



Big Lottery Fund Annual Report and Accounts for the financial year ended 31 March 2010



Big Lottery Fund

Annual Report and Accounts

for the financial year ended 31 March 2010

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Big Lottery Fund

Annual Report and Accounts 2009/10

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Introduction and summary

by the Chair and Chief Executive

This report outlines the performance and achievements of the Big Lottery Fund (BIG) in 2009/10. Our mission is to bring real improvements to communities and the lives of people most in need. We do this by using money raised by the National Lottery to support projects across the UK for health, education, environmental and charitable purposes.

Many people tell us that giving money to good causes must be the easiest job in the world. It is certainly one of the most pleasurable. In 2009/10, 14,000 commitments were made to groups the length and breadth of the UK, totalling £440 million. These ranged from £300 for small community projects, to more transformative investments of over £1 million. But there are many more good causes than there is cash available to support them, meaning the job is not quite as easy as it might seem. In 2009/10 we received over 28,000 applications requesting more than £1 billion.

We have three corporate objectives: efficiency, effectiveness and the quality of customer experience. If we cannot help every good cause, we do want to make the experience of doing business with BIG one that enquirers, applicants and grant holders can learn from. And we want our funding to make a difference – it is the outcomes achieved by Lottery money in terms of improving people's lives, not simply the distribution of cash to a good cause, that is the ultimate test of our value as a funder. So as well as the 14,000 awards made in 2009/10, we have been actively managing a further 26,000 awards made in previous years. The voluntary and community sector (VCS) are often best placed to help us achieve our mission. We have a target that it will receive at least 80 per cent of our funding between 2009 and 2015. In 2009/10 92 per cent of new awards went directly to the VCS. The remaining 8 per cent went overwhelmingly to support wider community partnerships led by statutory bodies but involving the voluntary and community sector in meeting people's needs and achieving positive change.

Our operating costs for distributing Lottery funding in 2009/10 were 7.4 per cent of income received. We continue to manage our operating costs to deliver value for money. We have made major savings through relocating many staff out of London and the South East, as well as implementing a programme of accommodation and procurement savings. We are working on modernising our funding management system, offering the prospect of savings and service improvements into the future. We are keen to share services with other Lottery distributors where that makes sense. For example, this year we joined our legal services up with the Arts Council for England.

We operate UK-wide, but with significant levels of devolved responsibility to country-based committees for England, Northern Ireland, Scotland and Wales. Our country committees design and manage around 90 per cent of our funding to meet locally determined needs. We are using the remaining 10 per cent to get the very best from funding programmes that can only be run UK-wide. One of our greatest strengths is the ability to learn from all our funding programmes so that the whole is more than the sum of its parts.

Our funding capability is available for others to take advantage of if they wish. In England, we are delighted to be managing the £30 million Community Assets programme on behalf of the Office for Civil Society, which funds voluntary and community sector organisations to buy refurbished public sector buildings. We are managing the £270 million **myplace** programme for the Department for Education. **myplace** aims to create world class youth facilities for young people. In April 2009 we launched the £14 million Life Skills programme in Wales, which has been jointly funded by the European Social Fund and ourselves. The programme will support economically inactive people to engage or re-engage with education, learning, volunteering and employment. BIG has also been nominated as the body responsible for distributing funds derived from dormant bank and building society accounts to good causes throughout the UK.

In June 2009 we published Big thinking, our strategic framework through to 2015. We received nearly 3,500 written responses to our consultation, as well as engagement with thousands more the length and breadth of the UK. The strongest message of encouragement and support was for BIG's ability to be adaptable, flexible and responsive. A great illustration of that was our response to the recession. We reprioritised our budgets so that we could make an extra £45 million available for recession-related activities in 2009/10. This was channelled through our existing programmes such as Reaching Communities and BASIS. An additional £43 million will also be invested across the UK to tackle the longer-term effects of the recession on the UK's communities. We are confident that this will make a significant difference to many people and communities most in need.

Rather than holding a public annual general meeting this year, we hosted the BIG chat online in March 2010. This continued our conversation with individuals, organisations and communities, offering them the opportunity to put questions to BIG's Chair Sir Clive Booth as well as the four UK country committee chairs, through a web chat, a podcast, email and Twitter. We continue to welcome questions at any time via our website, Twitter account, YouTube site or via more traditional routes.

We would like to thank BIG's staff and others we work closely with for their dedication, hard work and commitment over the last year. Their energy and enthusiasm have allowed us to achieve great things. However, the Big Lottery Fund is only as good as the amazing organisations we have the privilege to fund, so our final, and most important thanks, go to the thousands of community groups that have taken our good cause funding and made a palpable difference to the quality of people's lives, often the neediest and most vulnerable members of society who are unable to help themselves or attract support from other sources.

Peter Wanless
Chief Executive

Sir Clive Booth
Chair

6 July 2010



Section one

Intelligent funding: the way we work

In this section we describe our approach to funding, setting out how we are: delivering our strategy; providing analysis of who we have funded; outlining what has been achieved with this funding; and looking at our plans for the future.

We are currently responsible for giving out half the money for good causes raised by the National Lottery to projects that address health, education, environment and charitable purposes. We are a UK-wide distributor making grants in England, Scotland, Wales and Northern Ireland, across the UK and to UK-based charities working overseas (through our International Grants programme). The statutory framework in which we operate is set out in section five of this report.

Big thinking – our strategic framework

We launched 'Big thinking – our Strategic Framework to 2015' in June 2009. This strategy was informed by our 'Big thinking' public consultation as well as what we have learned from our experiences of funding so far. This framework will shape our funding arrangements over the next six years. In particular it sets out the steps that we will take to continue to improve as an intelligent funder over the next few years.

All of our programmes share the same mission – to bring real improvements to communities and the lives of people most in need. They also cover the three broad themes that are set out in our Policy Directions as agreed by the UK Government. These are:

- supporting community learning and creating opportunity
- promoting community cohesion and safety
- promoting well-being.

The 'Looking Forward' section later in this chapter gives details about the plans we are developing through this new strategic framework.

Intelligent funding approach

BIG is committed to being an intelligent funder. The five principles which guide this are:

- creating and sharing a clear vision and purpose
- knowing and stating our place in the market
- creating a learning organisation
- aligning structures and the use of resources with our vision
- managing and adapting to change.

We have continued to develop our intelligent funding approach during 2009/10 and have identified six thematic areas which will shape the way we use our funding and other resources to achieve change over the 2009–2015 period. These are: Outcomes; Lasting Impact; Capacity Building; Working Together; Innovation; and, Engagement. These themes are helping us help the communities we serve, shaping the choice and focus of our new programmes, the way we provide support to applicants and the range of work we are doing to promote and share learning among existing grant holders. In addition, these themes lie at the heart of the work we are doing to make our processes simpler and more customer-friendly.

Leading sector best practice

We are committed to observing the principles in the Compacts between Government and the voluntary and community sectors in England, Scotland and Northern Ireland, and the Voluntary Sector Scheme in Wales.

We operate a full cost recovery policy allowing us to make a proportionate contribution to organisations' overheads as part of the award. By funding projects for up to five years we exceed Compact good practice guidelines.

We consult regularly and widely with the voluntary and community sector and others interested in our work on our strategy, range of programmes and funding principles, and engage in dialogue with them when we develop our programmes, policies and procedures. We take into account the particular needs of the voluntary and community sector as an integral part of the way we develop our programmes, policies and procedures.

Knowing and funding what works: Our outcomes funding policy

We are an 'outcomes funder'. By this we mean that we consider the difference that our support can make to communities before we go on to determine what type of organisation can best achieve this. Outcomes help organisations focus on goals and aims and think about how they will demonstrate their achievements. Outcomes funding also helps us to share what works with others.

In last year's annual report we set out the outcomes for awards made between 2004–2008. In this report we bring this reporting up to date by reporting on outcomes for awards made between 2008–2010.

Reporting on outcomes

This summary presents information on the main themes and outcomes set out in our policy directions from Government that funded projects aim to achieve. The figures in brackets relate to 2008/09.

This report considers those awards that we measure against our outcomes framework; it excludes our small grants programmes including Awards for All, Breathing Places and 2014 Communities and any awards made through Award Partners and other delivery partners including the Parks for People and Growing Community Assets programmes. This summary reports on 1,014 (1,064) awards with a total value of £282 million (£351 million) that BIG made between April 2009 and 31 March 2010. The decrease in awards reported year-on-year reflects that this is the start of the rollout of our new 2009–2015 funding framework.

Awards may address more than one theme or more than one outcome. The figures in this report therefore include some multiple counting.

In England, we have made awards valued at £260 million. The awards that we measure against our outcomes framework include 744 (715) awards with a total value of £193 million (£224 million).

- 315 (178) awards worth £82 million (£44 million) to make people and communities healthier and more active
- 34 (146) awards worth £6 million (£39 million) for improved rural and urban environments, which communities are better able to access and enjoy
- 609 (401) awards worth £168 million (£125 million) to give people a better chance in life, better access to training and development to improve life skills
- 619 (626) awards worth £161 million (£203 million) to build stronger communities, with more active citizens, working together to tackle their problems.

Section one

In Northern Ireland, we have made awards valued at £34 million. The awards that we measure against our outcomes framework include 49 (42) awards with a total value of £28 million (£24 million).

- 20 (8) awards worth £14 million (£3 million) to promote community ownership of better and safer rural and urban environments
- 41 (23) awards worth £26 million (£16 million) to improve physical and mental health for all people
- 33 (29) awards worth £22 million (£17 million) to help people actively participate in their communities to bring about positive change
- 34 (31) awards worth £22 million (£22 million) to give people the opportunity to achieve their full potential.

In Scotland, we have made awards valued at £62 million. The Growing Community Assets programme is in the process of being mapped to our outcomes framework, but at present is not included in the outcomes tables. During 2009/10 through the Growing Community Assets programme we made 35 awards totalling £17 million, with the majority of awards supporting 'People have better and more sustainable services and environments'.

The Scotland awards that we measure against our outcomes framework include 90 (129) awards with a total value of £30 million (£38 million).

- 37 (64) awards worth £10 million (£18 million) to make communities safer, stronger and able to work together to tackle inequalities
- 22 (24) awards worth £6 million (£6 million) to make people and communities healthier

- 7 (32) awards worth £3 million (£10 million) to provide people with better and more sustainable services and environments
- 69 (89) awards worth £25 million (£27 million) to give people better chances in life.

In Wales, we have made awards valued at £32 million. The awards that we measure against our outcomes framework include 131 (137) awards with a total value of £31 million (£37 million).

- 31 (58) awards worth £6 million (£24 million) to make people and communities healthier and more physically active
- 84 (98) awards worth £17 million (£21 million) to help people work together for stronger communities, social justice, and better rural and urban environments
- 115 (88) awards worth £29 million (£22 million) to equip people of all ages with the skills and learning to meet the challenges of a modern society.

We also report on the outcomes which have been achieved by completed projects. Awards made by BIG can be for up to five years.

By 31 March 2010 541 (204) grants have completed and achieved their outcomes. This can be seen under the three BIG themes:

- 413 (159) awards worth a total of £49 million (£15 million) have promoted community safety and cohesion
- 318 (142) awards worth a total of £42 million (£14 million) have promoted well-being
- 309 (114) awards worth a total of £41 million (£12 million) have supported community learning and created opportunity.

Our undertaking to the voluntary and community sector (VCS)

The VCS is frequently in the best position to make our funding work for communities and people most in need. The VCS's unique role in communities, and its ability to articulate their needs, makes our relationship with it pivotal to our success. During 2009/10 we committed 92 per cent of our funding to the VCS.

The remaining 8 per cent funded a number of wider community partnerships that benefited the VCS and the people and neighbourhoods it serves. BIG is an outcomes funder: we are interested in funding that works in addressing community need, and has the flexibility to fund wider partnerships. This is key to meeting such local needs. The chart below sets out the recipients of our funding.

We know the sector needs a stable and secure funding base, particularly in the current economic climate where demand for services is likely to increase while other sources of funding are likely to decrease. Therefore our strategic framework extended our commitment to the VCS by raising the proportion of funding it can expect from us to be at least 80 per cent, and extending this for the duration of the strategic framework, which runs from 2009-15.

Additionality

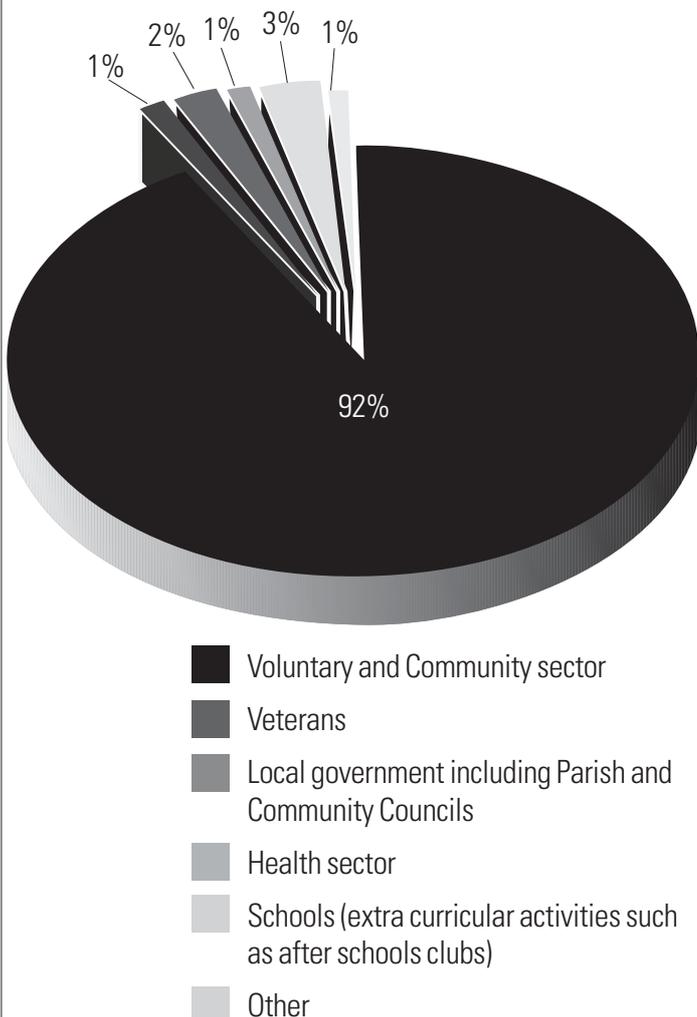
Additionality is one of our core values. We use the following definition of additionality:

“Lottery funding is distinct from Government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements Government and other programmes, policies and funding.”

In accordance with the 2006 National Lottery Act all Lottery distributors are required to report on their additionality policy and practice.

Considerations of additionality have been a key part of our programme development over the last year and will continue to be so over the coming years as we deliver on the plans set out in our new strategic framework. We have worked closely with leading organisations and experts in the relevant sectors to ensure that our funding programmes are distinct from Government and other funding sources, but add value and are also complementary to these funds. Lottery funding must not subsidise or replace statutory funding for a service.

