EXPLANATORY MEMORANDUM TO

THE OLYMPIC LOTTERY DISTRIBUTION FUND (WINDING UP) ORDER 2014

2014 No. [XXXX]

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 To dissolve the Olympic Lottery Distribution Fund ("OLDF") and pay the remaining balance of lottery funds (approximately £69.6 million) into the National Lottery Distribution Fund ("NLDF").

2.2 The OLDF was kept in place to receive a share of the income from the sale of the Olympic Village, which it has now received. As no further funds are expected to be due to it, the OLDF can now be dissolved. Should any funds in fact become due to the OLDF after its dissolution the Order provides for them to be paid into the NLDF.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 The order is made under section 28 of the Horserace Betting and Olympic Lottery Act 2004 ("2004 Act") and is the first use of this power, to wind the OLDF up by order and pay the remaining funds into the NLDF in certain proportions.

4.2 The order must specify whether any payment will be subject to the general apportionment provision (meaning it will be apportioned within the NLDF in the usual portions as provided in section 22 of the National Lottery etc. Act 1993) or whether it will be allocated entirely for expenditure on or connected with sport. If any payment is to be allocated entirely for sport, the Order can modify the shares amongst the sports distributors, including by reducing any distributor's share to zero.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 The Minister for Sport and Tourism has made the following statement regarding Human Rights:

6.2 In my view the provisions of the Olympic Lottery Distribution Fund (Winding Up) Order are compatible with the Convention rights.

7. Policy background

7.1 The Department for Culture Media and Sport is responsible for the distribution of National Lottery good cause money, which is distributed through the NLDF to a number of grant giving bodies, including the Big Lottery Fund, the Heritage Lottery Fund and UK Sport among others. In the years prior to 2012, some of this good cause funding was contributed to the OLDF to help fund the London 2012 Olympic and Paralympic Games. Now that the Games are over and the Olympic Village has been converted for residential use and sold, the OLDF can be wound up and the money in the fund transferred to the NLDF to be distributed to good causes.

7.2 This Order specifies that the payment is to be subject to the general apportionment provision (i.e. funds are split between distributors in the usual good cause proportions, where the Big Lottery Fund receives 40% of lottery income, the Heritage Lottery Fund 20%, and so on). This follows the policy position agreed by the then Secretary of State in 2013 and follows a £79 million payment made from the OLDF to the NLDF during 2014 under regulations created by virtue of section 26 of the 2004 Act (The Olympic Lotteries (Payments out of the Olympic Lottery Distribution Fund) Regulations 2014 (S.I. 2014/1510).

8. Consultation outcome

8.1 No consultation was required by the 2004 Act, and since the Order provides for distribution in the usual good causes proportions, no consultation was considered necessary.

9. Guidance

9.1 No guidance is required.

10. Impact

10.1 The impact on business, charities or voluntary bodies will be to increase the amount of funding that charities and voluntary bodies are able to apply for through the National Lottery good cause distribution process.

10.2 The impact on the public sector is an increase in the amount of funding that the good cause distributors will have available to distribute, which may lead to a very small increase in the administration required to process the extra grants.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 The regulations do not require any monitoring or review.

13. Contact

Jeremy Stewart at the Department for Culture Media and Sport Tel: 020 7211 6149 or email: jeremy.stewart@culture.gsi.gov.uk can answer any queries regarding the instrument.