



GREAT YARMOUTH BOROUGH COUNCIL

GAMBLING ACT 2005 - SMALL SOCIETY LOTTERY REGISTRATION (GUIDANCE)

The new Gambling Act 2005 repeals the Lotteries and Amusements Act 1976, and continues a registration system for small non-commercial society lotteries to be administered by local authorities.

1. Definition of a Lottery

- 1.1 An arrangement is a simple lottery if:
 - Persons are required to pay to participate
 - One of more prizes are allocated to one or more members of a class, and
 - The prizes are allocated by a process which relies wholly on chance
- 1.2 An arrangement is a complex lottery if:
 - Persons are required to pay to participate
 - One of more prizes are allocated to one or more members of a class,
 - The prizes are allocated by a series of processes, and
 - The first of those processes relies wholly on chance
- 1.3 Arrangements that fulfil all of the criteria of either of the above categories are defined as a lottery under the Act.

2. Definition of a Society Lottery

- 2.1 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
 - For any other non commercial purpose other than that of private gain
- 2.2 The society must have been established for one of the above 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.

3. How the Gambling Act 2005 differs from the Lotteries and Amusements Act 1976

- 3.1 There are a number of differences between the Lotteries and Amusements Act 1976 and the Gambling Act 2005. The current Act introduces some relaxation of society lottery law, in particular it:
 - Removes the 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 or to local authority expenditure.
 - 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 prizes

4. Registration requirements and information

- 4.1 The society must be non-commercial
- 4.2 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 the lotteries in a calendar year must not exceed £250,000.
- 4.3 If the society plans to exceed either of these values, then they will be classed as a large lottery operator, and as such must be licensed with the Gambling Commission instead.
- 4.4 The society/organisation of a small society lottery must be registered with a local authority, throughout the period during which the lottery is promoted.
- 4.5 The small society lottery must be registered with the local authority in the area where their principle office is located.
- 4.6 Applications for small society lottery registrations must be in the form prescribed and accompanied by the required fee of £40.00 and any other necessary documentation.
- 4.7 New applications for a small society lottery registration will need to submit a copy of their terms and conditions, or their constitution in order to establish that they are a non commercial society meeting the criteria listed in Part 2 of this guidance. In addition, applicants will need to provide a written and signed declaration stating that they are a bona-fide non commercial society.
- 4.8 The Local Authority will record details of all societies on a register. This register will not be a public document but will be available to the public on request
- 4.9 Once the application has been approved, the Local Authority will then notify the Gambling Commission
- 4.10 Registrations will run for an unlimited period unless cancelled. All cancellations will be notified to the Gambling Commission by the Local Authority.

5. Refusals

- 5.1 A Local Authority will refuse an application for the following reasons:
 - An operating licence held by the applicant for registration has been revoked or an application for an operating licence made by the applicant for registration has been refused within the past 5 years.
 - The society in question cannot be deemed non-commercial
 - A person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence
 - Information provided in or with the application for registration is found to be false or misleading
- 5.2 The Local Authority may only refuse an application after such time as the society has had the opportunities to make representations. These may be at a formal hearing or via correspondence.
- 5.3 If an application is refused, the Local Authority will inform the society as to the reasoning behind refusing the application for registration, giving details of the evidence on which it based the decision.
- 5.4 Following the conclusion of any hearings and receipt of representations, the Local Authority must notify the applicant or the society as soon as practicable if their application is to be rejected

- 5.5 The applicant/society will then have a right of appeal, within 21 days of receipt of the notice of decision, directly to the Great Yarmouth Magistrates Court. The Magistrates Court may choose to affirm or reverse the decision of the Local Authority.