New awards made in 2009/10 (excludes variations to existing awards and awards made by our award partners)



Section one

In some circumstances grants officers may have to judge whether a project is additional when assessing a funding application. Clear guidance, including three tests, has been developed to make sure that this guidance is applied consistently and fairly. The tests address subsidising, replacement and duplication of statutory services. All awards made in 2009/10 were consistent with this definition of additionality.

Looking forward

Our new strategic framework sets out our funding plans for the next six years. In shaping our approach, we drew on the Young Foundation's work into Britain's unmet needs (published as 'Sinking and Swimming')¹. Building on themes already central to us, it highlights those people and communities experiencing particularly difficult transitions and isolation. Over the coming years, we shall continue to be informed by its findings as we announce more funding plans.

During 2009/10 a large proportion of our funding was delivered through our popular open programmes, for example Reaching Communities in England and Northern Ireland, People and Places in Wales, Investing in Communities in Scotland and Awards for All. This style of demand-led programme will continue to feature in our programme portfolio for the foreseeable future and, indeed, in the next couple of years it is likely to be the dominant style.

In England our community stream will enable people to make their communities better places to live, now and in the future. It will support people and communities we and other funders have found hard to reach, thus achieving our mission of helping bring real improvements to the lives of communities and people in need. This is about giving local people the power to decide how to spend Lottery money in their community.

Through our targeted funding in all four countries we will reach specific groups of people in need and tackle the key issues they face. To bring about a lasting impact we will look to share our learning to inform national policy and practice as well as promoting the testing of new ideas.

Under this stream we've made announcements about our £30 million Youth in Focus programme in England, which will help support vulnerable young people at crucial points in their lives.

Similarly in Scotland we've announced up to £50 million of funding to support both older people with dementia and their carers as well as younger people leaving care. In Wales we have launched our £20 million AdvantAGE programme to provide access to befriending or advocacy services for older people.

In Northern Ireland we are developing new funding themes dealing with isolation and transition for both young people and older people.

At a UK-level we have announced a £35 million Forces in Mind programme. The funding will help those veterans who struggle with the transition to civilian life, especially those whose psychological well-being affects the quality of their life and others around them. Also across the UK we are developing new funding approaches to meet some of the most difficult social problems.

We look forward to reflecting on the early stages of this process in next year's annual report.

¹ Young Foundation (2009) Sinking and swimming: understanding Britain's unmet needs.



Section two

Our grants programmes

During 2009/10 we have continued to make new awards and to manage awards made previously through our programmes. Details of our grants over £5 million are given in the Appendix on page 100.

Volume of activity

The tables below summarise the volumes of full applications, awards made and grants in management during 2009/10. This excludes applications to, and awards made by, our award partners and contracted delivery partners.

Applications received during 2009/10		
Some of these applications have yet to be presented to a decision-making committee		
	Number of applications	Amount requested £m
Big Lottery Fund programmes	28,269	1,036
Non-Lottery funded programmes	41	181
Total	28,310	1,217

On many of our programmes we make use of an outline proposal stage to give quick feedback on whether an application is worth progressing in full and how it might be developed. In 2009/10 we received 4,410 outline proposal applications requesting over £1 billion.

New awards made in 2009/10		
Some of these awards relate to applications received in earlier years		
	Number of awards	Amount awarded £m
Big Lottery Fund programmes	13,886	406
Non-Lottery funded programmes	8	31
Total	13,894	437

The table below shows grants in management during 2009/10. These grants have previously been awarded by BIG, and are now drawing down their grant allocation.

Grants in management at 31 March 2010		
	Number of awards	Payments due to grant recipients £m
Big Lottery Fund programmes	26,134	1,123
Non-Lottery funded programmes	107	257
Total	26,241	1,380

UK-wide programmes

Our UK-wide programmes share the same outcomes as our England programmes. These are set out in the diagram on page 12.

Breathing Places

Breathing Places, launched in 2006, is a UK-wide small grants programme that has been developed in partnership with the BBC to complement its Breathing Places campaign. We have awarded grants to projects that inspire communities to get involved in creating and caring for local green spaces, benefiting wildlife and people. The programme was run in four phases. Since the first phase of the programme we have funded over 1,300 projects worth over £9.5 million.

The final phase of the programme was open to existing Breathing Places grant holders who could apply for grants of between £1,000 and £5,000 to run events and activities that celebrated the success of their breathing place and increased the number of people able to enjoy it.

Number of grants awarded in 2009/10: 251 grants totalling just under £1 million.

Heroes Return 2

The Heroes Return 2 programme was launched on 1 April 2009. The programme gives Lottery funding to support World War II veterans who saw active service and are resident in the UK or the Republic of Ireland to take part in commemorative visits (within the UK and overseas) to mark the anniversary of events that led to the end of WWII.

Number of grants awarded in 2009/10: 3,172 totalling over £6.6 million.

International programme

The International programme was launched in 2006. The programme aims to tackle the causes of poverty and deprivation overseas. The programme was open to UK-based organisations working with partners overseas.

No new awards were made in 2009/10. However, as part of our response to the specific challenges some projects faced during the recession, we increased awards to 75 projects to the value of £2 million.

Research programme

The Research programme, launched in 2007, funded the voluntary sector to carry out social and medical research.

The programme aims to influence local and national policy and practice by producing and disseminating evidence-based knowledge, and through this process improve services.

Number of grants awarded in 2009/10: 57 worth nearly £21 million.

The People's Millions

The People's Millions programme was launched in 2005. Since then it has awarded over £22 million to 388 projects.

The programme is run in partnership with ITV, and it offers the public a chance to vote on local projects. The aim of the programme is to fund projects that give people opportunities to enjoy their local area and improve local facilities.

Number of grants awarded in 2009/10: 70 worth £3.3 million.

Village SOS

The Village SOS programme was launched in 2009. The programme's vision is to inspire people in rural villages to make a difference in their communities. More widely, people across the UK will have a better appreciation of the strength and diversity of rural areas and rural life.

The programme is a partnership with the BBC. We will provide six villages with a grant of between £100,000 and £400,000 to showcase what a rural community can do with a community-owned enterprise.

Number of grants awarded in 2009/10:

28 development grants worth £10,000. The final six were selected from this 28 in 2010/11. In addition, four other projects from across the UK were chosen to head up the learning campaign.

Section two

England programmes

The consultation period and launch of Big thinking, presented an opportunity to reflect on the balance of programmes in England. During 2009/10, BIG considered how future England programmes could be managed using three different styles of funding: open, community and targeted.

During 2009/10, most of our funding in England was through our flagship open programmes Reaching Communities and Awards for All. Towards the end of 2009/10 we began to announce details of the sorts of programmes that we will run under the targeted and community approaches.

We relaunched our Reaching Communities programme in April 2010 making at least £100 million of open funding

available each year until 2015. As a direct response to feedback we have introduced a simpler application process for smaller grants, more support for applicants throughout the application process and greater opportunities to network and learn.

Our upcoming programmes in 2010/11 will include Youth in Focus. This programme will provide up to £30 million in England during 2010 to youth projects which support young people leaving care, young carers and young people leaving young offenders' institutions. New programmes will develop over the coming years, leading to further programme announcements.

BIG's current programmes in England support three themes, and focus on the four outcomes shown in the table below.

Remit			
Expenditure that is charitable or connected with health, education or the environment			
Community learning and creating opportunity	Promoting community cohesion and safety	Promoting well-being	
England outcomes			
People having better chances in life, including being able to get better access to training and development to improve their life skills	Stronger communities, with more active citizens, working together to tackle their problems	Improved rural and urban environments, which communities are better able to access and enjoy	Healthier and more active people and communities
England programmes			
	BASIS	Parks for People	
	Community Buildings	Changing Spaces	
Awards for All England			
Young People's Fund			
Reaching Communities England			



Section two

Awards for All

Until March 2009 we ran Awards for All in partnership with the other organisations that distribute Lottery funds across England. In April 2009 this programme was re-launched as a BIG programme. The other distributors now run separate programmes for arts, sports and heritage projects.

Awards for All England funds projects between £300 and £10,000 that aim to give people better chances in life, build stronger communities, improve rural and urban environments and create healthier and more active people.

Number of grants awarded in 2009/10: 5,566 worth £42.8 million.

Building and Sustaining Infrastructure Services (BASIS)

The £157 million BASIS programme was launched in 2006.

The programme aims to ensure that voluntary and community organisations throughout England have access to high quality support to become more effective. Only voluntary and community sector infrastructure organisations could apply to BASIS. By infrastructure organisations, we mean organisations that give information, advice, training or other support that helps voluntary and community groups do their work better.

Number of grants awarded in 2009/10: 17 worth £8 million.

Changing Spaces

The Changing Spaces programme was launched in 2008 to support environmental projects across England.

Five organisations were appointed to run open grants schemes on our behalf – Community Sustainable Energy (run by BRE), Community Spaces (run by Groundwork), Ecominds (run by Mind), Access to Nature (run by Natural England) and Local Food (run by RSWT). Some of the schemes have experienced high levels of demand. As a result we supplemented the £200 million programme with an additional £20 million to allow more projects to be funded. This new money was awarded in 2009/10. Local Food, Ecominds and Access to Nature are now closed.

Five other organisations are also running England-wide portfolios – Crime Concern Trust, the Field Studies Council, Imperial College London, Places for People and the Plunkett Foundation. These portfolios are now in their third year. The OPAL project, run by Imperial College, was awarded an additional £1.2 million in 2009/10 year to maximise the impact of its climate change survey.

Community Buildings

The Community Buildings programme was launched in 2006 with up to £50 million available.

The programme aims to give communities the chance to improve their quality of life by funding buildings that are economically, socially and environmentally sustainable. The programme made awards which will improve, replace or create a wide range of community facilities. These buildings will be a focus for their communities and offer a wide range of services and activities to a broad range of local people.

The programme made no new awards in 2009/10. However, as part of our response to the specific challenges some projects faced during the recession, we increased awards to 23 projects to the value of £2.1 million.

Parks for People

Parks for People is a three-year joint programme between BIG and the Heritage Lottery Fund (HLF). It was launched in 2006 with a combined budget of up to £150 million.

The programme is intended to support the regeneration, conservation and increased enjoyment of public parks. It aims to improve local environments, and put parks back in the heart of community life including training and volunteering opportunities for community members.

All stage one decisions for the two-stage joint scheme were made by March 2009. In 2009/10 BIG continued to make joint decisions with HLF on applications reaching stage two of the process. The England Committee will continue this joint scheme during 2010/11.

Number of grants awarded in 2009/10: 19 awards worth over £50 million were approved through stage two.

Reaching Communities (England)

The Reaching Communities programme was launched in December 2005.

This programme aims to improve communities and the lives of those most in need. Grants cover a wide range of issues, and support communities through national as well as small local voluntary groups. Awards range from £10,000 to £500,000.

Number of grants awarded in 2009/10: 481 worth £129.7 million.

Young People's Fund – Young People's Fund 2: Local Grants

The £53 million programme launched in May 2008.

The programme aims to increase young people's involvement in designing, running and reviewing the services they use. The Young People's Fund also aims to help achieve the five 'Every Child Matters' outcomes set out by the Government.

Number of grants awarded in 2009/10: 185 worth £52.1 million.

Non-Lottery programmes

Using the powers given to us through the National Lottery Act 2006 we have run the following non-Lottery funding programmes within England.

Community Assets

We are running this programme on behalf of the Office for Civil Society.

The Community Assets programme was launched in September 2007 with up to £30 million available. This programme is now closed.

Community Assets aims to empower communities, by offering grants to enable third sector organisations to take ownership of refurbished public sector buildings in England.

Number of grants awarded in 2009/10: 6 worth £5.9 million.

myplace

We are managing this programme on behalf of the Department for Education.

The ***myplace*** programme will create world-class youth facilities.

Since its launch in 2008 the programme has distributed £272 million of Government money to 70 projects. Three of the ***myplace*** centres have now opened.

Number of grants awarded in 2009/10: 8 worth £31.6 million.

Section two

Scotland programmes

In Scotland, our Investing in Communities portfolio entered its fourth and final year. It continued to operate mainly through four investment areas, supported by the Investing in Ideas development fund.

The four investment areas are: Dynamic Inclusive Communities; Growing Community Assets; Life Transitions; and Supporting 21st Century Life. The Investing in Communities portfolio closed in December 2008, but awards continued to be made from each of the four investment areas throughout 2009/10.

Our small grants programmes, Awards for All and 2014 Communities, remained popular. Between them Awards for All and 2014 Communities made 2,180 awards totalling more than £12 million.

Following analysis of the relationship between disadvantage and low funding, the Scotland committee decided to allocate £9 million to five disadvantaged neighbourhoods through the Our Place programme. They also agreed to allocate £50 million to support long-term, transformational change in two groups: young people leaving care and older people with dementia and their carers. The procedures for this fund will be developed during 2010/11.

2009/10 also saw BIG in Scotland receive refreshed policy directions from Scottish Ministers. The directions gave increased priority to tackling disadvantage, promoting well-being and addressing inequalities. We have reflected on what the new directions mean for our funding programmes, along with the outcomes from our Big thinking consultation and review of Investing in Communities. Our main funding programmes will open to new applications from summer 2010.

Remit

Expenditure that is charitable or connected with health, education or the environment

Community learning and creating opportunity

Promoting community cohesion and safety

Promoting well-being

Scotland outcomes

People have better chances in life

Communities are safer, stronger and more able to work together to tackle inequalities

People have better and more sustainable services and environments

People and communities are healthier

Scotland investment areas

Life Transitions

Dynamic Inclusive Communities

Growing Community Assets

Supporting 21st Century Life



Awards for All Scotland

In 2009/10, Awards for All Scotland was funded by BIG, the Scottish Arts Council and sportscotland. It funds projects between £500 and £10,000 that aim to bring people together, improve their quality of life and encourage them to take part in local activities.

Number of grants awarded in 2009/10: 1,707 worth £12.1 million.

2014 Communities

2014 Communities was launched in 2008.

The programme aims to maximise the benefits and legacy from Glasgow's hosting of the 2014 Commonwealth Games. In its first year, 2014 Communities offered grants of up to £1,000 to grass roots sports and community organisations. Through the programme we aim to encourage more people to take part in physical activity and sport.

Number of grants awarded in 2009/10: 473 worth £440,000.

Dynamic Inclusive Communities

Dynamic Inclusive Communities was launched in 2006.

This investment area aims to help the voluntary and community sector in Scotland build and strengthen itself. Investment from Dynamic Inclusive Communities will nurture and sustain communities throughout Scotland by creating the conditions and infrastructure through which vigorous voluntary and community activity can take place.

Number of grants awarded in 2009/10: 4 worth £2 million.

Section two

Growing Community Assets

Growing Community Assets was launched in 2006.

The programme aims to allow communities to have more control over their futures through owning, managing and developing their local assets. It had the largest budget of the four Scotland investment areas, with up to £50 million available to provide help from supporting communities in assessing how feasible owning an asset is, through to purchase and post-acquisition development. In this programme we will pay for a diverse range of capital projects, including land, buildings and renewable energy.

Number of grants awarded in 2009/10: 35 worth £17 million.

