

## Lottery Review – key points arising from the consultation process

### Introduction

The Secretary of State published a consultation paper on Lottery distribution policy on 29 July 2002. The consultation period ran until 30 October and we received well over 400 substantive responses from a wide range of people including local authorities, charities, voluntary groups, individual members of the public and Lottery distributors.

These have now been carefully considered and this document provides an indication of the key themes emerging. A longer, more extensive summary of responses mirroring the content of the consultation paper is available on DCMS' website at [www.culture.gov.uk/lottery/review\\_lottery\\_funding.htm](http://www.culture.gov.uk/lottery/review_lottery_funding.htm) Specific proposals for change will be developed over the next few weeks and we intend to publish them in early summer.

### Raising public awareness

There was broad support for work to be increased in raising awareness and strengthening the Lottery brand, primarily at a regional or local level and while many did not believe raising awareness would increase ticket sales, some felt that it could help keep lottery players who hadn't won from stopping playing. Respondents generally supported Camelot and distributors working together on promotional activities but there were concerns that this should not involve disproportionate expense or bureaucracy.

While many of the respondents felt that Camelot's television campaign promoting good causes had little or no effect in raising awareness of Lottery projects there was support for the campaign's use of retail posters providing information about local beneficiaries of Lottery awards. Those who supported a 'National Lottery Day' also believed that focus should fall on holding events on a local or regional basis, perhaps linking into other open days. Other respondents were, however, concerned that the costs involved in holding a Lottery day could take money away from the good causes.

### Consultation

Many respondents recognised the consultation work that the Lottery distributors already did, particularly at the regional level, but there was significant support for them to tie more closely with existing public consultation networks such as citizens' panels. There was some opposition to using boxes on the back of Lottery tickets or local referenda to determine funding decisions largely due to concerns that 'unpopular' projects would lose out.

### Awards committees

There was significant support for the existing award committee arrangements, particularly where members are appointed through open competition. Some respondents believed that the Community Fund's model of involving a number of members of the public to sit on their panels should be extended and would increase

transparency in funding decisions. There was divided opinion on whether or not local councillors should sit on the awards committees.

### Local decision-making

There was broad support for regional decision-making (following local consultation on strategic priorities) as this was felt to be the striking the right balance between using local knowledge and making impartial decisions. There were some concerns that devolving decisions to a more local level could increase bureaucracy and the costs involved in processing applications.

### Micro Grants

There was some support, particularly from smaller organisations, to introduce micro grants and this was seen as a 'first step on the lottery ladder' which could be used for capacity building using a very simple application process. Those who supported the scheme suggested that local authorities, voluntary organisations and an expanded 'Awards for All' could administer it. There were concerns from other respondents that it would add another layer of administration costs and that several other funders already provided these types of grants.

### Capacity Building

There was general acceptance of the need for capacity building, but opinion was split between the need for building capacity generally and specifically targeting deprived areas. Opinions also varied as to who would be most suited to provide and fund this role - Lottery distributors, Local Authorities or the voluntary sector (the last two possibly funded by the Lottery).

### Targeting areas and groups

There was a division in opinion between the respondents on this issue. Organisations and local authorities connected to coalfield, deprived, and rural areas tended to be in favour of targeting Lottery funding. Others took the view that applications should be based upon merit only and that well deserved projects should not fail to receive funding as result of not being in a targeted group or area. There was, however, broad support for the provision of indicative allocations to areas or groups rather than ring-fencing as this would provide flexibility.

### Applications and application forms

Some respondents felt that it could still be difficult to apply for funding, especially for smaller organisations, but thought that it had become easier over the years since the Lottery began.

While there was little support for a single application form generally, given the wide variety of detailed and often specialist information required by different distributors, there was a belief that sections relating to related to core information requirements should be identical across distributors. There was support for a 'single front door' to provide a streamlined way for applicants to make their case and the use of a single application form for cross-distributor projects, such as that used for the community buildings pilot scheme, was generally encouraged.

There was also broad support for increasing the availability of standardised, user-friendly electronic application forms, as long as paper copies were available to those that did not have computer access or suitable technical skills.

Many respondents outlined the need for early and honest feedback about the applications' merits and that there should be the opportunity to re-submit, with additional support and advice from the distributors, if necessary. A single pre-application form was suggested by a number of respondents to facilitate this.

On the issue of possibly providing one-stop-shops for advice on Lottery funding, most respondents gave more support for the provision of a 'virtual' system rather than for fixed physical locations as the latter could be expensive and inflexible. However, there were some who concluded that physical one-stop-shops/road shows could be useful in deprived areas and others suggested that information about Lottery funding could be provided alongside other sources of funding.

### The distinctive challenges of Lottery Funding

While there was overwhelming support for the concept of additionality and a strong belief that it was still relevant, there was recognition of the need for Lottery funding to complement other funding streams. There was, in addition, significant support for the continued independence of the distributors.

Many respondents recognised that sustainability of projects was a key issue for Lottery funding and there were a mix of views as to how this should be tackled. Some believed that there was a need to explore sustainability in depth at the outset, while others recognised that not all projects would be sustainable. There was significant support for extending the availability of Lottery funding for longer periods, particularly for those in deprived areas, as long as this did not become a substitute for statutory funding.

There was a general support for a reduction in red tape, with the view that shorter application processes for projects with lower risks finding favour. While proper business planning and exit strategies were seen as essential there was also recognition that some projects, particularly those that are innovative, may fail.

There was firm endorsement for the concept of major lottery funded projects, with additional partnership funding, as these have often provided a transformational effect that would not have been possible from other funding sources.

### Making Lottery funding more efficient and effective

Many of the respondents were against the idea of a single distributor as this could lose individual expertise, add another layer of bureaucracy, reduce money/focus on less popular good causes. There was, however, cautious support for a possible merger of the Community Fund and the New Opportunities Fund as long as a sound financial and efficiency case is made for any rationalisation.

## The Lottery Player's View

In addition to the consultation paper, we commissioned Opinion Leader Research to undertake qualitative research with a cross section of Lottery players in two citizens' workshops during December 2002.

These showed that there was a high level of distrust about the distribution of good causes money due to the lack of information about where it has gone. Respondents were unanimous in their view that all good causes projects should be branded with the crossed fingers logo of the National Lottery in order to provide a connection in local communities between the Lottery and good causes.

There was a call for greater transparency and accountability in the decisions made and a greater degree of public voice or involvement. They suggested, in common to some responses to the consultation paper, that some members of public should be involved on the decision-making panels. There was initial support for using referendums, questionnaires and voting on the back of Lottery tickets, but having discussed on what principles good causes awards should be made, respondents generally felt that they didn't want the responsibility for making those decisions.

Although they spontaneously suggested that there should be one distribution body, they recognised that having specialist bodies dealing with particular areas would provide important expertise.

*The full summary of the outcome of the workshops is available on DCMS' website at [www.culture.gov.uk/lottery/review\\_lottery\\_funding.htm](http://www.culture.gov.uk/lottery/review_lottery_funding.htm)*