EXPLANATORY MEMORANDUM TO

THE OLYMPIC LOTTERIES (PAYMENTS OUT OF THE OLYMPIC LOTTERY DISTRIBUTION FUND) REGULATIONS 2014

2014 No. 1510

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. Purpose of the instrument

2.1 The regulations confer on the Secretary of State the power to make a payment of £79,000,000 from the Olympic Lottery Distribution Fund ("OLDF") into the National Lottery Distribution Fund ("NLDF"), on or after 22 July 2014. A small amount (less than £0.3m) is being retained and will be included in the amounts transferred to the NLDF when the OLDF is wound up.

2.2 The regulations provide for the payment to be treated as having been paid into the NLDF by virtue of section 5(6) of the National Lottery etc. Act 1993 ("1993 Act"). This means it will be apportioned within the NLDF as provided in section 22 of the 1993 Act (the "general apportionment provision"). This will allow the National Lottery distribution bodies to access to these funds and distribute them to good cause projects.

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

None

4. Legislative Context

4.1 The regulations are made under section 26(2) of the Horserace Betting and Olympic Lottery Act 2004, and are the first use of this power to permit the Secretary of State to make a payment from the OLDF to the NLDF. The regulation-making power requires the Secretary of State to specify whether the payment will be subject to the general apportionment provision or whether it will be allocated entirely for expenditure on or connected with sport.

4.2 When the OLDF is wound up, the Secretary of State must specify in the winding up order that any money in or due to the OLDF is to be paid into the NLDF. As in these regulations, the winding up order will specify whether any payment is to be subject to the general apportionment provision or whether it is to be allocated entirely for expenditure on or connected with sport.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

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 once the Olympic Village has been converted for residential use and sold) the OLDF will be wound up and the money in the fund will be transferred to the NLDF to be distributed to good causes.

7.2 These regulations will allow for all but a small balance of the funds currently sitting in the OLDF, prior to receipts from the sale of the Village, to be transferred to the NLDF before the final wind up of the OLDF, thereby allowing distribution bodies to use them to fund good cause projects immediately.

7.3 The regulations make the payment 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.

8. Consultation outcome

No consultation was required.

9. Guidance

No guidance is required.

10. Impact

10.1 The impact on business, charities or voluntary bodies will be to slightly 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 a slight 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

The legislation does not apply to small business.

12. Monitoring & review

The regulations do not require any monitoring or review.

13. Contact

Paddy Johnson at the Department for Culture Media and Sport Tel: 020 7211 6931 or email: Patrick.johnson@culture.gsi.gov.uk can answer any queries regarding the instrument.