Investing in Ideas

The Investing in Ideas programme was launched in 2006.

The main aim of the programme is to support potential applicants across the four investment areas described above. This support takes the form of grants of between £500 and £10,000, which are used to turn ideas into reality. Priority is given to smaller voluntary and community organisations with an income of less than £50,000.

Number of grants awarded in 2009/10: 99 worth £1 million.

Life Transitions

Life Transitions was launched in 2006 and supports people at times of major changes in their lives.

The investment area aims to enable people to develop the skills and confidence to cope, and to improve services that support people in making successful long-term changes in their lives.

Funding was focused on young people, people over 50, people experiencing employment and learning transitions, and people facing challenging times such as moving on from addiction or offending.

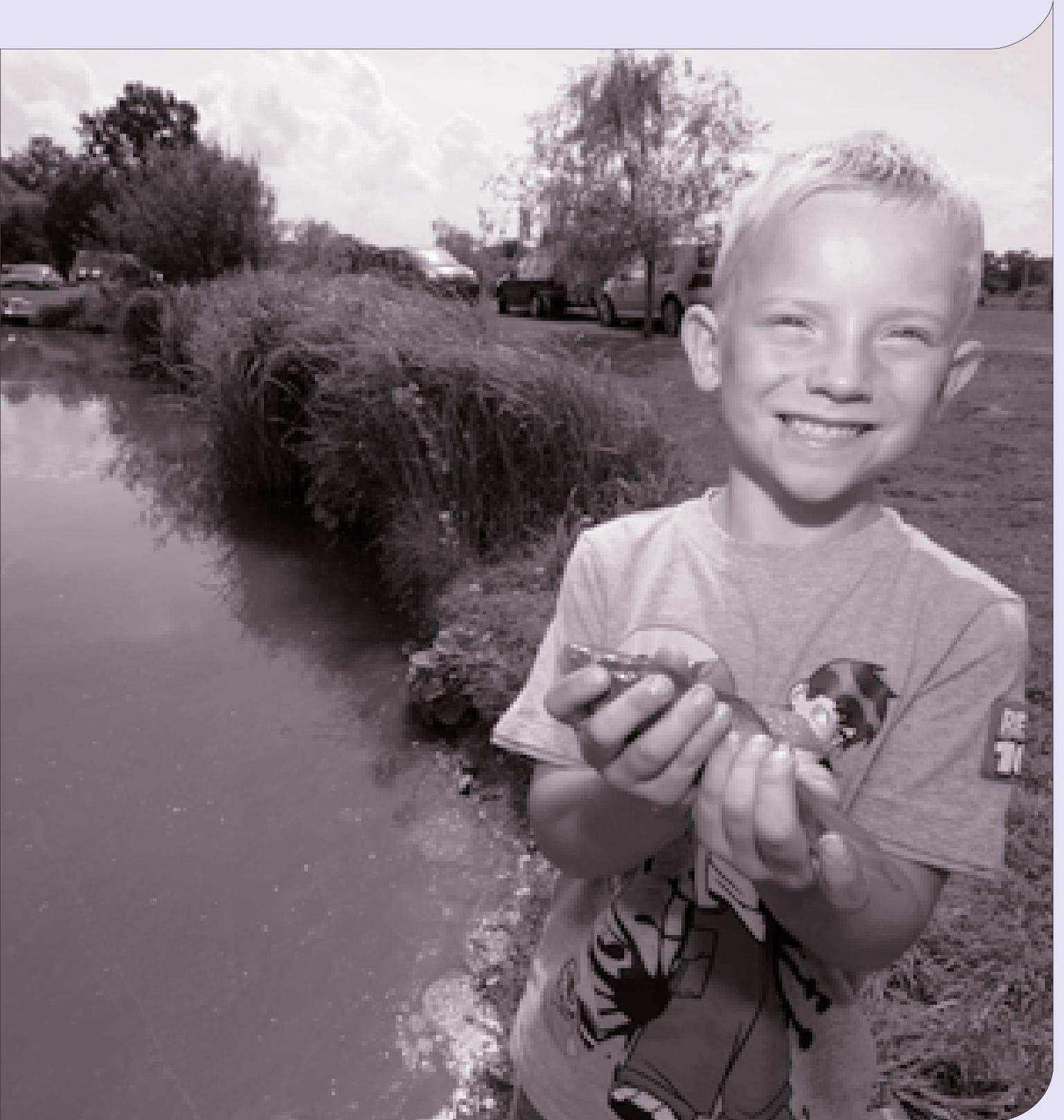
Number of grants awarded in 2009/10: 49 worth £20 million.

Supporting 21st Century Life

Supporting 21st Century Life was launched in 2006.

The programme recognises the challenges, changes and pace of change of 21st century life, and supports projects that enable people, families, households and communities to build and sustain positive relationships. It also aims to enable people and communities to plan ahead together to match future needs and services. It aims to support people and communities to cope with the pace of change and to help combat social isolation and exclusion.

Number of grants awarded in 2009/10: 24 worth £6.5 million.



Section two

Wales programmes

The Big thinking consultation completed in 2009 confirmed that our proposed portfolio of future programmes were relevant to the needs of Welsh communities, and gave us a clear mandate to proceed. During 2009/10 we have therefore started to consult widely with the key people who are interested in our work as we develop our future programmes.

We launched the first of the targeted programmes in our new portfolio, our Community Asset Transfer programme, in October 2009. It will be followed by a programme targeted at the needs of older people which will be launched in June 2010. We are currently developing the remaining programmes in our portfolio, which will be launched during 2010/11 and subsequent years.

The Community Asset Transfer programme is being run in partnership with the Welsh Assembly Government and is the second of our programmes where we distribute non-Lottery funding. Our Life Skills programme, launched in April 2009, is jointly

funded with the Welsh European Funding Office and matches Lottery funding with European Structural Funds.

Our People and Places programme entered its fourth year, and we continued to welcome applications to the main programme. We also launched a separate strand to make awards to expand the provision of advice services as part of a targeted package of measures introduced during the year to respond rapidly to the economic recession.

In common with other countries in the UK, our highly popular Awards for All Wales small grants programme ensured that the benefits of Lottery funding were able to reach far and wide into every part of Welsh society, with awards to many small organisations which had never previously applied for Lottery funding.

BIG's programmes in Wales support three themes, and focus on the three outcomes and the nine priorities shown in the table on page 21.

Remit

Expenditure that is charitable or connected with health, education or the environment

Community learning and creating opportunity

Promoting community cohesion and safety

Promoting well-being

Wales outcomes

People of all ages equipped with the skills and learning to meet the challenges of modern society

People working together for stronger communities, social justice and better rural and urban environments

Healthier and more physically active people and communities

Wales priorities

Tackling the barriers to community learning and effective life skills

Enabling children and young people to achieve their full potential

Empowering communities to develop and manage local revitalisation programmes

Developing constructive community responses to disaffection, anti-social behaviour and crime

Enabling older people to live independent lives and to contribute to their community

Developing people's ability to take responsibility for their own health and well-being in line with the principles underlying "Health Challenge Wales", encouraging individuals and organisations to improve health in Wales

Promoting healthier eating and increasing physical activity across all age, gender and social groups

Developing new approaches to promoting mental health and well-being

Wales programmes

People and Places

Awards for All Wales

Life Skills

Community Asset Transfer

Child's Play

Section two

Awards for All Wales

Until March 2009 we ran Awards for All in partnership with the Heritage Lottery Fund. In April 2009 this programme was re-launched as a BIG programme.

Awards for All Wales funds projects between £500 and £5,000 that aim to support community activity; extend access and participation; increase skills and creativity; and improve quality of life.

Number of grants awarded in 2009/10: 718 awards worth nearly £2.5 million.

Healthy Families

This £20 million initiative addresses levels of obesity in Wales, concerns about coronary heart disease as the most common cause of death, and the need to tackle ill health caused by lifestyle. The aims are to add value to existing policy by making a strategic link between children's play, nutrition and physical activity and creating a joined up approach to promoting active and healthy lifestyles among children and families. We have developed two closely linked programmes to achieve these aims. All awards through the Healthy Families – Way of Life programme were awarded in previous years.

Healthy Families – Child's Play

Our Child's Play programme was launched in October 2006.

The programme aims to develop open access to play opportunities. The programme funds the development of infrastructure to deliver play services and will fund projects that provide play opportunities and encourage a joined up approach between nutrition, healthy eating and play.

Number of grants awarded in 2009/10: 8 worth £7.5 million.

People and Places

People and Places was launched in November 2005 with an initial budget of up to £66 million.

The programme's popularity and success have meant it will be extended and will continue to award grants until 2011 with an increased budget. It will allow people to work together to develop stronger communities, enhanced social justice and better rural and urban environments. The programme awards grants of between £5,001 and £1 million.

Number of grants awarded in 2009/10: 104 worth £17.5 million.



Non-Lottery/Lottery programmes

Using the powers given us through the National Lottery Act 2006 we are managing the following jointly funded non-Lottery/Lottery funding programme in Wales.

Community Asset Transfer

The £13 million Community Asset Transfer programme was launched in October 2009, in partnership with the Welsh Assembly Government, which is providing capital funding for the programme.

The programme aims to create more sustainable communities by supporting the transfer of assets from public sector bodies to enterprising community organisations that involve and benefit the communities they serve. Projects must work to improve services or facilities for their community, and demonstrate that their proposals are

sustainable in the long-term and take into account the environmental, social and economic impact of their work.

Life Skills

The Life Skills programme launched in April 2009, is jointly funded with the Wales European Funding Office, and matches Lottery funding with European Structural Funds. The programme has a budget of £14 million.

The programme aims to enable participants to develop their life skills, increase their confidence, and re-engage and continue to access education, learning, volunteering or employment. The target groups are: care leavers; carers and former carers; and, economically inactive families.

Number of contracts awarded in 2009/10: 12 worth £6.1 million following a competitive procurement process.



Section two

Northern Ireland programmes

During 2009/10 in Northern Ireland we have been consulting on the new programmes we would like to run. As well as continuing to award and manage grants through our current programmes, we have worked with other funders on the Impact of Youth event in February 2010, when young people were involved in highlighting the impact that projects have made on their lives.

In October 2009, Big proposals was launched – this public consultation document sought the views of people who have an interest in our new programmes in Northern Ireland. Representatives from a range of organisations across the sectors attended the Big proposals events and submitted responses; these included small community

groups, large voluntary organisations and representatives of the statutory sector. This consultation closed on 15 January 2010. We published a summary of the findings and updates on new programmes in spring 2010.

During 2009/10 BIG's Northern Ireland committee has been making decisions on our strategic health and community safety programmes, as well as our Reaching Communities Northern Ireland programme. Our progress towards becoming more of an intelligent funder means that we are more closely involved throughout the lifecycle of our funding and are working with funded projects to identify and achieve lasting outcomes.

Remit

Expenditure that is charitable or connected with health, education or the environment

Community learning and creating opportunity

Promoting community cohesion and safety

Promoting well-being

Northern Ireland outcomes

People can actively participate in their communities to bring about positive change

Community ownership of better and safer rural and urban environments

Improved physical and mental health for all people

People have the opportunity to achieve their full potential

Northern Ireland programmes

Reaching Communities Northern Ireland

Awards for All Northern Ireland

Young People's Fund

Safe and Well

Awards for All Northern Ireland

Until March 2009 we ran Awards for All in partnership with the other organisations that distribute Lottery funds across Northern Ireland. In April 2009 this programme was re-launched as a BIG programme. The other distributors now run separate programmes for arts, sports and heritage projects.

Awards for All Northern Ireland funds projects between £500 and £10,000 with the aim of bringing real improvements to communities and to the lives of people most in need by funding projects which involve people in their communities, bringing them together to enjoy a wide range of charitable, community, educational, environmental and health-related activities.

Number of grants awarded in 2009/10: 369 worth over £2.8 million.

Reaching Communities Northern Ireland

The Reaching Communities Northern Ireland programme was launched in 2006 and closed in September 2008. The programme made grants to voluntary and community-led organisations and aims to achieve BIG's mission to make a difference to people and communities most in need.

In 2009/10 the Northern Ireland committee allocated an additional £5 million of funding to support the unprecedented demand for this programme. We reviewed the significant number of fundable applications that we had not previously had enough budget to support. In October 2009 another 14 projects were also awarded funding.

Number of grants awarded in 2009/10: 24 worth almost £10.2 million.

Safe and Well

The Safe and Well programme was launched in 2006.

The programme aims to improve the lives of people in the most disadvantaged communities in Northern Ireland by funding preventative projects that promote well-being. Safe and Well encourages communities to work together to tackle health and safety issues.

Number of grants awarded in 2009/10: 19 worth over £17.6 million.

Young People's Fund Northern Ireland

The Young People's Fund Northern Ireland was launched in 2005.

The programme targeted resources at young people at the greatest risk of exclusion and offending. It aimed to give money to young people themselves and could fund organisations working on behalf of young people. There are two parts to this programme, Change UR Future and the Big Deal.

YouthNet was appointed as an award partner in 2006 to run the Big Deal in Northern Ireland, valued at £4 million. An additional £500,000 was awarded to YouthNet in September 2009 to extend the small grants programme.

Section three

Our operational performance

Our performance against our corporate objectives

The Corporate Plan for 2009/10 identified three strategic objectives to shape our priorities for realising the vision presented in Big thinking. It set four key performance indicators that we would use to measure success. Our performance against these has been monitored against our published targets and reported to the UK Board throughout the year.

Here we summarise how we performed against these three objectives.

Objective one:

We are managing public funds efficiently and effectively and in each year we fully commit our grant budget

Targets delivered

End of year report

1. Against a target of 8.5 per cent our core operating costs were 7.4 per cent of Lottery income (based on income before the transfer of money towards the Olympics).

In 2009/10 our operating costs as a percentage of Lottery income were significantly below this target. Actual operating costs for delivering Lottery funding was £58 million; an increase of £1.5 million (2.6 per cent) from 2008/09. This increase represents additional staff costs arising from the increased activity as we develop and launch our programmes for the new funding framework. In Section four of this report we set out in more detail how we manage our operating costs.

2. Over 100 per cent of the agreed 2009/10 UK-wide grant budget was committed.

In our corporate plan we said that we intended to award £361 million in 2009/10. We have exceeded this and are reporting that we have awarded £423 million; and with the movement in soft commitments we are reporting new grant commitments of £440 million. In response to the findings of our consultation and because of the high levels of income we received from the National Lottery throughout the year, we announced a recession package, making an additional £45 million available to address activities to combat the effects of the recession through our existing programmes. We also reallocated a further £43 million funding to be invested in recession related activities over the two year period 2009–2011.

Objective two:

Those who enquired about, applied for or received our funding said we provided an excellent service to them

Targets delivered

1. To design a robust customer satisfaction measure and determine our baseline. An improved method of customer survey was tested and a baseline established.

End of year report

In the year to March 2010 we had contact with more than 100,000 people across the UK who enquired about a grant from BIG. We also responded to more than 4,000 outline proposals and assessed more than 21,000 applications for grants, and supported more than 20,000 organisations that between them hold more than 26,000 grants that BIG has awarded.

