

EXPLANATORY MEMORANDUM TO THE
THE TRANSFORMATIONAL GRANTS JOINT SCHEME (AUTHORISATION)
ORDER 2005

2005 No. 608

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 authorises a joint scheme to provide transformational grants following an application by the participating bodies, the New Opportunities Fund and the National Lottery Charities Board.

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

3.1 None.

4. Legislative Background

4.1 Under section 25B of the National Lottery etc. Act 1993 (“the 1993 Act”) bodies distributing money under section 25 of that Act (distributors of National Lottery money to good causes) may participate with other such bodies in a joint scheme to distribute money. A Lottery distributor may participate in a joint scheme as long as the principal purposes of the joint scheme include purposes for which a Lottery distributor has power to distribute money and it does not matter that the scheme also distributes money to projects that distributor does not have the power to do so apart from its participation in the joint scheme. In this way joint schemes allow Lottery distributors to pool resources and funding powers to facilitate the delivery of a single distribution scheme.

4.2 Schedule 3A to the 1993 Act makes further provision about joint schemes. Lottery distributors wishing to participate in a joint scheme must apply in writing to the Secretary of State and where the maximum amount to be distributed under the scheme exceeds £15 million in any year then the scheme must be authorised by an order made by the Secretary of State. Such orders must include a brief description of the scheme, the areas of the United Kingdom to which it applies, the maximum amount that may be distributed every year, the participating bodies, the proportions in which money to be distributed under scheme is attributable to each of those bodies and the duration of the scheme.

4.3 On 1st December 2004 the participating distributors wrote to the Secretary of State applying for authorisation of the joint scheme. This Order authorises that scheme.

5. Extent

5.1 This instrument applies to United Kingdom.

6. European Convention on Human Rights

Not applicable.

7. Policy background

7.1 The role of the Millennium Commission was to fund projects to mark the millennium and which would be lasting monuments to the aspirations and achievements of the people of the United Kingdom. However, the Commission stopped receiving any new Lottery money in August 2001 and the Department considers it important that Lottery money is continued to be used to fund such projects as the Eden Project in Cornwall, Odyssey in Belfast, the Millennium Stadium, Cardiff and Dynamic Earth, Edinburgh. Therefore, it announced in July 2003 in the National Lottery Funding decision document that there should be a new programme of transformational grants similar to some of those funded by the Millennium Commission.

7.2 The consultation which followed the publication of the decision document was very supportive with 36 of the consultees which responded on this issue supporting the transformational grant programme and only 4 disagreed. This included support from the voluntary sector, local government and the Lottery distributors. Full details of the consultation are available on the departmental website.

7.3 Concern was raised about the appropriate level of funding between projects of national significance and projects which benefited local communities with some consultees favouring both approaches. The Department's view is that a balance was needed between the two types of projects and that such a balance should be drawn by the Lottery distributors.

7.4 It was initially intended that this programme would be carried out by the new distributor to be established, subject to Parliamentary approval, by the National Lottery Bill. However, the New Opportunities Fund and the National Lottery Charities Board (also known as the Community Fund) (who will be merged by the Bill to form the new distributor) want to start the programme as soon as possible and before the likely commencement dates of the Bill's provisions. Therefore they agreed on 1st December 2004 to create a joint scheme to carry out the transformational grants programme (attached). This Order is needed to authorise that scheme. It has been subject to consultation with Scottish Ministers, the National Assembly for Wales, the Northern Ireland Department of Culture, Arts and Leisure.

7.5 In addition to this Order the Secretary of State will give directions to the two distributors as to the matters to take into account (in addition to their current policy directions) in making transformational grants under section 26 of the National Lottery etc. Act 1993. In particular, the directions will respond to some of the comments raised in the consultation exercise to require the distributors to take into account the need to involve the public in decision making, to ensure that the projects are viable in the long term and to take into account the interests of all parts of the UK. The draft directions will be subject to consultation.

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

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