



10 DOWNING STREET

Prime Minister!

LOTTERIES

You saw the papers below
last night.

Can I take it you are
content?

RRC6

10/11

Yes not

INCREASES IN MONETARY LIMITS ON LOTTERIES UNDER THE
LOTTERIES AND AMUSEMENTS ACT 1976

You have said that you do not want a Green Paper on the general issue of lotteries. But you have agreed that the Home Secretary should make regulations:-

- i. rendering multiple lotteries unlawful; and
- ii. increasing the present financial limits on lawful lotteries - these are run by charities, sports organisations and local authorities in the main.

Douglas Hurd has circulated a draft consultation paper on (ii) - he is already consulting on (i).

Proposed new limits on lotteries

- (a) Maximum prizes will be increased thus:

	<u>Current maximum prize</u>	<u>New maximum</u>
Short term lottery	£3,000	£7,500 =
Medium term lottery	£4,500	£11,250 =
Any other lottery	£6,000	£15,000 =

Only schemes registered with the Gaming Board will be able to benefit from the new limits on prizes.

- (b) The limits on the proceeds of lotteries will not be increased.

- (c) The maximum price for a ticket will be increased from 50p to £1.

Comment

These proposals seem sensible for the following reasons:

- Local charitable lotteries appear to be in decline. This is certainly the case with lotteries supervised by the Gaming Board - figures for other lotteries are not available.
- An increase in prizes may give them a new lease of life.
- Lotteries continue to throw up examples of poor administration and fraud. It is therefore wise not to increase the limits on the proceeds of lotteries.
- Retaining the limits on proceeds also prevents local lotteries from getting entangled in the debate about NHS funding. It should remove the Treasury worry about successful lotteries leading to back door increases in public expenditure.
- The modest nature of the proposed changes should help to make them more acceptable to the Gaming Board. The latter are still likely to grumble at any increases in the limits - the Board's Report for 1987/88 argued that the present system of controls on local lotteries was not adequate.

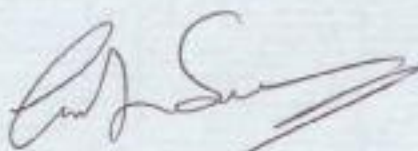
Conclusion

Douglas Hurd's proposals should give a small fillip to local and charitable lotteries. This fits with the Government's general support for voluntary action in many social fields.

But given the doubts of the Gaming Board, and the damage which stories of fraud can do to charitable activities, it is sensible to proceed cautiously.

Recommendation

Agree with the Home Secretary's proposals.

A handwritten signature in black ink, appearing to read 'Carolyn Sinclair', with a long, sweeping underline.

CAROLYN SINCLAIR