



National Lottery Act 1998

1998 CHAPTER 22

PART II

THE NATIONAL ENDOWMENT FOR SCIENCE, TECHNOLOGY AND THE ARTS

16 The National Endowment for Science, Technology and the Arts

- (1) There shall be a body corporate known as the National Endowment for Science, Technology and the Arts (in this Part of this Act referred to as “NESTA”).
- (2) Schedule 4 to this Act makes provision in relation to NESTA.

17 Objects

- (1) The objects of NESTA are to support and promote talent, innovation and creativity in the fields of science, technology and the arts.
- (2) The objects of NESTA are to be achieved by the following means, namely—
 - (a) helping talented individuals (or groups of such individuals) in the fields of science, technology and the arts to achieve their potential;
 - (b) helping persons to turn inventions or ideas in the fields of science, technology and the arts into products or services—
 - (i) which can be effectively exploited; and
 - (ii) the rights to which can be adequately protected; and
 - (c) contributing to public knowledge and appreciation of science, technology and the arts.
- (3) At the request of NESTA, the Secretary of State may by order amend subsection (2) above so as to add to, remove or vary any of the means by which NESTA are to achieve their objects.
- (4) An order under this section shall be made by statutory instrument; but no such instrument shall be made unless a draft of it has been laid before, and approved by a resolution of, each House of Parliament.

Status: This is the original version (as it was originally enacted).

18 General duty and powers

- (1) NESTA shall be under a general duty to achieve their objects by the means for the time being specified in section 17(2) above.
- (2) Subject to any directions under section 20 or 21 below, NESTA may do anything which appears to them to be necessary or expedient for the purpose of or in connection with achieving their objects, including in particular—
 - (a) giving financial assistance to persons (whether by way of grant, loan or otherwise);
 - (b) attaching conditions to any financial assistance given, including conditions requiring repayment, payment of interest or payment of other amounts;
 - (c) acquiring and disposing of, or exploiting, land and other property;
 - (d) taking charges or other forms of security over land and other property;
 - (e) entering into contracts of whatever nature;
 - (f) forming, or acquiring and disposing of interests in, bodies corporate;
 - (g) acting with other persons, whether by way of partnership, joint venture or otherwise;
 - (h) accepting gifts of assistance, money, land and other property; and
 - (i) investing money not immediately required for the purpose of achieving their objects.
- (3) NESTA may not, without the approval of the Secretary of State—
 - (a) borrow money; or
 - (b) make or enter into arrangements which give rise to, or may give rise to, contingent liabilities of an unusual nature.
- (4) Directions under section 21 below may include provision for the purpose of determining whether arrangements are such as give rise to, or may give rise to, contingent liabilities of an unusual nature.

19 Initial and subsequent endowment

- (1) For the purpose of providing NESTA with an endowment to enable them to achieve their objects, the Secretary of State may, before the end of the period of one year beginning with the day on which this Act is passed, make one or more payments to NESTA out of money held in the National Lottery Distribution Fund and allocated for expenditure on or connected with health, education or the environment.
- (2) For the purpose of increasing the amount of NESTA's endowment, the Secretary of State may, at any time after the end of the period of one year beginning with the day on which this Act is passed, make an order permitting him to pay to NESTA, out of money held in the National Lottery Distribution Fund and allocated for such one or more of the descriptions for the time being mentioned in section 22(3) of the 1993 Act as may be specified in the order, such sum or, as the case may be, such sums (whether or not of equal amounts) as may be so specified.
- (3) Before making an order under this section, the Secretary of State shall consult each of the bodies for the time being mentioned in section 23 of the 1993 Act.
- (4) Where an order is made under this section, the Secretary of State may make the payment or payments permitted by the order.

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- (5) NESTA may not spend their endowment, or any part of their endowment, without the approval of the Secretary of State.
- (6) In subsections (2) and (5) above, “endowment” means the aggregate of any amounts paid to NESTA under subsection (1) or (4) above.
- (7) In section 22 of the 1993 Act (apportionment of money in Distribution Fund) after subsection (3) there shall be inserted—
 - “(4) This section has effect subject to section 19 of the National Lottery Act 1998.”
- (8) An order under this section shall be made by statutory instrument; but no such instrument shall be made unless a draft of it has been laid before, and approved by a resolution of, each House of Parliament.

20 Solicitation of gifts and investment of money

- (1) NESTA shall be under a duty to seek gifts of assistance, money, land and other property, but in seeking or accepting any such gifts NESTA shall comply with any directions given to them by the Secretary of State.
- (2) Except to the extent that directions under section 21 below otherwise provide, NESTA shall pay—
 - (a) their endowment, and
 - (b) any other money held by them which is not immediately required by them for the purpose of achieving their objects,to the National Debt Commissioners for investment by them in accordance with any instructions given to them by NESTA.
- (3) In giving instructions to the National Debt Commissioners under subsection (2) above, NESTA shall comply with any directions under section 21 below.
- (4) The expenses of the National Debt Commissioners in making any investment under subsection (2) above shall be met by NESTA.
- (5) In this section “endowment” has the meaning given by section 19(6) above.

