



Limitless potential

The case for lifting the cap on charity lottery fundraising





“The 2020 reforms were most welcome. However, considering how long they took to achieve, we need to set our sights on futureproofing the sector for the years to come, so that we can continue to grow funds for good causes.”

CLARA GOVIER MANAGING DIRECTOR, PEOPLE'S POSTCODE LOTTERY TO DCMS SELECT COMMITTEE, 26 APRIL 2022



Engaging parliamentarians on the campaign for further charity lottery reform, including, from top: Angus Robertson MSP (at left); Jacob Rees-Mogg MP; Alex Davies Jones MP and (left) Baroness Davidson and Carolyn Harris MP, with Laura Lee of Maggie's at centre



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Engaging parliamentarians on the campaign for further charity lottery reform, including, (from top): Craig Whittaker MP; Ed Milliband MP; Baroness Davidson; Alister Jack MP. Left: Supporters at a Westminster reception in April 2022

Foreword



TRACEY CROUCH
MP FOR CHATHAM
AND AYLESFORD

In 2018, as Minister for Civil Society, I was pleased to progress the UK Government's proposals to increase the amount of money charity lotteries could raise. My time in that role enabled me to see the huge amount of good that charity lotteries achieve for our communities and our country.

I was therefore delighted when the Department for Culture, Media and Sport concluded that their initial charity lottery reforms had proven a success in reducing costs and delivering more for good causes – all without issue for the National Lottery.

But the UK Government did promise to go further, and this report starkly illustrates how the limit to charity lottery sales continues to impact the size and flexibility of the funding pot available to good causes.

From grassroots groups to larger charities operating in communities the length and breadth of Britain, charity lotteries fund work preserving our environment and our historical landmarks, caring for animals, looking out for vulnerable children and offering vital care for those battling serious illnesses – among many other causes.

I have witnessed first-hand the vital support provided by some of these funded organisations, such as cancer care charity Maggie's. As someone who has been on

“ This report starkly illustrates how the limit to charity lottery sales continues to impact the size and flexibility of the funding pot available to good causes. ”

my own cancer journey, I understand the hugely positive impact Maggie's has for the people and families they support. Their network of 26 centres has partly been made possible by the £19.8 million raised for them by People's Postcode Lottery players.

As MP for Chatham and Aylesford, I am actively supporting Maggie's in its ambition to realise the opening of a brand-new cancer centre in Maidstone – a facility that would extend lifeline care to those affected by cancer in my constituency.

People's Postcode Lottery's call for the Government to remove annual sales limits on charity lotteries – or to at least enact the Government's stated ambition to permit £100m in annual sales – would mean that funding for charities like Maggie's is not stymied by the over-regulation of charity lotteries.

This report highlights how removing restrictions on charity lottery fundraising is a practical solution to free up more for good causes. I urge the UK Government to take forward its recommendations.

CROSS-PARTY SUPPORT FOR FURTHER CHARITY LOTTERY REFORMS



ROBERT HALFON
MP FOR HARLOW

“I’ve campaigned on charity lottery reforms since 2019 because I’ve seen the great job charity lotteries do in funding local charities in my constituency of Harlow. I was therefore delighted to see the Government’s 2020 reforms prove so successful.

These reforms have reduced bureaucracy and unlocked additional funding, allowing charities to concentrate on what they do best – be that supporting our elderly, promoting animal welfare or conserving our green spaces. Ministers must continue reforming the sector by further increasing or removing annual sales limits.”



TONIA ANTONIAZZI
MP FOR GOWER

“It is great that good causes are benefiting from recent charity lottery reforms. The Government must continue to tackle restrictive annual limits on charity lottery fundraising. At a minimum, its commitment to a £100 million annual sales limit must be progressed.”



SIR ED DAVEY
MP FOR KINGSTON AND SURBITON,
LIBERAL DEMOCRAT LEADER

“Having held a funding workshop for local good causes in Kingston and Surbiton, the value of People’s Postcode Lottery player funding is clear – the application process is straightforward and trained charity staff are on hand to assist. The flexibility of the funding offered is highly valuable to groups in my constituency.”



STEPHEN CRABB
MP FOR PRESELI PEMBROKESHIRE

“Parliament’s 2020 charity lottery reforms helped double the amount of grassroots funding available. I continue to support further reforms, which will help free up even more funding for good causes across Wales and the wider country.”



TOMMY SHEPPARD
MP FOR EDINBURGH EAST

“People’s Postcode Lottery facilitates vital funding for good causes – many working on the frontline to support society’s most vulnerable citizens. Parliament must continue reforming the charity lottery sector to help free up more of this vital charitable funding.”

Let us do even more

'Let us do more' has been our message to the UK Government for many years. The 2020 charity lottery reforms have allowed us to begin doing just that. However, they are not enough to futureproof our fundraising for good causes – the £50 million annual sales limit is already presenting a ceiling. We urge Government to remove sales limits altogether, or at the very least follow through on its preferred option of £100 million annual sales limit. I believe this report makes a compelling case for significant further reforms.



CLARA GOVIER
MANAGING DIRECTOR
PEOPLE'S POSTCODE
LOTTERY

The 2020 annual sales limit increase to £50 million and per draw sales limit increase to £5 million unlocked much-needed additional funding for a multitude of charities large and small; and operating on a local, national and global level.

This came at a vital time. Charity lotteries proved to be a resilient and reliable source of funding for charities when

Covid lockdowns shut down regular funding streams, such as events, shops and direct fundraising. All this while the need for charities' services grew rapidly.

Now, many of these valued organisations are battling to rebuild in the wake of the Covid pandemic and in the face of soaring costs, while working tirelessly to tackle a multitude of escalating challenges: inflationary pressures and the rising cost of living here in Britain, refugee and humanitarian situations in Europe and beyond, and the twin global climate and biodiversity crises. Suffice to say, increased funding for charities is needed now, more than ever.

In this respect, the 2020 reforms could not have come soon enough, and were certainly most welcome. However, the fact remains that charity lotteries are still the only form of charity fundraising with limits imposed on it by law. They are still burdened by needless bureaucracy and costly administrative requirements. The current £50 million annual sales limit remains restrictive, resulting in avoidably high costs for operators... ultimately diverting potential funds from charities.

People's Postcode Lottery has enjoyed a steady growth in its player base and ticket sales in recent years, with a 9.5% increase in the total number of tickets from 2020 to 2021.

The amount going to good causes in the past 12 months has risen to £173 million – up £18 million on the previous year. By the final quarter of 2021, players were raising £15 million every month for charities.

This impressive growth is a true success story and a cause for celebration, yet annual sales limits continue to cap the positive impact for charities.

Now is the time for the UK Government to 'finish the job' and press on with its reforms of charity lottery legislation. We urgently call for the annual sales limit to be scrapped altogether – or at the very least raised to £100 million, as the UK Government previously pledged.

Let us remind ourselves that the reason why charity lottery sales limits exist at all is unclear. It may be due to historic concerns and previous misconceptions around impact on the National Lottery, which cumulative evidence has now thoroughly debunked.

We are advocating for a complete overhaul of legislation. With the crucial role of charities in tackling pressing national and global challenges only set to grow, now is the time to futureproof the charity lottery sector and super-charge the growth of this vital, unrestricted funding stream.

“Now is the time for the UK Government to press on with its reforms of charity lottery legislation. We urgently call for the annual sales limit to be scrapped altogether – or at the very least raised to £100 million, as the UK Government previously pledged.”



In Martock, Somerset, 411 winners shared a £7.3 million prize in autumn 2021

ABOUT PEOPLE'S POSTCODE LOTTERY

People's Postcode Lottery is a not-for-commercial-gain External Lottery Manager (ELM) owned by a social enterprise and licensed by the Gambling Commission.

We manage lotteries with the sole purpose of raising funds for good causes. Charities are at the heart of everything we do, and our players now raise around £15 million a month for good causes. Around £173 was shared with charities and good causes in 2021.

We act as ELM for 20 Postcode Trusts (each a registered independent charity) who distribute funds raised from their lotteries to charities and good causes large and small, working locally, nationally and globally. Each Trust has a geographic or thematic focus.

The type of funding provided by the Postcode Trusts is mostly long-term and unrestricted – it may be used to cover core costs, or to leverage more income. This flexibility can complement project-based funding such as that from the National Lottery.

Since People's Postcode Lottery launched in Britain in 2005, players have raised over £950 million for over 9,000 good causes, including many local community organisations across Britain.

SNAPSHOT

- Over **£950 million** raised by players since 2005
- Over **9,000** charities and good causes supported
- **£173 million** to good causes in 2021, up **£18 million** year on year for charity
- Funding for small, local good causes up **50%+** in 2021
- **33%** minimum to good causes
- **3,700** local community projects funded in 2021

Key points

THE CASE FOR FURTHER REFORM OF CHARITY LOTTERY LIMITS

2020 CHARITY LOTTERY REFORMS

Passed into law in March 2020, came into force July 2020

INCREASED ANNUAL SALES LIMIT
(total value of ticket sales in a year)

£10 million ▶ £50 million

INCREASED PER DRAW SALES LIMIT

(value of ticket sales per draw)

£4 million ▶ £5 million

Planting for the future with Newbury Friends of the Earth's Lockdown Woods project



Tackling a challenge together with Girlguiding UK

THE PROBLEM

CURRENT SALES LIMIT REMAINS RESTRICTIVE

3 Postcode Trusts reaching £50 million ceiling in 2022



Their **ticket prices reduced** to avoid breaching limit



£1 million potential income lost by each of the 3 Trusts in 2022



Further price cuts needed as player base grows



£2 million potential income lost by each of the 3 Trusts in 2024



Funding cannot grow for these Trusts' beneficiary charities



Excessive regulation

Continued duplication also increases costs and reduces funding flexibility

THE SOLUTION

Removing annual sales limits is a win-win



Cuts red tape and administrative costs



Vital funding for charities and good causes can grow



Helps the third sector thrive, for benefit of communities



No cost to the public purse

GOVERNMENT'S STATED AMBITION

“ We will therefore initially raise the annual sales limit to £50 million, with the ambition of introducing a second higher tier licence with a £100 million annual limit. ”

DCMS GOVERNMENT RESPONSE TO CONSULTATION ON SOCIETY LOTTERY REFORM, 16 JULY 2019

THE NATIONAL LOTTERY QUESTION

- ✓ Evidence shows that charity lotteries do not negatively impact National Lottery sales...
- ✓ ...in fact, it shows the two growing and thriving in tandem
- ✓ Charity lotteries' unrestricted core funding complements National Lottery's project-based funding
- ✓ Charity lotteries fund certain causes not eligible for National Lottery funding, such as animal welfare
- ✓ Gambling Commission advises that removal of annual sales limits would not threaten National Lottery
- ✓ 'Life-changing prizes' remain unique to National Lottery
- ✓ Combined lottery sales and funds to good causes are both at their highest ever level

WORTH REMEMBERING...



No other types of fundraising face limits on annual sales...



...Nor do any other forms of gambling



Gambling Commission advised in 2016 it had been "unable to uncover any references as to why these limits were put in place"

The campaign so far

In March 2022, the UK Government published its one-year review of the 2020 charity lottery reforms¹. Its findings deem the reforms successful – letting charity lotteries grow and return more to good causes, while maintaining the unique position of the National Lottery. The campaign for the UK Government to press on with reform to increase – or remove – annual fundraising restrictions have now entered an important new phase.

The 2020 charity lottery reforms saw the annual sales limit increase from £10 million to £50 million, and the per-draw sales limit increase from £4 million to £5 million. The passing into law of these changes in March 2020 marked an important milestone in a long journey – Britain’s charity lottery sector had been calling for reforms since at least 2012.

