



# National Lottery etc. Act 1993

## 1993 CHAPTER 39

### PART II

#### DISTRIBUTION OF THE NET PROCEEDS OF THE NATIONAL LOTTERY

##### *The distribution system*

#### **21 The National Lottery Distribution Fund.**

- (1) There shall be a fund maintained under the control and management of the Secretary of State and known as the National Lottery Distribution Fund.
- (2) The Secretary of State shall pay into the Distribution Fund all the sums that are paid to him by virtue of section 5(6).

#### **22 Apportionment of money in Distribution Fund.**

- (1) Every sum that is paid into the Distribution Fund under section 21(2) shall be apportioned as follows.
- (2) So much of the sum as the Secretary of State considers appropriate shall be allocated for making payments under section 31 and held in the Distribution Fund for that purpose.
- (3) Of the balance—
  - (a) [<sup>F1</sup>162/3 per cent.] shall be allocated for expenditure on or connected with the arts,
  - (b) [<sup>F2</sup>162/3 per cent.] shall be allocated for expenditure on or connected with sport,
  - (c) [<sup>F3</sup>162/3 per cent.] shall be allocated for expenditure on or connected with the national heritage,
  - (d) [<sup>F4</sup>162/3 per cent.] shall be allocated for charitable expenditure, <sup>F5</sup> . . .
  - (e) 20 per cent. shall be allocated for expenditure on projects to mark the year 2000 and the beginning of the third millennium [<sup>F6</sup>and

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(f) 131/3 per cent. shall be allocated for expenditure on or connected with health, education or the environment.]

[<sup>F7</sup>(including, in each case, for establishing or contributing to endowments in connection with such expenditure).]

<sup>F8</sup>[(4) This section has effect subject to section 19 of the National Lottery Act 1998.]

#### Textual Amendments

- F1** Words in s. 22(3)(a) substituted (2.7.1998) by 1998 c. 22, ss. 6(3)(9), 27(4).  
**F2** Words in s. 22(3)(b) substituted (2.7.1998) by 1998 c. 22, ss. 6(4)(9), 27(4).  
**F3** Words in s. 22(3)(c) substituted (2.7.1998) by 1998 c. 22, ss. 6(5)(9), 27(4).  
**F4** Words in s. 22(3)(d) substituted (2.7.1998) by 1998 c. 22, ss. 6(6)(9) 27(4).  
**F5** Word at the end of s. 22(3)(d) repealed (2.7.1998) by 1998 c. 22, ss. 26, 27(4), Sch. 5 Pt. II.  
**F6** S. 22(3)(f) and word preceding it inserted (2.7.1998) by 1998 c. 22, ss. 6(2)(9), 27(4)  
**F7** Words in s. 22(3) inserted (retrospectively) by National Lottery (Funding of Endowments) Act 2003 (c. 23), s. 1(2)(9)  
**F8** S. 22(4) inserted (2.7.1998) by 1998 c. 22, ss. 19(7), 27(4).

## 23 The distributing bodies.

- (1) So much of any sum paid into the Distribution Fund as is allocated for expenditure on or connected with the arts shall be held in the Distribution Fund—
- [<sup>F9</sup>(a) as to 83.3 per cent., for distribution by the Arts Council of England,  
 (b) as to 8.9 per cent., for distribution by the Scottish Arts Council,  
 (c) as to 5 per cent., for distribution by the Arts Council of Wales, and  
 (d) as to 2.8 per cent., for distribution by [<sup>F10</sup>the Arts Council of Northern Ireland].]
- (2) So much of any sum paid into the Distribution Fund as is allocated for expenditure on or connected with sport shall be held in the Distribution Fund—
- (a) as to 83.3 per cent., for distribution by [<sup>F11</sup>the English Sports Council],  
 (b) as to 8.9 per cent., for distribution by the Scottish Sports Council,  
 (c) as to 5 per cent., for distribution by the Sports Council for Wales, and  
 (d) as to 2.8 per cent., for distribution by the Sports Council for Northern Ireland.
- (3) So much of any sum paid into the Distribution Fund as is allocated for expenditure on or connected with the national heritage shall be held in the Distribution Fund for distribution by the Trustees of the National Heritage Memorial Fund.
- (4) So much of any sum paid into the Distribution Fund as is allocated for charitable expenditure shall be held in the Distribution Fund for distribution by the National Lottery Charities Board (established under section 37).
- (5) So much of any sum paid into the Distribution Fund as is allocated for expenditure on projects to mark the year 2000 and the beginning of the third millennium shall be held in the Distribution Fund for distribution by the Millennium Commission (established under section 40).
- [<sup>F12</sup>(6) So much of any sum paid into the Distribution Fund as is allocated for expenditure on or connected with health, education or the environment shall be held in the Distribution Fund for distribution by the New Opportunities Fund (established under section 43A).]

