EXPLANATORY MEMORANDUM TO THE

NEW OPPORTUNITIES FUND
(SPECIFICATION OF INITIATIVES) (NO.2) ORDER 2005

2005 No.

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.

2. Description

2.1 This Order specifies initiatives concerned or connected with health, education or the environment and therefore allows the New Opportunities Fund ("the Fund"), a National Lottery distributor, to make grants which are designed to give effect to these initiatives under section 43B(1) of the National Lottery etc. Act 1993.

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

3.1 None.

4. Legislative Background

4.1 The Fund is the largest distributor of National Lottery money to good causes and was established by section 43A of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998). The Fund distributes one third of the money received from the National Lottery.

4.2 The Fund may only distribute Lottery money to projects which are designed to give effect to initiatives concerned or connected with health, education or the environment. Such initiatives must be specified in an order made by the Secretary of State under section 43B of the National Lottery etc. Act 1993. Currently there are five orders under this section specifying a wide range of initiatives[1].

4.3 The new initiatives in this Order replace all the current initiatives except the initiative to allow the Fund to fund transformational grants contained in S.I. 2005/1102.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

The Minister for Sport, Richard Caborn, has made the following statement regarding Human Rights:

In my view the provisions of the draft New Opportunities Fund (Specification of Initiatives) (No.2) Order 2005 are compatible with the Convention rights.

7. Policy background

[1] S.I. 1998/1598, S.I. 1999/966, S.I. 2001/1404, S.I. 2004/143 and S.I. 2005/1102.

7.1 It was initially intended that the programmes that the New Opportunities Fund will carry out under the initiatives in this Order would be carried out by the new distributor to be established, subject to Parliamentary approval, by the National Lottery Bill. However, the Fund and the Community Fund (who will be merged by the Bill to form the new distributor but are currently operating together under the name of the Big Lottery Fund) want to start these programmes as soon as possible this year and before the commencement dates of the Bill's provisions which will not be until the second half of 2006. In particular nearly all of the New Opportunities Fund's current programmes will have finished by the end of 2005. Therefore this Order is needed as an interim measure to give the Fund the appropriate funding powers until the provisions of the Bill can be commenced. It has been subject to consultation with Scottish Ministers, the National Assembly for Wales, the Northern Ireland Department of Culture, Arts and Leisure and the Fund who have all agreed to the draft Order. In addition the Department ran a wider consultation exercise involving all Lottery stakeholders between 29 July 2005 and 30 September 2005 (see paragraph 7.4).

7.2 The initiatives in this Order are based on the three high level funding themes that the Secretary of State for Culture, Media and Sport announced in August 2004 and on which the Big Lottery Fund consulted publicly between October 2004 and January 2005. The Fund held key stakeholder events and meetings, and published a formal consultation document and questionnaire, to which there were around 630 responses. The majority of respondents agreed that the funding themes provided a sensible and flexible strategic framework for the Fund's future funding. The Big Lottery Fund published an analysis of the responses in July 2005, which is available on its website www.biglotteryfund.org.uk

7.3 In order to facilitate this new high level, unprescriptive and flexible approach to the Fund's initiatives the existing initiatives mention in paragraph 4.3 will be revoked by article 3(1) of this Order. Article 3(2) provides for transitional provision so that everything done by the Fund under the revoked initiatives NOF is deemed to have been done under the initiatives in this Order. This will allow continuity in the Fund's functions (e.g. monitoring grants) in relation to grants made under the earlier initiatives.

7.4 In addition to this Order the Secretary of State will give directions to the Fund and the Community Fund in relation to their distribution of Lottery money under sections 26(1) and 43C(1) of the National Lottery etc. Act 1993. These directions will come into effect at the same time as this Order. The draft directions have also been subject to consultation with the two distributors and the devolved administrations, and formed part of the wider consultation exercise involving Lottery stakeholders referred to in paragraph 7.1. 14 responses were received to this consultation exercise, most of which focused on the directions – there were no substantive comments on the Order. The Department will shortly publish on its website (www.culture.gov.uk) further details when analysis of the consultation responses has been completed.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

9. Contact

Liz Ager at the Department for Culture, Media and Sport. Tel: 020 7211 6510 or e-mail: elizabeth.ager@culture.gsi.gov.uk can answer any queries regarding the instrument.