
From 1 September 2007 small societies are required to register with their Local Authority under the Gambling Act 2005 to run small society lotteries.

Small Society Lotteries

Small Society lotteries are lotteries promoted for the benefit of a non-commercial society. A society is non-commercial if it is established and conducted:

- for charitable purposes;
- for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity, or
- for any other non-commercial purpose other than that of private gain.

Societies who run small society lotteries, that is to say lotteries which are not large lotteries, essentially those in which £20,000 (or less) worth of tickets are put on sale and where the society's aggregate proceeds from lotteries do not exceed £250,000 a year, are required to register with their Local Authority, in the area where their principal office is located.

Definition of a Lottery

An arrangement is a simple lottery if:

- people pay to take part
- one or more prizes can be won
- the winners are chosen wholly on chance (defined in section 14(5) of the Act).

Registering the Lottery

A small society lottery must, throughout the period during which the lottery is promoted, be registered with a Licensing Authority.

An application for a small society registration must be in the prescribed form, accompanied by the prescribed fee and the documents listed on the form.

The Licensing Authority may ask a new applicant to provide copies of their terms and conditions, their constitution or a declaration to establish they are a non-commercial society. The Gambling Act 2005 sets out the grounds on which a Licensing Authority can refuse an application.

Licensing Authorities are required to record the details of a society on a register. Registrations run for an unlimited period unless the registration is cancelled.

Management & Operation of a Lottery

As the purpose of the lottery is to raise money for non-commercial causes, the Act Requires that a minimum proportion of the money raised is channeled to the causes promoted by the lottery. The limits placed on small society lotteries are as follows:

- A society must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society.
- Up to a maximum of 80% of the gross proceeds of each lottery may be divided between prizes and the expenses of the lottery.
- The maximum prize in a single lottery is £25,000 or 10% of the proceeds (gross ticket sales), whichever is greater.
- Rollovers are permitted provided the maximum single prize limit (£25,000) is not breached.
- Every ticket in the lottery must be the same price and the cost of purchased tickets must be paid to the society before entry into the draw is allowed. There is no maximum limit on ticket prices.

Ticket Information

All tickets in a society lottery registered with a local authority must state:

- the name of the society on whose behalf the lottery is being promoted
- the price of the ticket
- the name and address of the member of the society responsible for the promotion of the lottery
- the date of the draw

Tickets which are issued through a form of remote communication or in any other electronic manner must specify this information to the purchaser of the ticket and ensure that the message can be either retained or printed.

All small society lottery operators must maintain a written record of any unsold and returned tickets for a period of one year, from the date of the lottery draw.

Sale of Tickets

- Tickets can only be sold to persons over the age of 16 years
- Tickets can only be sold by persons over the age of 16 years
- Tickets must not be sold to any person in a street*
- Tickets may be sold by a person in a kiosk or shop premises (having no space for the accommodation of customers), or from door to door

*The Act defines a street as any bridge, road, lane, footway, subway, square, court, alley or passage (including passages through enclosed premises such as shopping malls) whether a thoroughfare or not.

Lottery returns

Every society registered with a local authority to run small society lotteries must submit a statement providing the following information, following each lottery held:

- the date on which tickets were available for sale or supply and the date of the draw
- the total proceeds of the lottery
- the amounts deducted by promoters of the lottery in providing prizes, including rollovers
- the amounts deducted by the promoters of the lottery in respect of costs incurred in organising the lottery;
- the amount applied directly to the purpose for which the promoting society is conducted (at least 20% of the gross proceeds)
- whether any expenses incurred in connection with the lottery were not paid for by deduction from the proceeds, and, if so, the amount of expenses and the sources from which they were paid.

A registered society's statement must be sent to the local authority within the three months beginning on the day on which the draw (or last draw) in the lottery took place. It must be signed by two members of the society appointed in writing for that purpose by the society's governing body and accompanied by a copy of that appointment.

Social Responsibility

Lotteries are a form of gambling and as such societies and local authorities are required to ensure that children and other vulnerable people are not exploited by their lottery.

The minimum age for participation in a lottery is 16 years of age. A person commits an offence if they invite or allow a child to enter a lottery other than certain classes of exempt lottery (i.e. incidental non-commercial lotteries, private lotteries, work lotteries and residents' lotteries). Societies running lotteries must have written policies and procedures in place to help prevent and deal with cases of under-age play.

Licence holders must take all reasonable steps to ensure that information about how to gamble responsibly and how to access information and help in respect of problem gambling is readily available.

Further information about social responsibility requirements is contained in the Commission's Licence Conditions and Codes of Practice document.

Compliance and Enforcement

Small society lotteries are intended to raise funds for “good causes”. The Act gives Licensing Authorities a range of enforcement powers towards lottery operators that they register. Enforcement is based on a risk based approach and will be conducted in accordance with the Council’s enforcement policy.

Fees

New Registration	£40.00	Renewal	£20.00
		Payable 2 months before expiry of permit	

Further Information

If you would like further advice about licensable activities please contact us. This leaflet provides advice based on information available at the time of writing and this may change. It is intended for guidance only and does not provide authoritative legal advice. See our web site: www.wychavon.gov.uk/lic

Contact Details

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