

# Lottery Licences



## INTRODUCTION

This booklet is to assist and advise both new applicants and current registration holders on the law relating to the promotion of small lotteries.

The Head of Environmental Services is responsible for the licensing service and all correspondence should be addressed to:

**Head of Environmental Services  
Malvern Hills District Council  
Council House  
Avenue Road  
Malvern  
Worcs WR14 3AF**

Telephone enquiries: Please contact our Customer Services advisors on (01684) 862151

Personal visits: Office hours are 9.00 am to 5.30 pm, Monday to Friday at The Customer Service Centre, Malvern Library, Graham Road, Malvern, Worcs. WR14 2HU.

### 1. **BACKGROUND**

Malvern Hills District Council registers small lotteries under the provisions of the Lotteries and Amusements Act 1976.

The promotion and oversight of lotteries in the UK is controlled by local authorities and the Gaming Board of Great Britain. The Gaming Board is generally responsible for the registration of large lotteries. **Malvern Hills District Council is responsible for registering smaller lotteries promoted by societies ("Societies' Lotteries").**

## **What is a Society?**

For a society, on whose behalf a lottery is to be promoted, to be registered with this Council, that society must be one which is established and conducted wholly or mainly for one or more of the following purposes:

- (i) for charitable purposes
- (ii) to support or participate in sport, games or cultural activities
- (iii) other purposes which are neither for private gain or are a commercial undertaking.

## **The Financial Thresholds**

This Council **registers societies** to promote lotteries for fund raising where:

the proceeds to be collected from ticket sales on any one lottery do not exceed £20,000; **and**

where the total value of tickets sold throughout a year does not exceed £250,000. (ie the total proceeds over the year)

**Both** of these conditions must be satisfied otherwise, registration of a lottery must be with the Gaming Board as a **larger lottery**.

## **2. LOTTERIES WHICH DO NOT REQUIRE TO BE REGISTERED WITH THE COUNCIL ('EXEMPT LOTTERIES')**

There are two types of small lotteries which do not require registration either by the Council or the Gaming Board under the 1976 Act. Briefly, these are:

- (i) Lotteries which are run as part of a larger entertainment event such as a bazaar, dinner dance or fete; and
- (ii) Private Lotteries run exclusively within a society or for people who work or reside together.

For both of these types of 'exempt' lottery, there are a number of conditions which must be satisfied. Further details of these are provided in Appendix 1 of this booklet.

## **3. PROCEDURE FOR OBTAINING REGISTRATION**

### **3.1 General**

**You must use the Council's application forms** which are obtainable from the Head of Environmental Services. These can be requested either by telephoning 01684 862151 or by calling in at The Customer Service Centre, Malvern Library, Graham Road, Malvern, Worcs. WR14 2HU.

The Head of Environmental Services will register a lottery provided he is satisfied that the criteria are met and that the promoter (or 'Lottery Manager') is a 'fit and proper' person to be involved in the lottery.

**Assistance in completing the forms can be obtained** from our Customer Service Advisors.

**Before applying you should read carefully the Lottery Regulations in Appendix 2 and satisfy yourself that you will be able to comply with these at all times. Failure to comply may result in your registration being revoked and, in certain circumstances, may lead to prosecution.**

**Important:** Please note that unless a registration has been made by the Council it is an offence to promote a lottery requiring registration and this would render you liable for prosecution.

### **3.2 Registration**

Upon receipt of your application, the Head of Environmental Services will consider the application and check that the organisation and promoter meet the requirements of the Authority.

A lottery scheme must also be completed and submitted to the Council at the time of application and every three years thereafter. Basically, this provides the Council with information on a society's plans for running lotteries.

## **4. REGISTRATIONS**

The lottery promoter must take full responsibility for the conduct of lotteries promoted for the benefit of his society.

In promoting a lottery, the lottery manager must ensure compliance with the Lottery Regulations and any guidance issued by the Council.

## **5. RETURNS**

Having held a lottery, you are obliged to complete a form of return to the Council detailing the proceeds from the lottery and

the expenses incurred. This form is supplied by the Council and must be completed and returned to the Council within three months of a collection. Failure to provide a return as required could lead to prosecution.

The Head of Environmental Services is empowered to inspect any society's records to satisfy himself as to the accuracy of the returns submitted. A request will be made to you to provide any such information if so required.

## 6. FEES

The current fees for lottery registration payable to the Council, as set by the Home Office, are as follows:

Grant/New Registration	-	£35.00
Renewal	-	£17.50

In the case of renewals, these fees are payable by 1 January in each year.

## 7. PRIZE LIMITS

The prizes for societies lotteries must not exceed 55% of the proceeds. Prizes may be donated at a reduced cost or free of charge but the value of any donated prize must not exceed £25,000.