ORIGIN OF CHARITY LOTTERY SALES LIMITS

Charity lottery sales limits have been in place since the 1960s, and were included in the Betting, Gaming and Lotteries Act 1963. However, it is unclear why charity lotteries ever faced any limit on their fundraising at all. Gambling companies do not have limits on their sales, and other types of charity fundraising face no limitations on how much they can raise.

Historically, it has sometimes been suggested limits exist to ‘protect’ the National Lottery. However, given years of sustained growth in sales and fundraising, it is clear no such ‘protection’ is needed. In addition to years of official Gambling Commission statistics showing charity lotteries do not negatively impact the National Lottery³, the UK Government is committed to a policy environment that allows both lottery types opportunity to “thrive”⁴.

In any event, limits do not curb the growth of charity lotteries, but simply force them to grow in an ineffective

“Society lotteries² have been subject to limits since they were first permitted. **We have been unable to uncover any references as to why these limits were put in place**, but it seems sensible to assume that the purpose was simply to limit the scale on which they could be offered, whilst ensuring that they provided a return to the society (the purpose for which they were permitted). **The reasons behind that are unclear**, but could be linked to the mindset within society at that time about gambling.”

GAMBLING COMMISSION
SOCIETY LOTTERIES ADVICE PHASE 2,
JANUARY 2016

1. ¹ One year review of society lotteries sales and prize limits, DCMS, 1 March 2022. 2. The term ‘society lotteries’ remains the legal term for what are more commonly referred to as charity lotteries. 3. ³ Gambling Commission statistics and research web page 4. DCMS Departmental Plan 2019



2005

Gambling Act 2005 includes limits on charity lotteries



2012

UK Govt announces plan to review charity lottery law



Nov 2014

Culture, Media and Sport (CMS) Select Committee Inquiry launched

way: navigating a heavy regulatory burden and added administrative costs, which reduces flexibility to fund charities.

The 2005 Gambling Act set the charity lottery annual sales limit at £10 million and the per draw sales limit at £2 million. In 2009, the per draw sales limit was increased to £4 million. Over time, it became clear that these limits were increasingly restrictive and problematic for charity lottery operators. As successful operators approached the sales limits, they had to set up new, separate lotteries to avoid breaking their gambling licence – all coming at a cost to their charitable return.

By 2020, People's Postcode Lottery managed 58 individual charity lotteries. Each required its own licence, compliance resources and regulatory returns, in addition to those required by People's Postcode Lottery itself. However, People's Postcode Lottery was not the only external lottery manager or lottery operator to find the limits increasingly problematic as sales grew. Many other lotteries across the sector experienced similar problems.

GROWING SUPPORT FOR REFORM

In the meantime, over the years, support for reform continued to grow. In November 2014, the House of Commons Culture, Media and Sport Select Committee began its enquiry into charity lotteries. Its report, published in March 2015⁵, supported an increase in the charity lottery sales limits.

In the autumn of 2015, the UK Government responded by asking the Gambling Commission to review the issue. The Commission spent some time putting together three pieces of extensive advice, published in 2018⁶, and conducted econometric studies which, crucially, all found that charity lotteries had no significant impact on the National Lottery – a key consideration for the UK Government.



JESSICA MORDEN
MP FOR NEWPORT EAST

“That grassroots good causes have benefited significantly from increased funding from the 2020 charity lottery reforms is excellent news for small charities. The ability to apply for unrestricted or project funding helps ensure support from players of People's Postcode Lottery delivers maximum benefit for the wide variety of good causes working on the frontlines of communities across Newport East.”

The Gambling Commission formally recommended increasing the charity lottery annual sales limit to £100 million. Notably, it advised that there was no regulatory reason under the Gambling Act to maintain annual sales limits⁶, and that completely removing them was unlikely to have a negative impact on the National Lottery.

Parliament also saw substantial activity on the issue: a debate in December 2017 demonstrated strong cross-party support for reform; the matter was regularly raised at DCMS oral questions in the House of Commons, and two separate Early Day Motions supporting the proposed reforms attracted significant enthusiasm from MPs across the political spectrum.

In the summer of 2018, the UK Government published its recommendations and conducted a public consultation. This included raising the annual sales limit to £100 million as the UK Government's "preferred option"⁷. The consultation attracted strong engagement, with over 1,600 respondents in total.

5. ⁵Society Lotteries. Report of the House of Commons Culture, Media and Sport Committee, 17 March 2015. 6. Advice Provided to DCMS on Society Lotteries, Gambling Commission, June 2018. 7. ⁷ Consultation on Society Lottery Reform, DCMS, 29 June 2018.

Mar 2015

CMS Inquiry report backs increase in sales limits



2016 – 2017

Gambling Commission conducts research



Dec 2017

Parliamentary debate



Jun – Sep 2018

UK Govt public consultation

“We are sympathetic to calls from the society lottery sector to raise the annual limit to £100 million... We therefore view the increase to £50 million now as a **first step in the process**, which will enable us to monitor the impact on the sector and build an evidence base, particularly with regard to the effect on good causes returns. **It is our aim to launch a further consultation on introducing a higher tier licence, to allow for a society to sell up to £100 million annually, should it so choose.**”⁹

DCMS GOVERNMENT RESPONSE TO CONSULTATION ON SOCIETY LOTTERY REFORM, JULY 2019

After a period of review, the UK Government published its response to the consultation in July 2019⁸. This set out that, despite strong support amongst operators and a swathe of Britain’s charity sector for a £100 million annual sales limit and a £10 million per draw limit, the UK Government would proceed more cautiously. It remained “sympathetic” to the case for higher limits, and would proceed with a two-stage process: £50 million as the first stage, and then £100 million as the second stage.

A NEW ERA FOR CHARITY LOTTERIES

The increased annual sales limits were passed into law in March 2020, and the Gambling Commission undertook a further technical consultation on the resulting changes to its Licence Conditions and Codes of Practice.

The new sales limits finally came into force on 29 July 2020. Charity lottery operators had prepared themselves well to take advantage of the reforms. For People’s Postcode Lottery, the multiple benefits became evident very quickly (see page 14 for a summary), and were clearly demonstrated in the report *We’re doing more*¹⁰, published in August 2021.

The reforms swiftly began delivering benefits across Britain’s charity lottery sector, with a broad range of operators able to lower their costs and increase their return to good causes. The benefits were showcased in a report¹¹ by nfpSynergy, commissioned by industry body The Lotteries Council.

Following the publication of these reports – which coincided with the one-year anniversary of the reforms – politicians from across the political spectrum wrote directly to the Gambling Minister, endorsing the positive



VICKIE HAWKINS

EXECUTIVE DIRECTOR, MÉDECINS SANS FRONTIÈRES (MSF) UK

“MSF is just one of thousands of charities supported by charity lotteries. The generous support we receive from players of People’s Postcode Lottery enables us to reach people caught in humanitarian crises, conflict and natural disasters, and provide them with life-saving medical care. A further increase in annual sales limits means charity lotteries will be able to do even more for charities and the work they deliver.”⁹

changes charity lottery reform had begun delivering for charities in constituencies across Great Britain.

In November 2021, an Early Day Motion¹² in the UK Parliament – and concurrent motion tabled in the Scottish Parliament – highlighted the success of the 2020 reforms, with members across each calling on the UK Government to proceed with further reform to an annual sales limit of £100 million. This period also saw an upswing in Parliamentary Questions tabled in the House of Commons, demonstrating MPs’ continued interest in the matter.

8. ⁸ Government response to consultation on society lottery reform, DCMS, 16 July 2019. 9. Government Response to Consultation on Society Lottery Reform, DCMS, 16 July 2019. 10. ¹⁰ We’re doing more: The impact of the 2020 charity lottery reforms on People’s Postcode Lottery and the charities players support, People’s Postcode Lottery, August 2021. 11. Lotteries and Draw Limits: How the 2020 turnover, prize and draw changes are saving charities time and money, nfpSynergy, August 2021. 12. ¹² EDM 680 Charity lottery £50 million annual sales limit



Jul 2019

UK Govt announces limits to be raised



Mar 2020

Changes brought into law; Gambling Commission consultation



Jul 2020

Raised limits come into force

ONGOING REVIEW

The UK Government had stated its intention to conduct a 12-month review of the impact of the 2020 charity lottery reforms. In August 2021, DCMS began this review: officials examined Gambling Commission statistics and met with stakeholders – including People's Postcode Lottery and The Lotteries Council – to gather the information needed to judge the success of the government's reforms to date.

The resulting report¹³, published in March 2022, concluded the reforms to be an early success, noting: "the increased



DEBORAH KERMODE
CHIEF EXECUTIVE AND ARTISTIC DIRECTOR,
MIDLANDS ARTS CENTRE (MAC)

“The charity lottery reforms so far are a step in the right direction, but we must continue to campaign for a further rise to the annual sales limit. Just think how much more charities could achieve with increased funding.

We will work collectively with Ministers and do more together to help charities not just to survive but thrive in these difficult times.”

limits are bedding in well and are beginning to have the intended effect of allowing the society lotteries sector to grow and return more to good causes, whilst also maintaining the unique position of the National Lottery.”

Questions around striking the right balance for charity lottery sales limits remain under review and discussion, as charity lottery operators continue to press the UK



CHRIS PHILP FORMER GAMBLING
MINISTER, TO DCMS SELECT
COMMITTEE, 5 JULY 2022¹⁵

“My expectation is that we would keep looking at it [charity lottery rules] on an approximately annual basis just to see how it develops and how it evolves.”

Government to fulfil its original ambition for a £100 million annual sales limit, as a minimum, or to remove the annual limits altogether – an option the Gambling Commission has deemed entirely feasible.

In addition, with the current National Lottery operator set to change for the first time since its inception, questions around the role of charity lotteries – and how their funding model complements the National Lottery's project-based funding – remain topical.

At the end of April 2022, as part of its hearings on the subject 'What next for the National Lottery', the Digital, Culture, Media and Sport Committee heard evidence¹⁴ from key charity lottery stakeholders – People's Postcode Lottery, The Health Lottery and The Lotteries Council – to examine this very issue. It also covered the sector's measures to mitigate gambling harms.

In early July 2022, the then Minister for Tech and the Digital Economy, Chris Philp MP, gave oral evidence to the same Committee inquiry, emphasising that charity lotteries do not compete with the National Lottery and, crucially, stating that DCMS would consider the rules affecting charity lotteries on an annual basis¹⁵.

Given it has been two and a half years since the 2020 reforms were passed into law, and over a year since the Government began its initial review of their impact, we now call on the Government to undertake a consultation on the charity lottery annual sales limits – including the options to remove them completely or to raise them to £100 million per annum, in line with its previous commitment.

13. One year review of society lotteries sales and prize limits, DCMS, 1 March 2022. 14. What next for the National Lottery? DCMS Select Committee hearing, 26 April 2022. 15. What next for the National Lottery? DCMS Select Committee hearing, 5 July 2022

Dec 2020

UK Govt launches review of Gambling Act 2005



Aug 2021

DCMS begins review of impact of 2020 reforms



Mar 2022

UK Govt publishes outcome of the first-year review



Jul 2022

DCMS commits to annual review of charity lottery rules

Benefits of the reforms to date

In the two and a half years since coming into law, the raised charity lottery sales limits have already unlocked vital additional funding for charities, and resulted in streamlined and simplified operations for External Lottery Managers such as People's Postcode Lottery – all while maintaining the unique position of the National Lottery.



