

DCMS Response to the Lottery Shares Consultation 2010

The Department is pleased to note the overwhelming majority support for the proposed change, allowing new projects, particularly with disadvantaged and hard to reach communities.

1. We note the support from some respondents for the option of implementing the change fully on 1 April 2011. We have considered this option but we believe that because the Olympic diversion does not end until 2012, it would not be possible to protect the voluntary and community sector funding through Big Lottery Fund unless the preferred option of making the change in two stages is maintained.
2. We would nevertheless, make clear that, on current projections, all Lottery distributors, including Big Lottery Fund, should have more Lottery income after the Olympic diversions end in 2012.
3. We agree with the views expressed by many that Lottery funding should not be used as an excuse for reductions in public funding. Reductions in public funding are being made across the whole of Government because of the economic situation, and are not being specifically targeted on arts, heritage or sport. We continue to support the principle of additionality of Lottery funding, that the Lottery is in addition to core Government spending.
4. We note that many voluntary and community sector respondents were concerned about an adverse affect on many organisations. We would like to point out that the staged change should ensure that the voluntary and community sector funding through Big is protected and that, as noted above, from 2012, when the Olympic diversions end, all Lottery distributors will have more Lottery income. In Big Lottery Fund's case, it should, on current projections, expect to receive £630 million in 2013/14, compared with £560 million last year. The proposals will therefore be able to support the Big Society agenda, as many respondents hope. It should be noted that Lottery funding has always been intended for one-off projects and not for ongoing running cost funding.
5. We note that respondents from Scotland, Wales and Northern Ireland were concerned their countries might lose out from the change. We appreciate, as pointed out in the draft Impact Assessment, that some UK wide distributors (those for heritage, elite sport and film) do not have funding formulas to divide money between the countries. But if the actual historic funding position is taken into account for heritage and film, and an assumption based on population for elite sport (where locations of grants to elite athletes are not attributed for reasons of data protection) each country will have more funding after the change.
6. We will consider the suggestion from a few respondents that the return of funds to the Lottery from the sale of land at the Olympic site after 2012 should be made in the same proportions that existed when the original transfers were made, but it should be borne in mind that the Lottery landscape is likely to be different by the time the monies are available.
7. It is our intention that voluntary and community sector organisations should be able to benefit from the additional funding in arts, heritage and sport. It is an important principle of the Lottery that decisions on funding are made by distributors independently of Government, but we will consider how the amounts going to the sector can be made transparent.

8. We will produce a full equality impact assessment to accompany the Order, in addition to the Impact Assessment, which will be updated.
9. In response to those respondents who commented on the draft policy direction to Big Lottery Fund about focus on the voluntary and community sector, we would encourage them to send responses to the consultation on that subject at lotterypolicy@culture.gsi.gov.uk (open until 29 October). But we would like to reassure these respondents that the direction is not intended to restrict partnerships with statutory bodies. In response to those who expressed concern that health, education and environmental projects might suffer under the change, we would emphasise, again, that Big can expect to receive more Lottery income after 2012 than it does at present and that Heritage Lottery Fund also funds environmental projects.