

GAMBLING ACT 2005 – SCHEDULE 11 SMALL SOCIETY LOTTERIES

Explanatory Notes for the Guidance of Local Societies

Introduction

Schedule 11 of the Gambling Act 2005 authorises the conduct of small society lotteries by societies established for charitable purposes, to enable support or participation in sports or cultural activities or for any other non-commercial purpose other than that of private gain. A society must have been established for one of the permitted purposes and the proceeds of any lottery must be devoted to those purposes.

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 lotteries in a calendar year must not exceed £250,000.

Application

The promoting society of a small society lottery must, throughout the period during which the lottery is promoted, be registered with the licensing authority for the area where their principal office is located.

Application for small society lottery registration must be in the prescribed form and be accompanied by the registration fee and any documentation required by the licensing authority.

Download an application form or contact Support Services, Borough Offices, Bishops' College, Churchgate, Cheshunt, Herts, EN8 9XQ or telephone 01992 785603 to have one sent to you. The form should be returned to the Authority, together with the statutory fee of £40.

Registration will run for an unlimited period (subject to payment of the statutory annual fee of £20 (each year) unless cancelled or revoked.

Licensing authorities are required to record details of each society on a register which will be made available to the public on request. Once the application for registration has been accepted the licensing authority will notify both the applicant and the Gambling Commission of the registration.

Refusal / Revocation

A registration certificate will be issued by the Authority unless there are sufficient grounds for refusing the application. Registration may be refused because:

1. an operating licence issued (by the Gambling Commission) to the applicant for registration has been revoked or an application for an operating licence made by the applicant has been refused within the past 5 years
2. the society in question cannot be deemed non-commercial
3. a person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence
4. information provided in or with the application for registration is found to be false or misleading

Should the Authority refuse to register a society, it will give the reasons why it is minded to refuse and provide an outline of the evidence on which it has reached its preliminary conclusion, in order that the society has the opportunity to make representations. Representations and objections will be handled in accordance with established procedures relating to other licensable activities. If registration is finally refused, the society will have a right of appeal to the Crown Court.

A society already registered may subsequently have its registration revoked if the Authority feels that the circumstances existing at the time of application have changed. In such a case, the procedure applicable to a refusal of registration then applies.

Continued overleaf.....

Relevant Offences in relation to Small Society Lotteries

Section 258	Promoting a non-exempt lottery without a licence.
259	Facilitating a non-exempt lottery without a licence.
260	Misusing the profits of a lottery.
261	Misusing the profits of an exempt lottery.
262	Purporting to operate a small society lottery when not registered, or failing to make the required, or making false or misleading, returns in respect of such lotteries.
326	Without reasonable excuse, obstructing or failing to cooperate with an authorised person exercising their powers.
342	Without reasonable excuse, giving false or misleading information to the Commission or a licensing authority.

Administration

Legislation requires that a minimum proportion of the money raised by a lottery is channelled to the goals of the society promoting the lottery. The limits which apply to small society lotteries are as follows:

- at least 20% of the lottery proceeds must be applied to the purpose of the society
- no single prize may be worth more than £25,000
- rollovers between lotteries are only permitted 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

External Lottery Managers

- External lottery managers are required to hold a lottery operator's licence issued by the gambling commission to manage any lottery, including small society lotteries
- To determine if an individual or firm is acting as a 'service provider' only or has assumed the role of external lottery manager, you can contact the licensing authority for details of the key indicators which would establish the degree of management undertaken
- It is an offence to employ an unlicensed external lottery manager and societies must therefore satisfy themselves that any external manager they employ holds an operator's licence. This information is available from the register held on the commission's website at www.gamblingcommission.gov.uk

Tickets

The purchaser of a small society lottery ticket must receive a document which identifies:

1. The name of the promoting society
2. the price of the ticket, which must be the same for all tickets
3. the name and address of the person designated as having responsibility for promoting the lottery
4. the date of the draw or enable the date of the draw to be determined

This requirement can also be satisfied by providing the participant with an electronic message that can be retained or printed.

Returns

When a lottery has been held, the promoter must send a Return detailing the appropriation of monies from the proceeds of the lottery, not later than the end of the third month after the date of the lottery.

The Return must be certified by two members of the society (other than the promoter) being persons of full age, appointed in writing, by the governing body of the society. Failure to send a Return in accordance with the statutory provisions constitutes an offence and any person who knowingly gives or certifies any false information in such a Return, also renders himself liable to prosecution.

**Borough of Broxbourne,
Support Services, Borough Offices, Bishops' College, Churchgate, Cheshunt, Herts. EN8 9XQ**