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#### Textual Amendments

- F9** S. 23(1)(a)-(d) substituted (13.6.1994) by S.I. 1994/1342, **art. 2**.  
**F10** Words in s. 23(1) substituted (1.9.1995) by S.I. 1995/2088, **art. 2**.  
**F11** Words in s. 23(2)(a) substituted (1.1.1997) by S.I. 1996/3095, **art. 2**.  
**F12** S. 23(6) inserted (2.7.1998) by 1998 c. 22, **ss. 7(1), 27(4)**.

#### 24 Payments from Distribution Fund to distributing bodies.

At such times as the Secretary of State thinks appropriate, payments of such amounts as he thinks appropriate may be made to a body specified in section 23 out of so much of any money in the Distribution Fund as is held for distribution by that body.

#### 25 Application of money by distributing bodies.

- (1) Subject to the provisions of this Part, a body shall distribute any money paid to it under section 24 for meeting expenditure of the relevant description mentioned in section 22(3).
- <sup>F13</sup>[(1A) The manner in which a body may distribute any money paid to it under section 24 includes making or entering into arrangements for or in connection with meeting expenditure (including arrangements with respect to vouchers); and this subsection shall apply notwithstanding anything to the contrary in any enactment or instrument relating to the functions of the body.]
- (2) A body shall not under subsection (1) distribute money for any purpose or in any manner if it does not have power to distribute money for that purpose or in that manner apart from subsection (1).
- <sup>F14</sup>[(2A) A body which distributes money under subsection (1) shall have power to solicit applications from other bodies or persons for any of the money which the body so distributes, notwithstanding anything to the contrary in any enactment or instrument relating to the functions of the body.
- (2B) In determining whether a decision of a body concerning its distribution of money under subsection (1) was unlawful, it shall be immaterial whether or not the body, or any person acting on behalf of the body, solicited an application from a body or person for such money.]
- (3) A body may defray out of any money paid to it under section 24 any expenses incurred by the body in consequence of this Act.
- (4) The Trustees of the National Heritage Memorial Fund may apply any money paid to them under section 24 for any purpose for which they have power to apply money under section 4 of the <sup>M1</sup>National Heritage Act 1980 [<sup>F15</sup>(other expenditure out of the fund)].
- [<sup>F16</sup>(5) References in this section (however expressed) to the distribution of money for meeting expenditure are to be construed as including distribution of money for the purpose of establishing, or contributing to, endowments in connection with expenditure of the description concerned.]

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#### Textual Amendments

- F13** S. 25(1A) inserted (2.7.1998) by 1998 c. 22, ss. 9(1), 27(4).  
**F14** S. 25(2A)-(2B) inserted (2.7.1998) by 1998 c. 22, ss. 10, 27(4).  
**F15** Words in s. 25(4) substituted (4.3.1998) by 1997 c. 14, s. 3, Sch. para. 4; S.I. 1998/292, art. 2  
**F16** S. 25(5) inserted (retrospectively) by National Lottery (Funding of Endowments) Act 2003 (c. 23), s. 1(3)(9)

#### Marginal Citations

- M1** 1980 c. 17.

