

Small society lotteries (registered by the licensing authority)

Societies who run small society lotteries, that is to say lotteries which are not large lotteries (essentially those in which £20,000 (or less) worth of tickets are put on sale where the society's aggregate proceeds from lotteries do not exceed £250,000 a year) may operate without a Gambling Commission licence provided they register with their local authority.

The purpose of permitted lotteries as set out in the Act is so that societies can raise money for causes that are non-commercial and therefore the Act requires that a minimum of the money raised by the lottery is channelled to the goals of the society that promoted the lottery. If a small society lottery breaches these limits, it will be in breach of the Act and will be liable to prosecution.

The limits placed on small society lotteries are as follows:

A small society lottery must apply at least 20% of the proceeds of the lottery to the purposes of the society.

The current limits mean that no single prize in a small society lottery may be worth more than £25,000.

Rollovers are only permitted where every lottery affected is also a small society lottery promoted by the same society, and the maximum single prize does not exceed £25,000.

Every ticket in the lottery must cost the same and the fee must be paid to the society before entry into the draw is allowed.

Application and registration

A society must be registered with a local authority throughout the period during which the lottery is promoted. Parts 4 and 5 of Schedule 11 of the Act set out the requirements for societies and licensing authorities as regards registration of small society lotteries.

The society is required to be registered with the local authority in the area where their principal office is located. If the local authority considers that the society's principal office is situated in another area it shall inform the society as soon as possible and also notify the other appropriate local authority.

The application must be in the form prescribed by regulations and will need to be accompanied by the prescribed fee of £40.

The licensing authority will record details of the society and keep the details on a register. Whilst this does not have to be a public register, the Gambling Commission have recommended that licensing authorities make the register available to the public on request.

Refusals

Paragraphs 47 and 48 of Schedule 11 of the Act set out the grounds for refusal of registrations. In summary these are:

- In the previous five years either an operating licence held by the applicant for registration has been revoked or an application for an operating licence by the applicant has been refused;
- The applicant is not a non-commercial society;

- A 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 the application for registration is false or misleading.

The Gambling Commission website will maintain details of those people who hold a lottery operating licence.

Should the licensing authority be concerned that an applicant for registration may have been refused an application for an operating licence, the Gambling Commission will be consulted for further information.

A licensing authority may only refuse an application after the society has had the opportunity to make representations. Licensing authorities will inform the society of the reasons why it is minded to refuse the registration and the evidence it relied upon to reach that preliminary conclusion. Licensing authorities have the discretion to decide how to handle representations but it is considered good practice for those procedures to be made available to applicants. The Gambling Commission is currently considering whether it can usefully provide any further guidance.

Revocations

A licensing authority can revoke the registration of a society if it thinks that they would have to, or would be entitled to, refuse an application for registration if it were being made at that time. No revocations can take place unless the society has had an opportunity to make representations and consideration of what procedures shall be put into effect are as outlined in the above paragraph.

Appeals

Paragraph 51 of Schedule 11 of the Act sets out the processes for appeals against refusal or revocation of small society lottery registrations. The applicant or registered society may appeal if the licensing authority has rejected an application for registration or revoked the registration.

The appeal must be made within 21 days of receipt of a notice of the decision and must be made to the local magistrates' court.

On appeal, the magistrates' court may take the following action:

- Affirm the decision of the licensing authority;
- Reverse the decision; or
- Make any other order (which may include a transitional provision).