

The Methodist Church and the National Lottery

Summary

1. The National Lottery is now firmly established by the Lottery Act 1998. Concerns over gambling issues still remain, and are represented to HMG with some success. Significant progress has been made in persuading the Government to establish an independent review of gambling legislation, with a view to dealing sensibly with the age at which various games may be played. In the meantime, The Church of Scotland General Assembly has voted to allow parishes to apply to Good Causes for funding. A Methodist family has won a Lottery prize of over £2 million. Methodist schools are clearly concerned not to suffer from funding shortages. Has the time come to permit Church Councils and other Methodist bodies to apply to Good Causes at their own discretion?

2. It is proposed that the following resolution shall be debated at the Conference:

'Church Courts may be permitted to apply for lottery funding through Good Causes (subject to any approval required by Standing Orders), and any such applications made by Church Courts or other Methodist bodies should be particularly sensitive to the feelings of their natural constituency and supporters.'

Introduction

3. The Methodist Church has made plain its opposition to many aspects of the National Lottery, most recently in Resolution A 5.2 adopted by the Conference in June 1996 (see Appendix 1). The Resolution outlines that position, which is essentially the one adopted by the Church Representatives Meeting of the then Council of Churches for Britain and Ireland in October 1995.

4. Since then a Labour Government has been elected. When in opposition, Labour argued for a wider and fairer distribution of resources by the Good Causes, and to review the possibility of gambling harm arising from the Lottery. Now in office, the Government has to take responsibility for maintaining Lottery revenue, and for protecting the public. These aims are not always entirely compatible. The Lottery Act 1998 has given rise to a number of concerns, and these were expressed during the passage of the Act.

5. There are two major relevant points to the Act. First, there are to be **significant changes to the pattern of disbursement through the Good Causes**. Till now, Lottery funds have been essentially disbursed through the Voluntary Sector. The Good Causes have been Heritage, Arts, Sports, Charities and Millennium. Now, however, they are becoming much more closely related to the statutory sector, and that much less avoidable. Thus, an additional Good Cause, the **New Opportunities Fund**, will virtually compel teachers and governing bodies to apply for Lottery funds if they are to enjoy the benefits of Information Technology training. The Churches' discussions with the Department for Education and Employment and with the Scottish Office have achieved the concession that, in principle,

funds may be made available where there is a wish not to apply to the New Opportunities Fund. No such application has been brought to the attention of the Connexional Team.

6. Second, the question of **gambling** remains. Important research commissioned by Oflot, the Lottery Regulator, indicates that there is a strong link between young people becoming problem gamblers on amusement with prizes machines, and under-age play on the Lottery — particularly in regard to Instant Games, more specifically scratchcards. HMG resisted ecumenical representations during the passage of the Bill to have the age for Lottery play raised to 18. Oflot has required Camelot retailers to attend more closely to the question of under-age play, and has commissioned further research to see what difference such attention makes. It is encouraging that a Proof of Age Card has recently been launched, which will assist retailers in making decisions about sales of alcohol, tobacco and gambling products to young people.

7. Further, commercial operators have attempted to exploit loopholes in gambling law to introduce frequent play, on-line lottery games. The most notorious of these was the *Pronto!* game, set up to be played in pubs. The Home Office, with the Churches' encouragement, introduced a Bill to restrict such play, and the *Pronto!* project has since collapsed. Again at our instigation, the Home Office has conceded that the proliferation of such activity can be limited only if there is a thorough review of gambling law. **A Gambling Prevalence Study** has therefore been established by the gambling watchdog GamCare, which should be published in September 1999. It has been agreed with the Home Office that this study should be the factual basis for an attempt to rationalise UK gambling law. This reform would naturally include a consistent application of the law to the different ages at which various games are permitted. This is an ambitious project, which would address much of the harm that now arises from under-age gambling.

8. The only major change that the Lottery is likely to undergo in the remaining period of the Licence is in the pattern of overall management. The Director General of Oflot is to be replaced by a Commission, comprising 5 members, which began work in April 1999. Their main task will be to manage the process of application for the next Licence, which will run from November 2001.