REFORMS TO DATE: BENEFITS IN NUMBERS

32% to 33%
OF TICKET SALES TO GOOD CAUSES
Increased charitable contribution from June 2021

58 > 20 Trusts
Simpler draw structure with fewer charity
lotteries means admin savings

£31 million
ONE-OFF EXTRA AWARDS for 61 regularly
supported beneficiary charities in 2021

Double the money
for smaller good causes through
Community Programmes Trusts

76%
INCREASE IN FUNDING
for Partnership Programmes in 2021

The practical impact and numerous positive outcomes of the 2020 reforms are extensively discussed in the 2021 report *We're doing more*¹⁶. In essence, the Government's decision to increase the charity lottery annual sales limit and per draw limit allowed People's Postcode Lottery and the Postcode Trusts to begin simplifying their operating structure, resulting in reduced costs, greater transparency for players, and more flexibility in funding charities. Crucially, it freed up more funds for good causes and enabled a move to regular, quarterly funding to beneficiary charities. Below is a summary of benefits:

- Simplified structure means reduced costs, regular funding distribution and greater transparency.**
The £50 million limits allowed each of the lotteries we manage to raise more funds than before, so the number of lotteries we manage could be reduced from 58 to 20. This has cut red tape and administrative costs, freeing up even more money for funded charities. The new model makes funding distribution simpler – all long-term beneficiaries now receive regular quarterly payments. It is also easier for players to understand.
- Increase in the percentage return to good causes.**
Thanks to administrative savings, along with sales growth, each ticket sold now returns 33% to good causes, up from 32%. Percentage spend on costs is down from 28% to 27%. This additional 1% to charities was worth some £5.3 million in 2021. Thanks to continued player growth, this additional 1% is expected to deliver close to an extra £6 million for good causes in 2022.
- A massive £31+ million in one-off Extra Awards to 61 charities in 2021.** Also thanks to the simplified structure, 61 long-term beneficiary charities were able to share a windfall of over £31 million in 2021.

16. We're doing more: The impact of the 2020 charity lottery reforms on People's Postcode Lottery and the charities players support, August 2021

“The reforms have lowered operating costs by reducing the number of gambling licences many operators require, while removing some of the cumbersome bureaucracy that accompanies holding multiple licences. As a positive outcome of these reduced administrative costs, several lotteries have already increased their per-ticket percentage contribution to good causes. Other operators report they will soon follow suit...”

THE LOTTERIES COUNCIL SUBMISSION TO DCMS SELECT COMMITTEE, APRIL 2022

4. **Double the funding for small causes.** The amount available for grassroots community groups more than doubled, from £8.5 million in 2019 to around £17 million in 2021 and 2022. The reforms enabled a restructure of the Community Programmes Trusts, with each now covering a distinct geographical region. This makes applying for funds clearer and less confusing for small charities.
5. **Increased funding for Partnership Programmes.** The reforms allowed a significant 76% increase in funding for our Partnership Programmes – which manage and distribute support to additional beneficiaries funded by players.

The positive impact of reforms to date have been felt not just by People's Postcode Lottery and its supported charities, but by operators and supported good causes right across Great Britain.

In July 2021, The Lotteries Council – on behalf of the whole sector – published a research report¹⁷ giving operators large and small the chance to tell their stories. The report brings to life the wide-ranging benefits arising in the first year of the reforms.

LIMITATIONS OF THE 2020 REFORMS

Nevertheless, the fact remains that the 2020 reforms – successful though they have proven – were far more limited in scope than those called for by operators, supported charities and initially the Government itself. Operators still face a heavy burden of duplication and bureaucracy, constraining the value of their charitable returns.

To remain within the £50 million annual sales limits, People's Postcode Lottery still manages 20 stand-alone Trusts. Though a vast improvement on the previous 58, this still means 40 remote and non-remote gambling licences, 20 company registrations, 20 charity registrations, 20 sets of accounts and financial audits and so forth. The duplication is near endless. With fundamental reform, such costly bureaucracy is also avoidable.

Crucially, the 2020 reforms did not tackle the root of the issue, namely that the very existence of annual sales limits – coupled with per draw limits which fail to keep pace with the modern economy – place a ceiling on charity lottery fundraising.

As the next section of this report highlights, the £50 million annual limit is already constraining the fundraising ability of three Postcode Trusts – negatively impacting on funding to charities. This situation will only worsen over time with more and more trusts and charities affected.



SCOTT BENTON
MP FOR BLACKPOOL SOUTH

“I've seen first-hand the impact of People's Postcode Lottery player funding in the most deprived areas of my constituency. Continued deregulation of the charity lottery sector is a win-win. Charities can receive more at no cost to the Treasury.”



17. Lotteries and Draw Limits: How the 2020, turnover, prize and draw changes are saving charities time and money, nfpSynergy, July 2021

Reaching the limit

Just like the £10 million annual sales limit before it, the new £50 million limit is proving restrictive. Remedial action to avoid a number of Postcode Trusts breaching the increased annual sales limit is already resulting in potential income being lost – funds that could have gone to good causes. Going forward, this means an increasing number of charities will see their funding stagnate over time.

Though an improvement on what went before, the revised £50 million annual sales limit continues to place an unnecessary and avoidable constraint on the amounts individual charity lotteries can effectively raise for good causes.

The revised annual sales limit is already capping the income of three key Postcode Trusts, with 31 funded charities directly affected.

Postcode Children's Trust, Postcode Earth Trust and Postcode Support Trust each support a different array of charities carrying out vital work supporting children and young people, protecting the environment and helping the most vulnerable citizens in society.

With each of these Trusts forecast to move perilously close to the £50 million sales ceiling in 2022, they were forced to take remedial action at the start of 2022 by reducing ticket prices for their draws – from 85p to 80p.

This ticket price reduction was needed to ensure that each Trust remained compliant with the terms of its gambling licence. Failure to act quickly would leave open the possibility of these Trusts breaking the law and risking losing their licence, as well as the income required to support other good causes. The financial and reputational risk of such a breach is unthinkable for any responsible operator.

MILLIONS IN POTENTIAL INCOME LOST

This necessary ticket price reduction means that the three affected Postcode Trusts each will lose out on around £1 million in potential income in 2022 alone. It is forecast that a further ticket price reduction will be needed in 2023 for these three Trusts, down to 75p. With this, the potential income lost will balloon to £2 million per Trust, per year – funds which could have gone to their supported charities.

And, with People's Postcode Lottery projected to enjoy continued year-on-year player growth for some time to come, further ticket price reductions will likely be required from 2024 onwards, compounding the situation.

In effect, the income of the Postcode Children's Trust, Postcode Earth Trust and Postcode Support Trust cannot grow, and funding will stagnate as a result of the current £50 million ceiling.

With inflation, this stagnation amounts to a real-terms decrease over time in the value of grants awarded by these three Trusts– despite increased ticket sales from a public keen to play People's Postcode Lottery, and ongoing charitable need across the country.

In time, other Postcode Trusts will be similarly affected, impacting on more and more charities – all because of a limit on charity lottery sales, the rationale for which is unclear.

POTENTIAL INCOME LOST DUE TO LIMITS



Ticket prices reduced in 2022: 85p > 80p
= **£1 million lost income** per Trust, per year*

Ticket prices further reduced in 2023: 80p > 75p
= **£2 million lost income** per Trust in 2024*

*compared to 85p price in 2021.

THE PROBLEM AT A GLANCE

In 2022, three key Postcode Trusts will each lose out on some £1 million of potential income

This is due to the lowering ticket prices – from 85p to 80p – needed to avoid breaching the current £50 million annual sales limit

Further ticket price reductions will likely be needed in future

As a result, these Trusts' incomes will stagnate, as will the value of the grants they award, despite growing ticket sales and ongoing charitable need

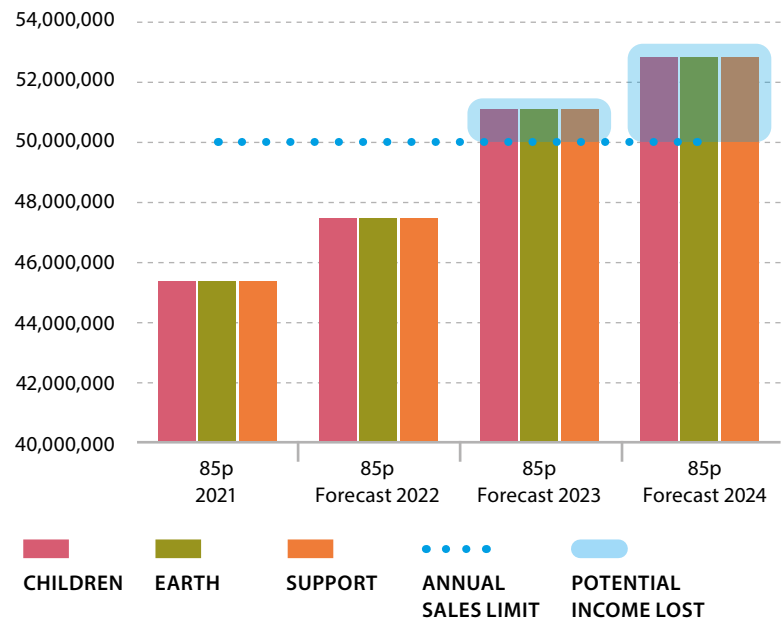
This means a real-terms decrease in funding over time

Charities are losing out already – and will continue to in future years – as a direct result of annual sales limits on our charity fundraising

31 charities are already being impacted by this problem

In future, more Postcode Trusts will be affected, impacting more charities.

GROSS INCOME WITHOUT CHANGED TICKET PRICES (FROM JAN 2022 DRAWS)



THE COST OF ANNUAL SALES LIMITS

If each Postcode Trust were able to keep its ticket price at 85p, People's Postcode Lottery's growing player base would see each Trust generate millions more in ticket sales in coming years – thereby raising millions more for supported charities. Unfortunately, the ceiling created by charity lottery annual sales limits means this potential funding is lost, as ticket prices have to be reduced to ensure each Trust does not generate sales above £50 million per year.

31 CHARITIES IMPACTED BY THE 3 POSTCODE TRUSTS LOSING INCOME





Helping young people face cancer

Young cancer patients Liv and Dylan (below) and their families rely on the support of Young Lives vs Cancer

Young Lives vs Cancer, formerly CLIC Sargent, provides invaluable support for children and young people around the UK who have been diagnosed with cancer, and their families. Since 2016, players have raised more than £15 million for the charity.

Every day in the UK, 12 more children and young people are diagnosed with cancer. It can be a devastating time for families, bringing so many practical and financial upheavals and worries. Working alongside NHS clinical teams at all major cancer treatment centres, Young Lives vs Cancer provides emotional, practical and financial support to young people and their families, both during treatment and afterwards.

“Postcode Children’s Trust is a progressive funder with whom we have a true partnership,” notes Chief Executive Rachel Kirby-Rider. “They trust us to know the needs of young patients best, and their flexible funding towards core activities means our frontline delivery is financially sustainable.”

As Rachel explains, around 50% of player funding goes toward delivering social care – the cornerstone of its support service. “We have social workers in every major treatment centre, working alongside clinical teams to help families with practical needs such as financial support, accessing benefits,

and even negotiating leave with employers. They also advocate for the patient, help them navigate the system, and provide psychological and mental health support.”

During the pandemic, like most charities, it had to adapt quickly. “We set up a new central team who support young patients and families remotely. It’s been a positive change, making our service more resilient and accessible. Some prefer the immediacy of our live chat service, but of course our face-to-face interaction will always be vital.”