6. Revocations of existing registrations

- 6.1 As with new applications, the Local Authority can determine to revoke a registration of a society if it thinks that they have appropriate grounds to do so. However, revocations can not take place unless the society/applicant has been given the opportunity to make representations at a hearing or via correspondence.
- 6.2 As before, Local Authorities should inform the applicant/society as to the reasons behind the decision and produce the evidence on which the decision was made.
- 6.3 Again, following the conclusion of any hearings and receipt of representations, the Local Authority must notify the applicant or the society as soon as practicable if their application is to be revoked. The applicant/society will then have a right of appeal, within 21 days of receipt of the notice of decision, directly to the Great Yarmouth Magistrates Court.

7. Administration and Returns

Lottery requirements

- 7.1 The purpose of permitted lotteries is to raise money for non-commercial causes; as such the Act requires that a minimum proportion of the monies raised by the lottery are given towards the goals of the society who promoted the lottery. Therefore if a small society does not comply with the limits listed below, they will be in breach of the Act and liable to prosecution
- At least 20% of the lottery proceeds must be applied to the purposes of the society
 - No single prize may be worth more than £25,000
 - Rollovers between lotteries are only allowed where every lottery affected is also a small society lottery promoted by the same society and the maximum single prize is £25,000
 - Every ticket in the lottery must cost the same and the ticket fee must be paid to the society before entry into the draw is allowed

Returns

- 7.2 The small society lottery organisation must submit returns to the Local Authority **following each lottery held**
- 7.3 The returns (a copy of which can be obtained from the Licensing Section) must specify the following information:
- The date on which the tickets were available for the sale or supply
 - The dates of any draw and the value of prizes, including any donated prizes and any rollover
 - The proceeds of the lottery
 - The amounts deducted by the promoters of the lottery in respect of the costs incurred in organising the lottery
 - Whether any expenses incurred in connection with the lottery were not paid for by the deduction from the proceeds, and if so the amount of expenses and the sources from which they were paid
 - The amount applied to the purpose for which the promoting society is conducted (this **must** be at least 20% of the proceeds)
- 7.4 In addition, all returns must be sent to the Local Authority no later than **three months** after the date of the lottery draw, be signed by two members of the society (who must be aged eighteen or over), are appointed for the purpose in writing by the society or its governing body and accompanied by their letter(s) of appointment.

- 7.5 The Local Authority is required, by the Gambling Commission, to retain all lottery returns for a minimum period of three years from the date of the lottery draw. These returns will be made available to the general public for inspection for a minimum period of 18 months following the date of the lottery draw. In addition, the Commission itself may inspect a society's return, although it will not routinely do so.
- 7.6 Returns can be submitted by post or electronically to licensing@great-yarmouth.gov.uk

8. Tickets

- 8.1 All small society lottery tickets must state:
- The name of the promoting society
 - The price of the ticket (all tickets must be the same price)
 - The name and address of the member of the society who is designated as having responsibility at the society for promoting small lotteries
 - The date of the draw, or information which enables the date to be determined
- 8.2 A written record should be kept of any unsold and returned tickets for a period of one year from the date of the lottery draw. The Local Authority is permitted to inspect the records of the lottery for any purpose related to the lottery.
- 8.3 Tickets can only be sold by persons over the age of 16 to persons over the age of 16.
- 8.4 Tickets should not be sold in a street, (where street includes any bridge, road, lane, footway, subway, square, court or passage)
- 8.5 Tickets may be sold from a kiosk, in a shop or door to door.

9. Prizes

- 9.1 Prizes awarded in small society lotteries can be either cash or non-monetary
- 9.2 The amount of money deducted from the proceeds of the lottery to cover prizes must not exceed the limits set out by the Act. Prizes combined with any expenses must not exceed 80% of the total proceeds of the lottery.
- 9.3 Donated prizes would not be counted as part of the 80% as no money would be withdrawn from the proceeds to cover the purchase. However, they would still need to be declared on the return form following the lottery draw.

Please note: This document has been drafted for general information purposes. The Authority accepts no liability for any error or omission. If you have any queries please contact the Licensing Section on Great Yarmouth 846304, the Gambling Commission or your own legal advisor for advice.