21 Financial directions etc

- (1) NESTA shall comply with any directions given to them by the Secretary of State—
 - (a) in connection with the management, control or investment of their endowment or any other money held by them;
 - (b) in connection with the management, control, use or exploitation of any property in which they have an interest;
 - (c) in connection with the control of their administrative costs (including staff costs); or
 - (d) otherwise in connection with their financial affairs.
- (2) If NESTA fail to comply with any direction given to them under this section, the Secretary of State may, after taking into account any representations made by NESTA, require NESTA to pay to him such amount as the Secretary of State thinks appropriate having regard to the extent or degree of that failure.

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- (3) The amount, or the aggregate of any amounts, which NESTA are required to pay under this section shall not exceed the amount of their endowment.
- (4) Any amount which NESTA are required to pay under this section shall be recoverable by the Secretary of State as a debt due to him from NESTA.
- (5) The Secretary of State shall pay into the National Lottery Distribution Fund any amount received by him under this section; and any amount so paid shall be treated for the purposes of the 1993 Act as so paid under section 21(2) of that Act.
- (6) The Secretary of State shall consult NESTA before giving any directions to them under this section.
- (7) In this section “endowment” has the meaning given by section 19(6) above.

22 Annual report and forward plans

- (1) As soon as possible after the end of each financial year, NESTA shall make a report to the Secretary of State on the activities of NESTA during that year.
- (2) The report shall set out any directions given to NESTA under section 20 or 21 above that had effect during the financial year to which the report relates.
- (3) NESTA shall from time to time draw up a forward plan.
- (4) As soon as possible after drawing up a forward plan, NESTA—
 - (a) shall send a copy of the plan to the Secretary of State; and
 - (b) shall publish and publicise the plan.
- (5) The Secretary of State shall lay a copy of every report and forward plan received by him under this section before Parliament.
- (6) In this section “forward plan” means a plan for a future period which sets out the strategy which NESTA propose to follow during that period for the purpose of achieving their objects.

23 Accounts

- (1) NESTA shall—
 - (a) keep proper accounts and proper records in relation to the accounts, and
 - (b) prepare a statement of accounts in respect of each financial year.
- (2) The statement shall comply with any directions that may be given by the Secretary of State as to the information to be contained in such a statement, the manner in which such information is to be presented or the methods and principles according to which such a statement is to be prepared.
- (3) Copies of the statement shall be sent to the Secretary of State and the Comptroller and Auditor General within such period after the end of the financial year to which the statement relates as the Secretary of State may direct.
- (4) The Comptroller and Auditor General shall examine, certify and report on the statement and shall lay copies of the statement and of his report before Parliament.

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- (5) The Secretary of State shall not give a direction under this section without the Treasury's approval.

24 Exemption from taxation

- (1) In section 507(1) of the Income and Corporation Taxes Act 1988 (certain bodies entitled to such exemption from tax as falls to be allowed under section 505 of that Act in case of charity the whole income of which is applied to charitable purposes) after paragraph (e) there shall be inserted—

“(f) the National Endowment for Science, Technology and the Arts.”

- (2) In section 271(7) of the Taxation of Chargeable Gains Act 1992 (certain bodies exempt from tax in respect of chargeable gains) after “the Trustees of the National Heritage Memorial Fund,” there shall be inserted “the National Endowment for Science, Technology and the Arts,”.

- (3) In Schedule 3 to the Inheritance Tax Act 1984 (exemption for gifts for national purposes etc) after the entry relating to the Trustees of the National Heritage Memorial Fund there shall be inserted—

“The National Endowment for Science, Technology and the Arts.”

- (4) In section 129(1) of the Finance Act 1982 (exemption from stamp duty on grants, transfers to charities etc) after “the Trustees of the National Heritage Memorial Fund” there shall be inserted “or to the National Endowment for Science, Technology and the Arts”.

- (5) In section 90(7) of the Finance Act 1986 (exceptions from stamp duty reserve tax as regards agreements to transfer securities to certain bodies etc) after paragraph (d) there shall be inserted “or

(e) the National Endowment for Science, Technology and the Arts.”

25 Interpretation of Part II

- (1) In this Part of this Act—

“financial year”, in relation to NESTA, means—

- (a) the period beginning with the date on which NESTA is established and ending with the next 31st March following that date, and
(b) each successive period of twelve months ending with 31st March;

“the National Lottery Distribution Fund” has the same meaning as in the 1993 Act;

“NESTA” means the National Endowment for Science, Technology and the Arts.

- (2) Any reference in this Part of this Act to the arts includes a reference to—

- (a) architecture, design or crafts;
(b) the film, audio-visual or broadcasting industries; and
(c) the music industry.

- (3) Any reference in this Part of this Act to property includes a reference to intellectual property.

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- (4) Any directions under this Part of this Act shall be given in writing and may be varied or revoked by subsequent directions.