Around 20% of player funding goes towards the running costs of 11 Home from Home accommodation centres around the country. “These are comfy communal homes within



a ‘slipper walk’ from hospital where families can stay, cook a meal and connect with other parents. The homes ease the burden of travel and accommodation costs, and can offer peer support for families – they really are a sanctuary.”

Finally, around 30% of player funds go towards direct financial support for families in the form of cash grants – be it to help them with initial expenses, or the resulting loss of income and higher bills. “Thanks to players, we introduced an emergency winter fund in November last year, as rising energy prices saw many more families really struggling. It has seen huge demand which will only grow as a result of the spiralling cost of living.”

“Right now, around the country, vulnerable families are really struggling. It is very worrying to hear that the ‘new’ annual sales limit is already restricting potential growth in funding to charities like ourselves, at a time when we’re facing escalating running costs and a squeeze on other income sources, along with growing need for our services.”

RACHEL KIRBY-RIDER CHIEF EXECUTIVE, YOUNG LIVES VS CANCER

Girls equipped for the future

Girlguiding provides a space for girls to learn new skills, grow in confidence and make friends. It reaches over 290,000 girls through Rainbows, Brownies, Guides and Rangers, with over 80,000 volunteers helping across the UK. Players have supported Girlguiding since 2014.

"After 100 years of being a place where girls can find their voice, build skills and confidence, we know how important it is to change as the lives of girls change," says Chief Executive Angela Salt OBE. "Funding from the players of People's Postcode Lottery is supporting our ambitious transformation programme to make Girlguiding fit for the future in a number of exciting ways."

This includes increasing its support to adult volunteers, building strong partnerships to increase its reach, and a focus on advocacy and supporting young women to take part in social action.

Though members pay subscription costs towards the delivery of activities, it is not enough to enable strategic growth and change. "The unrestricted funds from players can be invested in critical work behind the scenes, and being responsive and agile," explains Angela.



"For example, when lockdown started in March 2020, we were able to launch our online offering, Adventures at Home, in just 11 days thanks to player funding. Current organisational transformation projects include establishing a youth steering group, bringing our membership database up to date and creating the digital tools and services needed to deliver our new strategy.

"Our ambition is wide-ranging, and the flexible funding from players has enabled us to think big and plan for

the future. We also find the learning and networking opportunities with other People's Postcode Lottery charity partners invaluable – it really is a family."

If it were to receive a boost in annual player funding following further reform, the charity plans to establish a team to ensure that every girl in the UK has access to a local unit in their area. It would also look to elevate its Girl Voice work addressing social issues like online safety, mental health and wellbeing, and awareness of climate change.

Angela concludes: "For Girlguiding, additional funding unlocked by reforms to charity lottery sales could allow us to continue to reach more girls in all communities across the UK. This means all girls and young women would have a space where they can be themselves, have fun, build brilliant friendships, gain valuable life skills and make a positive difference in their communities."



Girlguiding brings out the best in girls through a range of activities

"I hope the UK Government will reconsider current sales limits to maximise the important impact charity lotteries make for the charity sector. Increasing the annual sales limit to at least £100 million would enable more charities like ourselves to benefit."

ANGELA SALT OBE CHIEF EXECUTIVE, GIRLGUIDING



Let's Paddle activity connecting local people in Leeds with the waterway on their doorstep

'Blue-green' spaces for all to enjoy



Canal & River Trust cares for 2,000 miles of waterways across England and Wales, working with volunteers and communities to transform canals and rivers into treasured, thriving 'blue-green' spaces.

In the course of a decade-long partnership, players of People's Postcode Lottery have provided over £18 million in funding to a wide range of Trust projects, from key infrastructure repairs to community outreach and greening initiatives.

"Our waterways are a precious part of the UK's cultural heritage. They also provide people with welcome opportunities for recreation, connecting with nature, active travel and volunteering," explains Chief Executive Richard Parry. "Among our flagship player-funded projects is Community Roots, helping deprived communities from Tottenham to Torfaen connect with their local waterways through activities like walking, paddle sports and yoga, while also improving their wellbeing."

Community participation is also the focus of Beauty on the Doorstep, the Trust's nationwide initiative to improve stretches of canal and boost their usage by involving local people and volunteers in greening activities including floating reed bed installations, planting trees and creating wildflower meadows.

Needless to say, waterways infrastructure – canals, locks, docks and bridges – takes significant investment to maintain. Key infrastructure projects currently being funded by players include repairs to a bridge that provides access to London's popular Camden Market, and a structural wall repair at Liverpool Docks, which receives over 4 million visitors per year.

Player funding brings a unique set of benefits, says Richard: "Postcode Earth Trust places the needs of the charity sector first, and understands the value to charities of long-term partnership and flexible funding. This means we can allocate funds where they are needed most and make plans for the longer term."

Any future growth in player funding would, says Richard, "allow us to scale up and expand our community engagement, education and environmental projects, so that even more people can enjoy the wellbeing benefits of water. We'd also have a bigger budget for infrastructure projects and emergency repairs, which we know will be necessary in the future."

"We welcomed the increase of the annual sales limit to £50 million, but we're concerned to hear it is now limiting the potential income for charities. We believe this should be raised to at least £100 million.

Charity lottery funding is crucial to the third sector. With the dual crises of climate change and the cost-of-living crunch, alongside the need for post-Covid recovery, the work of charities like ours is more important than ever before. Any restrictions on the ability to raise funds has a direct impact on our work, and in turn on all those who rely on and enjoy our waterways."

RICHARD PARRY CHIEF EXECUTIVE, CANAL & RIVER TRUST

Grassroots action for climate and nature

Friends of the Earth (FOE) is the world's largest grassroots environmental network, uniting over 2 million supporters in more than 75 countries. Players have raised over £15 million for FOE since 2013.

“We want to ensure that people most at risk from the climate crisis, and those least likely to benefit from the transition to a low carbon economy, are at the heart of our work and the solutions,” explains Co-Executive Director Hugh Knowles.

“Thanks to the players of People’s Postcode Lottery, we are supporting communities across the country to engage in local environmental issues, and be part of the change they want to see. From 80% of local councils having Climate Action Plans to stopping new coal mines, we have supported communities to organise and have national influence. We have worked to reach new audiences, deepening our community engagement with groups including youth organisations and faith groups, while trying out new interventions for climate and nature.”

The vital unrestricted funding from players means the charity can deliver support where it is needed most in challenging times.

This involves everything from supporting local groups to improve their neighbourhoods, to training communities to unite and tackle big challenges. In addition to player funding, Hugh and colleagues value being part of a family of beneficiary charities, with opportunities to connect and share knowledge.

If charity lottery limits were raised and FOE were to benefit from increased funding, “we would fund our transformational work to support a diverse environmental movement,” says Hugh. “This is currently lacking in the UK and is critical to generating the people power needed to bring about the greatest change. We’d like to see a fully representative

movement to ensure we campaign on environmental issues that resonate across society.” With increased funding, it would help develop partnerships to reach marginalised communities.

Hugh concludes: “These are challenging and uncertain times: the window to halt the climate crisis is closing rapidly. With a recession looming and many people facing a cost-of-living crisis, the charity sector needs to increase its impact in a more challenging funding environment. Flexible, long-term funding like that from players of People’s Postcode Lottery is critical to ensuring change happens fast enough, and benefits as many as possible.”

“We face geopolitical and economic turmoil but need to transform our society. Those working on creating change need an injection of funding, and there are not many options in the current economic conditions. Removing the annual sales limits to increase funding to charities will enable them to support citizens all over the UK to create change.”

HUGH KNOWLES CO-EXECUTIVE DIRECTOR, FRIENDS OF THE EARTH



FOE inspires local eco initiatives such as Greener Hackney (left) and recognises community action through its Earthmovers awards

Royal Voluntary Service

harnesses the power of volunteering to help people and communities in need across Britain. Players have supported the charity for over eight years, providing a total of over £15.5 million in funding.

“This truly transformational amount has helped our charity to thrive and grow,” says Chief Executive Catherine Johnstone CBE. “Thanks to ongoing funding from players, our volunteers have been able to support vulnerable people in their communities through the toughest of times – when they’ve felt alone, through ill health and recovery, living with a long-term condition or caring for a family member. And most recently throughout the Covid pandemic.”

The charity’s frontline recovery and resilience service sees trained volunteers working with healthcare teams and in communities to provide practical help and emotional support for those struggling to cope. They’re a helping hand and listening ear to vulnerable people in hospital, recovering after a hospital stay or needing support to reconnect with the outside world and access community services.

Other services focus on reducing loneliness and social isolation, and improving health and wellbeing. This year, thanks to player funding, says Catherine, “we’re offering First Time for Everything, a programme of free, accessible wellbeing activities – such as Tai Chi – where older and vulnerable people can try something new, stay



Celebrating the value of volunteers

active and connect with others. We’re also continuing to offer our Virtual Village Hall, an online space set up during the pandemic where people can take part in free activities at home. It has around 47,000 followers!”

Of course, all this depends on recruiting, training and mobilising its invaluable team of caring volunteers. “Player funding helps to support the wellbeing of our volunteers and the people they help, as well as a national recruitment campaign to inspire 5,000 new volunteers.”

The charity also uses player funds strategically: investing in sector research and insights to promote the value of volunteering to society,

in building collaborations and in its own organisational capability. “With funding from players being unrestricted, we can fund core costs that other funding sources don’t cover,” Catherine points out.

“The confidence Postcode Support Trust places in us to use funds flexibly has had a direct impact on the number of people we’ve been able to help, and how responsive we can be in mobilising volunteers to meet the needs of their communities. The support they have enabled is life changing – it reduces loneliness and isolation, improves health and wellbeing, and helps people feel more able to cope with the challenges they face.”

“Charity lotteries – alongside the National Lottery – have been transformational for so many charities and the important work they do for their beneficiaries. There are undoubtedly tougher times ahead, so growing the contribution charity lotteries can make by lifting limits will bring real benefits to more communities and causes in desperate need of this support.” CATHERINE JOHNSTONE CBE CHIEF EXECUTIVE, ROYAL VOLUNTARY SERVICE

A helping hand out of homelessness

Crisis UK is the national charity for people experiencing homelessness. It offers direct support and also campaigns for change to resolve homelessness altogether. Players of People's Postcode Lottery have helped to fund this work to the tune of more than £6 million in total since 2018.

"The support of players over the past four years has been timely, extraordinary and powerful in what it has helped us achieve," says Chief Executive Matt Downie. "It has provided us with a valuable source of unrestricted funds to target resources where they are needed most, and help us achieve our ambition to end homelessness."

Players currently support five Crisis initiatives. The first is transforming the charity's engagement and early intervention services delivered through its Crisis Skylight centres across Great Britain. This involves changing to a triage approach: all clients are met by an Engagement and Assessment Worker who immediately assesses their needs and refers them to appropriate support, either within Crisis or beyond.

"I was disappointed to learn of the Government's decision not to further increase charity lottery limits, and hope it will reconsider. Our vital work relies heavily on flexible funding such as that from players of People's Postcode Lottery. It allows us to target resources where they are needed most and help us achieve our ambition to end homelessness once and for all." **MATT DOWNIE MBE**
CHIEF EXECUTIVE, CRISIS UK

Player funds are also helping to refurbish Cranston House, the charity's new Skylight premises in Edinburgh. With funding from players, it is being turned into a valuable hub for services.

Improving the health outcomes of those experiencing homelessness is also a focus for player funding. Crisis is working with the NHS to set up specialist teams to help homeless patients in hospital. These teams include people who were once homeless themselves and are now trained to support others.

