

National Lottery

Introduction

Since the National Lottery began in 1995, nearly £18.5 billion of lottery grants have been awarded in the UK, nearly a £1 billion of which (5.4 per cent of the total) have been awarded in Walesⁱ.

28p of every £1 spent on the Lottery goes to the good causes (arts and film; charitable expenditure; health, education and the environment; heritage; and sport). The remainder is distributed as prizes to lottery winners (50p), to the Treasury in duty (12p), to Lottery retailers in commission (5p) and to Camelot to cover operating costs (4.5p) and profits (0.5p).

The UK Government's Department for Culture, Media and Sport (DCMS) has responsibility for National Lottery policy, including the legislation governing the National Lotteryⁱⁱ.

DCMS sponsors the National Lottery Commissionⁱⁱⁱ, a non-departmental public body which regulates the National Lottery game and the game operator. The Commission's duties are to protect players' interests, to ensure that the Lottery is run properly, and to maximise the amount raised for good causes.

Camelot Group plc is the current holder of the National Lottery's game operator's licence. The National Lottery Commission are currently administering the bidding round for the third licence to run the National Lottery when the current licence expires in January 2009^{iv}. They have received two bids from Camelot Group plc and Sugal & Damani UK Limited. The preferred bidder will be announced by the end of June 2007 and the licence will be finalised by late August 2007. The license will run from 1 February 2009 with the period in-between being classed as the transition period.

Distribution of Lottery funding in Wales has not been devolved to the Welsh Assembly Government, although the Culture Minister is able to influence the strategic direction of the Lottery distributors operating in Wales. This is done through the issuing of high level policy directions setting cross-cutting priorities for the distributors to deliver. The Welsh Assembly Government can set the strategic framework within which distributors operate within Wales but cannot determine the split of funding between the home nations or the good causes. Those matters remain reserved.

There are five main organisations in Wales that distribute funds from the National Lottery. Each one has its own programme and funding priorities. The distributors^v are:

- ◆ The Big Lottery Fund
- ◆ The Heritage Lottery Fund (HLF)
- ◆ The Arts Council of Wales (ACW)
- ◆ The Sports Council for Wales (SCW)
- ◆ National Endowment for Science, Technology and the Arts (NESTA).

The Welsh Assembly Government has the power to issue policy directions to the Arts Council of Wales, the Big Lottery Fund^{vi}, the Heritage Lottery Fund and the Sports Council for Wales under the terms of the National Lottery Etc Act 1993 (as amended by the National Lottery Act 1998 and the National Lottery Act 2006)^{vii}. Some of the powers were directly conferred in primary legislation, some via the National Assembly for Wales (Transfer of Functions) Order 1999.

New policy directions were issued to the Big Lottery Fund in December 2006^{viii}. Subject to the approval of the Minister, it is intended that consultations on draft directions for the Sports Council for Wales and the Heritage Lottery Fund will take place during the summer of 2007, with a view to issuing those directions towards the end of 2007. Policy directions for the Arts Council of Wales will follow in due course.

Overview of current statutory powers of the Assembly

The following secondary legislation responsibilities of the Second Assembly will transfer to Welsh Ministers in the Third Assembly:

- ◆ Powers of direction as regards Lottery distributors operating in Wales.

Key Assembly Government strategy documents and action plans from the Second Assembly:

The distribution of lottery funding is not devolved to the Welsh Assembly Government.

Legacy issues from the Second Assembly

The Culture, Welsh Language and Sport Committee's legacy paper^{ix} highlighted the following issues relating to the National Lottery for the attention of the Third Assembly:

- ◆ The share of Lottery funds which might be partly diverted to support the 2012 Olympics.

Useful links

1. The section of the Welsh Assembly Government website covering the National Lottery:
<http://new.wales.gov.uk/topics/cultureandsport/lottery/?lang=en>
2. Information on current funding programmes across the UK:
<http://www.lotteryfunding.org.uk/>
3. Information on how to apply for lottery funding, news on the lottery distribution organisations and case studies of lottery-funded projects:
www.lotterygoodcauses.org.uk
4. National Lottery grants search database:
<http://www.lottery.culture.gov.uk/introduction.asp>
5. National Lottery Shares 2009 Consultation:
http://www.lottery2009.culture.gov.uk/takepart_results.html
6. The Olympic Lottery Distributor was established following the announcement that the 2012 Olympic Games would be hosted by London:
<http://www.olympiclotterydistributor.org.uk/>

Further information

For further information on any aspect of the National Lottery, please contact:

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ⁱ At 1 April 2007.

ⁱⁱ National Lottery on the DCMS web-site:

http://www.culture.gov.uk/what_we_do/National_lottery/

ⁱⁱⁱ The National Lottery Commission web-site:

<http://www.natlotcomm.gov.uk/CLIENT/index.ASP>

^{iv} National Lottery Licence Competition:

<http://www.natlotcomm.gov.uk/CLIENT/content.ASP?ContentId=104>

^v Further information on the distributors, and links to their web-sites, can be found at:

<http://new.wales.gov.uk/topics/cultureandsport/lottery/fundingdistributors/?lang=en>

^{vi} *The National Lottery Act 2006* replaced three existing distributors (the Community Fund, the New Opportunities Fund and the Millennium Commission) with the Big Lottery Fund as a single body with a new good cause and single set of simpler rules, to make it easier for potential applicants to access Lottery money.

^{vii} National Lottery Act 2006:

<http://www.opsi.gov.uk/acts/acts2006/20060023.htm>

^{viii} Welsh Assembly Government, December 2006, Lottery Policy Directions for the Big Lottery Fund

<http://new.wales.gov.uk/topics/cultureandsport/lottery/fundingdistributors/BLFPolicyDirections/?lang=en>

^{ix} 14 March 2007, Culture, Welsh Language and Sport Committee, CWLS (2) 04-07 (p3)