

South Cambridgeshire District Council

Guidance for Small Society Lotteries

Lotteries

A lottery is unlawful unless it is run in accordance with an operating licence issued by the Gambling Commission, or it is exempt. This advice covers only those categories of lottery that are exempt. If you require more information on the licensing requirements for lotteries please see the Gambling Commission's website on www.gamblingcommission.gov.uk

The Gambling Act 2005 defines 4 categories of lottery that are exempt from needing an operating licence issued by the Gambling Commission:–

- Incidental non-commercial lottery: run as an additional amusement at non-commercial events such as a raffle at a church bazaar, with tickets only being sold and drawn during the event.
- Private lottery: that require membership of a society, place of work or single place of residence.
- Customer lottery: run by occupiers of a business for the benefit of customers who can only buy tickets sold on the premises, example, a shop selling tickets for a Christmas hamper.
- Small society lottery: a lottery promoted on behalf of a non-commercial society, that is, a lottery run by a society established and conducted for charitable purposes; or of enabling the participation in or support of sport, athletics or cultural activity; or for other non-commercial purposes other than private gain.

Different requirements apply to each type of lottery. The following table gives an indication of the requirements, but the exact requirements can be found in the Gambling Act 2005.

Summary of requirement	Lottery types it applies to
Proceeds of lottery and event at which lottery takes place must not be used for private gain	Incidental Non Commercial (NC) Lotteries
Limit on the amount of proceeds that may be spent on administration and prizes applies	Incidental NC Lotteries
A roll-over of prizes is not allowed	Incidental NC Lotteries Private Society Lotteries Work Lotteries Customer Lotteries

Summary of requirement	Lottery types it applies to
Ticket sales and allocation of prizes to take place during a specified event	Incidental NC Lotteries
No profits may be made from the lottery	Private Society Lotteries Work Lotteries Customer Lotteries
Restrictions on advertising apply	Private Society Lotteries Work Lotteries Customer Lotteries
Tickets must all be the same price, which must be shown on the ticket, and must be paid for at the time it is received.	Private Society Lotteries Work Lotteries Customer Lotteries Small Society Lotteries
Tickets must show the name and address of the organisers, who tickets will be sold to, and conditions that apply	Private Society Lotteries Work Lotteries Customer Lotteries Small Society Lotteries
Tickets can only be sold by organisers and are not transferable	Private Society Lotteries Work Lotteries Customer Lotteries
A maximum value of a prize of £50 applies	Customer Lotteries
Only one draw to take place within a period of seven days	Customer Lotteries
The society holds a valid registration with the local authority	Small Society Lottery
Proceeds must not exceed £20,000 per lottery or £250,000 per year	Small Society Lottery
The lottery must be promoted for the purposes for which the society is conducted and at least 20% of the proceeds must be used for those purposes	Small Society Lottery
A maximum value of a prize of £25,000 applies	Small Society Lottery
Roll-overs are allowed, provided all the lotteries involved are small society lotteries	Small Society Lotteries

Summary of requirement	Lottery types it applies to
The only payment which can be made by entrants is the ticket price	Small Society Lotteries
Requirements relating to sending records of the lottery to the District Council apply	Small Society Lotteries

Only a small society lottery is required to be registered with the Licensing Authority.

Applications must be made by the promoting society to the licensing authority for the area in which the principal address of the society is located. The Licensing Authority must record details of the society in a register and notify the applicant and the Gambling Commission of the registration.

The Licensing Authority will require applicants to declare:–

- the purposes for which the society is established,
- that they represent a bona fide non-commercial society, and
- that they have no relevant convictions.

The Licensing Authority may refuse an application if:–

- they consider the applicant is not a non-commercial society,
- any person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence, or
- information provided in or with an application is false or misleading.

An application shall be refused if an operating licence held or applied for by the applicant has been revoked or refused in the previous 5 years.

The Licensing Authority may revoke a registration where it believes the grounds exist that would permit or require it to refuse an application for registration.

Where the Licensing Authority intends to refuse or revoke the registration application it will give the society:–

- details of the reasons,
- evidence upon which it reached the decision, and
- the opportunity to make written and / or oral representations.

New registrations

Up to 31 August 2007, an application for registration with the prescribed fee must be made to the Licensing Authority under the Lotteries and Amusements Act 1976.

After 1 September 2007, an application for registration with the prescribed fee must be made to the Licensing Authority under the Gambling Act 2005. The registration will be valid indefinitely with an annual fee being payable to the Licensing Authority.

Transitional arrangements

Applications for new registration, or renewal of an existing registration, before 1 September 2007 should be made to the Licensing Authority in the normal way under the Lotteries and Amusements Act 1976. The registration will be issued under that Act whether or not the application has been determined by 1 September 2007.

Lottery requirements

To ensure the main purposes of the lottery are met:–

- the society must apply a minimum of 20% of the proceeds of the lottery to the purposes of the society,
- no single prize may exceed £25,000,
- rollovers may be permitted provided every lottery affected is also a small society lottery by the same society and the maximum single prize does not exceed £25,000, and
- every ticket must cost the same and must be paid for before being entered into the draw.

Tickets

These must meet certain conditions

- must display the name of the promoting society
- must display the price of the ticket
- must display the name and address of the person with the responsibility for promoting the small lottery
- must display the date of the draw
- tickets cannot be sold in the street
- they can however be sold in a kiosk, shop or door to door
- a register must be kept of unsold / returned tickets

Returns

No later than 3 months after making the draw (or in the case of a rollover, the last draw), a return must be sent to the Licensing Authority that:–

- has been signed by 2 members of the society over 18 years of age who are appointed for the purpose in writing by the society, or its governing body, if it has one,
- is accompanied by a copy of the member's letter of appointment, and include the following details:–
 - the dates when tickets were available for sale,
 - the dates of any draw and value of prizes, including any rollover,
 - the proceeds raised,
 - the amounts deducted for prizes and expenses incurred in organising the lottery,
 - the amount applied or to be applied to the purposes of the promoting society, and
 - whether any expenses incurred in connection with the lottery were paid for other than from the proceeds of the lottery and, if so, the amount and the source / s from which they were paid.

If you require further information or assistance please contact

Licensing Department
South Cambridgeshire District Council
South Cambridgeshire Hall
Cambourne Business Park
Cambourne
Cambridgeshire

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