### [<sup>F17</sup>25A Delegation by distributing bodies of their powers of distribution.

- (1) A body which distributes money under subsection (1) of section 25 may appoint any other body or person to exercise on its behalf any of its functions relating to, or connected with, the distribution of money under that subsection (including its function of making decisions as to the persons to whom such distributions are to be made)—
  - (a) in any particular case, or
  - (b) in cases of any particular description.
- (2) The persons who may be appointed by a body under subsection (1) include a member, employee or committee of the body itself.
- (3) A body which makes an appointment under subsection (1) may defray out of any money paid to it under section 24 any expenses incurred by the appointee in consequence of the appointment.
- (4) Power to accept any such appointment as is mentioned in subsection (1) is conferred by this subsection on the following bodies—
  - (a) any body which distributes money under section 25(1),
  - (b) any charity or any charitable, benevolent or philanthropic institution,
  - (c) any body established by or under an enactment, and
  - (d) any body established by Royal Charter.
- (5) A body appointed by virtue of subsection (1) to exercise a function on behalf of another may itself appoint any of its members or employees, or a committee, to exercise the function in its stead, but only if—
  - (a) the terms of the body's appointment by virtue of subsection (1) so permit, and
  - (b) the body has power apart from this section to appoint a member or, as the case may be, an employee or committee of the body to exercise some or all of its functions.
- (6) Subject to the following provisions of this section—
  - (a) a body which distributes money under section 25(1) may establish a committee for the purpose of exercising on behalf of the body any such function as is mentioned in subsection (1), and
  - (b) a body falling within any paragraph of subsection (4) may establish a committee for the purpose of exercising on behalf of any body which distributes money under section 25(1) any such function as is mentioned in subsection (1).
- (7) A committee established under subsection (6)—

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- (a) must consist of or include one or more members, or one or more employees, of the body establishing the committee, but
  - (b) may include persons who are neither members nor employees of that body.
- (8) Any power conferred on a body by subsections (1) to (7) is so conferred—
- (a) to the extent that the body would not have the power apart from this section, and
  - (b) notwithstanding anything to the contrary in any enactment or instrument relating to the functions of the body.
- (9) In this section—
- “charity” means a body, or the trustees of a trust, established for charitable purposes only;
- “charitable, benevolent or philanthropic institution” means a body, or the trustees of a trust, which is established for charitable purposes (whether or not those purposes are charitable within the meaning of any rule of law), benevolent purposes or philanthropic purposes, and which is not a charity.
- (10) For the purposes of this section—
- (a) the trustees of a trust shall be regarded as a body, and
  - (b) any reference to a member of a body shall, in the case of a body of trustees, be taken as a reference to any of the trustees,
- and references to a committee shall be construed accordingly.
- (11) Any reference in this section to a member of a body includes a reference to the chairman or deputy chairman of (or the holder of any corresponding office in relation to) the body.]

#### Textual Amendments

F17 S. 25A inserted (2.7.1998) by 1998 c. 22, ss. 11(1), 27(4)

### [<sup>F18</sup>25B Joint schemes for distribution of money by distributing bodies.

- (1) A body which distributes money under subsection (1) of section 25 may, in accordance with the following provisions of this section, participate with one or more other such bodies in a joint scheme for the distribution of money under that subsection.
- (2) A body may participate in a joint scheme if the principal purposes of the joint scheme include purposes for which the body has power to distribute money under subsection (1) of section 25, notwithstanding that the body would not, apart from this section, have power to distribute money under that subsection for meeting expenditure on some of the particular projects for which money may be distributed under the scheme.
- (3) Money shall not, under a joint scheme, be distributed for meeting expenditure on any particular project unless the expenditure is such that—
  - (a) at least one of the bodies participating in the joint scheme has power, acting alone, to distribute money under section 25(1) for meeting the expenditure, or
  - (b) two or more of the bodies participating in the joint scheme, taken together, have power between them to distribute money under section 25(1) for meeting the expenditure.

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(4) Nothing in subsection (3) affects the liability of each body participating in a scheme in relation to the distribution of any money under section 25(1) under the scheme.

(5) Schedule 3A contains supplementary provision in relation to joint schemes.

[<sup>F19</sup>References in this section (however expressed) to distribution under section 25(1) of (6) money for meeting expenditure are to be construed in accordance with section 25(5).]

#### Textual Amendments

**F18** S. 25B inserted (2.7.1998) by 1998 c. 22, ss. 12(1), 27(4).

**F19** S. 25B(6) inserted (retrospectively) by National Lottery (Funding of Endowments) Act 2003 (c. 23), s. 1(4)(9)

VALID FROM 02/09/1998

#### [<sup>F20</sup>25C Strategic plans for distributing bodies.

(1) If the Secretary of State instructs it do so, a body which distributes money under section 25(1) shall, in accordance with the following provisions of this section,—

- (a) prepare and adopt a strategic plan, or
- (b) review and modify any strategic plan which it has adopted, or
- (c) replace any strategic plan which it has adopted by preparing and adopting another.