Every year we use a number of indicators to tell us about the quality of our customer service. These figures have continued a positive trend since 2005/06, which we attribute to better designed funding programmes, better timing of award decisions, and continued investment in staff training.

This year 99.7 per cent of the outline proposals received and 92.7 per cent of applications for grants received were turned around within published standards. These achievements were above internal targets set for quality of service. We received just 95 customer complaints during the year and responded to 91 per cent of these within our 10 day service standard. We took a little longer to consider thoroughly the remaining complaints. We see all complaints as opportunities to improve our processes, and have acted to remedy failings where these have been the source of complaints.

During the year we began to market test our application guidance and forms with customers. We continued to develop technology improvements for customers and until our new systems are ready to launch we are piloting other new ways of working including an interactive application form to help first-time applicants.

BIG has developed a new customer service strategy, which was informed by an independent report of our current performance against five criteria in the government's Customer Service Excellence Standard. The report was positive in its findings.

To establish a method of measuring customer opinion, against which we will set annual targets from 2010 onwards, we commissioned the market research organisation Ipsos MORI to design a survey for us. In the first surveys Ipsos MORI has completed 2,417 online interviews for us. From the results we can report that 90 per cent of our customers were satisfied and 47 per cent of these rated our service as excellent. In-depth analysis of the data has contributed to the Customer Service Strategy and to an implementation plan for 2010/11.

Section three

Objective three: Our funding programmes are delivering their outcomes

Targets delivered

1. Against a target of 93 per cent, 95.4 per cent of projects supported by BIG and which were completed this year successfully achieved their outcomes.

End of year report

This was a year in which we built on our Big thinking consultation by carrying out research and evaluation, and by talking to those who have an interest in our work. We have used our evidence and learning, in line with BIG's research and learning strategy, to inform the development of our new funding programmes that we will launch from 2010 onwards.

All our funded projects go forward within an outcomes framework, which ensures we can monitor their outcomes and ensure that the funding is being used for the agreed purpose. In 2009/10 we made 14,000 awards. 541 projects were successfully completed during the year and reported on how well they achieved their outcomes. From this we calculated that 95.4 per cent of the completed projects fully achieved their outcomes.

We have also spent time researching and developing a better way of measuring the effectiveness of our funding programmes. This change will be implemented from 2010 and will allow us to improve the way that we understand and report on the performance of our programmes. It will also help us to capture and apply the important learning that emerges.

Big thinking gave an undertaking that between 2009 and 2015 the VCS will receive at least 80 per cent of our funding. Our target previously was 60 to 70 per cent. The higher target is a key element of the way we are designing our new programmes. During the year to 31 March 2010 92 per cent of our funding was awarded to the VCS.

Research and evaluation reports have been published and can be found on our website at www.biglotteryfund.org.uk

Our employment policies

As in previous years our arrangements for pay and conditions are based on best practice in the public sector. This includes following the Cabinet Office proposals for prudence in salary increases while rewarding people fairly.

We have an established range of employment policies that demonstrate our commitment to be a fair employer. We are reviewing these to ensure they remain legal, transparent and fair.

Employees are covered by the Principal Civil Service Pensions Scheme. Employees have the option to join a money purchase stakeholder-based arrangement.

BIG has an excellent internal training team, as recognised by the Chartered Institute of Personnel and Development. The team runs operational training and wider skills development across BIG. Employees are able to improve their performance and have the opportunity to progress their careers within the organisation. The Aspire and Ascend talent management programmes focus on high-potential, future managers and prepares them for higher level leadership roles. We are developing a network of internal coaches across the organisation – offering alternatives to costly training courses and providing more cross-divisional collaboration in developing staff. We are leading on proposals with other Lottery distributors to share training facilities and solutions.

The Prospect and Unite trades unions are recognised jointly for the purpose of collective bargaining for all employees, excluding Directors. Monthly meetings between the unions and management are supplemented by focus groups and informal meetings to maintain good relations. In addition the Joint Union Group meets the Chief Executive at regular intervals.

BIG has extended the involvement of staff in supporting the senior management team by forming a leadership coalition to support change initiatives and communication. Senior managers and leaders are also included in strategic decision-making.

The level of absence due to sickness is monitored. In 2009/10 the average number of days' sickness per employee was 7.1 representing 3.1 per cent of lost time. Managers have received training and support during this year in relation to managing sickness absence.

Our commitment to equality

Our approach to equality and diversity is implicit within our policies and our culture. Senior management team and the Board provide strong support and positive encouragement to embed our equality principles into our practices and the projects we fund. Our current Joint (Race, Disability and Gender) Equality Scheme has concluded and we are now in the process of developing the next three year plan. We have also completed research which will help us identify more effectively who is benefitting from the projects we fund and where we need to take action to address imbalances.

Equality in employment

Our approach to equality and diversity aims to reflect as much as is possible the communities we represent. We recently joined the Diversity Champions scheme with Stonewall, the employers' forum on sexual orientation, and are building on our membership of the Employers' Forum on Disability and have retained our Two Tick status. We received a silver award in 2009 from the Disability Standard and we use positive action in terms of encouraging applications from disabled people. For example, we offer work placements to those with physical or mental impairment, are continuing to promote our approach to equality and support those who have declared a disability. We continue to encourage declaration of disability.

Section three

Disability status	BIG	Civil service	UK economically active population
Staff with disability	3%	4%	13%
Staff without disability	97%	96%	87%

Most of our workforce are women, although the gender imbalance has narrowed slightly over the last 12 months. The number of men that we employ has increased in lower graded posts. Our workforce in higher graded posts is relatively well balanced. However, we are continuing to monitor pay equality at all levels to ensure it remains fair and transparent.

Gender	BIG	Civil service	UK economically active population
Female	61%	52%	44%
Male	39%	48%	56%

In relation to ethnicity the proportion of staff that we employ is roughly in line with what should be expected given the location of our principal offices. The overall proportion of staff from an ethnic minority background has grown slightly over the last year.

Ethnic Group	BIG	UK economically active population
Asian	5.1%	3.0%
Black	2.9%	1.4%
Chinese	0.3%	0.3%
Mixed	1.0%	1.5%
Other	0.5%	0.4%
White other	4.8%	3.4%
Total black and minority ethnic (BME)	14.6%	10.0%
White UK	83.3%	90.0%
Not known	2.1%	
Do not want to declare	0.0%	

Equality in new programmes

The Government expects everyone to have a fair chance of accessing and benefitting from Lottery funding. The collection of data about applications is one way of helping us monitor how successful we are in achieving this aim and where more effort might be required. Applicants are asked if their project is directed at, or is of particular relevance to, people of specific ethnicity, age, gender, faith, disability or sexual orientation, and, in Northern Ireland only, community background. This data is not used for assessment purposes.

During the year we carried out a verification of all the equality data that BIG holds. Customers were contacted about any queries. The data we provide still comes with a health warning. Applicants can select more than one category and some do not answer the questions.

For this report we analysed the information from 23,104 applications received in the year to 31 March 2010. All these applications had received a decision on funding during the year. We excluded grants made under the Heroes Return and Parks for People programmes and also withdrawn and transferred grants. 10,387 awards were made (totalling £338 million) from this pool of applications. The results are set out in the table below.

Our policy is that projects targeted at the needs of specific groups may be awarded a grant if a clear need can be demonstrated, but generally BIG prefers to fund projects that are open to all sections of the community.

This is reflected in our funding statistics, which highlight that the vast majority of applications received and awards made have gone to projects which indicate they are open and inclusive.

We note the following findings:

- the improved success rate and awarded amounts for projects targeted at people aged over 65, compared to last year's figures; and
- while success rates are positive, application rates for projects targeted at lesbians, gay men and bisexuals continue to be low. We are committed to exploring the reasons behind this finding.

	Number of applications and application rate ²		Number of awards and application success rate		Requested amount (£000) and % of requested amount ³		Awarded amount (£000) and % of awarded amount ⁴	
Ethnicity (Applicants are asked if their project is directed at, or of particular relevance to, people from a specific ethnic background. They can select up to three categories therefore these responses incorporate double and triple counting.)								
Asian	1,037	5%	430	42%	42,994	5%	12,893	4%
Black	1,244	6%	539	43%	48,186	5%	16,354	5%
Mixed	975	4%	360	37%	44,436	5%	13,546	4%
Chinese and other	374	2%	187	50%	20,931	2%	6,773	2%
White other	356	2%	169	48%	13,232	1%	5,858	2%
White UK	2,235	10%	1,281	57%	67,502	7%	28,673	9%
No specific ethnicity	18,877	83%	8,327	44%	786,933	83%	278,678	83%

² The application rate is shown as a percentage of the applications that requested the data.

³ The requested amount is shown as a percentage of applications that requested the data.

⁴ The awarded amount is shown as a percentage of the total funding awarded to those applications that requested the data.

Section three

	Number of applications and application rate ²		Number of awards and application success rate		Requested amount (£000) and % of requested amount ³		Awarded amount (£000) and % of awarded amount ⁴	
Age (Applicants are asked if their project is directed at, or of particular relevance to, people of a particular age group. Applicants can select more than one age group therefore responses may incorporate multiple counting.)								
0-24	9,626	42%	4,243	44%	529,000	56%	193,375	57%
25-64	4,186	18%	1,811	43%	264,654	28%	105,393	31%
65+	2,366	10%	1,152	49%	183,739	19%	79,050	24%
No specific age	11,097	49%	4,980	45%	356,117	38%	115,428	34%
Gender (Applicants are asked if their project is directed at, or of particular relevance to, people from a specific gender.)								
Female	991	6%	514	52%	34,948	4%	14,622	5%
Male	212	1%	102	48%	10,221	1%	5,321	2%
No specific gender	16,651	93%	8,359	50%	863,489	95%	308,253	94%
Community background (Applicants applying to programmes operating in Northern Ireland are asked to indicate which community those benefiting from their project mainly belong to.)								
Mainly Catholic	120	21%	100	84%	7,964	15%	5,472	18%
Mainly Protestant	126	22%	113	90%	5,172	10%	2,753	9%
Both	255	45%	183	72%	36,524	69%	22,290	73%
Neither	25	4%	16	64%	3,470	7%	119	<1%

	Number of applications and application rate ²		Number of awards and application success rate		Requested amount (£000) and % of requested amount ³		Awarded amount (£000) and % of awarded amount ⁴	
Faith (Applicants are asked if their project is of particular relevance to people of a particular faith. They can select more than one faith therefore responses may incorporate multiple counting.)								
Christian	67	<1%	30	45%	1,824	<1%	712	<1%
Buddhist	2	<1%	0	0%	70	<1%	0	0%
Hindu	12	<1%	3	25%	76	<1%	15	<1%
Jewish	75	<1%	42	56%	2,047	<1%	819	<1%
Muslim	87	<1%	45	52%	5,952	<1%	2,463	<1%
Sikh	12	<1%	7	58%	676	<1%	50	<1%
Other faith	29	<1%	15	52%	1,297	<1%	235	<1%
No specific faith	17,137	98%	8,464	50%	893,268	99%	321,072	98%
Disability (Applicants are asked if their project is of particular relevance to disabled people.)								
Disabled	3,691	16%	1,767	48%	161,938	17%	72,287	20%
Not disabled	19,323	84%	8,600	45%	786,243	83%	272,031	80%
Sexual orientation (Applicants are asked if their project is of particular relevance to lesbians, gay men or bisexual people.)								
Gay/lesbian/bisexual	144	<1%	86	60%	12,849	1%	4,399	1%
Not specific to gay/lesbian/bisexual	21,930	99%	10,195	47%	899,224	99%	329,617	99%

Section three

Welsh Language Scheme

The new Welsh Language Scheme was launched in September 2009. It sets out how we will treat the English and Welsh languages on an equal basis in providing services to the public in Wales and in the process of awarding grants.

We are monitoring the implementation of the scheme. Every three months the Welsh Language Officer attends a meeting at the Welsh Language Board to seek advice and to ensure BIG is meeting its commitments.

BIG contributes to the implementation of Iaith Pawb – the National Action Plan for a bilingual Wales.

During 2009 the Big Lottery Fund was one of only a handful of organisations which were successful in obtaining funding from the Welsh Language Board to promote bilingual workplaces, which was used to fund a project in BIG's offices in Wales.

Section 75, Northern Ireland Act 1998

In accordance with our statutory duties under Section 75 of the Northern Ireland Act 1998 we submitted our equality annual report to the Equality Commission for Northern Ireland in August 2009. The report provided an update on legislative developments and progress on equality work within BIG NI between April 2008 and March 2009.

Our fifth screening report was published in September 2009, detailing all policies, programmes and functions equality assured and reviewed between April 2004 and June 2009.

The second annual review of the Disability Action Plan 2007-2012 has been completed and those interested in our work notified. We continue to implement our Equality Scheme 2007-2012 and we have had useful discussions with key stakeholders throughout this reporting period.

Our approach to sustainable development

BIG is committed to promoting social, economic and environmental sustainability, including setting high environmental standards for ourselves and for the projects we fund.

We have calculated our carbon footprint for 2008/09 at 2,210 tonnes. This includes our usage of utilities and travel by car and plane. Data on train travel will be available for the 2009/10 calculation. We are continuing to collect better data to improve the robustness of our calculations and to enable us to monitor performance year on year. We will be comparing the results and looking at measures that we can introduce to cut our carbon emissions further.

Our payment policy and practice

In accordance with the Better Payment Practice Guide we aim to pay all our creditors within 30 days of receiving an invoice, unless other terms and conditions have been negotiated. In the year under review 93 per cent (2008/09 91 per cent) of all creditors were paid within 30 days of receiving an undisputed invoice.

In addition during 2009/10 we have also committed to reduce creditor payment days. The Government's Prompt Payment Challenge target is 10 days. In the financial year we paid 34 per cent of suppliers within 10 working days.



Section four

Our financial performance

Our financial results for the year to 31 March 2010 are set out in the annual accounts starting on page 54. These accounts have been prepared in the form directed by the Secretary of State for Culture, Olympics, Media and Sport and generally follow the principles set out in the Government Financial Reporting Manual (FReM). This year the accounts incorporate the requirements of the International Financial Reporting Standards. There is a small restatement of previous years' reserves as a result of implementing these standards. In note 2 to the accounts we set out the impact of this change on BIG's financial reporting.

Income from the National Lottery

During 2009/10 we received **£740 million** (2008/09 £625 million) in income directly from National Lottery ticket sales. We currently receive half of the money raised for the good causes by the National Lottery.

In March 2007 Parliament agreed that between February 2009 and August 2012 £638 million should be transferred from BIG to the Olympic Lottery Distribution Fund (OLDF). During 2009/10 transfers totalling £172 million were made.

Years ended 31 March £ m	2009	2010	2011	2012	2013	Total
Transfer of funds to the OLDF	43	172	172	172	80	638

Income generated from the National Lottery is held, and invested, on our behalf in the National Lottery Distribution Fund (NLDF), generating a further **£4 million** (2008/09 £31 million) in investment income during the year. This decline is due in part to the continuing reduction in NLDF balances but most significantly from the changed financial climate arising from the recession.

