

**REPLY BY THE MINISTER OF  
THE CULTURE AND LEISURE DEPARTMENT  
TO A QUESTION ASKED PURSUANT TO RULE 6 OF THE  
RULES OF PROCEDURE BY DEPUTY M. J. FALLAIZE**

**Question 1**

*Is there legislation which precludes the States of Deliberation, or your Department acting on their behalf, from allocating to charitable purposes the proceeds of lotteries organised, in whole or in part, by the States of Guernsey?*

**Answer**

While Jersey can provide that all of the proceeds can go to charity, Guernsey would need to have a States Resolution to that effect. This is due to the provisions of the Gambling (Channel Islands Lottery) (Bailiwick of Guernsey) Ordinance, 1975.

Consultation with the Law Officers suggested that the following provisions of this Ordinance are relevant:

Subsection (1) creates the Fund (and states what can be paid in and out of it);

Subsection (3) states that any profits shall be divided between the Fund, Alderney and Sark; and

Subsection (4) states that "any monies standing to the credit of the Fund which are not required for the payment of prizes or of expenses in connection with the Channel Islands Lottery or the payment to the States of Alderney or the Chief Pleas of Sark of a share in the profits of the said Lottery shall be applied in such manner and for such purposes of public benefit as the States of Guernsey shall, from time to time, by Resolution direct."

If the States wishes all of the profits to go to charity (after payment of prize money and expenses), this would require an amendment to subsection (3), as well as consultation with Alderney and Sark who each currently receive a portion of the overall profit.

Legislation does not therefore preclude the allocation to charitable purposes of the profits of the Guernsey share of such lotteries but instead sets out a procedure by which that allocation can be carried out. However, it does presently preclude the allocation to charitable purposes of the overall profit of lotteries.

**Question 2**

*In the event that there is such legislation, is it your Department's intention to put before the States of Deliberation proposals to amend the relevant article(s) of legislation in advance of the distribution of any proceeds realised from the 2012 Channel Islands Summer Draw?*

**Answer**

The Proceeds from the C.I. Lottery in Jersey go to charity in their entirety. In Guernsey, only the Christmas Draw goes to Charity. The proceeds from the monthly draws apart from that Christmas Draw and more latterly the scratch cards go to the States.

The Summer Lottery Draw is a new initiative for the C.I. Lottery. It aims to provide a prize of a £1 million if enough tickets are sold, and it appears from all our research and current trends that this is likely. The decision was taken to 'trial' this Draw and if successful repeat in future years.

If this year's trial draw is successful and is to be repeated for the longer term, i.e. annually in the summer then C&L could approach the States later this year with that proposal and could, if necessary also propose that the proceeds of this first draw be allocated to charity retrospectively.

C&L have therefore delayed their annual Lottery Report from its usual May States slot in order to bring a fuller States Report later this year which would look to inform on progress to date, engage the States in a discussion on the historical and possible future allocation and use of the proceeds and to approve a more sensible solution and use for the now bulging Unclaimed Prizes Fund.

Beau Séjour Centre receives a capped £100K in non-Christmas proceeds from the Lottery at year end. A second charity draw could well impact on sales of core games, which would increase the risk of failing to hit the £100K non-charity proceeds target.

Projections show that there could be a £52K shortfall against the transfer to Beau Séjour (which would create a General Revenue budget problem). In practice, core game sales may remain buoyant enough to support the introduction of a summer draw without impacting as heavily on the "£100K Beau Séjour minimum" figure as described but this would have to be demonstrated to T&R using true sales data before going too far down the States Report route.

In short, we may well be criticised for not giving the proceeds of this Draw to charity at this time but we need to be sure that the format works, that the proceeds are as projected, and that the States are happy, in these straightened times, to 'give away' more money to charity.

### **Question 3**

*In the event that there is no such legislation, is it your Department's intention either a) to determine of its own volition that the proceeds realised from the 2012 Channel Islands Summer Draw shall be allocated, in whole or in part, to charitable purposes or b) to submit a States Report inviting the States of Deliberation to resolve that the proceeds realised from the 2012 Channel Islands Summer Draw shall be allocated, in whole or in part, to charitable purposes?*

### **Answer**

As there is legislation, this question is answered in Question 2

In summary therefore, the preparation of a States Report by Culture and Leisure is in hand, whose content and proposals will depend upon the success or otherwise of this new Summer Lottery.

**Date of Reply:**

11<sup>th</sup> July 2012