

The minimum age for participation in a lottery is 16 years of age. A person commits an offence if they invite or allow a child to enter a lottery other than certain classes of exempt lottery.

Lottery Returns

Every society registered with a local authority to run small society lotteries must submit a statement providing the following information:

- the date on which tickets were available for sale or supply and the date of the draw;
- the total proceeds of the lottery;
- the amounts deducted by promoters of the lottery in providing prizes, including rollovers;
- the amounts deducted by the promoters of the lottery in respect of costs incurred in organising the lottery;
- the amount applied directly to the purpose for which the promoting society is conducted (at least 20% of the gross proceeds); and
- whether any expenses incurred in connection with the lottery were not paid for by deduction from the proceeds; and, if so, the amount of expenses and the sources from which they were paid.

The return form, a copy of which is enclosed, must be sent to the local authority within three months beginning on the day on which the draw (or last draw) in the lottery took place. It must be signed by two members of the society appointed in writing for that purpose by the society's governing body and accompanied by a copy of that appointment.

Licensing Department
Council of the Isles of Scilly
Town Hall
St Mary's
Isles of Scilly
TR21 0PA
Telephone 01720 422537

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INFORMATION FOR SMALL SOCIETIES REGISTERED WITH THE LOCAL AUTHORITY

On 1 September 2007 existing registrations of societies under the Lotteries & Amusements Act 1976 were automatically converted into a registration for small society lotteries under the new Gambling Act 2005. This is because the Gambling Act 2005 repealed the Lotteries & Amusements Act 1976.

The 2005 Act has three licensing objectives which underpin the functions that the Gambling Commission and Licensing Authorities will perform. These are :-

- preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
- ensuring that gambling is conducted in a fair and open way; and
- protecting children and other vulnerable people from being harmed or exploited by gambling.

The 2005 Act creates two broad classes of lottery: first large society lotteries and lotteries run for the benefit of local authorities that will be licensed by the Gambling Commission, and secondly exempt lotteries, including **small society lotteries** which will be registered with licensing authorities.

Definition of a Small Society—The definition of a small society under the 2005 Act is broken down into two distinct areas:

Society Status - the society in question must be 'non-commercial'

Size of Lottery – 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 their lotteries must not exceed £250,000. If the operator plans to exceed either of these values then they will be classed as a large lottery operator, and must be licensed with the Gambling Commission instead.

Relaxations in Lottery Law

The 2005 Act allows for a general relaxation of lottery law, in particular it:

- removes the individual limits on the percentage of proceeds that may be applied to expenses or prizes – although the maximum global amount that can be deducted for expenses and prizes remains at 80%, with a minimum of 20% going to the purposes of the society;
- allows rollovers of prize funds from one lottery to another promoted by the same society, provided the maximum single prize does not exceed £25,000
- permits the sale of tickets by an automated process; and
- removes the £2 maximum limit on ticket prices.

External Lottery Managers

A registered society may employ an external lottery manager (ELM) to run all or part of its lottery. ELMs require additional licensing from the Gambling Commission.

Ticket Information

Lotteries may involve the issuing of physical or virtual tickets to participants. The purchaser of a small society lottery ticket must receive a document which identifies :-

- the name of the promoting society;
- the price of the ticket (must be the same for all tickets);
- the name and address of the member of the society who is designated as having responsibility at the society for promoting small lotteries, or (if there is one) the external lottery manager, and
- the date of the draw, or enables the date to be determined.

Tickets which are issued through a form of remote communication or any other electronic manner must specify this information to the purchaser of the ticket and ensure that the message can either be retained or printed.

The Commission recommends that licensing authorities require all small society lottery operators that they register to maintain written records of any unsold and returned tickets for a period of one year from the date of the lottery draw. The licensing authority is permitted to inspect the records of the lottery for any purpose related to the lottery. The Council of the Isles of Scilly will make inspections at random.

The 2005 Act requires that lottery tickets may only be sold by persons over the age of 16 to persons over the age of 16.

In relation to where small society lottery tickets may be sold, the Gambling Commission recommends that licensing authorities should apply the following criteria to all small society lottery operators that they register:

- tickets should not be sold in a street, where street includes any bridge, road, lane, footway, subway, square, court or passage (including passages through enclosed premises such as shopping malls); and
 - tickets may be sold from a kiosk, in a shop or door-to-door
- This approach is consistent with the operating licence conditions imposed upon operators of large lotteries and local authority lotteries. It is confirmed that the Council of the Isles of Scilly will be following this recommendation.

Social Responsibility

Lotteries are a form of gambling and as such societies are required to ensure that children and other vulnerable people are not exploited by their lottery.