9. In the meantime, the Connexional Team meets regularly with Oflot on behalf of the Churches, and keeps in touch with issues that arise. Current concerns include the monitoring of new game proposals, and keeping track of the under-age play research, due to be published in July 1999.

The Churches' current response to the National Lottery

10. The Social Responsibility officers of the British Churches, led by the Methodist Church, are acting vigorously in this area. Meanwhile, British Christians are making up their own minds about the Lottery. A number of instances are of particular importance.

The Church of Scotland and the National Lottery

11. First, the General Assembly of the Church of Scotland voted in May 1998 to permit its congregations to make such application for Lottery funds as they saw fit. This permission does not extend to the work managed by the Board for Social Responsibility of the Church of Scotland, which opposed the Assembly's

decision. The Church of Scotland carries heavy responsibilities in a number of areas. These include social work and community action, maintenance of historic and listed buildings, and a wide range of cultural activity. The Kirk is particularly exposed to the effects of matching funding, as outlined in the 1996 Report to the Methodist Conference. Most applicants for Lottery funding will find that they are required to seek matching funding. This means that an increasing proportion of available statutory and voluntary funding is being sucked into activity which is already involved with the Lottery. The consequence is plain: hardly any area of project funding is now Lottery-free. It is this hard fact that challenged the General Assembly to overcome its deep distaste for the Lottery, and to permit Church bodies to make application to Good Causes very much at their own discretion. The wording of the Motion is as follows:

'Whereas the Church has in the past benefited from public funding, and such funding is increasingly financed by National Lottery Revenues, all agencies of the Church are hereby authorised to determine for themselves whether or not to make application for or use of Lottery funding; provided that such agencies are nevertheless hereby

(a) discouraged from making such application or use, or both, of Lottery funding unless they are satisfied that no suitable alternative funding sources are available; and

(b) directed that the areas where such application or use, or both, may be made are the following:

(i) community work and cultural activities

(ii) partnership ventures, and

(iii) work in relation to buildings, the General Trustees being hereby authorised, where appropriate, to approve such applications.'

Methodist Lottery Winners

12. A number of Methodists are known to have won significant Lottery prizes; it is unknown how many have won prizes and remain anonymous. It is known, however, that a family in the Nottingham and Derby District won £2,034,000 on 26 August 1998. At a meeting of their Church Council, on 6 October 1998, it was unanimously agreed that any donation made by the family would be graciously and gratefully received. This win received modest media coverage, including a page in *The Derbyshire Times* and a paragraph in *The Methodist Recorder*.

Application to Good Causes

The Methodist Church Property Committee

13. The **Property Committee** has negotiated an arrangement with English Heritage, enabling bodies with objection to Lottery funding to apply solely for English Heritage funding. It follows that the Property Committee will not approve any schemes from managing trustees which involve a grant from the Lottery Heritage Fund.

14. The Property Committee has further sanctioned applications for projects made to the Sports Council and the Arts Council. The Property Committee has permitted ecumenical applications for Lottery funds that lie outside the poverty and social justice criteria, and this has been the case across a huge range of inter-Church activity, especially in the context of the Millennium.

Methodist Schools

15. Application for Lottery funding was discussed at the **Methodist Education Forum** and with the **District Formal Education Secretaries**. That evidence suggests that Methodist teachers are not inclined to argue for special treatment in the case of the New Opportunities Fund or any other Good Causes.

16. **The Methodist Residential Schools** have engaged in intensive debate on the subject of application for Lottery funding. The question was debated at the Board of Management on 19 November 1998. A resolution was put requesting that applications to Good Causes may be made at the discretion of the Board of Governors of any Residential School., and was passed by a 2-1 majority.

