 <b>Regulatory Policy Committee</b>	<b>Validation of the One-in, Two-out Status and the Net Direct Impact on Business</b>
<b>Validation Impact Assessment (IA)</b>	Incidental Non Commercial private Society, Work and Residents Lotteries: Lifting Restrictions
<b>Lead Department/Agency</b>	Department for Culture, Media and Sport
<b>IA Number</b>	
<b>Origin</b>	Domestic
<b>Expected date of implementation</b>	SNR9
<b>Date of Regulatory Triage Confirmation</b>	Not Applicable – Red Tape Challenge
<b>Date submitted to RPC</b>	28 April 2014
<b>Date of RPC Validation</b>	22 May 2014
<b>RPC reference</b>	RPC14-DCMS-2084
<b>Departmental Assessment</b>	
<b>One-in, Two-out status</b>	Zero Net Cost
<b>Estimate of the Equivalent Annual Net Cost to Business (EANCB)</b>	N/A
<b>RPC assessment</b>	<b>VALIDATED</b>
<b>Summary RPC comments</b>  <p>The Validation IA is fit for purpose. This is a deregulatory proposal that will give work and residents’ lotteries more freedom in how they raise money for charities. The Department has provided evidence to justify why it has not been able to monetise the costs or benefits of this proposal. The RPC can validate the proposal as zero net cost on this basis.</p>	
<b>Background (extracts from IA)</b>  <p><b>What is the problem under consideration? Why is government intervention necessary?</b>  <i>“As part of the Red Tape Challenge, the Department agreed to consider lifting restrictions on some small scale lotteries (raffles) to enable charities to raise money from a greater range of businesses, organisations and individuals. Intervention is required by Government to amend the Gambling Act 2005 to lift the identified restrictions.”</i></p> <p><b>What are the policy objectives and the intended effects?</b>  <i>“The policy objectives are to lift restrictions on fund-raising for charities using incidental non-commercial, private society, work and residents' lotteries. Currently restrictions on these types of lottery limit or ban raising money for charities. The intended effects are to allow business, organisations and</i></p>	

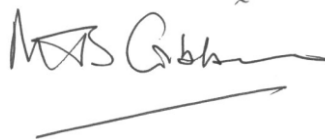
*individuals to use these type of lotteries to raise money for charities and therefore the benefit of wider society.”*

**RPC comments**

Under current regulations, work and residents' lotteries cannot raise money for a charity or good cause unless they pass on any other revenue collected during the course of the event (including non-lottery profits) to the good cause. The Department considers these restrictions as unnecessary. This proposal will allow charities to hold raffles in places where they were previously not permitted. The proposal here is deregulatory and permissive rather than compulsory. Organisers will only take advantage of this where the benefits outweigh the costs.

The Department has not been able to quantify the benefits and the costs and therefore consider this to be 'Zero Net Cost'. The IA explains that there are no baseline data on the number of raffles being held and their capacity to raise donations. There are some limited data on the total size of the small raffles market which is approximately £150 million, but there is no information regarding the extent to which this yield might grow. However, the deregulatory reforms proposed are likely to increase raffle donations which will have a direct and positive impact for charities. The Department does not anticipate any familiarisation costs from the proposal, because the changes will be well advertised. Based on the evidence provided, the Department's assessment that this is a non-monetised OUT seems reasonable. The RPC can validate this as a zero net cost measure on this basis.

**Signed**



**Michael Gibbons, Chairman**