

# Village Hall Information Sheet



## Gaming and lotteries

This information sheet covers the types of gambling that are likely to take place in village halls and similar community buildings, but it is not a full statement of the law.

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## Introduction

The Gambling Act 2005 (the Act) provided a new regulatory system to govern the provision of all gambling in Great Britain except The National Lottery and spread betting. The Act repealed the Betting, Gaming and Lotteries Act 1963, the Gaming Act 1968 and the Lotteries and Amusements Act 1976 and set up the Gambling Commission which now regulates all commercial gambling. Local authorities, either the district council or the county council, where appropriate, have powers to licence gambling premises in their area as well as undertaking functions in relation to lower stake gaming machines, clubs and miners' welfare institutes.

The Act contains three licensing objectives which underpin the functions that the Commission and licensing authorities perform:

- 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.
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

This information sheet covers the types of gambling that are likely to take place in village halls and similar community buildings, but it is not a full statement of the law. Further information is available from local licensing authorities, the Gambling Commission and the Department for Culture Media and Sport.



## 1. Lotteries

The Act sets out a definition of a lottery and provides that promoting or facilitating a lottery is illegal; unless it falls into one of two categories of permitted lotteries:

### 1.1 Licensed lotteries

Large society lotteries and lotteries run for the benefit of local authorities which are regulated by the Gambling Commission.

If the total value of tickets a society puts on sale in a single lottery is to exceed £20,000, or tickets in separate lotteries in one calendar year are to exceed £250,000 in aggregate, the lottery is categorised as a large lottery and the society must hold a lottery operator's licence issued by the Gambling Commission. ACRE believes this is very unlikely to apply to the average village hall committee.

### 1.2 Exempt lotteries

These are Lotteries permitted under Schedule 11 of the Act that do not require a licence from the Gambling Commission.

Incidental non-commercial lotteries have to be promoted wholly for purposes other than private gain and be incidental to non-commercial events. A fundraising social event with a raffle would be non-commercial if the profits went to the village hall management committee but would be commercial if the profits were retained by an individual or private organisation.

Where a lottery is incidental to a non-commercial event it should be noted that the maximum sum that may be deducted in respect of prizes is £500 and that the maximum amount that may be deducted for the expenses of running the lottery (not the whole event) is £100.

Tickets in incidental non commercial lotteries can be sold only at and during the event, and winners must be announced during the event.

## Private lotteries

There are four categories of private lottery, only one of which, a private society lottery, is likely to be relevant to village hall management committees:

- **Private society lotteries** where tickets can only be sold to members of the society or those who are on the premises of the society
- **Work lotteries** where the promoters and purchasers of tickets must all work on a single set of work premises
- **Residents lotteries** promoted by, and the tickets only sold to, people who live at the same set of premises
- **Customer lotteries** promoted by the occupier of business premises and tickets may only be sold to customers who are on the business premises.

A social club may have a lottery for its members and guests once a month or perhaps the local short mat bowls group have a lottery for club members to build up a fund for new equipment. They would need to be aware of the requirements laid down in the Act with regard to tickets:

- The ticket may be sold or supplied only by or on behalf of the promoters i.e. the social club or short mat bowls group
- The rights conferred by the sale or supply of a ticket shall not be transferable
- The ticket must have the name and address of the promoters
- The price for each ticket must be the same and shown on the ticket
- There are no limits on ticket prices, sales or proceeds.

Under the Act no advertisement for a private society, work or residents lottery may be displayed or distributed except at the society or work premises, or the relevant residence, nor sent to any other premises.

## Small society lottery

This is a lottery promoted on behalf of a non-commercial society, i.e. all profits go to the society not the organiser. It is exempt, in that it does not require an operating licence from the Gambling Commission; however, it will require registration with your local authority.



Some village hall management committees and other local organisations will have a registration with the local authority where they have a large annual prize draw for which tickets are printed and sold in advance of the event.

The total value of the tickets put on sale in a single lottery have to be below £20,000 or less, and the aggregate value of the tickets put on sale in all lotteries held by the society in a calendar year £250,000 or less. A minimum of twenty per cent of the proceeds of a small society lottery must go towards the purpose for which the society is conducted and no single prize may be worth more than £25,000.

The Act sets out the information that the society is required to provide to the local authority before and after the lottery has taken place:

- The arrangements for the lottery such as dates when the tickets are available, dates of the draw and value of the prizes
- Proceeds of the lottery
- The amounts deducted for the prizes
- The amounts deducted in respect of expenses
- The amount given to a purpose for which the society is conducted – this must be at least 20%
- The amount of any expenses incurred in connection with the lottery that were not paid for by deduction from the proceeds and their source

- The return should be sent no later than three months after the date of the draw
- The return should be signed by two members of the society who must be over eighteen. The members must be able to prove that they are appointed by the society under its governing deed or appointed for the purpose of running the lottery.

The current fee for registering with the local authority is £40 with an annual renewal of £20.

