

Letter from the Irish Environmental Network to the PAC regarding distribution of funds for “Good Causes” from the Lottery Fund.

Mr Michael Ewing, Coordinator of the Irish Environmental Network (IEN), has written to the PAC in advance of its examination of the C&AG’s chapter on the Lottery Fund on 19th November. Mr Ewing directs the Committee’s attention to the recent inclusion of the Natural Environment as a category eligible for funding from the National Lottery’s funds for “Good Causes”. Mr Ewing has been in touch with this Department directly and through a number of public representatives in relation to this matter and is seeking an increase to the level of state funding provided to the IEN through the allocation of Lottery funding.

In his letter to the PAC Mr Ewing makes a number of claims as follows:

- that no Lottery Funding has been allocated to the Natural Environment category to date,
- That a large part of the Lottery funding has been allocated to activities that do not fall under the “Good Causes” categories as set out in the National Lottery Act 2013,
- that Lottery moneys are being used to bolster the Exchequer, and
- that there is a lack of transparency in relation to where Lottery moneys are spent.

Summary/Suggested Speaking Points

- The National Lottery Act 2013 provided for a new area – the Natural Environment – to be added to the list of categories that may be funded by the Lottery.
- While moneys from the National Lottery Fund have not been disbursed to this area yet, the Government already provides significant funding to the Environment Sector (e.g. €255m from the Environment Fund between 2011 and 2014 and €146m directly through Voted expenditure). Furthermore, in 2015, out of a total of €44m from the Environment Fund, €825,000 was allocated to the Irish Environmental Network and the Environmental Pillar.
- Decisions on Lottery funding for the natural environment will be considered in the context of the level of funds available for Good Causes in the relevant year as well as the Government's overall expenditure ceiling. The impact of such an allocation on other areas already in receipt of Lottery funds must also be considered.
- Lottery funds are not used to bolster the Exchequer or to fund activities which are not related to the “Good Causes”. In fact the Lottery Fund contributed €178m (82%) of the €217m funding provided for Good Causes in 2014 with the remainder being provided through the Exchequer.

- The process for allocating Lottery Funds is open and transparent with the details published in the Estimates, the Appropriation Accounts of relevant Departments and on the websites of those Departments.

Background

The National Lottery Act 2013 provided for a new area – the Natural Environment – to be added to the list of categories that may be funded by the Lottery. It is open to relevant Departments (e.g. the Department of the Environment, Community and Local Government or the Department of Arts, Heritage and the Gaeltacht) to make a proposal for Lottery funding for a project or programme relevant to this new area. Should an application be received, it will be considered in the context of the level of funds available for Good Causes in the relevant year as well as the Government's overall expenditure ceiling. It is important to note that, in the absence of an increase in revenue from funding sources (from Lottery funding or other revenue sources), any additional allocations will result in a reduction in funding elsewhere.

While, to date, moneys from the National Lottery Fund have not been disbursed to this area, it is important to note that the Government already provides significant funding to the Environment Sector, e.g. the Environment Fund and through the Vote of the Department of Environment, Community and Local Government. In a recent PQ response, the Minister for the Environment, Community and Local Government noted that between 2011 and 2014, in excess of €255 million was disbursed to the environment sector from the Environment Fund. An additional €146 million was provided directly through Voted expenditure. Furthermore, in 2015, out of a total of €44m from the Environment Fund, €825,000 was allocated to the Irish Environmental Network and the Environmental Pillar.

It is not true to say that Lottery funds have been used to bolster the Exchequer or to fund activities which are not related to the “Good Causes” categories as defined in the Act. In fact, and as is noted in the C&AG’s report, the Lottery Fund contributed €178m (82%) of the €217m funding provided for Good Causes with the remainder being provided through the Exchequer. This ensured that Good Causes did not lose out due to the lower amount available from the Lottery Fund in 2014.

With regard to the transparency of the process of allocating Lottery Funds, it is important to note that Departments clearly outline in their Appropriation Accounts the level of funding provided from their Vote for Good Causes. Departments are also required to publish a full list of recipients of Lottery funding along with the levels of funding received on an annual basis.

For the purposes of the Estimates, Lottery expenditure is reported on a subhead basis in line with the format of the Estimates document as a whole. For over a decade, the total allocation for these subheads has exceeded the amount available from the National Lottery. These subheads are described as being part-funded by the National Lottery and the balance of the expenditure allocation for the subheads comes from normal Exchequer sources (e.g. tax revenue or borrowing).