

**EXPLANATORY MEMORANDUM TO
THE NATIONAL LOTTERY ETC. ACT 1993 (AMENDMENT OF SECTION 23)
ORDER 2007**

2007 No. 743

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 The Order increases the percentage share of proceeds from the National Lottery paid into the National Lottery Distribution Fund and allocated for expenditure on or connected with the arts held by the UK Film Council from 12.2 per cent to 13.52 per cent and makes a corresponding decrease of the percentage share held by the Arts Council of England from 71.1 per cent to 69.78 per cent. The Order also updates the name of the UK Film Council to reflect the change of that company's name.

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

3.1 None.

4. Legislative Background

4.1 Proceeds of lotteries forming part of the National Lottery are paid into the National Lottery Distribution Fund ("the NLDF") and allocated, by section 22 of the National Lottery etc. Act 1993 ("the Act"), for expenditure relating to the National Lottery good causes including the arts which receives $16\frac{2}{3}$ per cent.

4.2 Section 23(1) of the Act further provides the percentage of this sum to be held in the NLDF for distribution by each of the various arts distribution bodies. Under section 29(1) of the Act the Secretary of State may substitute different percentages specified in section 23 applying to each of these bodies.

5. Extent

5.1 This instrument extends to the United Kingdom.

6. European Convention on Human Rights

The Minister for Creative Industries and Tourism, Shaun Woodward, has made the following statement regarding Human Rights:

In my view the provisions of the National Lottery etc. Act 1993 (Amendment of Section 23) Order 2007 are compatible with the Convention rights.

7. Policy background

7.1 On 25 November 2005 the Department launched a consultation about the whether the percentages of the proceeds of the National Lottery allocated to the good

causes of the arts, national heritage and sports should be changed. The consultation finished on 28 February 2006 and the results are available from www.lottery2009.culture.gov.uk. On 21 June 2006 the Secretary of State announced at the Lottery Monitor conference that we would retain the current percentage shares for the arts, national heritage and sports (16 $\frac{2}{3}$ per cent for each) for the period 2009-2019.

7.2 She also announced that the UK Film Council would take on all film funding from the Arts Council of England with the same budget of £3 million per year. In 2002 it had been agreed in principle that the Arts Council of England would award the UK Film Council a film capital grant of £15 million to be spent over five years. Rather than for the Arts Council to continue to pay grants the UK Film Council this Order changes the percentage shares of the proceeds of the Lottery so that the income of the UK Film Council is increased by approximately £3 million per year and the Arts Council's income is reduced by the same amount. Both bodies were consulted about and have agreed to the change in percentages.

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

Rebecca Greenfield at the Department for Culture, Media and Sport, Tel: 020 7211 6428 or e-mail: rebecca.greenfield@culture.gsi.gov.uk can answer any queries regarding the instrument.