## 2. '200' clubs

'200' clubs are a good source of regular income. The '200' club takes the form of a regular draw. Limiting the number of participants defines the odds, i.e. two hundred members means there is a one in two hundred chance of winning. The idea is that each of the participants pays an agreed sum per week or per month and there is a monthly draw with an agreed amount for the prizes.

As far as the Act is concerned the '200' club can be operated in two different ways depending on whether those taking part are members of a group or society or if the '200' club is open to the general public.

Where participation is restricted to members of a group or society or the '200' Club has its own constitution it can operate as a private society lottery. There will be no limits on the 'ticket' price, sales or proceeds. A suggested constitution can be found at Appendix 1.

Where a group or society runs a '200' club and participation is open to the general public, then the 200 club will need to operate as a small society lottery and register with the local authority. The arrangements and limits on small society lotteries are explained in section 1.2.

## 3. Race nights

### General information

Race nights are events in which participants stake money on the outcome of recorded or virtual races. They are popular with village hall management committees and other organisations as a fundraiser and the following points should be taken into account:

- They should take place at non-commercial events where none of the proceeds from the event are used for private gain.
- The proceeds of an event include sums raised by participation fees, sponsorship and commission from traders minus costs reasonably incurred in organising the event.
- Amounts raised by an independent third party, such as for refreshments, will not form part of the proceeds of the event and may be used for private gain.
- All participants should be aware of the 'good cause' for which the event is being held.
- No licence, permit or other permission under the Act is required.
- A hall does not need permission to show films under the regulated entertainment provisions of the Licensing Act 2003 in order to hold a race night.



In addition, the village hall management committee needs to take account of the differing statutory requirements, as race nights can be organised under the requirements for prize gaming and equal chance gaming (Sections 299 and 300, Part 14 of the Act) or incidental lotteries (Part 1, Schedule 11 of the Act). Prize gaming and equal chance gaming race nights may be either an incidental activity or the only or principal purpose of the event.

### Race nights as incidental lotteries

Where the race night is not the only or main purpose of a non-commercial event it can operate as an incidental lottery under Schedule 11 of the Act. There are no limits on the amount that players can be charged to participate, but no more than £500 may be deducted from the proceeds of the lottery for the cost of prizes and no more than £100 for other expenses.

### **Race nights as prize gaming**

If the prizes are put up in advance and are not dependent on the number of players taking part or the amount of money staked, then the event will qualify as prize gaming under Part 14, section 299 of the Act. There are no statutory limits on stakes, prizes, participation fees or other charges.

### **Race nights as equal chance gaming**

If the prizes awarded are dependent on the number of players or, on the amount of money staked, then the event will qualify as equal chance gaming under section 300, Part 14 of the Act. There are limits on the amounts that players may be charged to take part and on the amount or value of the prizes:

- The maximum amount that a player may be charged is £8 including entrance or participation fees, stakes and any other payments in relation to the gaming.
- The total amount paid out in prizes may not exceed £600.

## **4. Casino nights**

Casino gaming includes games like roulette and blackjack, where players compete against the 'house' or 'banker' rather than against one another on equal terms.

Commercial casino gaming is licensed and regulated by the Gambling Commission. Further information can be obtained from its website.



### **Casino gaming in clubs**

Clubs and miners' welfare institutes that hold a gaming permit issued by their licensing authority may provide facilities for two specific types of 'banker's game'. Further information can be obtained from the Department for Culture Media and Sport and the Gambling Commission.

### **Gaming in village halls**

Village hall management committees or organisations using the premises can provide casino games for charitable and non-commercial purposes under the prize gaming provisions in Part 14 of the Act. As with race nights organised under prize gaming, prizes should be put up in advance and must not be dependent on the number of players taking part or the money staked. There are no statutory limits on stakes, prizes, participation fees or other charges. Also see the points identified in section 4: race nights general information.

## **5. Taxes**

Profits from a lottery arising to a charity are generally exempt from tax provided they are applied for charitable purposes. If in doubt please contact HMRC.

## **6. Alcohol in raffles and as prizes**

When the village hall management committee organises a small society lottery where tickets are sold in advance and alcohol prizes are to be given, it will be necessary to ensure that the premises is licensed for alcohol sale either by a premises licence with alcohol or a Temporary Event Notice (TEN).

However, the provision of bottles of alcohol as prizes in raffles and tombolas is exempt from the need for an alcohol licence, provided:

- 6.1 the lottery is an incidental non-commercial lottery (see section 2(b) as incidental to a non-commercial event





6.2 the proceeds of the event (after deduction of expenses) and the proceeds of the lottery (after deduction of allowed expenses are applied for purposes other than private gain and,

6.3 the alcohol is in a sealed container.

For further information see **ACRE's Village Hall Information Sheet 10, Alcohol in village halls**

## 7. Sources of further information and advice

**ACRE and the Rural Community Action Network (RCAN)** provides an information and advice service for village hall management committees through its network of village hall advisers. A link to the village halls advisers is available on the ACRE website: [www.acre.org.uk](http://www.acre.org.uk) ACRE publishes a range of village hall publications and information sheets to support this service, which are available from your local RCAN member.