(2) In this section “strategic plan”, in the case of any body, means a statement containing the body’s policies for the distribution of the money likely to be available to it for distribution under section 25(1).

(3) A strategic plan must also contain—

- (a) a statement of any directions given to the body by the Secretary of State under section 26(1) or 43C(1),
- (b) a statement of the estimate given to the body by the Secretary of State of the money likely to be available for distribution by the body under section 25(1),
- (c) a statement of the body’s assessment of the needs which the body has power to deal with, in whole or in part, by distributing money under section 25(1), and
- (d) a statement of the body’s priorities in dealing with those needs by the distribution of money under section 25(1).

(4) A strategic plan must be such as to demonstrate how the body is taking into account or, as the case may be, complying with the directions mentioned in subsection (3)(a).

(5) Before adopting a strategic plan, a body shall—

- (a) consult such other bodies as it thinks fit for the purpose of identifying the needs mentioned in subsection (3)(c) and formulating the policies to be adopted for dealing with those needs,
- (b) prepare a draft of the proposed plan,
- (c) send a copy of the draft to the Secretary of State, and

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- (d) after consultation with the Secretary of State, make such modifications to the draft as it considers necessary or expedient.
- (6) Where a body adopts a strategic plan—
- (a) the body shall send copies of the document containing the plan to the Secretary of State, and
- (b) the Secretary of State shall lay a copy of the document before each House of Parliament.
- (7) Nothing in this section applies in relation to any body which distributes under section 25(1) money allocated under section 22(3)(e).]

#### Textual Amendments

**F20** S. 25C inserted (2.9.1998) by 1998 c. 22, ss. 13, 27(5).

#### Modifications etc. (not altering text)

- C1** S. 25C (except s. 25C(3)(b)): transfer of certain functions (1.7.1999) by S.I. 1999/672, art. 2, Sch. 1
- C2** S. 25C(1) (as read with s. 26A(1)(a)): transfer of certain functions (1.7.1999) by S.I. 1999/1750, arts. 1(1), 2, Sch. 1 (with art. 7); S.I. 1998/3178, art. 3
- C3** S. 25C(3)(a) modified (1.7.1999) by S.I. 1999/672, art. 2, Sch. 1
- C4** S. 25C(5)(c)(d)(6): certain functions made exercisable by the Scottish Ministers concurrently with the Minister concerned (1.7.1999) by S.I. 1999/1750, arts. 1(1), 3, Sch. 2 (with art. 7); S.I. 1998/3178, art. 3
- C5** S. 25(6)(b) modified (1.7.1999) by S.I. 1999/672, art. 2, Sch. 1

VALID FROM 30/06/1999

#### [<sup>F21</sup>25D Strategic plans for distributing bodies in or as regards Scotland

The functions of the Secretary of State—

- (a) under section 25C(1) shall, as regards instructions to—
- (i) any body specified in section 23(1) <sup>F22</sup> whose functions exclusively or mainly relate to the arts in Scotland; or
- (ii) any body specified in section 23(2) <sup>F23</sup> whose functions exclusively or mainly relate to sport in Scotland; and
- (b) under section 25C(5)(c) and (d) and (6) shall, as regards strategic plans prepared by any body other than—
- (i) any body specified in section 23(1) whose functions relate exclusively or mainly to the arts in any one of England, Wales or Northern Ireland; or
- (ii) any body specified in section 23(2) whose functions relate exclusively or mainly to sport in any one of England, Wales or Northern Ireland,
- be treated as exercisable in or as regards Scotland and may be exercised separately.]



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#### Textual Amendments

- F21** S. 25D inserted (30.6.1999) by S.I. 1999/1756, arts. 1(1), 2, **Sch. para. 15(2)** (with art. 8); S.I. 1998/3178, **art. 3**
- F22** Section 23(1) was amended by S.I. 1994/1342 and 1995/2088.
- F23** Section 23(2) was amended by S.I. 1996/3095.



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