

Guidance Note

Small Societies Lottery Registration

(Schedule 11 Parts 4 & 5 Gambling Act 2005)

Small Lottery Registrations

The **Gambling Act 2005** repeals the Lotteries and Amusements Act 1976 and re-introduces the Local Authority system for registration of small societies (raffles, 100 club type draws etc). The changes will commence on 01 September 2007. Large non-commercial Society lotteries are administered by the Gambling Commission, and not the Local Authority

Definition of 'society'

The registration will be for the society, or any separate branch of such society, on whose behalf a lottery is to be promoted. The society must be a non-commercial organisation. Section 19 of the Gambling Act 1005 defines a society as non-commercial if it is:

- For charitable purposes (as defined by section 2 of the Charities Act 2006)
- For the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity
- For any other non-commercial purpose other than that of private gain

The society must have been established for one of the permitted purposes, and the proceeds of any lottery must be devoted to those purposes.

It is not permissible to establish a society whose sole purpose is to facilitate lotteries - it must have some other purpose.

Key changes from the Lotteries and Amusements Act 1976

Local Authorities are responsible for registering small society lotteries under the Gambling Act 2005.

There are a number of differences between the repealed Lotteries and Amusements Act 1976 and The Gambling Act 2005.

- The Gambling Act, 2005 removed individual limits on the percentage of proceeds that may be applied to expenses or prizes - although the maximum global amount that can be deducted for expenses and prizes remains at 80%, with a minimum of 20% going to the purposes of the society (It should be noted that any fees payable to an external lottery manager would be included within the maximum 80% deductions for expenses and prizes. External lottery managers will also need an operator licence from the Gambling Commission)
- Allows rollovers of prize funds from one lottery to another promoted by the same society, provided the maximum single prize does not exceed £25,000 or 10% of the gross proceeds
- Permits the sale of tickets by an automated process

- Removes the £2 maximum limit on ticket prices

Small Society Lottery limits under the Gambling Act, 2005

1. The total value of tickets to be put on sale per single lottery must be £20,000 or less, or the aggregate value of tickets to be put on sale for all their lotteries in a calendar year must not exceed £250,000
2. If the society plans to exceed either of these values they cannot be registered by the Local Authority and must be licensed by the Gambling Commission as a large lottery
3. Every ticket must cost the same and the society must take payment for the ticket fee before entry to the draw is allowed

Small Society Lottery Registration Requirements

1. Small Society Lottery organisers are required to register with the relevant Local Authority in whose area it's principal office is situated
Application for registration must be in the form prescribed by the Secretary of State
The form includes a requirement for the applicant to provide a declaration in connection with the application
2. Local Authorities are required by Schedule 11 of the 2005 Act to keep a register of Small Society Lottery registrations, and in accordance with the recommendations of the Gambling Commission this will be made available to the public upon request. The Local Authority also has a duty to notify the Gambling Commission of approved registrations
3. Registrations will run for an unlimited period, unless cancelled. Cancellations will be notified to the Gambling Commission by the Local Authority
4. Paragraphs 47 and 48 of Schedule 11 of the 2005 Act specify the grounds for refusal of a Small Society Lottery registration application. Grounds for refusal include refusal or revocation of an operator licence in the past 5 years, not being a non-commercial society, a person connected with the promotion being convicted of a relevant offence, or false or misleading information being given in connection with an application
5. A society will be given the opportunity to make representations where the Local Authority is minded to refuse an application, by written correspondence or at a formal hearing. The applicant or society has a right of appeal within 21 days of the determination directly to the local Magistrates' Court

How do I Apply?

Please print, complete and post the form enclosing a cheque (made payable to Swale Borough Council) Alternatively you can always telephone the Council's Call Centre on 01795 417 286 to make a debit card payment or pay on the Swale Website

You can also send the completed signed form by email to this email address:
licensing@swale.gov.uk

Fees payable

The fee payable with an initial application for registration is £40. The annual fee payable for an ongoing registration is £20, and this is payable within 2 months of the anniversary of the registration otherwise the registration will lapse and a fee of £40 will apply for re-registration.

Lottery administration and returns

1. Small Society Lottery organisers must submit a Returns Form to the Licensing Team **after each draw**. This must be done not later than three months after the date of the lottery draw.
The return must be signed by two members of the society (who must be aged 18 or over) who are appointed in writing by the society for that purpose.
The return must be accompanied by a Returns Form, Returns can be submitted by post or electronically to licensing@swale.gov.uk.
2. The return will specify the arrangements for the lottery (dates, prize value, any rollover etc) the total proceeds of the lottery and amounts deducted for expenses and prizes, the amount applied to the purpose for which the society is conducted (not less than 20% of the proceeds), and whether any expenses incurred were not paid for by deduction from the proceeds (and any amount of such expense and sources from which they were paid).
3. Returns will be retained by the Local Authority for a minimum period of 3 years and may be inspected by the Gambling Commission within that time, or by the public for at least 18 months after the draw

Lottery tickets

1. Tickets can be physical or virtual (e.g. an e-mail or text message) All tickets must state:
 - a. The name of the promoting society
 - b. The price of the ticket (which must be the same for all tickets)
 - c. The name and address of the promoter for the society (or the external lottery manager if there is one)
 - d. The date of the draw, or information which enables the date to be determinedNote: The requirement to provide this information can be satisfied by enabling the participant to retain it electronically or print it
2. Tickets can only be sold by person over the age of 16 years to persons over the age of 16 years
3. Tickets can be more than £2 each (the previous limit under the 1976 Act)
4. Every ticket must cost the same and the society must take payment for the ticket fee before entry to the draw is allowed
5. Tickets may not be sold in a street, but may be sold from a kiosk, in a shop or by door-to-door calling

Prizes

6. Prizes can be either cash or non-monetary
7. Prizes, combined with any expenses, must not exceed 80% of the total proceeds of the draw
8. Donated prizes would not be counted towards this 80% limit but should still be declared on the return following the draw
9. In accordance with section 175 of the Licensing Act 2003 minor raffles and tombola's involving prizes of alcohol are not licensable under the 2003 Act if certain conditions are fulfilled