ACRE publications that may be of particular interest to readers of this information sheet are:

Village Hall Information Sheet 17, Trustees – roles and responsibilities

Village Hall Information Sheet 35, Trustee liability and trustee indemnity insurance

Village Hall Information Sheet 10, Alcohol in village halls

Village Hall Information Sheet 9, The village hall and its Premises Licence

### **Department for Culture, Media and Sport (DCMS)**

2-4 Cockspur Street, London, SW1Y 5DH

Tel: 020 7211 6200 [www.culture.gov.uk](http://www.culture.gov.uk)

### **Gambling Commission**

Victoria Square House, Victoria Square, Birmingham, B2 4BP

Tel: 0121 230 6666 Website: [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

The Gambling Commission guidance on lotteries is contained in their publication Lotteries and the Law (2005), which is available on its website at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

### **HM Revenue and Customs Charities**

St Johns House, Merton Road, Liverpool, L75 1BB

Tel: 0845 302 0203 [www.hmrc.gov.uk/charities](http://www.hmrc.gov.uk/charities)

Grateful thanks to the DCMS and the Gambling Commission for their assistance in checking this information sheet for accuracy and to Bedfordshire Rural Communities Charity for the '200' club constitution.



## APPENDIX A - '200' CLUB CONSTITUTION

### 1. NAME

The Club shall be called the ..... Lottery. (hereinafter called 'The Lottery')

### 2. OBJECTS

The sole object of The Lottery shall be the raising and provision of funds by members of The Lottery for the benefit of the .....

3. Membership to The Lottery shall be granted by the Committee only to members of the .....

4. Each member of The Lottery by virtue of his or her membership agrees to pay the total annual sum of ..... at the rate of .....per week for 48 weeks or ..... each calendar month or by ..... one off payment by cheque, cash, or bankers order.

5. Membership shall be from ..... to .....in year following.

6. No person shall be entitled to participate in the Lottery unless issued with a valid membership card.

### 7. PAYMENT OF MONIES

i. The annual payment shall be .....

ii. The total payment must be paid by the ..... each year

iii. Payment shall be made as follows

a. One annual payment on or before the ..... day of .....each year.

b. Twelve equal monthly payments on or before the .....day of each month.

c. Twelve equal monthly payments by cash on or before the ..... day of each month.

8. All monies shall be paid to ..... with cheques payable to .....

9. Monies received after the ..... day of each month will be calculated into the following month except in the final monthly draw when all monies received after the .....day shall be returned to the member.

### 10. Tickets and Draw

A ticket shall be issued on receipt of the full annual or month's Amount of ..... and ..... respectively.

11. Each ticket will bear a unique number and the club members name and number shall be entered each month into a prize draw provided good funds have been received on or before the due date. Each prize draw will take place in public in ..... not before the ..... day of each month and not after the .....day of each month.

12. The venue and date of the draw and prizes shall be determined by the Management Committee and a list published in the ..... together with a name and address of list of prize winners for the previous month.

ACRE and the Rural Community Action Network (RCAN) together deliver a local advisory service tailored to the needs of rural community buildings throughout England. This service aims to ensure that hall trustees have access to accurate information about regulatory requirements, training and one-to-one advice and support with business planning. All RCAN advisers are networked by ACRE, undertake an OCN accredited course and are provided with resources to support their work. The national Hallmark quality standards programme encourages hall trustees to adopt best practice through a peer visitor programme. However, demand from halls for support often exceeds supply and demonstrates the need for a proactive, local service that can support all halls to achieve their aspirations and potential.

## About ACRE

Action with Communities in Rural England is the national umbrella body of the Rural Community Action Network (RCAN), which operates at national, regional and local level in support of rural communities across the country. We aim to promote a healthy, vibrant and sustainable rural community sector that is well connected to policy and decision-makers who play a part in delivering this aim. ACRE is nationally recognised for its expertise in ensuring rural community-led solutions are central to public policy debate.

## Rural Community Action Network (RCAN)

The Rural Community Action Network (RCAN) covers the whole of rural England through the work of 37 local member organisations, eight regional bodies and ACRE. Network members are county-based, independent, local development agencies that, for decades, have been delivering support on the ground to enable rural communities to improve quality of life for all. They act as a strategic voice for rural communities, allowing grassroots issues to be championed and solutions worked out in partnership between statutory, voluntary and private sector providers. Their strength lies in their ability to work within communities in an inclusive and holistic way, helping local people to develop local solutions and identify unmet needs through a unique approach to community-led planning. Alongside this, network members provide a trusted local support network for rural community groups, including dedicated expertise in arenas such as transport, housing, the management of community-owned facilities, social enterprise and rural services.

ACRE is pleased to have worked in partnership with AON Limited on this information sheet.

*This Village Hall Information Sheet is one in a series available from ACRE's Village Hall Information Service. A full list of ACRE Information Sheets and other publications can be found at [www.acre.org.uk](http://www.acre.org.uk)*



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