Our Board does not have responsibility for the investment of NLDF balances; stewardship rests with the Secretary of State for Culture, Olympics, Media and Sport. Details are provided in note 14 to the annual accounts. Note 21 to the annual accounts sets out why the Board considers that we are not exposed to significant interest rate risks.

Funding good causes

New commitments totalling **£440 million** (2008/09 £526 million) are recorded in our accounts; this is the value of awards that have been formally accepted by grant recipients and includes some awards made in 2008/09.

£63 million (2008/09 £83 million) of additional awards are not yet recorded as commitments as we are waiting for the grant recipients to accept them. This decrease in commitments year-on-year reflects the start of the roll out of our new 2009-2015 funding framework.

During 2009/10 we made payments of **£604 million** (2008/09 £558 million) to grant holders.

How we decide how much to spend

Our policy is to make as many grant awards as we can without taking too much risk, in an uncertain economic climate, that we will not have the money to meet those commitments.

In response to what the voluntary and community sector has asked of us, we now make grants for longer periods: grants that run for five years are now common. And of course we fund capital works that take several years to build. The fact that many of our grants will be paid out several years after they are committed means we can, and do, make commitments from money that we don't yet have. At 31 March 2010 we had £1,122 million of outstanding commitments, but only had £474 million with which to meet them: excess commitments of £648 million equivalent to 13 months of future income based on our current projections.



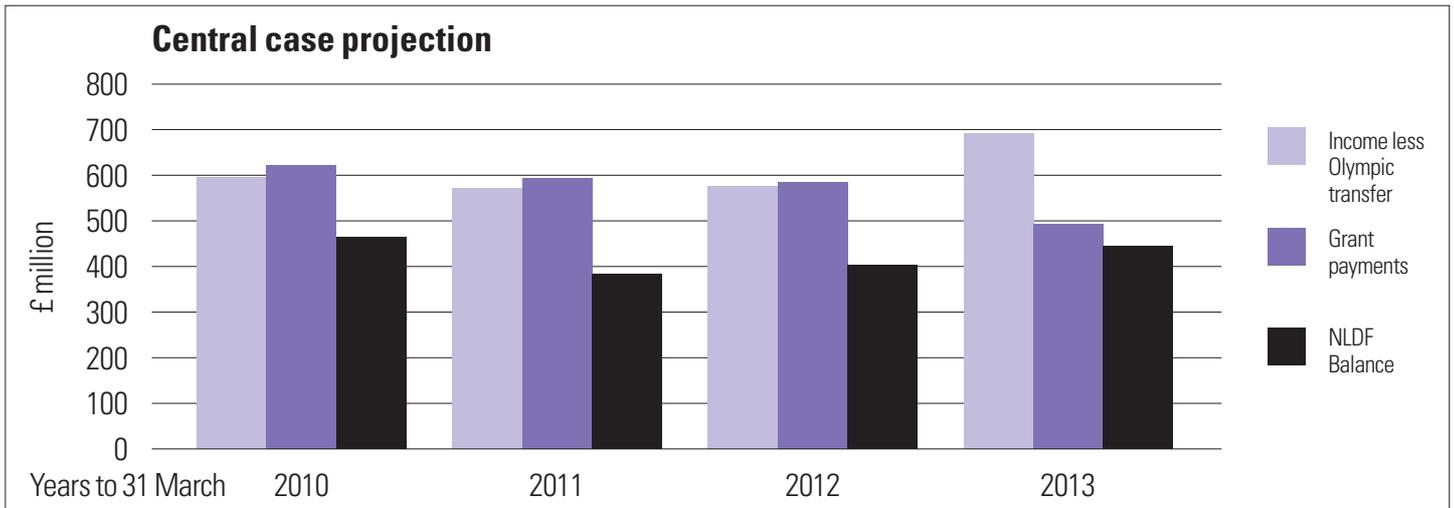
But our future income is uncertain – no one knows how much Lottery income there will be. So we have to be prudent. The Department for Culture, Media and Sport produce projections of future income based on the assumption that Lottery ticket sales will remain broadly at their current level into the future – we call this the 'central case' and use it for our long-term planning of likely future spending.

Previously we explained how £638 million of our projected income during the period 2009–2012 will be transferred to the OLDF. In addition, the OLDF will receive £750 million directly from special Olympic Lottery games. It is uncertain how much of this will be raised by additional ticket sales, and how much by diversion from ticket sales that would have been received by the main Lottery distributors.

Our financial planning takes account of the transfer of funds to the Olympics and the effect of the Olympic Lottery games. Our plans also take account of the positive impact on the income projected to be received by good causes from the terms of the third Lottery operator licence granted to Camelot, which came into effect on 1 February 2009.

The chart on page 38 shows how things are expected to work out on the central case. These figures include our projections of our current planned programme spend for 2009 – 2013 and assumes that our share of income from the National Lottery remains at 50 per cent.

Section four

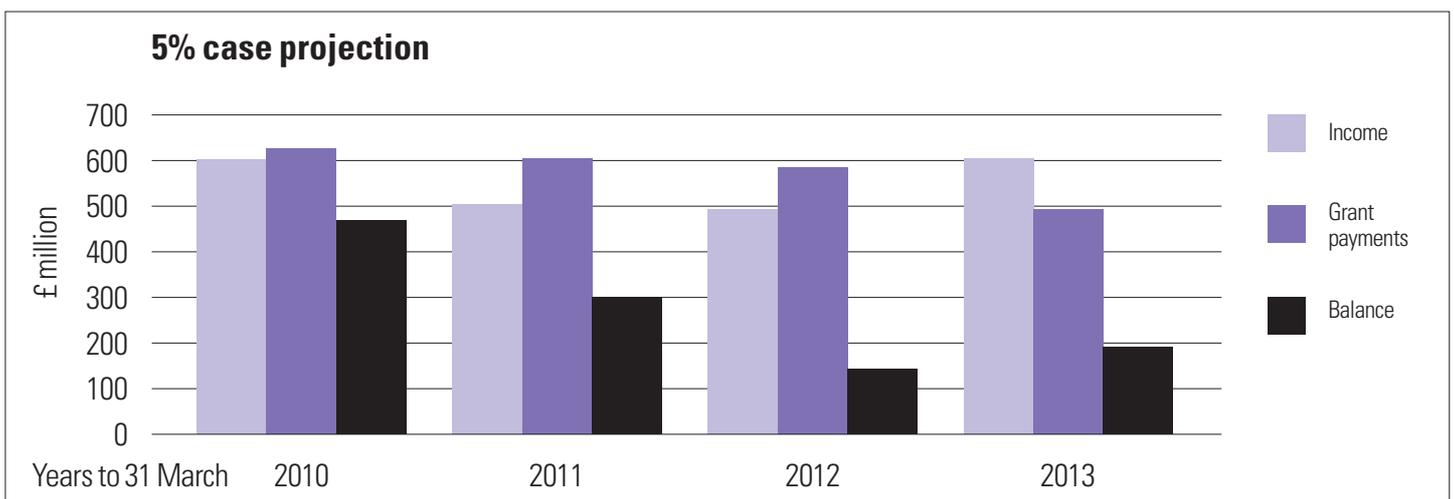


We cannot make grant commitments on this basis – if we did, and Lottery income fell, we might be unable to meet all our commitments. So we produce a more cautious projection which we call the '5 per cent case', because we estimate that it has about a 5 per cent chance of actually happening. The history of the Lottery shows that this is not being over-prudent. While Lottery ticket sales have grown in recent years, actual ticket sales fell 17 per cent between 1998 and 2003. A fall of the scale in our 5 per cent projection is clearly a possible scenario.

Our target is to make the maximum value of grant commitments that we can. This will inevitably lead to the NLDF balance being as low as is prudent. The level will vary according to the structure of our programmes at any time.

We plan to make commitments so that on the 5 per cent case we would have no balance at the lowest point in the future. Planning several years ahead allows us to make any changes to our programmes with minimum disruption if our forecasts show we may not meet future commitments.

The impact of current plans on our NLDF balances using the 5 per cent case, are shown in the table below.



Change in share of Lottery income

In May 2010 the Secretary of State for Culture, Olympics, Media and Sport announced his intention to consult on proposals to change our share of income. Subject to consultation and parliamentary approval the proposal will reduce our share of income from the National Lottery to 46% from 1 April 2011 and to 40% from 1 April 2012. This potential reduction in income will mean that we will have to review the existing and future plans which we have illustrated above. However, although we currently have a significant level of over commitment, if Lottery ticket sales remain at projected levels, we would be able to meet all existing commitments, but we would need to review the budget for new awards in 2010/11.

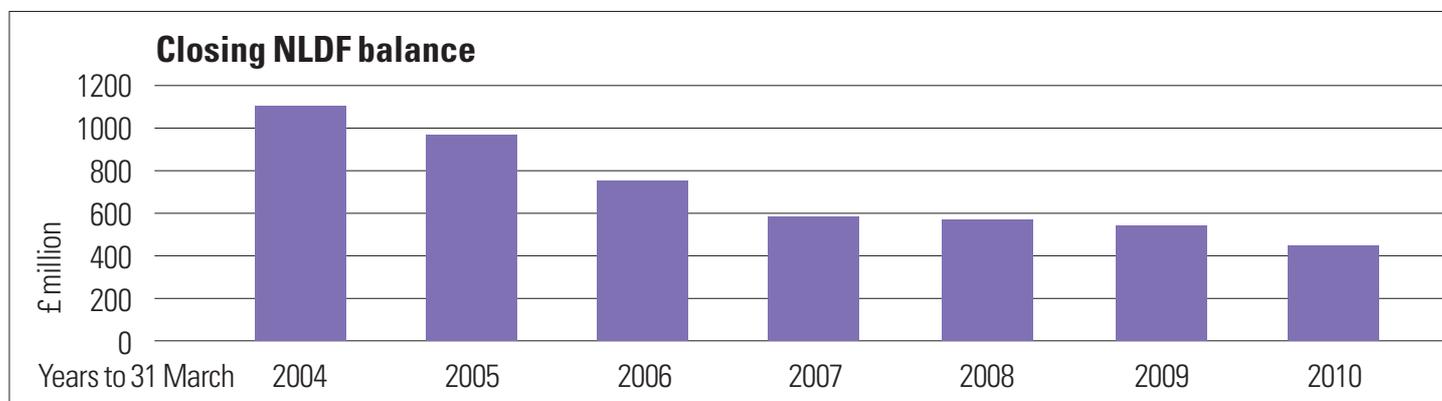
During 2008/09 we identified the expected funding available for distribution over the time of the Strategic framework taking into consideration the level of Lottery ticket sales at that time and the assumption that our percentage share of funding from the National Lottery remained the same. The indicative budgets we published at that time were based on our view of balancing the requirement to maximise grant awards with a desire to provide relatively stable annual grant budgets during the early part of this plan. If income changes as proposed we will need to review the affordability of these indicative budgets.

NLDF balances

Our NLDF balance is **£474 million** at 31 March 2010.

The reason we have an NLDF balance is that, in most years, income is in fact higher than our prudent assumptions, and we therefore have some additional funds. We monitor this constantly, and carry out a full review every six months. Our Board then adjusts our grant budget plans to ensure that we are making all the commitments we safely can. It is as a result of this regular review that we were able to identify additional money to boost recession-related activities as announced in June 2009. As a result we made £62 million more awards than we set out in our 2009/10 corporate plan.

We do not set a target for our NLDF balances. As we do not control Lottery income, it is impossible for us to manage the balance in the short-term. We publish plans based on the central case, and explain the variations each year. Through this approach to managing our NLDF balances these have fallen rapidly over time.



We currently forecast that our NLDF balance at 31 March 2011 will be between £390 – £410 million.

This forecast is calculated using the income projections provided by DCMS and allow for the impact of the Olympic Lottery and the transfer of funding to the OLDF. They also reflect our projected expenditure on current and announced programmes and our early estimates of expenditure on new programmes launching in 2010/11.

We have not provided forecasts beyond 31 March 2011 as this is dependent on the proposals for change in income share.

Section four

At 31 March 2010 our NLDF balance was £474 million. In last year's annual report we forecast that the balance would be £480 million. We have benefited from receiving £42 million more income from the NLDF than projected at the start of the year. However, we have paid out £46 million more in grant payments and payments to award partners than anticipated reflecting both the increased grant awards and also a focus on grant management activities to expedite grant payments.

Our operating costs – how BIG is spending more efficiently

Our key measure of financial efficiency is the share of our Lottery income that we spend on distributing it. We exclude from this measure costs that we recharge to other people, for example the costs of distributing non-lottery money. We also exclude one-off costs that are investment to achieve future efficiencies. On this basis the cost of distributing Lottery money was **£58 million** (2008/9 £57million). This represents **7.4 per cent** of Lottery income (2008/9 8.6 per cent). This figure will inevitably fluctuate over the programme cycle. Our current target is to keep this figure to no more than 8.5 per cent on a three year rolling average.

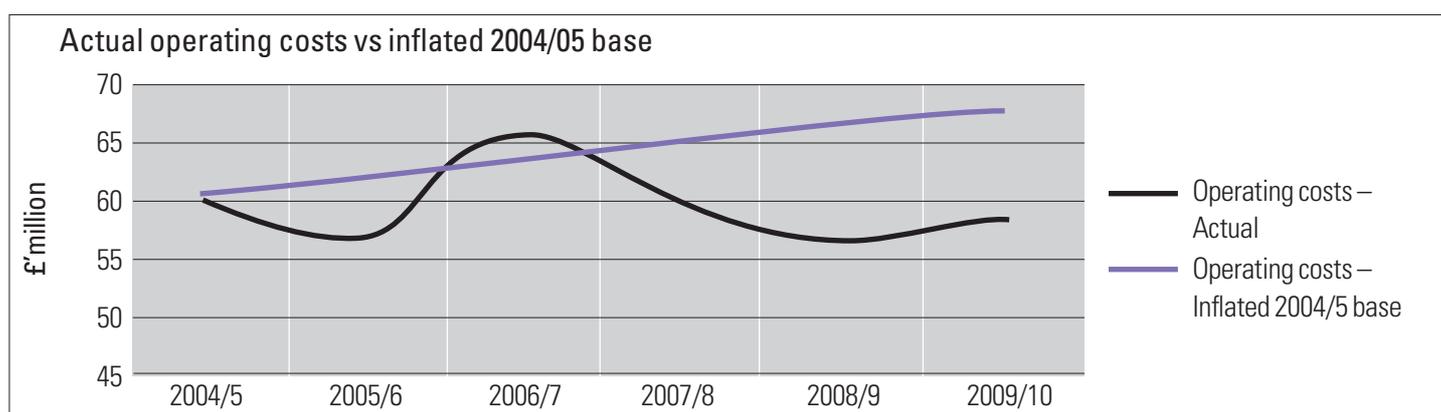
We aim to spend as little of our income on our own costs as we can, consistent with achieving our objectives. While we do not want unnecessary bureaucracy, we need to ensure that we fund accessibly and fairly, manage the risks of fraudulent applications, provide a good customer service and, most importantly, ensure that the outcomes we seek are delivered.

