



GAMBLING ACT 2005 LOTTERIES DRAWS AND RAFFLES NOTES FOR GUIDANCE

What exactly is a lottery?

A lottery is a kind of gambling which has three essential ingredients:

- You have to pay to enter the game
- There is always at least one prize
- Prizes are awarded purely on chance

A typical small-scale lottery is a raffle where players buy a ticket with a number on it. The tickets are randomly drawn and those holding the same numbered ticket win a prize.

Another version is a sweepstake, for example, where the participants pay to randomly draw the names of a horse in a race. The person who draws the winning horse wins the entry money.

There are other versions too, such as a tombola - often found at a fun-day or summer fete; or a 100 club which is often a weekly event organised, for members only, by a PTA.

As well as the three elements of a lottery outlined above, they all have something else in common: while there is no maximum price for a ticket, in each lottery all tickets must cost the same. That way, everyone has the same chance of winning for the same outlay.

For legal reasons, the Gambling Act has created eight categories of lottery – each one has its own do and don'ts.

- These three types of Lottery **require permission**:

Small society lotteries: The society in question must be set up for non-commercial purposes e.g. sports, cultural or charitable. There is a top limit of £20,000 in ticket sales.

Large society lotteries: Similar to the small society lottery, but there is a minimum of £20,000 in ticket sales.

Local authority lotteries: Run by the local authority, to help with any expenditure it normally incurs. They must hold a Gambling Commission licence.

- These three types of Lottery **do not require permission**:

Private society lotteries: Private -Must raise money for the purposes for which the society is conducted or to raise funds to support a charity or good cause. No rollovers. **Work lotteries/ Residents' lotteries** - Only for colleagues who work at the same single set of premises/people who live on the same single set of premises. No rollovers.

Must either:

- Make no profit (i.e. all proceeds are used for reasonable expenses and prizes)
- Or be to raise funds for charity or good cause.

Customer lotteries: These can only be run by a business, at its own premises and for its own customers. No prize can be more than £50 in value. This type of lottery cannot make a profit, and so is unsuitable for fundraising. No rollovers.

Incidental lotteries: These can be held at commercial events (such as exhibitions) or non-commercial events (such as school fetes) and must be for charitable and other good causes. They cannot be run for private or commercial gain.

All tickets must be sold at the location/time of the event but the draw can be at the event or after it has finished. Promoters of the lottery may deduct from the proceeds of the lottery no more than £100 for expenses and no more than £500 spent on prizes (other prizes may be donated). No rollovers.

Societies wishing to promote lotteries are required to apply for registration.

How does a Society become registered to run lotteries?

- If the value of the proceeds exceed £20,000; **or**
- If the aggregate proceeds during a calendar year exceed £250,000; **or**
- If during its promotion, the aggregate proceeds for the year, may exceed £250,000

You will be required to apply for a Society Operating Licence from the Gambling Commission, Victoria Square House, Victoria Square, BIRMINGHAM B2 4BP (Tel 01212 306500)

Local Authorities authorise Small Society Lotteries.

The society must register with the local authority within whose area its head or head office is situated. If there is no head office address the society will have to use the home address of one of its members as its official address.

A small society lottery is one which is promoted wholly on behalf of a non-commercial society and where at least 20% of the proceeds of the lottery go to one of the society's purposes; **and** where a maximum prize of up to £25,000 is offered.

A non-commercial society is one established and conducted for:-

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

How to Apply for a Small Lottery Registration?

The Society on whose behalf the lottery is being promoted should be registered with East Suffolk Council, if their head office is within the East Suffolk District, before any lotteries are conducted.

A new application (and the renewal of an existing registration) can be made online using following the link:

https://my.eastsuffolk.gov.uk/service/Non_commercial_society_registration_or_renewal

Alternatively, complete an application form, return it to the address shown at the bottom of these notes and make the **£40** payment online at <https://www.eastsuffolk.gov.uk/make-a-payment/> by selecting 'Other payments – Licences – Gambling Act'. A cheque made payable to East Suffolk Council is also acceptable, but no cash payments can be taken.

Upon receipt licensing staff will process the application by:-

- Entering the details in a register kept by the authority;
- Sending the applicant notification of the registration together with an official receipt, **and**
- Notifying the Gambling Commission of the registration.

In unlikely event that an application for registration is refused or revoked the applicant/permit holder has a right of appeal to the Magistrates Court.

What happens after a registration has been approved?

Following notification of registration approval a promoting society of a small lottery must send to the local authority with whom the society is registered a statement containing the following information.

- The arrangements for the lottery including the dates on which tickets were available for sale, or supply, the dates of any draw and the arrangements for prizes including any rollover
- The proceeds of the lottery
- The amounts deducted by the promoters of the lottery in respect of the provisions of prizes
- The amounts deducted by the promoters of the lottery in respect of other costs incurred, and
- Whether any expenses in connection with the lottery fell short otherwise than by the deduction from proceeds, and, if they were –
 - the amount of expenses, and
 - the sources from which they fell short

This statement must be sent to the local authority during the period of three months beginning with the day on which any draw (or the last draw) takes place.

The statement must be signed by two members of the society who are appointed for the purpose in writing by the society.

A registered society will be required to pay an annual charge of £20 to the local authority. This charge becomes due on the anniversary of the licence being granted each year.

How many lotteries can be held?

There is no limit as the number of lotteries which can take place but it must be possible to account for each one separately. For this reason it is recommended that no two lotteries should be on the same date.

For more detailed information of Lotteries please contact the Licensing Team on:

Licensing Department

East Suffolk Council

Riverside

Canning Road

Lowestoft

NR33 0EQ

Email: licensing@eastsoffolk.gov.uk

Tel: 01394 444802