Major Methodist Charities

17. Neither **Methodist Homes** nor **NCH Action for Children** have plans to apply for Lottery funding.

18. These recent events raise the question as to whether the present Methodist position on application to Good Causes can, or should, be sustained. Resolution A 5.2 (ix) of the 1996 Conference indicated that application may be made 'only in exceptional circumstances, to enhance work alongside the poor and as part of the Church's witness in addressing issues of justice in our society.' All Churches increasingly find that the Lottery is looming ever larger for those who are engaged in fundraising partnerships. Applicants are increasingly directed to the Good Causes, and an ever-greater proportion of charitable funds is locked into matching relationships with the Good Causes. That factor was of considerable importance in the debate which resulted in the change of position adopted by the Church of Scotland. Those Methodists who engage in ambitious fundraising projects are part of a small but creative and important minority within the Church. They find that Lottery funding is increasingly unavoidable, and their voice needs to be heeded in the debate.

Ecumenical implications

19. Now that the Church of Scotland General Assembly has voted to permit application to the Good Causes, they share rather the same approach as the Anglicans and the Roman Catholics in the United Kingdom. So a rather small minority of British Christians now maintain an absolute ban on application. The Methodist Conference ban is qualified by a concern for work among the poor. And it is important to note that Methodists are beginning to enjoy funding when part of ecumenical projects, which would not be possible if those applications were made by Methodist bodies acting alone.

Financial implications

20. To make an application for Lottery funding is to enter a special kind of lottery. Much effort and expense may end in disappointment. But it is hard to imagine that Methodist bodies would not gain

their share of funding if free to do so. Lottery returns to Good Causes are around £1.5 billion per annum. Methodist members constitute around one percent of the adult population, which might suggest a theoretical potential to achieve funding from the Good Causes at around £15 million per annum in due course.

Recommendations

21. The Lottery has become a settled feature of life for the great majority of British people. Methodists play the Lottery and win; the British Churches, now including the Church of Scotland, are able both to maintain a critical attitude to the Lottery, and to benefit from the funds it generates.

22. It may be time for the Methodist Church to relax its rules on the Lottery, after the manner of the Church of Scotland. It might be sufficient to propose a resolution which permits Church bodies the same freedom to apply for Lottery funds that Methodist members enjoy when they contemplate the purchase of a Lottery ticket.

*****Resolution**

30/1. The Conference resolves that Church Courts may be permitted to apply for lottery funding through Good Causes (subject to any approval required by Standing Orders), and any such applications made by Church Courts or other Methodist bodies should be particularly sensitive to the feelings of their natural constituency and supporters.

Appendix 1

RESOLUTION NO A5.2

Conference notes the proposals for reform of the National Lottery made by the Council of Churches for Britain and Ireland in October 1995, and **adopts** those proposals in this slightly amended form.

1. No further licences for Instant games should be issued until their effects have been established.
2. The age for playing the National Lottery should be raised to 18.
3. Independent, authoritative and speedy research should be instituted into the gambling aspects of the Lottery. The Camelot initiative in this regard is welcome in principle.
4. The Government must ensure that sensible regulation of the gambling industry is not thoughtlessly dismantled as the gambling industry seeks to maintain its position in a marketplace which is now heavily distorted by the Lottery.
5. Current jackpot levels are excessive. Means should be sought to reduce them, including a wider distribution of winnings.
6. The distribution of Lottery funds to Good Causes needs to be examined in the context of the partnership between central government, local government, the voluntary sector and the

public. Special attention should be paid to the research already commissioned by the National Council of Voluntary Organisations in this area.

7. The media should be encouraged to create a more intelligent debate on the place of the National Lottery in the whole of public life. In particular, the responsibility of the BBC in relation to the Lottery should be more clearly recognised, so long as it continues to produce the *Lottery Live* show.
8. The BBC should not be permitted to expand its involvement in the National Lottery.
9. Methodist applications for Lottery funds should be made only in exceptional circumstances, to enhance work alongside the poor and as part of the Church's witness in addressing issues of justice in our society. Methodists making such applications should be particularly sensitive to the feelings of their natural constituency and supporters.