amendments to licence condition 11

5 Do you agree with the proposed changes to the wording of licence condition 11?

Yes

If required, give reasons for your answer below:

We are wholly supportive of the amendments. They will help ensure that good causes receive more funding from society lotteries

Proposed new licence condition 4.3.3 and associated guidance

6 Do you think that concerns regarding transparency can be addressed with the new social responsibility code 4.3.3 and associated guidance?

Yes

If required, give reasons for your answer below :

We agree that operators should clarify the percentage of money raised from the ticket sale which will go to good causes (or to provide a reasonable estimate of this). We also agree it should also be easy to establish the promoting societies behind upcoming draws.

Other aspects of the code require far too much detail, which would reduce the effectiveness of funding for good causes. To comply with the code we would have to decide how to use the funding before we knew how much we would receive from the draw. We would also have to restrict the use of funding, whereas there are significant and well evidenced benefits of unrestricted funding for charities, see the nfpSynergy report, 'Funding for Impact', published in April 2018.

There also appears to be an extremely concerning requirement in the code to provide seemingly unlimited amounts of information on how funding from past draws was used. The costs of providing this information could significantly reduce the resource available to deliver and improve our charitable services.

7 Do you agree with the proposed wording of the new social responsibility code 4.3.3?

No

If required, give reasons for your answer below :

The following words should be deleted from the code: "This must include but is not restricted to details of how and where proceeds are used and the likelihood of winning a prize or how prizes are allocated."

As stated in answer to question seven, it will be difficult for charities to say how they will spend funding before they know how much they will receive. It would also effectively restrict the use of funding, which would make the funding less responsive to emerging needs and developments.

8 Do you have any comments on the proposed guidance?

Please give us your comments below:

Paragraph 3.1 – Depaul does not know how many tickets we will sell before customers have purchased tickets. Therefore we cannot say for sure how much funding in absolute terms will go to good causes. We can, however, estimate the percentage of each ticket sale that will go towards good causes. We therefore request that the guidance is amended to state that the “return to good cause” transparency obligation will be met if the proportion of the ticket price which will (or it is reasonably estimated will) go towards the good cause of the promoting society is made available.

Paragraph 3.4 – We request that this paragraph is removed. We are unaware of any demand for this level of detailed information from consumers and believe the provisions in this paragraph to be excessive.

We are already required, under the licence conditions and codes of practice, to provide detailed information about how draw proceeds have been accounted for to the Gambling Commission after the relevant draw. In this way, consumers may be reassured that the accounts for previous draws have been appropriately dealt with.

Meeting requests for information of the type anticipated by this paragraph could produce extremely high costs for Depaul UK. Responding to these types of request could absorb significant amounts of resource, which would have to be diverted away from our services or other fundraising activity.

We would be extremely concerned if, despite the above, the GC retained this provision. If the GC were to do this, we request it should at least be clarified so that such an obligation:

- only arises in relation to draws after the new provision comes into force, rather than promoting societies needing to spend time and money providing such information, or subsets of such information, for any historic draw they may have undertaken to date.
- would be limited to providing information for draws for a maximum period of 3 years from the draw, given LCCP 11.1.1.14 only requires the promoting society to maintain records for inspection by the GC for a period of 3 years from the draw.
- would require the percentage allocated to expenses, as opposed to breaking down in detail every specific expense they went towards.
- would require that percentage and/or amount of the proceeds used towards the aims and objectives of the promoting society is provided, rather than requiring detail on which exact activities the proceeds were used for by the promoting society.

Paragraph 3.5 - We request that this paragraph be amended to read “Lottery licensees may use proceeds to fund grants to beneficiaries who meet the aims and objectives of their societies. Where this is the case, information should be available to consumers that licensees may use proceeds in this way, [along with examples of such previous funding if such funding has previously taken place.]”

We agree that information about grants to beneficiaries should be clearly available in advance of a ticket being purchased. The level of granular detail envisaged in the proposed guidance is, however, excessive. The costs of provided it could be extremely high and we are unaware of a demand for this type of information from consumers.

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Lead in times and costs

9 How long a lead-in time would you need to implement the information requirements set out in the proposed guidance?

Lead in time to implement:

A long lead-in time would be required for the information requirements as they are currently set out in the proposed code and guidance. The level of granular detail required would necessitate wide-ranging alterations to the way in which we report on the significant amount of funding we receive from our society lottery.

The lead-in time would be shorter if the code and guidance were revised to place more proportionate requirements, as we request in our submission, on promoting societies.

10 Are you able to provide an estimate of the costs that might be incurred by your lottery through implementing the information requirements? Such costs might include printing costs, website development etc. Please also provide details of one-off costs and any annual or ongoing costs from the proposals.

Costs:

We are unable to place a figure on the costs of implementing the information requirements set out in the proposed code and guidance. As we set out above, the level of detail required is excessively high and it follows that the cost of providing it would be excessive. Providing information that is so detailed would divert a disproportionate amount of resource away from our services and other fundraising activity.

We request that the GC revise the code and guidance so that a more appropriate level of detail is required. Doing this would reduce the costs for Depaul and other charities of implementing the requirements.

Before you submit your response

11 How did you hear about this consultation?

Not Answered

If you answered other, please specify:

12 Overall, how satisfied were you with our online consultation tool?

Satisfied

How could we improve this service?: