



NICVA Response on the Regulation of Gambling in Northern Ireland

20 February 2020

Regulation of Gambling in Northern Ireland

INTRODUCTION

NICVA (the Northern Ireland Council for Voluntary Action) welcomes the opportunity to respond to the Department for Communities' (the Department) consultation paper on the Regulation of Gambling in Northern Ireland.

NICVA is the umbrella representative organisation for the voluntary and community sector in Northern Ireland with a membership of over 1,000 organisations.

NICVA's response is based on its role as the representative body for the voluntary and community sector in Northern Ireland. Comments are based on practice and informed by previous gambling regulation consultations and the roundtable discussion held in NICVA on 7 February 2020.

General comments

NICVA welcomes this consultation as the current outdated gambling regulations in Northern Ireland are currently very restrictive and limiting the fundraising capacity of many charities, sports clubs and other voluntary led organisations (Societies).

Whilst the consultation document considers most aspects of gambling, NICVA is only providing general comments on the relevant policy areas which affect fundraising in the voluntary and community sector, namely lotteries.

NICVA acknowledges that other charities which have experience of the fallout from problem gambling will be best placed to comment on the other policy issues such as online gambling, gaming machines and casinos.

LOTTERIES

Lotteries are a very common method of fundraising for Societies in the voluntary and community sector. According to the 2016 Gambling Prevalence Survey, highlighted in the consultation document, 20.6% of respondents have bought a raffle ticket or ballot in a local raffle, making it the fourth most popular gambling activity in NI (the first being the National Lottery).

When this same survey was carried out in 2010, this activity was the second most popular gambling activity with 38% of respondents having bought a raffle ticket or ballot in a local raffle. This is a significant drop and the onerous restrictions on running a societies lottery could be the cause.

The Department acknowledges that there are some issues with the current rules covering societies' lotteries. At the roundtable discussion, most participants agreed that they didn't associate buying a raffle ticket as gambling but rather seen it as supporting a good cause. They also acknowledged that the regulations for societies lotteries in GB are a good benchmark for any changes to the rules in Northern Ireland, as laid out in Table below.

	Current NI rules	GB rules
Ticket price	£1 max	No fixed amount, but each ticket price must be of equal value
Maximum value of prize	£25,000 or 10% of proceeds, whichever is greater (currently up to max £8,000)	£25,000 or 10% of proceeds, whichever is greater (up to max of £400,000)
Total value of ticket sales in each lottery	£80,000	£4m
Total value of combined lottery sales in a year	£1m	£10m

NICVA comments on the issues with lotteries:

1. Monetary limits on stakes for societies' lotteries

The current rules state that the maximum price of a societies' lottery ticket must be £1 and that the total value of tickets sold in any one lottery must not exceed £80,000. If an organisation has several lotteries, then the total value of tickets sold in all the lotteries combined must not exceed £1m in any year.

NICVA comments

NICVA believes that the maximum £1 stake for the price of a society lottery ticket be removed. If a Society currently wants to run a societies lottery with a substantial prize, for example to win a car worth £25,000, it is obliged by current legislation to sell the raffle tickets for £1 each - it is not permitted to sell the tickets at £5 or £10. So, in order to raise the maximum amount of money permitted, the Society would have to sell 80,000 tickets at £1 each.

This is currently very restrictive and cumbersome as it takes a considerable amount of time and effort on the Society's part to sell that amount of tickets. A Society should be permitted to set its own ticket price as it is better placed to know what price would be acceptable to charge.

NICVA believes that the £80,000 total sales limit should also be removed, and a new higher limit implemented such as that in GB, currently £4m. This would then mean that the maximum value of the prize permitted would be £25,000 or 10% of £4m as opposed to 10% of £80,000 which is currently very restrictive.

2. Monetary limits on prizes for societies' lotteries

The amount, or value, of any prize may not exceed £25,000 or 10% of the proceeds, whichever is the greater.

NICVA comments

NICVA believes that this limit should remain only if the £80,000 cap on ticket sales is increased to £4m.

3. Selling tickets online

There is no provision in the current legislation for selling tickets online, but the legislation prohibits the sale of tickets by machine, including any apparatus. The Department takes the view that selling tickets online requires the use of a machine, therefore selling tickets online is not currently permitted.

NICVA comments

NICVA believes that Societies should be able to advertise and sell their lottery tickets online. People now rely on many things digitally and technology helps how we communicate with each other, this is the same for Societies in the voluntary and community sector.

Most Societies have a social media presence and use it to communicate effectively with their members, beneficiaries and the wider public. Societies should not be prohibited from using the internet to fundraise via selling their lotteries. The legislation should be amended to allow for this and also for future developments in technology.

4. UK-wide and Island of Ireland sales

It is currently not permitted to run a societies lottery UK wide or across the island of Ireland. There are many Societies that would like to run a UK wide lottery but are forced instead to hold a GB wide lottery only. For those Societies that want to run a raffle on the island of Ireland, they must also run two separate raffles.

NICVA comments

NICVA believes that the legislation should be amended to allow a societies lottery to be held on a UK wide basis. In addition, a similar arrangement could be introduced for those Societies who operate on the island of Ireland who want to hold an island of Ireland lottery.

5. Introduce small-scale societies lottery

NICVA would also ask if there is merit in permitting small-scale societies lotteries, for example, the total value of sales could be £5,000 or £10,000 without the need to register for a license with the local council. Small Societies may be put off from fundraising by way of a societies' lottery because of the need to register with the local Council, or indeed they could be conducting a societies' lottery without realising that it needs to be registered.

6. Small lotteries at exempt entertainments

Societies are currently permitted to conduct a raffle at an 'exempt entertainment' such as a dinner dance or sporting event (or other entertainment of similar character). While there is no restriction on the price of the raffle tickets, these tickets are only permitted to be sold during the entertainment. It is also a requirement for the Society to notify the police

NICVA comments

At the roundtable discussion in NICVA, it was felt that Societies should be permitted to sell these tickets in advance of the entertainment if a small-scale societies lottery was not permitted as outlined above at 5. This includes being able to sell the tickets online also.

7. Private lotteries

The rules on private lotteries does not permit ticket sales of more than £1,000 and tickets must be sold on the premises.

NICVA comments

NICVA believes that any changes to lottery legislation should also take cognisance of rules in relation to private lotteries. The ticket sales cap of £1,000 could be increased to £10,000 as this can be a useful form of fundraising by societies who have their own premises or indeed workforces who want to fundraise within their workplace for a good cause. In this instance they should be permitted to sell the tickets to their family and friends.

LICENSING, ENFORCEMENT AND REGULATION

The Department has outlined that local councils are responsible for the registration of societies lotteries which must be renewed annually and that it is the PSNI that has responsibility for enforcing the law on this. The Department is seeking views on whether the license could be extended for longer and if indeed the PSNI is the appropriate body to enforce the legislation and if there is a need for a regulatory body for gambling.

NICVA Comments

At the roundtable discussion, some participants felt that there was a need for a gambling regulator which should be financed by the commercial gambling sector.

NICVA believes that there is a need for proportionate regulation regarding lotteries run by Societies.

Perhaps there is potential for the Gambling Commission to extend its remit to cover Northern Ireland rather than having the expense of establishing a new regulator. Another suggestion would be to establish a licensing office within a government department to deal with gambling licenses.

Whatever the type of body, it needs to have powers of enforcement and be independent of influence from the gambling industry and be able to issue clear guidance on lotteries and raffles which Societies would undertake.

NICVA would recommend that further work be carried out to explore if there are any issues with the role of the Gambling Commission in GB and the Local Authorities role in registering societies lotteries.

The role of local Councils should be enhanced

NICVA recognises that there are examples of good and bad practice in the sector regarding lotteries. Societies quite often learn from each other and if several Societies are carrying out bad practice, for example conducting a societies lottery which is not registered with the local council and selling the tickets for more than £1, then there is a chance that others follow suit. It perhaps could be perceived that there are no regulations as people don't see any examples of the regulations being enforced.

NICVA believes that the lack of transparency of monitoring information about societies lotteries may be part of the reason why there appears to be a breach of the rules about societies lotteries. It is also not very clear on some councils' websites about who the application should be submitted to.

For example, a Society must report back to the local council within three months of the lottery date, but this information does not appear to be published anywhere. There does not seem to be a consistency of approach across the councils about the monitoring of data from the proceeds, prizes and expenses of societies' lotteries.

NICVA believes that local councils should be collating and monitoring this information. We would suggest that each council display on its website not only the requirement to register a societies lottery along with the application form and who to send it to but also list the societies' lotteries that are registered with it. We would also propose that all councils report to the Department on an annual basis with information on the number of societies' lotteries in their areas along with other monitoring information such as proceeds, prizes and expenses.

This level of transparency should encourage other organisations to realise they need to register and help the public to see which society lotteries are registered in their area. Perhaps the Department could publish an annual report on this, and the report

could then be shared by the councils, Charity Commission, umbrella bodies and governing bodies of sport.

Changes to the regulations

NICVA recommends that the Department should consult on draft legislation in the future before a bill is presented to change the gambling regulations. NICVA also believes that separate legislation should be prepared for societies lotteries as the wider proposals on gambling reform may have been too contentious in the past to take forward.

NICVA does not envisage any objections to reforming societies lotteries as this is quite often seen as fundraising as opposed to gambling.

Respond to the consultation

Copies of the consultation document can be accessed from www.communities-ni.gov.uk/consultations/consultation-regulation-gambling-northern-ireland

The responses to the Department's consultation are required no later than **21 February 2020**. You can respond online at the link above or email gamblingconsultation@communities-ni.gov.uk or write to

Regulation of Gambling in Northern Ireland Consultation
Department for Communities
Social Policy Unit
Level 8,
Causeway Exchange,
1–7 Bedford Street
Belfast
BT2 7EG