

Society lotteries - Parliament's culture, media and sport committee publishes its report

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Following the recent [consultation on society lotteries](#), the Parliamentary Committee on Culture, Media and Sport has published a report recommending that rules and regulations affecting society lotteries should be changed to reduce the burden on those operating smaller lotteries and for those starting new lotteries.

The Committee's recommendations included:

- The need for greater differentiation between the regulations applied to small and local lotteries and those applied to larger lotteries, and in particular those run by commercial organisations;
- The current requirement for new lotteries that they must give at least 20% of ticket proceeds to good causes should be spread over an extended period (for example three years);
- Large, well-established lotteries should be providing more than the minimum return of 20% to good causes. However, the report noted that it would be a 'disincentive to innovation' to increase the requirement for the minimum return of 20%;
- The 35% cap on operating costs (which does not include prizes and money set aside for rollovers) should be reintroduced for the largest lotteries;
- The need for the legislation to be amended to recognise a class of 'umbrella' lotteries, with limits on individual draws, annual sales and prizes, and limiting the number of individual society lotteries that may join;
- The limits on the single society large and small lotteries should be raised (following research by the Gambling Commission into what might be the appropriate limits) and that the limits should be reviewed every three years.

The Conservative MP for Maldon in Essex and chair of the committee, John Whittingdale commented that the regulatory regime governing society lotteries should be designed to encourage maximum return to good causes. He highlighted concerns at the growth of large, umbrella lotteries – a device used to maximise the income generated by a lottery but not breach the current statutory limits on lottery proceeds – commenting that it was not appropriate that large, well-established lotteries should provide only the minimum return (20%) to good causes.

It now remains to be seen how the Government implements these recommendations which will require new legislation. These are important areas for charities running lotteries and we will monitor developments and provide further updates in due course.

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