

GAMBLING ACT 2005

GUIDANCE NOTES FOR SMALL SOCIETIES, CLUBS AND ORGANISATIONS

These explanatory notes summarise some of the main provisions of the Gambling Act 2005 with regard to small society lotteries and are intended to assist societies and their Officers in connection with the registration and conduct of their lotteries.

The Gambling Act 2005 repealed the Lotteries and Amusements Act 1976 and came into force on 1st September 2007. The Gambling Act 2005 has three licensing objectives which underpin the functions that the Gambling Commission and Local Authorities will perform.

These are:

- Preventing gambling from being a source of crime and disorder, being associated with crime and disorder, or being used to support crime.
- Ensuring that gambling is conducted in a fair and open way.
- Protecting children and other vulnerable groups from being harmed or exploited by gambling.

Societies can conduct lotteries to raise money for charitable, sporting, cultural or similar purposes.

These types of lottery are regulated under the Gambling Act 2005 under certain conditions:

- Players must be informed that the purpose of the gaming is to raise money for a specified purpose other than that of private gain.
- The arrangements for the gaming are such that the profits will be applied for a purpose other than that of private gain.
- The non-commercial event of which the gaming is part does not take place on premises, other than a track, in respect of which a Gambling Act 2005 premises licence has effect, or
On a track at a time when activities are being carried on in reliance on a premises licence, or
On premises at a time when activities are being carried on in reliance on a Temporary Use Notice.
- The gaming is not 'remote' (for example, internet or telephone based).

Non-Commercial Societies

For your organisation to be considered a 'non-commercial society' it must be established and conducted for:

- Charitable purposes
- The purpose of enabling participation in, or of supporting, sport athletics or a cultural activity or
- Any other non-commercial purpose other than that of private gain.

Note that names causing confusion with those of other organisations should be avoided.

Small Society Lotteries

- (1) In order to be classified as a 'small' society the proceeds of each lottery must not exceed £20,000. In addition, the aggregate of the society's proceeds in a calendar year must not exceed £250,000. If these limits are exceeded then the society must obtain an Operator's Licence from the Gambling Commission.
- (2) At least 20% of the proceeds of the lottery must be applied to a purpose for which the society is conducted.
- (3) Rollovers are permitted, provided each other lottery in the sequence is a small lottery.
- (4) It must not be possible for the purchaser of a ticket to win more than £25,000 whether in money, money's worth or a mixture of both.
- (5) All ticket prices must be the same (though there is no longer a maximum ticket price)
- (6) The society must register with the local authority within which they have their principal premises. These registrations run for 1 year from the date of issue.

Lottery Tickets

Lotteries may involve the issuing of physical or virtual tickets to participants (example of a virtual ticket would be in the form of an email or text). Under the Gambling Act 2005 all tickets must be printed with certain information.

They should:

- (1) identify the promoting society
- (2) clearly state the price of the ticket

- (3) contain the name and address of the member of the society who has been designated as being responsible for the promotion of the lottery (and also, if applicable, the name of the external lottery manager)

and either

- (4) state the date of the draw(s) in the lottery or
(5) enable the date of the draw(s) in the lottery to be determined.

The requirement to provide this information may be satisfied by providing the opportunity for the participant to retain the information electronically or to print it.

Lottery tickets may only be sold by persons over the age of 16 and to persons over the age of 16.

Tickets should not be sold in a street but may be sold from a kiosk, in a shop or door to door.

Social Responsibility

Participation in a lottery is a form of gambling, and as such, societies are required to conduct their business in a socially responsible manner and in accordance with the Act. This is to ensure that children and vulnerable people are not exploited by the lottery. Societies should implement effective procedures for:

- Checking the age of potentially underage purchasers of lottery tickets; and
- Taking action where there are unlawful attempts to purchase lottery tickets.

A person commits an offence if they invite or allow a child to enter a lottery except for certain classes of exempt lottery.

Applying for a Small Society Lottery registration

If a registration is already held by the society then this will be automatically converted upon receipt of the required fee of £20.00, which must be received by the Licensing Authority during the 2 months prior to the due date (annually from the date of grant). Failure to do so will result in the registration being cancelled and a brand new application will have to be submitted.

Societies wishing to register must complete an application form and return it to Blaby District Council with the registration fee of £40.

Both converted and new registrations are for an unlimited period but are subject to a £20.00 annual charge. If this annual charge is not received before the anniversary of the registration the Licensing Authority will cancel the registration.

The Gambling Commission are also notified of all registrations by Blaby District Council.

Requirement to Produce Lottery Statements

When a lottery has been held the society must send a statement relating thereto to the local authority not later than the end of the third month after the date of the lottery (or the last draw, if it was in a sequence).

This statement must contain the following information:

- (1) the arrangements for the lottery (for example the dates on which tickets were available for sale or supply, the dates of any draw and the arrangements for prizes (including any rollover)
- (2) the proceeds of the lottery
- (3) the amounts deducted by the promoters of the lottery in respect of the provision of prizes (including the provision of prizes in accordance with any rollover)
- (4) the amounts deducted by the promoters of the lottery in respect of other costs incurred in organising the lottery
- (5) any amount applied to a purpose for which the promoting society is conducted, and
- (6) whether any expenses in connection with the lottery were defrayed otherwise than by deduction from proceeds and if they were:
 - (i) the amount of the expenses; and
 - (ii) the sources from which they were defrayed.

This statement must be signed by a member of the society who has been appointed for this purpose by the society, certified by two members of the society **and** a copy of this appointment must accompany the statement when it is sent to Blaby District Council.

Please note that nil returns are required to be returned if, at the end of the year, you have not conducted any lotteries.