In 2021, player funding helped establish The Venture Studio, an entrepreneurship centre for Britain's housing and homelessness sector. It collaborates with business leaders, experts, funders and start-ups on innovative housing and employment solutions, among other things.

"Lastly, player funds support our firm belief that homelessness can be ended," says Matt. "Last year, we worked to change the way the charity sector communicates about homelessness, and now we're turning our attention to the media's portrayal of the issue. This has immense potential to shape public thinking."

"A substantial growth in player funding would make a huge difference as we transform our services to end the homelessness of more people. The cost of living crisis will see more and more people pushed to the financial brink and into homelessness. Whilst much has been achieved, the importance of player support has never been more acute."



MAX MIECHOWSKI

Crisis UK's Skylight centres offer early intervention services for those facing homelessness

Removing the limit

The reality of three key Postcode Trusts already reaching the £50 million annual sales limit starkly illustrates how these revised limits still place a ceiling on the growth of charity lottery fundraising, while continuing to subject operators to costly red tape.

Abolishing annual sales limits would truly futureproof charity lottery fundraising and allow greater funding flexibility, all while removing the need to regularly revisit legislation.

Strong year-on-year growth in the number of People’s Postcode Lottery players should be a cause for celebration. But as detailed in the preceding section of this report, current annual sales limits, introduced just two years ago, are already beginning to restrict the potential funds for good causes resulting from this growth.

As was the case prior to the 2020 charity lottery reforms, individual lotteries are, yet again, having to take action to keep within annual sales limits – despite the impact on charities.

Already, as discussed on page 16, three affected Postcode Trusts have had to reduce their ticket prices to ensure they do not generate ticket sales over £50 million per annum. This comes despite the growth in players meaning that many millions of pounds more could be raised over and above the current legal limit.

In the medium term, People’s Postcode Lottery (and other operators) may again be forced to return to a more costly and complex structure with an ever-greater number of gambling licences, and the myriad of compliance and bureaucracy this entails.

This would quickly temper – or even overturn – the very purpose of the 2020 charity lottery reforms, namely to lower operator costs and free up greater funding for good causes (set out on

page 14). The current situation is not unexpected – ahead of the 2020 reforms, the charity lottery sector had urged the Government to raise the limit to at least £100 million.

The very existence of annual sales limits on charity lotteries means that People’s Postcode Lottery is penalised for its success in growing the number of willing charitable contributors across the country every year. The limits place an unnecessary ceiling on the amount raised for good causes in all corners of Great Britain – all of which is generated at no cost to taxpayers.

It begs the question – *why not simply remove the annual sales limits on charity lotteries altogether?*

SCRAPPING SALES LIMITS WILL FUTUREPROOF CHARITY FUNDING

Aside from reasons of history, it remains unclear why charity lotteries face annual sales limits at all. At present, their existence does nothing more than restrict our charity fundraising or necessitate costly bureaucratic work-arounds.

Annual sales limits are inconsistent with the regulatory treatment of other forms of both fundraising and gambling – neither of which face such a restriction. In fact, as far back as 2001, the Budd Report (which informed the creation of the 2005 Gambling Act), recommended that sales limits be removed.

“We recommend that... the maximum annual proceeds should be removed for society lotteries”

THE GAMBLING REVIEW REPORT (BUDD REPORT) DCMS GAMBLING REVIEW BODY, JULY 2001

KEY BENEFITS OF REMOVING THE ANNUAL SALES LIMIT

FOR PEOPLE'S POSTCODE LOTTERY:

- Funding for supported charities can grow, unconstrained by artificial fundraising ceiling
- 20 Postcode Trusts could be rolled into one
- Substantial savings in administration costs and staff time
- Greater flexibility in how players' funds are awarded
- Possibility of expanding the number of regular beneficiary charities
- Less complicated and more transparent for players

FOR THE CHARITY LOTTERIES SECTOR, GOOD CAUSES AND WIDER CIVIL SOCIETY:

- Charity lotteries no longer need multiple licences
- A thriving, futureproofed charity lotteries sector encouraged to innovate
- Maximise fundraising for good causes via charity lotteries
- Certainty of funding for good causes large and small
- Resilient third sector able to respond to society's needs
- A win-win for the sector, for charities and society

ADDITIONAL BENEFITS FOR GOVERNMENT AND THE REGULATOR:

- No need for Parliament to keep revisiting legislation
- The regulator is freed up to focus its reporting and interventions on more challenging areas
- Government priorities are supported at no cost to the public purse



Exploring the Grand Union Canal, Southall

Furthermore, in comprehensive advice¹⁸ to DCMS in 2017, the Gambling Commission stated its view that removing annual limits alone would not impact National Lottery sales and would be a good way to achieve the aim of increasing the amount returned to good causes, while increasing the flexibility of the funds raised.

With charity lotteries and the National Lottery thriving in tandem – each subject to distinct legislation – it can therefore be said that removal of annual sales limits alone would do nothing to challenge the unique position of the National Lottery (the complementary nature of both lottery types is explored further from page 32).

However, what removal of annual sales limits would do, is let charity lotteries reach for the sky when it comes to charity fundraising.

People's Postcode Lottery could realise its limitless potential to grow the funding provided to good causes we currently support, while also presenting opportunity to look at further expanding the number of regular beneficiary charities. In addition, it could operate more cost-effectively and thereby increase the scope of the Trusts to be more responsive to shifting charitable need, as and when it arises.

A LIMITLESS STRUCTURE

As shown on page 14, People's Postcode Lottery's move from a complex model of 58 Postcode Trusts and direct beneficiaries to 20 Postcode Trusts was a big step in the right direction.

If annual sales limits were abolished altogether, this could be simplified further: to a single Trust structure which would be more transparent for players, less bureaucratic, highly flexible and capable of ensuring funded charities benefit directly from the growth in income.

The requirement to hold 20 registrations with the charity regulator, file 20 sets of statutory accounts, undertake 20 annual financial audits, operate 20 websites, hold 20 board meetings and hold some 40 gambling licences (a remote and non-remote licence per Trust) would all fall away.

A single Trust structure would shrink the bureaucratic burden of People's Postcode Lottery's charity fundraising operation to just 1/20th of its current size.

As well as generating savings which would free up funds for supported charities, this would bring significant efficiencies in team resource time, allowing the organisation's dedicated, professional staff to focus on aiding and expanding the wide array of charities supported.

18. Review of Charity Lotteries Advice, Gambling Commission, October 2017

GREATER FLEXIBILITY TO BE RESPONSIVE

Under a single Trust model, funding could be more easily re-directed to any supported charities, such as those working on the frontline response to unforeseen events at home and abroad; or those supporting emerging government priorities, such as levelling up the nations and regions of Great Britain.

By contrast, the current 20 Postcode Trust model means funds raised by each thematic Trust are legally ringfenced against their distinct charitable objectives, and so cannot be redirected to a charity supported by a different Trust, even where player funds are technically available to do so.

UNLIMITED POTENTIAL FOR ALL CHARITY LOTTERIES

While the removal of annual sales limits would bring great benefit to People's Postcode Lottery and the charities we exist to fund, it would also benefit the entire charity lottery sector. Lotteries large and small across Great Britain could maximise their fundraising without bureaucracy, or the worry they might breach the terms of their licence simply because they have been successful in growing their player base.

RAISING THE PER DRAW SALES LIMIT

Much of the case for futureproofing the charity lottery sector centres on the removal or – at a minimum – continued increase of annual sales limits to £100 million. However, the continued reform of the per draw sales limit remains important, too.

The current £5 million per draw limit, increased from £4 million as part of the 2020 reforms, has been crucial to unlocking the benefit of the £50 million annual limit. Without it, People's Postcode Lottery would have been restricted by the draw limit far before the annual limit came into play.

The same will be true if the annual limit were to increase to £100 million. The per draw limit of £5 million would effectively limit any operator of monthly draws to annual sales of £60 million (12 months x £5 million per draw).

A per draw limit of at least £8.34 million would unlock the full benefit of a £100 million annual limit. Otherwise, People's Postcode Lottery would still need to reduce ticket prices to comply with an overly restrictive per-draw limit, even if annual limits were removed or increased.

“We would like to see the link between the top prize and proceeds removed.”

TONY VICK CHAIR, THE LOTTERIES COUNCIL, TO DCMS SELECT COMMITTEE, 26 APRIL 2022

REMOVING THE 10% RULE

The charity lottery sector advocates removal of this rule, which states that the maximum prize cannot be more than 10% of the value of tickets in the draw. Instead, we propose that the market set its own limit up to a maximum prize limit of £500,000, regardless of the value of tickets in a draw.

Maximum prizes would be no higher than is currently legally possible, retaining the 'life-changing' prize space for the National Lottery. However, this change would allow operators flexibility to boost sales where they felt necessary, with a set maximum prize. Greater sales mean a greater return to good causes.



MAX MIECHOWSKI

Crisis UK's Skylight Centres, funded by Postcode Support Trust, provide a helping hand out of homelessness

**Current
£50 million
annual sales limit**

PEOPLE'S POSTCODE LOTTERY
external lottery manager for
20 POSTCODE TRUSTS



EACH TRUST NEEDS ITS OWN:

- › Gambling Commission Licence x 2 (remote & non-remote)
- › Monthly gambling return
- › Scottish Charity Regulator registration
- › Companies House registration
- › Chair and Board of Trustees meeting 3 times a year
- › Audit & Risk Committee meeting twice a year
- › Monthly management accounts
- › Annual statutory accounts
- › Annual financial audits (with associated costs)
- › Website
- › PML holder x 2
- › Funding strategy

.... SO 20 OF EVERYTHING!

REMOVAL OF ANNUAL SALES LIMIT

NO annual sales limit

PEOPLE'S POSTCODE LOTTERY
external lottery manager for
1 POSTCODE TRUST

**ONE OF EVERYTHING
– NO DUPLICATION**

- › No ringfencing of income in specific thematic trusts
- › Full flexibility in how players' funds raised can be awarded



Note: The logo above is not official, but a mock-up for the purposes of this publication.

Original ambition for £100 million

In 2018, the UK Government stated a £100 million annual sales limit was its “preferred option”, and in 2019 stated that the £50 million limit was the stepping stone toward that. As a bare minimum, the next step is urgently needed now.

The charity lottery reforms of 2020 were a step forward. Nevertheless, the revised annual sales limit of £50 million falls far short of the figure originally favoured by the UK Government – £100 million – a figure which has consistently enjoyed widespread support within Parliament and across the charity sector.

The UK Government has said numerous times that the £100 million sales limit is one for which it has “ambition”. Indeed, a £100 million annual sales limit was named as the UK Government’s own “preferred option”¹⁹ in June 2018.

The only opposition to the Government’s £100 million preferred option arose on behalf of Camelot, who based their concern on an unpublished report. It stands in stark contrast to objective, published evidence – including that from the Gambling Commission (see page 10), the official regulator for both lottery types.

In mid-March 2019, four months before the UK Government announced that limits would be raised to the lower figure of £50 million, Boris Johnson MP, shortly before becoming Prime Minister, wrote to the Secretary of State for DCMS, reminding them that the Government’s stated preferred option was £100 million, and urging for the plans to be brought forward.



19. [Consultation on Society Lottery Reform, DCMS, 29 June 2018](#)

CROSS-PARTY SUPPORT AND GOVERNMENT "AMBITION"

In April 2019, an Early Day Motion²⁰ supporting the proposed annual sales limit of £100 million attracted significant enthusiasm from across the House of Commons, including Conservative, Labour, SNP, Liberal Democrat and Plaid Cymru MPs.