Significant parts of our operating costs are not 'administration'. Consulting with experts who can help us design excellent and accessible programmes, supporting through outreach grant applicants and holders in their work, making widely available well designed and customer friendly application and guidance materials and conducting evaluation and research are vital to achieving our outcomes. So we are not aiming to minimise these costs; rather to ensure that they offer value for money.

Open programmes that make large volumes of small grants are more expensive to run than programmes that make a small number of large grants to a restricted group of applicants. What type of programmes we run is driven by what best delivers the outcomes, not the cost of delivery.

How our costs have reduced over time

The chart below shows how BIG's distribution costs have fallen since 2004/05, the year that BIG was formed through the merger of the New Opportunities Fund and the Community Fund, compared with what would have happened if they had simply risen in line with inflation.



£ million	2005/06	2006/07	2007/08	2008/09	2009/10
Lottery income (before OLD transfer)	739	642	660	662	783
Costs recovered from other bodies	8	3	5	7	7
Total Income	747	645	665	669	790
Costs of distributing lottery grants	56	66	60	57	58
Investment for future savings	14	8	(1)	3	5
Costs recovered from other bodies	8	3	5	7	7
Total operating costs	78	77	64	67	70
Costs of distributing Lottery grants as a % of Lottery income	7.6%	10.3%	9.1%	8.6%	7.4%
Three year rolling average	N/A	8.6%	8.9%	9.3%	8.3%

In 2006/7 we incurred extra costs for duplicate staffing as we relocated our operations to lower cost locations in Birmingham and Newcastle. Since then our costs have substantially reduced, and we have absorbed inflation.

We are continuing to target further savings by the re-engineering of our business processes to move them online and make them simple and more customer-friendly. This includes investment in a new funding system to replace our current system which is outdated. This complements our active development of our grant programmes to reduce costs and improve customer service, for example by increased use of decisions on outline proposals which reduce time and costs for both customers and ourselves. We are also continuing to reduce our property costs by reducing space to government target levels, and pursuing an active procurement strategy to reduce the cost of externally purchased services such as travel.

Financial position

We have made a surplus for the year of **£105 million** (2008/09 £41 million).

This surplus reduces our cumulative deficit from previous years and we now have a deficit on retained reserves of **£630 million**. This financial position was approved by our Board and endorsed by the Department for Culture, Media and Sport after taking into consideration the cash flow requirement of grant awards, a number of which are to fund three-to-five year projects.

Section four

Statutory disclosure items

Fixed assets

The movements in tangible and intangible fixed assets during the year are set out in Notes 11 and 12 to the accounts. During the year we invested £2 million in capital expenditure which substantially relates to the investment in our new funding system.

Loss of data

We treat information security obligations extremely seriously, and under the supervision of the Audit and Risk Committee we regularly assess the adequacy of our information security measures.

During 2009/10 there were no reportable losses of personal data.

Post balance sheet events

There are no significant events having a financial impact on the annual accounts between 31 March 2009 and the date these accounts were authorised for issue, 14 July 2010. Earlier in this section we have described the possible impact on our future plans arising from the Government's consultation on change in Lottery income shares.

Auditors

Under the National Lottery Act 2006, BIG must have its annual accounts examined and certified by the Comptroller and Auditor General. The National Audit Office undertakes our external audit.





Section five

Our governance framework: how we work

Our history and statutory framework

BIG came into being as an administrative body on 1 June 2004 and was established formally on 1 December 2006, through the legal merger of the Community Fund and New Opportunities Fund, and the transfer of residual activities and assets from the Millennium Commission. BIG is a Non Departmental Public Body with a UK-wide remit. Our work is governed by the National Lottery etc Act 1993, as amended by the National Lottery Acts 1998 and 2006.

The regulations that govern us

Our Chief Executive is BIG's Accounting Officer, who is responsible to the Department for Culture, Media and Sport (DCMS) and its Principal Accounting Officer. We can also be required to give evidence to Parliamentary committees and the devolved administrations.

Our governance framework is provided by DCMS in consultation with the devolved administrations and includes: Policy Directions, which set out matters that we should take into account in deciding how to spend Lottery money; Financial Directions and the Statement of Financial Requirements, which set out how we should manage Lottery money; and Accounts Directions, which set out how we account for our use of Lottery money. The Management Statement with DCMS provides the framework of our working relationship with the department. We also take account of guidance issued by Treasury and DCMS. All these directions are put into effect by our internal policies and procedures.

We have a wide funding power that enables us to make grants (or loans) to many different types of organisation in the charitable, voluntary and community, public and private sectors. We also can distribute non-Lottery funding.

Our internal governance arrangements – our Board and Country Committees

The BIG Board is responsible for our strategic direction and performance, including our accountability to Government and the public. To fulfil its accountabilities the Board has three corporate committees:

- the Resources Committee
- the Audit and Risk Committee
- the Remuneration Committee.

The Board meets every two months and members of the senior management team attend meetings.

The Audit and Risk Committee meets four times a year. It approves the internal audit programme, endorses the risk register and scrutinises the outcome of internal and external reports. The committee's terms of reference allow for two external members. Hilary Gay and Angela Marshall have served in this capacity all year. These external members bring additional expertise and perspective to the committee.

The Resources Committee meets four times a year. It scrutinises the annual budget and oversees expenditure.

The Remuneration Committee meets at least once a year and is responsible for overseeing the performance and salaries of the Chief Executive and the senior management team.

The Board has also set up committees for decisions on UK-wide grant programmes.

The Board

The Board is made up of 12 members: the Chair, four country committee chairs and seven general Board members including the vice-chair. The full list of Board members and their responsibilities is set out on page 45. Further details are set out in the remuneration report.

The Board members and their responsibilities for chairing corporate committees of the Board are as follows:



Sir Clive Booth
Chair
Chair, Remuneration Committee



John Gartside OBE
General member



Anna Southall
General member and vice-chair
Legacy Trust member



Alison Magee
Chair, Scotland Country Committee



Sanjay Dighe
Chair, England Country Committee



Rajay Naik
General Member



Judith Donovan CBE
General member
Chair, Resources Committee
Legacy Trust member



Huw Vaughan Thomas
Chair, Wales Country Committee



Roland Doven MBE
General member
Chair, Audit and Risk Committee



Albert Tucker
General member



Frank Hewitt CBE
(from December 2009)
Chair, Northern Ireland Country Committee



Diana Whitworth
General member



Breidge Gadd CBE
(until November 2009)
Chair, Northern Ireland Country Committee

Section five

Country committees

Since 1 December 2006 matters relating to grant funding have been devolved to four country committees, one each for England, Northern Ireland, Scotland and Wales. These committees are responsible for advising on the strategic policy of BIG and making grant funding decisions within their respective countries. Members of country committees are openly recruited and appointed by the Board with the agreement of the Secretary of State for Culture, Olympics, Media and Sport in England or ministers in the devolved administrations in Scotland, Wales and Northern Ireland.

From time to time additional members are recruited to specific programme committees. Details of membership of programme committees are available on our website.

The **England Country Committee** has nine members and one vacancy.

Sanjay Dighe, Chair
Dr Mohammed Amran FRSA (until January 2010)
Dr Alan Billings
Sue Charteris
John Gartside OBE
Margaret Hyde OBE
Danny Silverstone (from December 2009)
Albert Tucker
Nalini Varma
Geoffrey Wilkinson

The **Scotland Country Committee** has 10 members.

Alison Magee, Chair
Tim Allan
Elizabeth Cameron
Helen Forsyth
David Green
Alistair Grimes
Kristofer McGhee
Maureen McGinn
Lucy McTernan
Shirley Young



The **Wales Country Committee** has seven members.

Huw Vaughan Thomas, Chair
Graham Benfield OBE
Fran Targett OBE
Gareth Newton
Janet Reed OBE
Mike Theodoulou
Barbara Wilding CBE, QPM, CCMI

The **Northern Ireland Country Committee** has six members.

Breidge Gadd CBE, Chair (until November 2009)
Frank Hewitt, Chair (from December 2009)
Geraldine Campbell
Paul Cavanagh
Julie Harrison
Claire Keatinge
Peter Osborne

The senior management team

The Chief Executive is appointed by the Board; he has also been appointed by the Accounting Officer of the Department for Culture, Media and Sport as Accounting Officer for BIG. The Chief Executive chairs the senior management team, which supports the Board in our strategic management.

The senior management team considers policy and key strategic and operational matters, which require the approval of the Board and its main committees. The senior management team also maintains an overview of the day-to-day work of the organisation.

The senior management team is made up of the Chief Executive and seven directors. Each director's responsibilities during 2009/10 were:



Section five

Register of interests

All our Board and committee members, assessors, advisers and members of any advisory panel must declare relevant interests under our code of ethics. This code complies with the Cabinet Office code of practice for Board members of public bodies. Interests declared by Board members are posted on our website.

Details of such interests for all decision-making committee members are available by writing to the Head of Board Secretariat.

If the Board or a committee takes any decisions which could reasonably be seen as giving rise to a conflict of interest, principally over grants to organisations but also any commercial relationships, the chair of the meeting makes sure at the outset that disclosure is made and that the member withdraws while the relevant item is discussed. The following table details awards made to organisations where Board and country committee members have declared a current or past interest.



Board or Committee member	Nature of relationship	Existing transactions	Awarded in 2009/10	Paid in 2009/10	Outstanding balance at 31 March 2010
Geraldine Campbell	Trustee, Citizens Advice Belfast	£-	1 award of £10,000	£10,000	£-
Siobhan Craig	Member Management Committee, Include Youth	£-	1 award of £905,013	£85,232	£819,781
Judith Donovan	Member of Ripon Cathedral Finance Committee	£-	1 award of £10,000	£10,000	£-
Breidge Gadd	Board Member, Bytes Belfast	1 award of £460,183	£-	£93,733	£366,450
John Gartside	Trustee and Company Secretary, The Tim Parry Jonathan Ball Trust (the Peace Centre) Director and Trustee, Warrington Wolves Community Learning and Sport Foundation	1 award of £499,186	1 award of £393,222 3 awards totalling £181,501	£23,984 £29,623	£423,647 £151,336
Julie Harrison	Consultant, Bridge Community Association	£-	1 award of £956,322	£71,884	£884,438
Claire Keatinge	Trustee & Chair, Community Development and Health Network	£-	1 award totalling £499,957	£71,645	£428,312
Alison Magee	Past Convenor of the Highland Council Past Director of the Sutherland Partnership	1 award of £7,544 1 award of £375,900	£- £-	£7,544 £95,294	£- £157,918
Lucy McTernan	Director, Scottish Council for Voluntary Organisations	1 award of £8,508,040	£-	£7,425,613	£6,915,056
Fran Targett	Director for Wales, Employee, Citizens Advice	£-	16 awards totalling 1,210,219	£304,723	£905,496
Albert Tucker	Non-Executive Director, Places for People Group	1 award of £15,669,999	£-	£882,067	£14,340,669
Huw Vaughan Thomas	Wife, Trustee for Wales, Royal National Institute for Deaf People	11 awards totalling £928,780	2 awards of £1,343,913	£556,148	£1,716,545
Diana Whitworth	Joint Chief Executive to Grandparents Plus (to October 2007)	1 award of £167,918	£-	£40,186	£72,744
Geoffrey Wilkinson	Non Executive Director, Eden Project	1 award of £249,015	2 awards totalling £1,380,248	£853,166	£641,730

Section five

Remuneration report

This report sets out BIG's policy for the remuneration of its Directors and Board members. Only the section of the remuneration report dealing with remuneration received is subject to audit.

Remuneration Committee

The Remuneration Committee, a committee of the Board, sets the remuneration policy for BIG's senior management team. This committee comprises the Chair of the Board, Sir Clive Booth, the vice-Chair, Anna Southall, the Chair of the Resources Committee, Judith Donovan, and one other Board member, John Gartside. At the request of the Chair of the committee the Chief Executive, the deputy director, Human Resources or other officers may be in attendance at meetings or for selected agenda items.

The committee's responsibilities are to:

- agree the terms and conditions of employment of the Chief Executive
- decide on the Chief Executive's performance appraisal and related pay
- approve the performance appraisals and related pay for directors, and
- decide on severance terms for the Chief Executive and directors, subject to any necessary clearances by DCMS/Treasury.

The committee meets as required.

Senior staff remuneration policies

The remuneration policy for the senior management team is designed to offer remuneration that enables BIG to attract, retain and motivate high calibre individuals with the skills and abilities to lead and manage BIG. In doing so, the policy seeks to:

- remunerate fairly for individual responsibility and contribution, while providing an element of performance related pay, and
- comply with the annual pay guidance issued by HM Treasury.

Remuneration of the senior management team

The basis of senior staff remuneration is set out in their individual contracts of employment. The Chief Executive and directors are subject to BIG's standard terms and conditions of employment including contributions to the Civil Service Pension Scheme.

Peter Wanless was appointed Chief Executive in January 2008. His employment contract allows for a progression payment dependent on performance for the first two years of appointment. This payment is consolidated for pension purposes. An additional unconsolidated performance bonus that, taken with the progression payment, is within 20 per cent of annual salary can also be awarded. Beyond the first two years the Chief Executive's contract allows for a performance bonus up to 20 per cent of annual salary. Up to two per cent of this bonus is consolidated for pension purposes and the balance of any award is paid as a non consolidated bonus, in compliance with guidance from HM Treasury relating to the appointment of Chief Executives.

Directors receive a consolidated annual pay award at the same level as negotiated for BIG's staff and a non-consolidated performance bonus of up to eight per cent of their annual salary.

The total salary and pension entitlement of the senior management of BIG was as set out in the table below. There were no non cash benefits paid in the year.

<i>2008/09 comparatives shown in brackets</i>	Salary, including performance bonus for the 12 months ending 31 March 2010 £'000	Real increase in pension at 60 £'000	Total accrued pension at 60 as at 31 March 2010 £'000	Cash equivalent transfer value (CETV) £'000	Real increase in CETV payable by employer £'000
Peter Wanless (Chief Executive) from 1 February 2008	140 -145 (135 - 140)	2.5 - 5.0 plus 7.5 - 10 lump sum	35 - 40 plus 115 - 120 lump sum	607 (526)	55
Mark Cooke (Director, Finance and Corporate Services)	100 - 105 (100 - 105)	0 - 2.5	5 - 10	153 (118)	25
Ceri Doyle (Director, Wales)	85 - 90 (85 - 90)	0 - 2.5	15 - 20	224 (194)	18
Dharmendra Kanani (Director, Scotland)	85 - 90 (85 - 90)	0 - 2.5 plus 2.5 - 5.0 lump sum	10 - 15 plus 30 - 35 lump sum	164 (138)	17
Adrienne Kelbie (Director of Operations)	105 - 110 (105 - 110)	0 - 2.5 plus 2.5 - 5.0 lump sum	15 - 20 plus 55 - 60 lump sum	239 (209)	19
Gerald Oppenheim (Director Policy and Partnerships)	105 - 110 (100 - 105)	0 - 2.5 plus 5.0 - 7.5 lump sum	40 - 45 plus 130 - 135 lump sum	1,008 (924)	47
Linda Quinn (Director Communications and Marketing)	80 - 85 (80 - 85)	0 - 2.5 plus 2.5 - 5.0 lump sum	20 - 25 plus 65 - 70 lump sum	519 (468)	32
Walter Rader (Director, Northern Ireland)	85 - 90 (85 - 90)	0 - 2.5 plus 2.5 - 5.0 lump sum	10 - 15 plus 40 - 45 lump sum	336 (293)	31

Pension benefits are provided through the Principal Civil Service Pension Scheme. Further pension disclosures are made in note 23.

