

Consultation on Society Lottery Reform, September 2018

Tenovus Cancer Care is Wales' leading cancer charity. Our aims are simple. We want to help prevent, treat and find a cure for cancer.

We do this by offering support, advice and treatment to cancer patients and their loved ones. We also promote healthy lifestyles and fund cancer research to find new ways to prevent it, diagnose it, and treat it.

We welcome the opportunity to respond to this important consultation.

Current position

The set-up costs associated with establishing a lottery are significant, both in terms of administration and capitalisation. Therefore Tenovus Cancer Care currently participates in the Make a Smile Lottery¹, and receives an income as a good cause beneficiary.

As a lottery partner Make a Smile provide good value-for-money for Tenovus Cancer Care, contributing 75% of proceeds to good causes, which is considerably above the statutory minimum of 20%. This represents an important source of income for us.

Given that society lotteries are cause, not prize, focused, Tenovus Cancer Care believes that the questions asked in this consultation might add more value if posed from the perspective of adjusting the statutory minimum good-cause contribution, rather than setting a prize-money ceiling. As a result, rather than increasing the available prize money from 10%, Tenovus Cancer Care would rather suggest that the statutory minimum good-cause contribution be increased from 20% to 50% - putting greater emphasis on the good-cause nature of society lotteries, as opposed to being prize-driven. This would allow greater flexibility among lottery operators to set their own prize-values, while significantly increasing the minimum good cause contribution in the sector and driving competition towards the more generous end of the giving spectrum. An increase in the per-draw sales limit would allow greater prizes to be afforded by the lottery operators, without prejudicing the operator's capacity to meet their statutory good-cause responsibilities.

Large Society Lotteries

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

Yes.

Tenovus Cancer Care would support increasing the individual per draw sales limit to £5 million in order to eliminate the need for lottery operators to set up additional, parallel lotteries as they approach the existing sales limit ceiling.

¹ <https://www.makeasmilelottery.org.uk/>

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

Yes.

Tenovus Cancer Care would support an approach which places far more emphasis on increasing the statutory good-cause contribution, as an alternative to capping the maximum per draw prize limit. This would allow greater flexibility among lottery operators to set their own prize-values, while significantly increasing the minimum good cause contribution in the sector. An increase in the per-draw sales limit would allow greater prizes to be afforded by the lottery operators, while maintaining the operator's capacity to meet their statutory good-cause responsibilities.

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.

Tenovus Cancer Care would prefer an approach which places far more emphasis on increasing the statutory good-cause contribution, as an alternative to capping the maximum per draw prize limit, however were a focus on sales-to-draw to prevail Tenovus Cancer Care would support the per draw sales limit being increased to £10 million, as an exception to the general prize limit of 10% of sales.

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?

Not currently applicable.

The set-up costs associated with establishing a lottery are significant, both in terms of administration and capitalisation. Therefore Tenovus Cancer Care currently participates in the Make a Smile Lottery², and receives an income as a good cause beneficiary. As a lottery partner Make a Smile provide good value-for-money for Tenovus Cancer Care, contributing 75% of proceeds to good causes, which is considerably above the statutory minimum of 20%.

Were Tenovus Cancer Care to set up its own large Society Lottery, in order to further maximise the return to good-causes, it would welcome the latitude to offer higher prizes in exceptional circumstances and in line with operational requirements.

Further comments

The sizeable start-up costs for new societies inclusive of the current statutory minimum to good causes poses significant constraints on new societies in first year of operation. Therefore Tenovus Cancer Care supports The Lotteries Council's proposal to allow aggregation any statutory minimum contribution to charity over three years for new society lotteries.

Creating a competitive market-place to empower charities to partner with the society lottery providing the best fit to their organisation would also be desirable. It is felt that there is currently insufficient information to enable smaller charities, or those without the capacity or desire to operate their own Large Society Lottery, to compare the good-cause contribution rates of such lotteries and therefore Tenovus Cancer Care would urge the UK Government to consider this information being made available centrally.

² <https://www.makeasmilelottery.org.uk/>