In July 2019, the UK Government announced its decision to raise the annual sales limit to £50 million – and not £100 million – initially. However, the Government Response to the Consultation on Society Lottery Reform²¹ made it clear that the Government was "sympathetic" to raising the limit further, and had the "ambition" of introducing a £100 million licence, but wished to proceed on a step-by-step basis.

This commitment to revisit the case for a £100 million licence was reiterated in both the Commons and the Lords in March 2020, during the tabling of the legislation to enact the revised limits – the Gambling Act, (Variation of Monetary Limits) Order 2020.

POLITICAL SUPPORT FOR £100 MILLION AFTER THE 2020 REFORMS

The UK Government began its one-year review into the impact of the 2020 reforms in autumn 2021, prompting a number of elected members to reiterate their support for further reform towards £100 million.

Ian Murray, MP for Edinburgh South, lodged a Parliamentary Question on 17 November 2021, to which DCMS Minister, Nigel Huddleston MP, replied on 22 November, again restating the Government's commitment to return to the case for £100 million.

Also in mid-November 2021, Douglas Ross MP MSP, Leader of the Scottish Conservative Party and MP for Moray, wrote to Chris Philp MP, then Parliamentary Under-Secretary of State for DCMS, to express his support for further reforms. Stephen Crabb, MP for Preseli Pembrokeshire, did the same, as did Esther McVey, MP for Tatton, in February 2022.



The Scottish Parliament
Pàrlamaid na h-Alba

DOUGLAS ROSS MP MSP

Member of the Scottish Parliament for the Highlands and Islands Region



DOUGLAS ROSS MP MSP

LEADER OF THE SCOTTISH CONSERVATIVE PARTY AND MP FOR MORAY, IN A LETTER TO THE GAMBLING MINISTER, 11 NOVEMBER 2021

“Through my engagement with the sector, I am aware these long-sought reforms... have already had a hugely positive impact, for both charity lottery operators and good causes...

As welcome and successful as these changes are, I know that following previous public consultation, the Government stated its sympathy to a £100 million annual sales limit and its ambition to move to introduce an operators' licence allowing £100 million of annual sales.”



ESTHER MCVEY

MP FOR TATTON, IN A LETTER TO THE GAMBLING MINISTER, 10 FEBRUARY 2022

“People's Postcode Lottery... players provide funding not just for well-known larger charities, but for grassroots good causes.

Local organisations in Tatton such as the Crosstown Community Orchard and the Prison Radio Association have already benefitted and I will be working with the Postcode Lottery team to ensure more third sector groups locally can access their share of funding, at no cost to the public purse. I am conscious that Covid devastated the fundraising ability of many local and national charities and I am keen to offer them support in replacing that.”

20. EDM 2261, tabled 2 April 2019. 21. Government Response to Consultation on Society Lottery Reform, DCMS, 16 July 2019

Mostly recently, during a departmental question time on 7 July 2022, DCMS Minister Nigel Huddleston MP again reiterated the Government’s intention to reconsider a £100 million annual sales limit in a verbal response to Craig Whittaker, MP for Calder Valley.



NIGEL HUDDLESTON MP
MINISTER FOR SPORT, TOURISM, HERITAGE AND CIVIL SOCIETY, IN VERBAL RESPONSE TO CRAIG WHITTAKER MP, 7 JULY 2022

“We will work with the Gambling Commission to keep this [further reform] under review... The Government did express an ambition to look again at increasing the annual sales limit to £100 million once we were satisfied that this would result in an increase in overall returns to good causes and would not negatively impact on the National Lottery. That goal of making sure the returns to good causes are optimised will be at the front of our minds.”

SCOTTISH AND WELSH GOVERNMENTS’ SUPPORT FOR £100 MILLION

In addition to significant cross-party support in Westminster, both the Scottish and Welsh Governments have expressed their desire to see a further increase to £100 million in recent letters from relevant ministers.

Jane Hutt AS/MS
Y Gweinidog Cyfiawnder Cymdeithasol
Minister for Social Justice



JANE HUTT MS
WELSH MINISTER FOR SOCIAL JUSTICE

“The Welsh Government supports a further increase, to allow a maximum of £100m in annual sales.”

Jane Hutt AS/MS
Y Gweinidog Cyfiawnder Cymdeithasol
Minister for Social Justice



Llywodraeth Cymru
Welsh Government

Cabinet Secretary for Social Justice, Housing and Local Government
Rùnaire a' Chabineit airson Ceartas Sòiseala, Taighdeas, agus Rìaghladh Ionadail
Shona Robison BPA/MSP

Scottish Government
Riaghaltas na h-Alba
gov.scot

SHONA ROBISON MSP
SCOTLAND'S CABINET SECRETARY FOR SOCIAL JUSTICE, HOUSING AND LOCAL GOVERNMENT

“I would... like to take the opportunity to restate the Scottish Government’s support for increasing the society lottery sales limits... We have supported a £100 million annual sales limit and a £10 million per draw sales limit for some time, as set out in previous correspondence...”

SHONA ROBISON

OVERWHELMING SUPPORT FROM THE SECTOR, AND CHARITIES

The charity lotteries sector has consistently expressed strong support for a further increase of the annual sales limit to £100 million and draw limit to £10 million. The Lotteries Council, Institute of Fundraising, Hospice Lotteries Association and The Health Lottery have all indicated that such a reform would be desirable to them.

An annual sales limit of £100 million was also the desired outcome for charities large and small, with many prominent charity leaders adding their voices to the plea for more ambitious reform.

In mid-January 2022, the CEOs of 97 of Britain’s biggest charities came together and signed a joint letter to Nadine Dorries MP, Secretary of State for DCMS, reminding her of the UK Government’s original ambition for a £100 million sales limit and urging it to proceed with further reform. This joint letter followed an earlier one in April 2019, signed by 80 prominent charities and stating their “strong support” for a £100 million limit to Jeremy Wright MP, then Secretary for DCMS.

“We are... disappointed and somewhat perplexed that the [DCMS one-year review of charity lottery sales and prize limits] went on to conclude that... no additional reform would be considered at present, despite longstanding Government support for such a move”

THE LOTTERIES COUNCIL RESPONSE TO DCMS SELECT COMMITTEE CALL FOR EVIDENCE, APRIL 2022

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SCIENCE
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GROUP



GREENPEACE



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BREAST
CANCER
NOW The research
& care charity



national
museum
wales
amgueddfa
cymru



Theirworld



97 CHARITY LEADERS' JOINT LETTER

to The Rt. Hon. Nadine Dorries MP, DCMS Secretary of State,
14 January 2022:

“We were pleased that in its July 2019 report on the Society Lottery reform public consultation, the Government stated its sympathy to a £100 million annual sales limit and its ambition to move to introduce an operator licence allowing £100 million of annual sales.

“Given the already evident success of the move to a £50 million annual sales limit we ask that the Government takes action to proceed with this next element of charity lottery reform. This will enable further reductions in bureaucracy and administration costs and further assist charity lotteries and the charities they support, such as those we lead.”

Ministerial reply, 8 February 2022:

“In March 2020 we legislated to raise the annual sales limit from £10 million to £50 million, and we are now reviewing the impact of those changes one year after their implementation. We also stated an ambition to ultimately look at what conditions might accompany a £100 million licence.”

CHRIS PHILP MP THEN MINISTER FOR TECH AND THE
DIGITAL ECONOMY

The National Lottery question

The historic rationale for limits on charity lottery sales is unclear. More recently, their existence seems to have been sustained, in part, on the assumption that charity lotteries might adversely impact the National Lottery. However, evidence has consistently shown that they complement – rather than compete with – the unique position of the National Lottery, even after the 2020 reforms.

The National Lottery operates on a much larger scale than the entire charity lottery sector and is governed by the more liberal legislative framework of the National Lottery Act, as shown in the table below. The Act provides the National Lottery with several unique features – not least monopoly status – which the removal or continued increase in charity lottery annual sales limits would do nothing to challenge.

For the playing public, the primary differentiator of the National Lottery is its unique offer of ‘life-changing prizes’, with jackpots often running into tens or even hundreds of millions of pounds.

By contrast, the theoretical top prize for any charity lottery is just £500,000. In reality, the complexity of current prize limits means operators offer top prizes well below this theoretical maximum, to avoid inadvertently breaching the licence condition stating that prizes cannot constitute more than 10% of the value of tickets in a draw.

COMPLEMENTING, NOT COMPETING

The charity lottery sector, including People’s Postcode Lottery, is fully supportive of the National Lottery and embraces its own role as a fundraising stream that complements, rather than competes with, the unparalleled scale of National Lottery fundraising.

DISTINCTION BETWEEN LARGE CHARITY LOTTERIES AND THE NATIONAL LOTTERY

	LARGE CHARITY LOTTERIES	THE NATIONAL LOTTERY
Legislation	Gambling Act 2005	National Lottery Act 1993, 2006
Regulation	Regulated by the Gambling Commission	Regulated by the Gambling Commission
Sales per draw	Maximum £5 million	Unlimited
Prize per draw	Maximum £25,000 or 10% of proceeds up to £5 million (ie £500,000), whichever is greater	Unlimited (varies by game type and draw size). Highest jackpot to date (as at July 2022): £195 million
Annual sales	£250,000 – £50 million	Unlimited
Percentage return to good causes	20% minimum; 46% average for all large charity lotteries	No minimum
Geographical coverage	GB, Northern Ireland and Isle of Man	All of UK and Isle of Man

“Camelot has tended to adopt an oddly hostile attitude to our sector, claiming charity lotteries somehow threaten sales and funding to good causes... What is actually clear from the substantial body of publicly available evidence... is that charity lotteries have no discernible impact upon National Lottery sales or return to good causes.”

THE LOTTERIES COUNCIL IN WRITTEN EVIDENCE TO DCMS, APRIL 2022

Indeed, a number of the charities that our players help to fund – such as Girlguiding, the British Red Cross and cancer charity Maggie’s – also receive funding from the National Lottery. The unrestricted, flexible nature of charity lottery funding delivers impact alongside the project-based funding provided by National Lottery distribution bodies. In addition, our players support charities in certain fields that are not eligible for National Lottery funding at all, such as animal welfare.

The Gambling Commission itself investigated the interaction between the two lottery types on three separate occasions, prior to the 2020 reforms. In October 2017, an extensive update²² of the Commission’s 2012 and 2015 studies found the same conclusion as the earlier research – namely, that there is “no statistically significant effect of charity lotteries affecting National Lottery sales.”

The Commission made clear its impartial view on changes to charity lottery annual sales limits, stating it was:

“...still of the opinion that raising or removing the annual aggregate proceeds limits alone should not... impact on National Lottery sales. This would be a way of achieving both the Select Committee’s and DCMS’ aims of ensuring a greater return to good causes across the lottery sector and increasing flexibility for society lotteries to raise funds.”

In respect of annual sales limits, the Commission confirmed to the Select Committee directly on 22 July 2019, when asked about the impact charity lotteries have on the National Lottery, that:

“We have given the advice we gave around the recent society lotteries consultation, where our judgement is that that does not infringe on the unique features of the [National] Lottery, like life-changing prizes.”²³

It is therefore clear that the removal or further increase of charity lottery annual sales limits will not be detrimental to the National Lottery.

The only opposition to the Government’s £100 million “preferred option” arose on behalf of Camelot, who based their concern on a report which they remain strangely unwilling to fully publish. It stands in stark contrast to the impartial evidence offered up by the industry regulator.

Either way, it is unclear how sales limits act to protect the National Lottery, given they are not a player-facing element of charity lotteries – unlike the prize limit.

“What we would want to see from the new National Lottery operator is a more amicable relationship with society lotteries.”