Section five

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. Column 4 of the previous table shows the member's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. Column 5 reflects the increase in CETV effectively funded by BIG as it excludes increases due to inflation and contributions paid by the employee.

Senior management team are reimbursed for out of pocket expenses incurred in undertaking their duties on behalf of BIG. Details of these expenses are available on the website, www.biglotteryfund.org.uk

Higher paid employees

The following table sets out the number of staff, on a full time equivalent basis, who received remuneration, including performance bonuses where relevant, of £50,000 or more in the financial year. These figures exclude the senior management team:

Total remuneration	Year ended 31 March 2010 No of staff (fte)	Year ended 31 March 2009 No of staff (fte)
£50,000 - £54,999	8.7	10.6
£55,000 - £59,999	8	8.2
£60,000 - £64,999	7	3
£65,000 - £69,999	6	3
£70,000 - £74,999	2	3
£75,000 - £79,999	1	1
£80,000- £84,999	1	1

Board members remuneration policy

The post of Chair of BIG is a part-time appointment, two days per week. The four country committee chairs are also part time appointments, up to eight days a month. The Chair and country committee chairs are appointed, and their remuneration determined, by the Secretary of State for Culture, Olympics, Media and Sport. The remuneration received by the Chair and country committee chairs is set out below. They receive no contributions to pension.

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Sir Clive Booth, Chair of the UK Board	39,728	39,141
Sanjay Dighe, Chair of the England Committee and UK Board member	25,256	24,883
Breidge Gadd, Chair of the Northern Ireland Committee and UK Board member (until November 2009)	16,837	24,883
Frank Hewitt Chair of the Northern Ireland Committee and UK Board member (From December 2009)	8,271	-
Alison Magee, Chair of the Scotland Committee and UK Board member	25,256	24,883
Huw Vaughan Thomas Board, Chair of the Wales Committee and UK Board member	25,256	24,883

All Board members of BIG are appointed by the Secretary of State for a fixed period. Board members are entitled to receive remuneration for their time spent on the activities of BIG. These activities, for which Board members can claim a daily rate fee of £218 (2008/09 £215), mainly consist of meetings in BIG's offices. The daily rate is as advised by DCMS each year. No Board member received contributions to pension.

Country committee members are also entitled to remuneration at this daily rate.

Total emoluments paid to Board and committee members to 31 March 2010 were £263,800 (2008/09 £253,500), as set out below

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
UK Board		
Judith Donovan	12.9	10.4
Roland Doven	9.7	11.3
John Gartside (also a member of the England Committee)	18.3	17.6
Rajay Naik (from February 2009)	4.0	-
Anna Southall (Vice Chair)	21.2	15.4
Albert Tucker (also a member of the England Committee)	16.9	16.4
Diana Whitworth	10.0	10.1
England Committee		
Dr Mohammed Amran (until January 2010)	8.5	11.9
The Rev. Dr Alan Billings	11.0	14.5
Sue Charteris	8.2	6.2
Margaret Hyde	9.9	10.4
Danny Silverstone (from December 2009)	1.2	-
Lydia Thomas (until March 2009)	-	4.9
Nalini Varma	14.0	12.3
Geoffrey Wilkinson	13.1	9.3
Scotland Committee		
Tim Allen	3.6	3.8
Elizabeth Cameron	3.6	4.2
Helen Forsyth	4.0	6.3
David Green	7.1	7.5
Alistair Grimes	5.9	5.6

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Kristofer McGhee	6.8	6.9
Maureen McGinn	7.8	4.1
Lucy McTernan	3.5	3.1
Shirley Young	6.1	5.2

Wales Committee

Graham Benfield	1.3	3.8
Fran Targett (from June 2008)	1.1	2.0
Gareth Newton	6.2	6.5
Janet Reed	6.2	5.9
Mike Theodoulou	5.4	5.3
Barbara Wilding	0.4	2.4

Northern Ireland Committee

Geraldine Campbell (from October 2008)	8.3	2.0
Paul Cavanagh	7.0	10.1
Siobhan Craig (until September 2008)	-	3.7
Julie Harrison (from July 2008)	9.7	3.8
Claire Keatinge	5.6	4.8
Peter Osbourne	5.3	5.8

Board and committee members are reimbursed for out of pocket expenses incurred in undertaking their duties on behalf of BIG. Details of these expenses are available on the website, www.biglotteryfund.org.uk.

Peter Wanless

Chief Executive and Accounting Officer

6 July 2010

Section six

Annual accounts

This section contains the Statement of Accounting Officer's responsibilities; the statement on internal control; the audit certificate; and the financial statements.

Statement of Accounting Officer's Responsibilities

Under Section 35(3) of the National Lottery Act etc. 1993 (as amended by the National Lottery Acts 1998 and 2006), BIG is required to prepare a statement of accounts for the financial period in the form and on the basis directed by the Secretary of State for Culture, Olympics, Media and Sport.

The statement of accounts is prepared on an accruals basis and must show a true and fair view of BIG's state of affairs at the period end and of its income and expenditure and cash flows for the accounting period.

In preparing the accounts, the Board members are required to:

- ▶ Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- ▶ Make judgements and estimates on a reasonable basis.
- ▶ State whether applicable accounting standards have been followed, and disclose and explain any material departures in the annual accounts.
- ▶ Prepare the statement of accounts on the going concern basis, unless it is inappropriate to presume that BIG will continue in operation.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of BIG as the Accounting Officer. My relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' memorandum issued by the Treasury and published in 'Managing Public Money', and in the Financial Directions issued by the Secretary of State for Culture, Olympics, Media and Sport under Section 26(3) of the National Lottery etc Act 1993.

As Accounting Officer, as far as I am aware, there is no relevant audit information of which BIG's auditors are unaware. I have taken all reasonable steps as Accounting Officer to make myself aware of any relevant audit information and to establish that BIG's auditors are aware of that information.

Delegated responsibilities

BIG has, wherever appropriate, sought to use the powers of delegation provided by the National Lottery Act 1998. As a result of this, other parties may be accountable for specific elements of programmes.

Joint schemes

BIG has entered into joint schemes, as defined in the National Lottery Act 1998, to provide funding alongside other bodies to achieve the outcomes defined by the relevant Joint Scheme Order. In these schemes, BIG's Accounting Officer is responsible for ensuring that Lottery funds allocated by BIG are applied in accordance with BIG's legal powers; the economic, efficient and effective use of Lottery funding allocated by BIG to the programme; satisfying himself that the systems used for operating the programme are robust and fit for purpose; and agreeing the mechanism for allocating the administrative costs of the programme between the participating Lottery distributors. In addition for the Awards for All England programme, as BIG administers the programme BIG's Accounting Officer is also responsible for the delivery of the systems used for operating the programme.

During 2009/10 BIG has participated in the following joint schemes:

- ▶ Awards for All, England – a scheme administered by BIG on behalf of Arts Council England, Heritage Lottery Fund, BIG and Sport England. This scheme formally ended on 31 March 2009, throughout 2009/10 BIG has managed the closure of the programme.
- ▶ Spaces for Sports and Arts, part of the PE and Sport in Schools programme – a scheme administered by Sport England on behalf of Sport England, Arts Council England, Department for Culture, Media and Sport, Department for Education and Employment and BIG.
- ▶ Active England, part of the PE and Sport in Schools programme – a scheme administered by Sport England on behalf of Sport England and BIG.
- ▶ Parks for People – a scheme administered by the Heritage Lottery Fund on behalf of the Heritage Lottery Fund and BIG.

Award partners

BIG has used the powers provided by the National Lottery Act 1998 to delegate to award partners the following grant schemes. The delegation agreement between BIG and the award partners sets out the responsibility of the Chief Executive of the award partner to ensure that the systems implemented to administer Lottery applications and to process and monitor Lottery grants are acceptable and fit for purpose and that Lottery funds are distributed with due regularity and propriety. I retain responsibility for the overall safeguarding of the public funds provided to BIG and for ensuring that award partners operate within our agreed terms and in line with the financial and policy directions provided to me.

As part of the new opportunities for health programmes:

- ▶ British Heart Foundation – Heart Failure Support Networks

As part of the new opportunities for PE and Sport in Schools programme:

- ▶ sportscotland – SFA Youth Action Plan

As part of the Young People's Fund:

- ▶ Youthnet – BIG Deal

As part of the Countryside Communities programme:

- ▶ Carnegie Institute

As part of the Changing Spaces programme:

- ▶ Royal Society of Wildlife Trust – Local food
- ▶ Building Research establishment Ltd – the Community Sustainable Energy programme
- ▶ Groundwork Trust – Community Spaces
- ▶ Natural England – Access to Nature
- ▶ Mind – Ecominds

As part of the Reaching Communities England programme:

- ▶ Manx Lottery Trust
- ▶ Make your Mark

Peter Wanless

Chief Executive and Accounting Officer

6 July 2010

Section six

Statement on internal control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of BIG's aims and objectives while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned through 'Managing Public Money' and ensuring compliance with the requirements of BIG's Management Statement, Policy Directions, Financial Directions and Statement of Financial Requirements.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of BIG's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place throughout the year ended 31 March 2010 and up to the date of the approval of the annual report and accounts. It accords with Treasury guidance.

The main elements of BIG's control framework are set out below.

Control environment

- ▶ The Department for Culture, Media and Sport has designated me, the Chief Executive of the Big Lottery Fund, as Accounting Officer. I hold a separate letter of engagement to this effect that clearly sets out my responsibility and accountability for maintaining a sound system of internal control within the Fund.
- ▶ A senior management team, with clear terms of reference and defined membership, which meets at least every month to consider the plans and operations of BIG and compliance with the Management Statement.
- ▶ A Board which meets every two months to consider the strategic direction of BIG. The Board comprises a Chair and non executive members and is attended by members of the senior management team.
- ▶ The Audit and Risk Committee, whose terms of reference require the committee to approve the internal audit programme, to endorse the risk register and to scrutinise the outcome of reports by internal and external audit. To provide additional skills and perspective the Audit Committee includes two external members. The Chair of the committee reports to the Board on the matters discussed by the committee.
- ▶ The Remuneration Committee, whose terms of reference provide for oversight and approval of remuneration and performance for senior staff members including myself.
- ▶ The Resources Committee, whose terms of reference require the committee to approve the annual budget, to receive regular financial reports and to challenge and oversee expenditure.
- ▶ A published corporate plan that sets out our objectives and performance measures.
- ▶ Quarterly performance management reports to the senior management team reporting progress in achieving corporate objectives, performance and service delivery targets. We have made good progress towards achieving these targets as detailed in section three of the annual report. Where targets have not been met, action is identified to improve efficiency and effectiveness.
- ▶ Monthly financial summary reports to the senior management team and quarterly reports to the Resources Committee, reporting progress against financial targets, including grant commitment budgets, NLDF balance targets and operating cost budgets.
- ▶ A fraud policy, whereby suspected frauds are dealt

with by liaison with Police and other agencies where appropriate and those above £10,000 are reported to DCMS. A number of cases are currently under investigation. Throughout the investigation, whether or not fraud is proven, we review procedures and processes to learn lessons and improve systems of internal control, fraud prevention and detection where necessary.

- ▶ A wide range of policies dealing with control issues for corporate governance, financial management, project management, health and safety, training and development, information technology and risk management.
- ▶ A wide range of controls to ensure grant assessment and monitoring activity is adequately managed and that losses of Lottery grant are minimised. These controls include written procedures for grant assessment and grant management tasks, defined management supervisory tasks, clear delegations for decision-making and a training programme which includes fraud awareness training.
- ▶ A project management framework, with defined responsibilities, including project sponsor. This project framework is used for developing new programmes.
- ▶ A formal project management structure, using Prince 2 methodology, to oversee the progress of the business process re-engineering project including the design and implementation of revised business processes and the new funding system. In addition we have commissioned the Office of Government Commerce to carry out Gateway reviews to inform major decision-making points within the project.
- ▶ An internal communications process that ensures that all staff are informed about key decisions on a timely basis through appropriate media, including cascaded briefings by line managers and presentations by the Chief Executive and directors.

- ▶ An external communications strategy that ensures that stakeholders, Parliamentarians, press and members of the public receive appropriate and reliable information.
- ▶ An Internal Audit Unit that operates to standards defined in the Government Internal Audit manual. The work of internal audit is informed by the corporate risk register and an assessment of the assurance requirements and most significant risks facing BIG and gives emphasis to the key day to day processes and systems in place within BIG. The annual internal audit plan is based on this analysis; it is approved by me and endorsed by the Audit and Risk Committee. The Head of Internal Audit meets with me on a regular basis and provides me with periodic progress reports including the findings of follow up reviews building to an annual report on internal audit activity. This annual report includes his opinion on the adequacy and effectiveness of the systems that internal audit have reviewed.
- ▶ The Head of Internal Audit also regularly meets with the Audit and Risk Committee with no officers present. The Audit and Risk Committee reviews the periodic progress reports and the annual assurance report.

Risk management

Capacity to handle risk

At the start of the year the senior management team formally considered and updated their documentation of the corporate risks faced by BIG. The outcome of this review was discussed with the Audit and Risk Committee, on behalf of the Board, to seek their agreement to management's assessment of corporate risks. This exercise was repeated quarterly throughout the financial year to ensure that the risk register and our responses remain relevant.

In addition to the corporate risk register each director is responsible for conducting regular reviews of risks within their directorate. These reviews are periodically considered by the senior management team focusing on areas where urgent action is required.

Section six

Risk management principles, including consideration of risk and recommendations for appropriate mitigation, are integral to our grant assessment, grant management, new programme development and project management procedures.

During 2009/10 we have continued developing our risk management capacity through rolling out of tailored training to management teams across BIG.

Risk and control framework

The 2009/10 corporate risk register was agreed by the Audit and Risk Committee in July 2009, superseding the previous year's register. The register highlighted 14 corporate risks. During the year several risks were closed out and a number of new risks added in particular risks relating to the delivery of the new funding system and the impact on our business model of a change in Government. The potential impact of each risk and the likelihood of it being realised have been assessed, our appetite for each risk identified and appropriate controls to mitigate these risks have been determined. These actions have been recorded in the corporate risk register. As detailed above, this is reviewed and updated quarterly.

