

### Consultation on Society Lottery Reform Response from the Scottish Charity Regulator

## 1. Background

### 1.1 The Scottish Charity Regulator

The Scottish Charity Regulator (OSCR) is established under the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) as a Non-Ministerial Department forming part of the Scottish Administration. OSCR is the registrar and regulator of charities in Scotland. There are currently over 24,000 charities registered in Scotland.

## 2. Consultation response

The People's Postcode Lottery (PPL) has been operating in Great Britain since 2005. PPL operates throughout Great Britain but as their head office is in Edinburgh they are not registered with the Charity Commission for England and Wales (CCEW) but with OSCR.

PPL manages society lotteries on behalf of a range of charitable trusts. These Trusts then provide grants to charities and community projects. The People's Postcode Lottery supports 18 charitable Trusts registered in Scotland:

	<b>Charity number</b>	<b>Charity name</b>
1	SC040387	People's Postcode Trust
2	SC042544	Postcode Green Trust
3	SC042667	Postcode Care Trust
4	SC043234	Postcode Culture Trust
5	SC043779	Postcode Heroes Trust
6	SC043837	Postcode Animal Trust
7	SC044038	Postcode Global Trust
8	SC044772	Postcode Community Trust
9	SC044773	Postcode Children Trust
10	SC044835	Postcode African Trust
11	SC044847	Postcode Planet Trust
12	SC044911	Postcode Dream Trust
13	SC044967	Postcode Sport Trust
14	SC045504	Postcode Local Trust
15	SC045749	Postcode Earth Trust
16	SC045861	Postcode Support Trust
17	SC045922	Postcode Equality Trust
18	SC046499	Postcode Innovation Trust

Through our engagement with PPL our understanding is that the multiplication of trusts is made necessary by the fact that under the current legislation society lotteries are limited to £10 million total revenue each calendar year. The £10million limit is met very quickly and results in them not being allowed to sell any more tickets (and consequently pay out any more to charities) for any of the charities where this ceiling has been met.

The issue is further illustrated by the fact that we have registered three new postcode lottery trusts since we responded to a call for evidence on this same subject from the Culture Media and Sport Committee in October 2014

As Regulator our primary concern is the duplication of registrations does mean that the individual PPL charities are spending a higher proportion of their charitable income on administrative expenses and therefore these funds are diverted from the charitable purposes. The increased complexity of governance involved in multiplying entities for what are essentially similar activities may also increase the potential for governance issues. There is also a secondary consideration that an ever increasing number of PPL charities results in additional work for OSCR.

OSCR has no specific views on what the appropriate limits for Annual Sales would be. However, the proposals as set out in the consultation paper to raise the Annual Sales limit for large society lotteries to £100 million and to increase the individual draw limit, and the rationale given for the proposals appear sound and would be likely to help address the main concerns identified by OSCR.

### **3. Conclusion**

We welcome the UK Governments proposals to raise limits on large society lotteries, which in turn should lead to greater efficiencies and increased funds going to charitable purposes.

We also welcome the proposed reduction in regulatory burdens on small society lotteries.

We are content for the information provided to be released in full, including contact details. Should you wish to discuss any aspect of the response please contact:

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