DONALD MACRAE HEALTH LOTTERY, TO DCMS SELECT COMMITTEE, 26 APRIL 2022

22. Gambling Commission, Review of Charity Lotteries Advice, October 2017

23.  House of Commons, Digital, Culture, Media and Sport Committee, Oral evidence: Immersive and addictive technologies, HC 1846, Monday 22 July 2019.

“British Red Cross has received over £10 million from our players and that supports the core costs of their operations. Complementary to that, they have received over £10.5 million of National Lottery funding... for project-specific work which would not have been possible if they didn't have the core funding from us. That's where we can do more for charities through partnerships.”

CLARA GOVIER TO DCMS SELECT COMMITTEE, 26 APRIL 2022

GROWING IN TANDEM – SALES AND RETURN TO GOOD CAUSES

Following many years of concurrent growth, the most recently published Gambling Commission industry statistics comparing both sectors clearly show that – in terms of sales and return to good causes – both the National Lottery and charity lottery sector have reached record levels.

At the end of June 2022, Camelot announced²⁴ its results for the 2021/22 financial year. These showed its best-ever returns to good causes from National Lottery ticket sales for the second consecutive year, and sales again surpassing £8 billion following four consecutive years of growth.

The concurrent success of both sectors chimes with the Government's own commitment to see both lottery types thrive²⁵ and it is clear that the charities and good causes each exist to fund only stand to benefit further from continued reform.

The DCMS one-year review of charity lottery sales and prize limits²⁶, published in March 2022, again noted unambiguously that the charity lottery sector does not threaten the National Lottery:

“...the increased limits are bedding in well and are beginning to have the intended effect of allowing the society lotteries sector to grow and return more to good causes, whilst also maintaining the unique position of the National Lottery.”

SELECT COMMITTEE EVIDENCE

On 26 April 2022, the DCMS Select Committee heard evidence²⁷ from leading charity lottery stakeholders – People's Postcode Lottery, The Health Lottery and Lotteries Council – as part

of its wider inquiry on the subject 'What next for the National Lottery'.

The evidence session provided Committee members opportunity to learn more about the complementary nature of charity lotteries and the important part they play in Britain's charity fundraising mix, as they ponder possible changes to the next National Lottery licence process.

A variety of topics were covered, with sector representatives drawing strongly upon the unequivocal evidence highlighted throughout this report.

Oral evidence from charity lottery representatives also expressed the hope that the imminent change in National Lottery operator would herald a more positive, evidence-based relationship, so that more good causes could benefit from the two sectors' complementary funding models.

On 5 July 2022, in DCMS's own evidence²⁸ to the same Committee inquiry, the then Minister, Chris Philp MP, also made clear that charity lotteries were not impacting the National Lottery:



CHRIS PHILP MP
FORMER GAMBLING MINISTER,
TO DCMS SELECT COMMITTEE,
5 JULY 2022

“We want to make sure that the society lottery concept doesn't overlap or compete with that [the National Lottery] and I think that at the moment broadly speaking it doesn't... At the moment it doesn't. After the £50 million change it's fine.”

24. Camelot Group press release, 28 June 2022

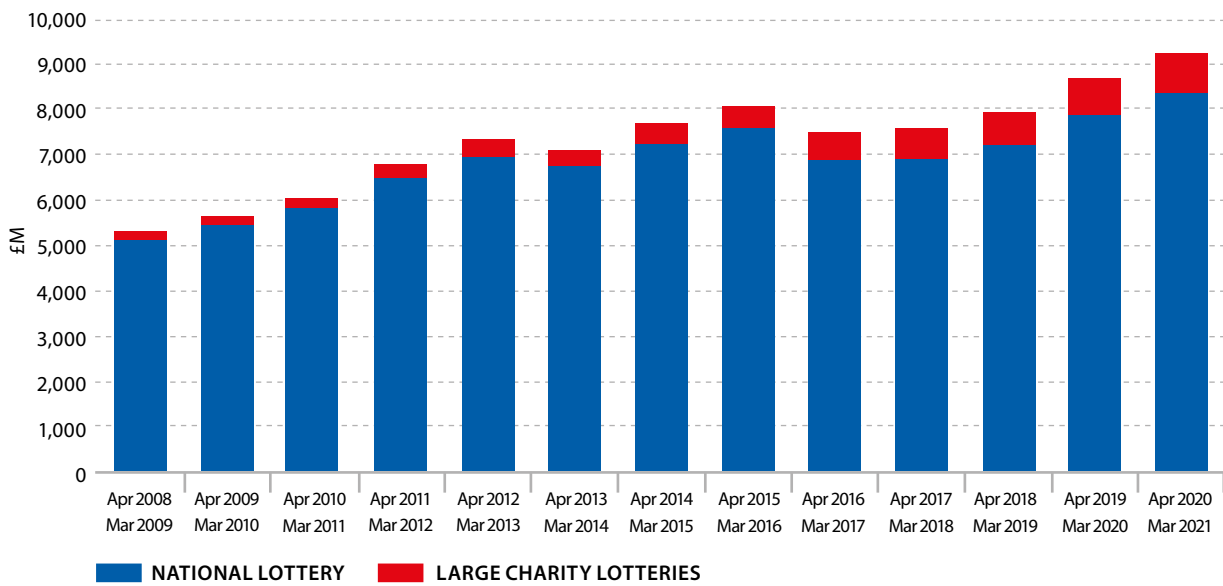
25. DCMS Single Departmental Plan, 2019

26. One year review of society lotteries sales and prize limits, DCMS, 1 March 2022

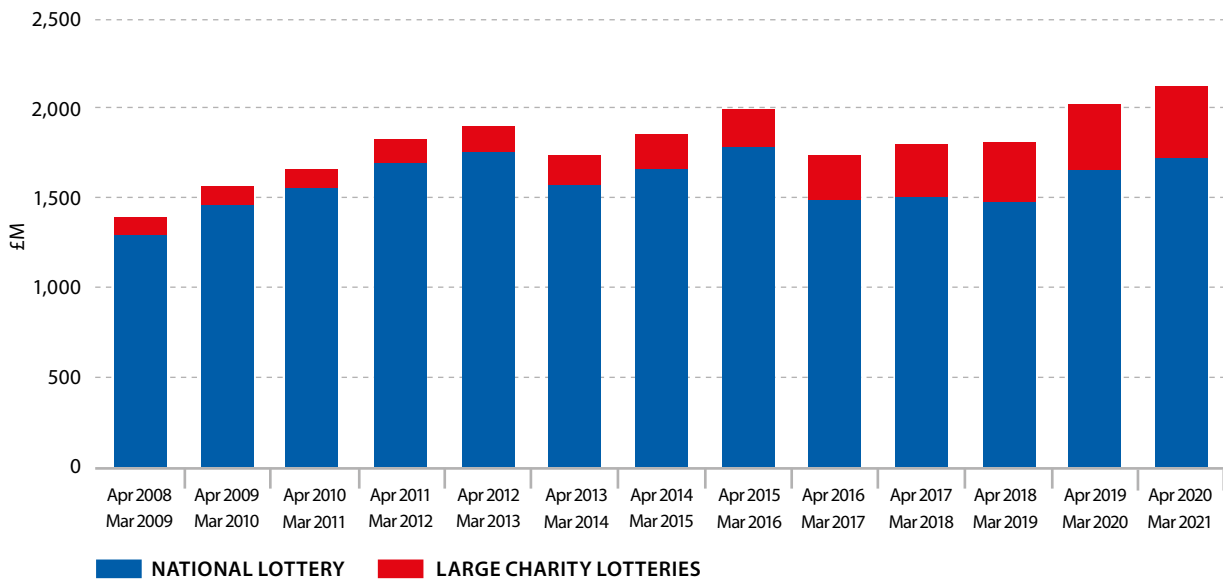
27. DCMS Select Committee oral evidence session, 26 April 2022

28. DCMS Select Committee oral evidence session, 5 July 2022

ANNUAL LOTTERY PROCEEDS: NATIONAL LOTTERY AND LARGE CHARITY LOTTERIES



ANNUAL FUNDS TO GOOD CAUSES: NATIONAL LOTTERY AND LARGE CHARITY LOTTERIES



GAMBLING COMMISSION STATISTICS

Analysis of Gambling Commission statistics show that, over the last decade or so, sales of both charity lotteries and the National Lottery have grown, delivering more funding for good causes. As can be seen in 2020/21, the value of combined sales for lotteries was at its highest ever. The same is true for funds to good causes.

Though the top graph shows two notable dips in National Lottery sales, neither can be attributed to competition from charity lotteries. In October 2013, Camelot doubled the Lotto ticket price from £1 to £2, and in October 2015 the number of balls in the draw increased from 49 to 59, significantly reducing a player's chance of winning.

Responsible play

People's Postcode Lottery's game is a safe game. Despite the broad recognition of its low-risk profile, comprehensive policies are in place to protect vulnerable people. Committed to evolving in line with changing industry standards, we proactively work to ensure the continued recognition of charity lotteries as altogether different from the commercial gaming and betting sector.

People's Postcode Lottery is a subscription lottery: players sign up one month in advance for entry into the various draws. Uniquely within the industry, the number of monthly subscriptions for a single player is deliberately limited. Draws take place monthly, with results published throughout the month.

Despite being governed by the same legislative framework, our monthly charity lottery is therefore a markedly different product from those offered by commercial betting and gaming companies, where players can swiftly alter the size of their stake and lose large sums of money in short periods of time.

The Gambling Commission²⁹ and the UK Government³⁰, alongside a broad spectrum of politicians and academics, recognise the low risk profile of charity lotteries.

Even so, People's Postcode Lottery continues to approach responsibilities around player protection with the utmost seriousness. Player safety is hard-wired into our DNA and we continually explore how to further improve our model to ensure we adapt in line with evolving industry standards.

OUR POLICIES TO PROTECT VULNERABLE PEOPLE

Limits on tickets sales. Customers are limited to buying three £10 monthly subscriptions in a single transaction, and a maximum of six a month. This means the most an individual can spend a month is £60. In fact, 89% of players play with one subscription, with just 0.025% playing with six. Playing with one subscription equates to just 32.8p per day.

No ability to gamble in real time. Rapid event frequency is widely accepted as one of the most influential factors for vulnerable gamblers developing gambling problems. Our model provides no ability to gamble in real time and offers limited player interaction.

CAROLYN HARRIS MP

CHAIR OF ALL-PARTY
PARLIAMETARY GROUP
ON GAMBLING RELATED
HARM, IN RESPONSIBLE
PLAY REPORT ³²



“Not every organisation regulated under the UK's gambling legislation is the same. Charity lotteries are very different from the big international private companies which dominate the betting industry. This is true both in terms of what they exist for – charity fundraising versus private profit – but also the level of risk related to problem gambling.”

Staff trained to identify vulnerable people. All our employees who interact with players receive regular training on identifying and tracking vulnerable people, and taking the correct action when identified. We work with our supported charities and other organisations to develop knowledge and awareness of the key indicators, including around illnesses such as dementia.

Self-exclusion. We operate a robust self-exclusion policy. Individuals can self-exclude by contacting us by email or by free phone. The minimum initial self-exclusion period for non-remote gambling is six months.

Financial support to charities tackling problem gambling. We voluntarily donate to charities working on problem gambling. This is in addition to the donation made by trade body The Lotteries Council, of which People's Postcode Lottery is a member.

No scratch cards or instant wins. In contrast to the National Lottery and some other operators, we do not sell scratch cards or instant wins. This means that players cannot simply buy more and more tickets.