## 8. EXPENSES

The maximum limit on expenses which can be incurred in promoting the lottery is 35% of the proceeds. Any expenses

which are met by the society or by any beneficiary of the lottery are to be counted as expenses from within this 35% limit.

## 9. **FREQUENCY**

There is no restriction on the frequency or number of lotteries which can be promoted by a society within a given period.

## 10. **TICKETS**

The lottery tickets used in a lottery must specify:

- the date of the lottery draw
- the name of the society
- the name of the promoter

## 11. **YOUR VIEWS ARE WELCOME**

As part of the Council's continuing commitment to improving services and reducing costs, suggestions or other comments are always welcome. Please write to the Head of Environmental Services, Highlea, 36 Church Street, Malvern, Worcs. WR14 2HU.

## 12. **FURTHER INFORMATION**

Please do not hesitate to contact the Customer Service Centre should you require any further information on registration or any matter contained within this booklet.

LOTTERIES AND AMUSEMENTS ACT 1976

GUIDANCE NOTES

LOTTERIES WHICH DO NOT REQUIRE TO BE REGISTERED WITH THE COUNCIL:

- (1) SMALL LOTTERIES; AND
- (2) PRIVATE LOTTERIES

Section 3 of Part 1 of the Lotteries and Amusements Act 1976 authorises two types of lottery which do not require registration with the Council. These are detailed below. If promoting such a lottery you must ensure that the conditions which apply are fully observed.

**(1) Small Lotteries Incidental to Exempt Entertainments**

(Note: "Exempt Entertainment" means a bazaar, sale of work, fete, dinner, dance, sporting or athletic event or other entertainment of a similar character, whether limited to one day or extending over two or more days).

Where a lottery is incidental to an exempt entertainment, that lottery does not require registration provided it is conducted in accordance with the conditions set out below:

- (a) the whole proceedings of the entertainment (including the proceeds of the lottery) after deducting:
  - (i) the expenses of the entertainment, excluding expenses incurred in connection with the lottery; and
  - (ii) the expenses incurred in **printing tickets in the lottery**:  
and

(iii) such sum, if any, not exceeding £250 or such other sum as may be specified in an order made by the Secretary of State, as the promoters of the lottery think fit to appropriate on account of any expenses incurred by them in purchasing prizes in the lottery,

shall be devoted to purposes other than private gain;

- (b) none of the prizes in the lottery shall be money prizes;
- (c) tickets or chances in the lottery shall not be sold or issued, nor shall the result of the lottery be declared, except on the premises on which the entertainment takes place and during the progress of the entertainment; and
- (d) the facilities for participating in lotteries under this section, or those facilities together with any other facilities for participating in lotteries or gaming, shall not be the only, or the substantial, inducement to persons to attend the entertainment.

(Note: If any of these conditions are contravened, every person concerned in the promotion or conduct of the lottery shall be guilty of an offence unless he proves that the contravention occurred without his consent or connivance and that he exercised all due diligence to prevent it).

Returns are not required by the Council.

This is the only type of lottery in which no specific form of ticket is required (e.g. cloakroom tickets may be used).

**(2) Private Lotteries**

- (a) In this Act "Private Lottery" means a lottery in Great Britain which is promoted for, and in which the sale of tickets or chances by the promoters is confined to either
- (i) members of one society established and conducted for purposes not connected with gaming, betting or lotteries;
  - (ii) for persons all of whom work on the same premises; or
  - (iii) for persons all of whom reside on the same premises
- (b) The lottery must be promoted by persons each of whom is authorised in writing by the governing body of the society to promote the lottery:
- (c) The sale of tickets or chances in the lottery must be confined:
- (i) to the persons for whom the lottery is promoted; and
  - (ii) in the case of a lottery promoted for the members of a society, to any other persons on the society's premises.

A private lottery must satisfy the following conditions in connection with its promotion and conduct:

- (d) the whole proceeds, after deducting only expenses incurred for printing and stationery, shall be devoted to the provision of prizes for purchases or tickets or chances, or, in the case of a lottery promoted for the members of a society, shall be devoted either
- (i) to the provision of prizes as aforesaid; or
  - (ii) to purposes which are purposes of the society; or

- (iii) as to part to the provision of prizes as aforesaid and as to the remainder to such purposes as aforesaid;
- (e) there shall not be exhibited, published or distributed any written notice or advertisement of the lottery other than -
- (i) a notice of it exhibited on the premises of the society for whose members it is promoted or, as the case may be, on the premises on which the persons for whom it is promoted work or reside; and
  - (ii) the price for every ticket or chance shall be the same and the price of any ticket shall be stated on the ticket;
  - (iii) Every ticket shall bear the name and address of each of the promoters and as statement of the persons to whom the sale of tickets or chances by promoters is restricted, eg "members only". A statement is also required to the effect that no prize won in the lottery shall be paid or delivered by the promoters to any person other than the person to whom the winning ticket or chance was sold by them and that no price shall be paid or delivered except in accordance with that statement;
  - (iv) no ticket or chance shall be issued or allotted by the promoters except by way of sale and upon receipt of its full price and no money or item of value received by a promoter shall in any circumstances be returned. Tickets must not be sent through the post.