29. Gambling Commission Society Lotteries advice, Phase 2, June 2018. 30. Review of the Gambling Act Terms of Reference and Call for Evidence, December 2020

Proactively raising the age of play. In 2021, we proactively raised our age of play from aged 16 to aged 18. We did so after the Government announced the change to the National Lottery's age of play, despite no requirement for charity lotteries to follow suit.

GAMBLING ACT REVIEW: AN OPPORTUNITY TO DIFFERENTIATE

In December 2020, the UK Government launched its wide-ranging review of the 2005 Gambling Act to ensure that gambling regulation is fit for the digital age. People's Postcode Lottery advocates for a differentiated approach to legislation that recognises the difference between the low-risk lottery sector and commercial gaming and betting.

Advertising is fundamental to our ability to raise funds and showcase the charities our players fund. It is essential that – as was the case prior to the 2005 Gambling Act – charity lottery advertising continues to be provided for in any new legislation, without undue restrictions or a marketing cap.

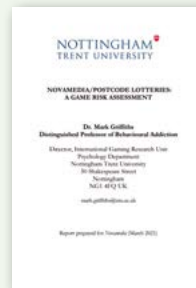
BARONESS DAVIDSON OF LUNDIN LINKS CONSERVATIVE PEER



“Parliament must act decisively to ensure gambling legislation can better respond to the myriad of player protection issues present in a 24/7 digital marketplace. But new gambling legislation must also differentiate between those products presenting the greatest risk and those operating at the low-risk end of the market, such as the not-for-profit charity lottery sector. Undue restrictions on charity lotteries would benefit nobody and serve only to stifle the amount such lotteries can raise for good causes across Britain.”

RESEARCH ON CHARITY LOTTERIES AND RESPONSIBLE PLAY

Prof Mark Griffiths, Distinguished Professor of Behavioural Addiction and Director of the International Gaming Research Unit, categorises People's Postcode Lottery as:



“One of the least risky games (i.e. among the safest) in the worldwide gambling market.”

NOVAMEDIA/POSTCODE LOTTERIES: A GAME RISK ASSESSMENT³¹

“The evidence is clear that participation in charity lotteries, like the National Lottery, is significantly lower risk, even negligible, in comparison to participation in a number of other types of gambling...”



RESPONSIBLE PLAY: CHARITY LOTTERIES AND GAMBLING-RELATED HARMS³²

31. [Novamedia/Postcode Lotteries: A Game Risk Assessment, Nottingham Trent University March 2021](#)³¹ 32. [Responsible Play: Charity Lotteries and gambling-related harms](#)³², NFP Synergy February 2021³²

Conclusion and recommendation

In order to futureproof the vital and distinct funding stream provided by charity lotteries, we urge the UK Government to press ahead with promised reforms as a matter of urgency. While we believe the time has come to sensibly abolish annual sales limits altogether, at a minimum, we urge Ministers to move forward with their previous commitment to a £100 million annual sales limit now.

At a time when the role of charities in addressing an array of complex challenges facing our nation and its people has arguably never been more crucial, it is imperative that the ceiling on charity lottery fundraising be removed – allowing the sector to reach its limitless potential.

We hope this report has demonstrated the positive impact of the reforms to date, as well as providing a deeper understanding of the wider societal benefits of a thriving charity lottery sector.

Further reforms will futureproof the positive impact already seen, and give People's Postcode Lottery

Working for thriving waterways with Canal & River Trust



and the wider charity lottery sector the headroom to grow and thrive into the future – in complement to the distinct contribution of the National Lottery.

THE TIME FOR FURTHER REFORM IS NOW

Now is the time to act decisively and with ambition – allowing the sector to 'thrive' just as the Government wants it to.

Given it took ten years for the partial 2020 reforms to be delivered, it is vital that legislative reform continues apace to further unshackle the charity lottery sector now.

To truly futureproof the sector, People's Postcode Lottery is calling for the removal of annual sales limits, and the ceiling they place on charity fundraising.

At the very least, we urge Ministers to enact their previous commitment to increase annual sales limits to £100 million, allowing People's Postcode Lottery to realise the full benefits of our growing player base in the medium term – all to the financial benefit of the charities and good causes we exist to fund.

After all, as argued in this report, it is unclear why these limits exist at all, other than being a historic relic of a notion that charity lotteries threaten National Lottery sales – a notion now thoroughly debunked by time and a growing body of evidence (see page 32).

For now, charity lotteries remain the only type of charity fundraising – and indeed the only gambling product – where a limit is placed on sales. Removing the ceiling on charity lottery fundraising by abolishing annual sales limits would correct this anomaly, and give operators the freedom to reach for the sky in their fundraising.

At its heart, continued charity lottery reform means our country's thriving lotteries sector – in its widest sense – can deliver even more for charities and their vital work in communities across Great Britain... all without cost to the public purse.

“For every successful funding application, there are many more we would like to fund but simply can't. That's why I'm so passionate about raising the limit further – so that we can fund even more charities to support communities in challenging times.”

CLARA GOVIER MANAGING DIRECTOR, PEOPLE'S POSTCODE LOTTERY
TO DCMS SELECT COMMITTEE, 26 APRIL 2022



MATT DOWNIE MBE
CHIEF EXECUTIVE, CRISIS UK

“The annual sales limit on charity lotteries is a needless barrier to the public and third sector achieving social impact together. It makes no sense to arbitrarily cap the amount of money that can flow to good causes through such proven models as People’s Postcode Lottery.

This system costs the taxpayer nothing. In fact, it saves the Treasury money through more social programmes being funded by charity lotteries. For Crisis, removing the sales limits would mean we could help more people out of homelessness... it is as simple as that. We urge the Government to unlock the potential of charity lotteries – it has nothing to lose and everything to gain!”



RACHEL KIRBY-RIDER
CHIEF EXECUTIVE, YOUNG LIVES VS CANCER

“People’s Postcode Lottery changes lives for the better – for players, charities and service users. Upping or completely removing charity lottery limits would be an effective, impactful way to increase the funds flowing to charities at a critical time of need. It would be a quick win for Government, for charities and society. My question to Government is: why wouldn’t you?”



SANDY LUK
CHIEF EXECUTIVE,
MARINE
CONSERVATION
SOCIETY

“The players of People’s Postcode Lottery provide essential funding for Marine Conservation Society and so many others. This funding enables the charity sector to provide important social and environmental services, including key projects that may otherwise be hard to deliver. We absolutely support efforts to increase, or even abolish, charity lottery annual sales limits. Increased funds can only be a good thing – for the charity sector, for society, for nature and the ocean.”



ALISON TWEED
CHIEF EXECUTIVE,
BOOK AID
INTERNATIONAL

“Flexible, long-term funding from players of People’s Postcode Lottery helps us to both meet the urgent need for books and ensure that our programmes have a greater impact on the quality of education in some of the world’s most disadvantaged communities.

An increase or lifting of the annual sales limit would enable players to support even more long-lasting and transformational change for our charity and the people we help. So, I’d say to the UK Government and policy makers – act now, more can only mean better!”



JEAN-MICHEL GRAND
CHIEF EXECUTIVE,
ACTION AGAINST HUNGER

“ Whilst it’s clear that the 2020 charity lottery reforms have benefited charities like Action Against Hunger – which works tirelessly to tackle life-threatening hunger around the world – it’s equally clear that now is the time for a more ambitious approach.

Funds raised by players of People’s Postcode Lottery have improved and saved millions of lives in some of the world’s most fragile countries. But the need is more acute than ever, with the Ukraine conflict exacerbating global food insecurity. That’s why we support this call for the removal of the limits on charity lotteries – we urge Government to act swiftly and allow them to do more for good causes.”



DAME LAURA LEE
CHIEF EXECUTIVE,
MAGGIE’S

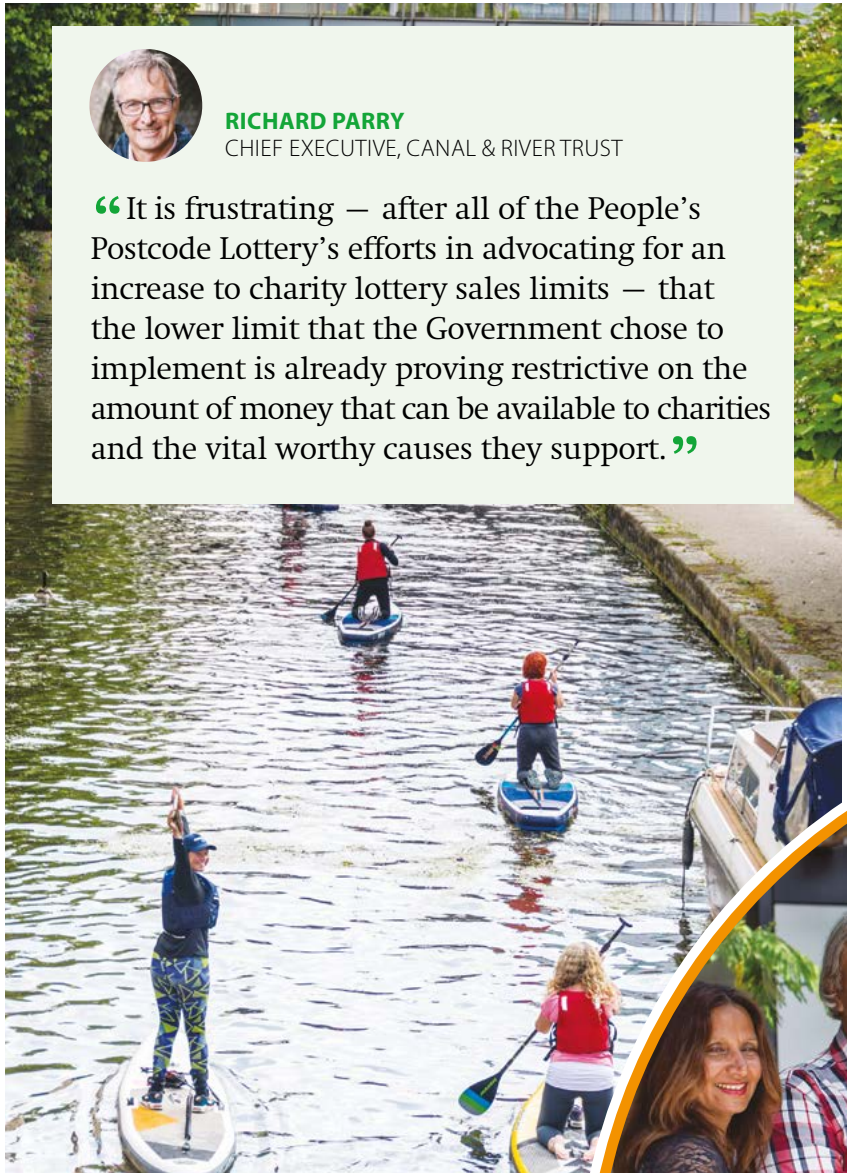
“ People’s Postcode Lottery helps Britain’s charities deliver impactful change right across the country – something we know first-hand at Maggie’s.

By enacting their previous commitment to up the charity lottery limit – or indeed by removing this needless constraint altogether – the Government can ensure charities are better equipped to tackle the myriad of issues facing people and communities most in need. Given the changes can be delivered without cost to the public purse, they are a ‘win’ for the Government and society alike.”



RICHARD PARRY
CHIEF EXECUTIVE, CANAL & RIVER TRUST

“ It is frustrating – after all of the People’s Postcode Lottery’s efforts in advocating for an increase to charity lottery sales limits – that the lower limit that the Government chose to implement is already proving restrictive on the amount of money that can be available to charities and the vital worthy causes they support.”



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