(Note: If any of the conditions set out above are contravened each of the promoters of the lottery, and where the persons reaking the conditions are not one of the promoters, such persons shall be guilty of an offence).

Returns are not required by the Council.

THE LOTTERIES REGULATIONS 1993

1. (1) These Regulations may be cited as the Lotteries Regulations 1993.
- (2) These Regulations shall come into force on 3<sup>rd</sup> May 1994 except that they shall not have effect in relation to any lottery in respect of which any tickets or chances have been sold before that day.
- (3) The Regulations specified in Schedule 1 to these Regulations are hereby revoked.
2. (1) A scheme approved by a society or local authority for the promotion of a lottery or any modification of such a scheme shall comply with the provisions of Schedule 2 to these Regulations.
- (2) This regulation does not prevent the inclusion in a scheme of provisions not required by that Schedule.
3. No ticket or chance in a society's lottery or local lottery shall be sold by or to a person who has not attained the age of sixteen years.
4. (1) Subject to paragraph (2) below, no ticket or chance in a society's lottery or local lottery shall be sold to a person in any street.
- (2) Paragraph (1) above shall not have effect in relation to the sale of a ticket or chance by a person present in a kiosk or

shop premises having no space for the accommodation of customers.

- (3) In this regulation, 'street' includes any bridge, road, lane, footway, subway, court, alley or passage, whether a thoroughfare or not, which is for the time being open to the public without payment.
5. No ticket or chance in a society's lottery or local lottery shall be sold by means of a machine.
  6. No ticket or chance in a society's lottery shall be sold by a person when visiting any other person at his home in the discharge of any official, professional or commercial function not connected with lotteries.
  7. Every ticket distributed or sold in a society's lottery shall either specify the name of the registration authority with which the society is registered under Schedule 1 to the Lotteries and Amusements Act 1976 or, as the case may be, specify that the society is registered under Schedule 1A to that Act with the Gaming Board for Great Britain.
  8. Every ticket distributed or sold in a local lottery shall specify the name of the local authority promoting the lottery, the date of the lottery and that the authority has registered a scheme with the Gaming Board for Great Britain under Schedule 2 of the Lotteries and Amusements Act 1976.
  9. Where two or more lotteries are promoted by a society or local authority on the same date, the tickets to be sold in each such lottery shall indicate in which lottery they are sold by means of a serial number.

10. Where the information appearing on a ticket in a society's lottery or local lottery includes any reference in writing to a person who, for reward, is acting or assisting, or has acted or assisted, in the promotion of the lottery -
  - (a) the size of the lettering used in such reference shall not exceed the size of the smallest lettering used in the same ticket to specify the name of the society on whose behalf the lottery is promoted or, as the case may be, the name of the local authority promoting the lottery, and
  - (b) that reference shall be afforded no greater prominence than is afforded to that name in the same ticket.
11. (1) No request or requirement shall be made to any person supplying lottery tickets to which this regulation applies for use in a society's lottery or local lottery to the effect that those tickets shall be supplied in such a manner, or so marked, as to enable a ticket to be identified, before it is sold in the lottery, as a winning ticket.
  - (2) This regulation applies to lottery tickers manufactured or designed so as to conceal such information appearing in or on each ticket by way of words, figures, signs, symbols or other features as would, if revealed, indicate that the ticket is a winning ticket or is not.
  - (3) In this regulation, 'winning ticket' means a ticket which, when sold in a lottery, entitles the holder of a ticket to claim a prize in the lottery.
12. (1) Subject to paragraph (2) below, no prize in a society's lottery or local lottery shall be offered on such terms that the winning of the prize depends upon the purchase of more than one ticket or chance in the lottery.

- (2) The winning of a prize in a society's lottery or local lottery may depend upon the purchase of more than one chance provided that the price of the number of chances required to win a prize does not exceed the amount for the time being specified for the purposes of section 11(2) of the Lotteries and Amusements Act 1976.
13. (1) No person shall be invited to purchase any group of tickets or chances in a set of lotteries in which the determination of the winners in the lotteries is designed to secure that a person holding a group of winning tickets or chances is a winner of a prize in each lottery in the set of lotteries to which that group of tickets or chances relates.
- (2) In paragraph (1) above, a reference to a set of lotteries is a reference to two or more lotteries in a set of consisting of society's lotteries or local lotteries or both.