In addition, risk management is built into our business planning processes in the following ways:

- ▶ The funding development framework, which supports the development of all new grant programmes, requires an assessment of the key risks for each new programme, which in turn are reported to the relevant country programme Board.
 - ▶ A similar process is followed with regard to business development projects.
 - ▶ Grant assessment and grant management procedures set out the requirement for each grant to be allocated a risk rating, which informs the level of intervention during grant management.
- During the period to date the corporate risk priorities have included:
- ▶ Political risk, in particular a failure to respond to a changing political map including the impact on existing business models of loss of income or reduction in operating costs.
 - ▶ Grant-making risk, including failure to deliver our strategic funding framework outcomes, manage demand or achieve targets through a) inadequate organisational capacity to deliver intelligent funding; b) failure to commit all the agreed grant budget; c) failure to manage grant payments; and d) projects losing partnership funding due to the economic downturn.
 - ▶ Systems development risks, including the failure of the business process re-engineering project to deliver the expected benefits to the business in the expected timescale and budget.
 - ▶ Business change risks, including lack of capacity or capability to deliver the business change programmes necessary to deliver the funding framework.
 - ▶ Legal and regulatory risk, including compliance with our new legislation and general compliance with existing legislation.
 - ▶ Non-Lottery funding risks, including failure to deliver a corporate approach; this risk was closed out during the year on the roll out of our standard approach on receiving audit assurance for a framework put in place.
 - ▶ Reputational risk, including the risks associated with Ministerial and public perceptions about our funding decisions.
 - ▶ Unpredictable risks, including systems failure and disruption to business.
 - ▶ Financial risk, including both a fall in Lottery income leading to cuts in grant budgets or failure to forecast spend accurately so that NLDF balances are higher than necessary.
 - ▶ Fraud risk, including loss of confidence in our systems.

In addition within an IT risk register we manage the risk of internal or external security breaches. As part of this we have reviewed information risk, including a review of our information security and handling policies and practices including a review of the Cabinet Office's guidelines on this area. The review raised a number of issues which are being addressed.

We are currently undertaking a major business process re-engineering project, which includes significant IT investment in a new funding system to deliver our funding programmes more efficiently and effectively. The process redesign work has been successfully completed. During 2009/10 we received a draft blueprint for the development of the funding system from our supplier. After due consideration this blueprint was not accepted and further work was commissioned from another supplier to deliver an acceptable solution. Their blueprint has now been accepted. At 31 March 2010, in accordance with accounting standards, we reviewed the carrying value in intangible assets of the funding system software and, taking into consideration the impact of the superseded blueprint and related costs associated with that solution we have reduced the value of the software asset by £1.3 million as set out in Note 9. This impairment does not compromise the project going forward and future milestone decisions will continue to be taken with due attention to the financial investment appraisal and the long-term benefits of the project.

Review of effectiveness of internal control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by i) the work of the internal auditors including the annual assurance report, interim progress reports and the reviews of outstanding audit recommendations, ii) the executive managers within BIG who have responsibility for the development and maintenance of the internal control framework, and iii) comments made by the external auditors in their management letter and other reports.

The written assurance report on internal controls that I received from the Head of Internal Audit provided moderate assurance on the design, adequacy and effectiveness of the

system of internal control. Weaknesses have been found in the design and/or operation of internal controls across several systems but none are considered significant enough to impact upon the achievement of organisational objectives. No internal audit reports in the year have identified inadequate internal controls. In addition the Head of Internal Audit has reported that where significant control weaknesses have been identified he is satisfied that they are being resolved in an appropriate manner.

The Head of Internal Audit has also provided me with regular updates on the progress made by my senior management team in implementing outstanding audit recommendations and has provided me with an independent assurance that the reported actions have been implemented.

Compliance

BIG has implemented procedures throughout the organisation to ensure that the requirements of the Financial Directions are followed.

BIG maintains a Register of Interests for all Board and committee members and all Fund staff, which is open to public inspection. A process to deal with conflicts of interest is in place for decision-making committee meetings and procedures exist to prevent any member of staff from assessing a grant application from an organisation with which they are connected.

Losses of Lottery grant have been appropriately handled and where necessary notified to DCMS.

It is my opinion that to date BIG has made sufficient arrangements to ensure compliance with the requirements of our Management Statement, Policy and Financial Directions. I am also satisfied that we have in place arrangements for detecting and responding to inefficiency, conflict of interest and fraud, to minimise losses of Lottery funding.

Peter Wanless

Chief Executive and Accounting Officer

6 July 2010

Section six

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

I certify that I have audited the financial statements of the Big Lottery Fund for the year ended 31 March 2010 under the National Lottery Act 1993 (as amended). These comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Big Lottery Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Big Lottery Fund; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Big Lottery Fund's affairs as at 31 March 2010 and of its surplus, changes in equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery Act 1993 (as amended) and directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Lottery Act 1993 (as amended) and directions issued thereunder; and
- the information given in sections one to five of the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

14 July 2010

Income statement

	Note	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Income			
Lottery income			
Proceeds from the National Lottery	14	740,257	624,587
Investment income from the National Lottery Distribution Fund	14	6,000	30,632
(Decrease)/Increase on revaluation of investment	14	(1,889)	662
Bank and other interest receivable	3	3,538	895
Recoveries of grant	3	35,684	5,022
		<u>783,590</u>	<u>661,798</u>
Income from other sources			
Other income	3	7,021	6,873
Total income		<u>790,611</u>	<u>668,671</u>
Expenditure			
Programme expenditure			
Grant commitments made	4	440,222	526,499
Less lapsed or revoked commitments	4	(20,747)	(27,656)
		<u>419,475</u>	<u>498,843</u>
National Endowment for Science, Technology and the Arts	22	15,000	15,000
Olympic transfer	22	171,728	42,932
Direct expenditure in support of programmes	5	7,927	3,923
		<u>614,130</u>	<u>560,698</u>
Operating costs			
Operating costs for distributing Lottery income	6	58,280	56,805
Recharged operating costs	6	7,021	6,873
Restructuring and investment	9	5,542	3,248
Total operating costs		<u>70,843</u>	<u>66,926</u>
Total expenditure		<u>684,973</u>	<u>627,624</u>
Surplus before taxation		105,638	41,047
Taxation	10	(1,016)	(241)
Surplus for the period		<u>104,622</u>	<u>40,806</u>
Income and expenditure reserve			
Brought forward at 1 April 2009	2	(734,622)	(775,428)
Surplus for the period		104,622	40,806
As at 31 March 2010		<u>(630,000)</u>	<u>(734,622)</u>

BIG has no recognised gains and losses other than those above. There are no discontinued activities.

The notes on pages 66 to 87 form part of these accounts.

Statement of financial position

	Note	31 March 2010 £'000	31 March 2009 £'000	31 March 2008 £'000
Non-current assets				
Property, plant and equipment	11	4,201	4,736	4,740
Intangible assets	12	2,235	1,294	-
		<u>6,436</u>	<u>6,030</u>	<u>4,740</u>
Current assets				
Trade and other receivables	13	18,675	9,303	8,822
Cash at bank and in hand		12,815	30,003	15,016
Investment balance in National Lottery Distribution Fund	14	474,142	545,119	577,876
		<u>505,632</u>	<u>584,425</u>	<u>601,714</u>
Total assets		<u>512,068</u>	<u>590,455</u>	<u>606,454</u>
Current liabilities				
Trade and other payables	15	(7,043)	(8,408)	(8,848)
Grants committed for payment	17	(471,842)	(625,113)	(640,926)
		<u>(478,885)</u>	<u>(633,521)</u>	<u>(649,774)</u>
Non-current assets less net current liabilities		<u>33,183</u>	<u>(43,066)</u>	<u>(43,320)</u>
Non-current liabilities				
Trade and other payables	15	(1,914)	(1,686)	(1,596)
Grants committed for payment	17	(650,599)	(681,601)	(724,468)
		<u>(652,513)</u>	<u>(683,287)</u>	<u>(726,064)</u>
Provisions	16	(10,670)	(8,269)	(6,044)
Assets less liabilities		<u>(630,000)</u>	<u>(734,622)</u>	<u>(775,428)</u>
Represented by:				
Income and expenditure reserve		<u>(630,000)</u>	<u>(734,622)</u>	<u>(775,428)</u>

Signed on behalf of the Big Lottery Fund Board on 6 July 2010.

Peter Wanless
Chief Executive and Accounting Officer

Sir Clive Booth
Chair

The notes on pages 66 to 87 form part of these accounts.

Statement of cash flows

	Note	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Cashflows from operating activities			
Funds drawn down from the National Lottery Distribution Fund	14	815,345	688,638
Recoveries of grant and cash from other sources		35,685	5,022
Other income		5,102	7,707
Interest received		3,538	899
Payments to suppliers		(27,770)	(26,337)
Payments to and on behalf of employees		(38,380)	(37,051)
Payments to grant recipients		(612,172)	(563,405)
Transfer to NESTA		(15,000)	(15,000)
Transfer to OLDF		(171,728)	(42,932)
Cash paid and held by third parties		(9,247)	(77)
Tax paid on interest received		(267)	(339)
Net cash flow from operating activities	20	<u>(14,894)</u>	<u>17,125</u>
Cashflows from investing activities			
Payments to acquire property, plant and equipment		(212)	(844)
Payments to acquire intangible assets		(2,082)	(1,294)
		<u>(2,294)</u>	<u>(2,138)</u>
(Decrease)/increase in cash		<u>(17,188)</u>	<u>14,987</u>
Net (decrease)/increase in cash and cash equivalents			
Cash balances carried forward		12,815	30,003
Less cash balances brought forward		(30,003)	(15,016)
(Decrease)/increase in cash		<u>(17,188)</u>	<u>14,987</u>

The notes on pages 66 to 87 form part of these accounts.

Statement of changes in equity

	Income and expenditure reserve £'000
Balance at 31 March 2008	(774,387)
Changes in accounting policy	
– Recognition of employee leave accrual on implementation of IAS 19, Employee Benefits	(543)
– Rent free adjustment for leased properties spread over the life of the lease rather than to the first rent review on implementation of IAS 17, Leases	191
– Rent free adjustment for sublet properties spread to the earliest of lease break or expiry of the lease rather than to the first rent review on implementation of IAS 17, Leases	(689)
Balance at 31 March 2008 restated	<u>(775,428)</u>
Changes in reserves 2008/09	
Retained surplus	40,806
Balance at 31 March 2009	<u>(734,622)</u>
Changes in reserves 2009/10	
Retained surplus	104,622
Balance at 31 March 2010	<u>(630,000)</u>

The notes on pages 66 to 87 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2009/10 Government Financial Reporting Manual (FReM) issued by HM Treasury, and the Accounts Directions issued by the Secretary of State for Culture, Olympics, Media and Sport in accordance with Section 43D (2) of the National Lottery etc Act 1993 (as amended by the National Lottery Acts 1998 and 2006). The accounting policies contained in the FReM apply International Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Big Lottery Fund for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Big Lottery Fund for 2009/10 are described below. They have been applied consistently in dealing with items that are considered material to the accounts. We have not adopted any IFRSs that have been issued but are not yet effective.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention. Current cost is considered a proxy for fair value.

For 2009/10 BIG does not believe that current costs are materially different to the historic cost shown in the Statement of Financial Position. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act, FReM and International Financial Reporting Standards, where appropriate.

1.2 Going concern

The annual accounts have been prepared on a going concern basis. The grant commitments for future years have been entered into after consideration of the cash requirements of grant recipients (these can extend over three to five years) and after taking account of income forecasts provided by the Department for Culture, Media and Sport including the transfer of funds to the Olympic Lottery Distribution Fund. In taking this view of future income the Board assumes as a matter of public policy the continued operation of the Lottery. They also assume the maintenance of BIG's percentage of the National Lottery Distribution Fund as set out in the National Lottery etc Act 1993 (as amended by the National Lottery Acts 1998 and 2006). The Board has taken into consideration the impact of the proposed changes to income share currently being consulted on by the Secretary of State for Culture, Olympics, Media and Sport and, as set out on page 39, have considered the impact on existing commitments recorded in these accounts.

1.3 National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for Culture, Olympics, Media and Sport. However, the share of these balances attributable to BIG is as shown in the accounts and, at 31 March 2010, has been certified by the Secretary of State for Culture, Olympics, Media and Sport as being available for distribution by BIG in respect of current and future commitments.

1.4 Property, plant and equipment

Property, plant and equipment is recognised in the Statement of Financial Position at cost except for items costing less than £2,000, which are written off to the Income Statement in the year of acquisition.

Depreciation is provided at rates calculated to write off the valuation of the assets on a straight line basis over their estimated useful lives as follows:

Leasehold improvements	Over the life of the lease
IT equipment	3 years
Office equipment, furniture and fittings	3 years

1.5 Intangible assets

In accordance with IAS 38 'Intangible Assets', development costs that are directly attributable to the design and testing of the identifiable and unique grant management software product are recognised as an intangible asset. Directly attributable costs include external contractors' fees and employee costs. On the commissioning of the software intangible assets are amortised over their useful life.

1.6 Pension fund

Employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is an unfunded multi-employer defined benefit scheme. Pension benefits are paid by the PCSPS. BIG's liabilities are limited to a charge, which is set by the Chief Government Actuary, related to salaries paid in each year.

1.7 Operating leases

Lessee

Leases where BIG has substantially none of the risks and rewards of ownership are classified by BIG as an operating lease in accordance with IAS 17 'Leases'. The costs of operating leases held by BIG are charged to the Income Statement (net of incentives) in the period to which they relate. The benefits of rent-free periods on leaseholds are apportioned over the period to the end of the lease on a straight-line basis.

At 31 March 2010 all BIG's property leases are classified as operating leases. The lease payments for property cannot be reliably allocated between the land and building components. However it is clear that both elements of the lease arrangements do not transfer substantially all of the risks and rewards of the ownership to BIG and therefore both elements have been classified as operating leases.

Lessor

Where BIG has provided a rent free or other inducement to a tenant the cost of this inducement is apportioned over the period to the earlier of the rent break point or the expiry date of the lease on a straight-line basis.

1.8 Expenditure on programmes

The National Lottery etc Act 1993 provides for BIG to make grants to fund or assist in the funding of projects and to make or enter into arrangements which are designed to meet expenditure that is charitable or connected with health, education or the environment as directed by the Secretary of State.

Grant offers and commitments

The Accounts Direction issued by the Department for Culture, Media and Sport requires a distinction to be made between soft commitments and hard commitments.

Hard commitments are defined as the grant sum payable over the life of a scheme on which BIG has a written contractual agreement with the applicant. Hard commitments are charged to the income statement in the year that the contracts are signed. Hard commitments are shown on the Statement of Financial Position as a liability, the balance being reduced as payments to grant recipients are released.

Soft commitments are defined as an agreement in principle by BIG to fund a scheme and an offer of grant made to the applicant, which the applicant has yet to accept formally. These are shown as a note to the accounts but are not treated as part of the income statement.

Notes to the accounts

Grants repaid and recovered

BIG's conditions of grant permit the recovery and repayment of grants paid. This can arise when the grant holder fails to comply with the terms and conditions or where the actual expenditure by a recipient falls below the grant that has been paid based on estimated costs.

Recoveries of grants are recognised as income on receipt of the repayment.

Direct expenditure on programmes

BIG records as 'direct expenditure on programmes' those costs incurred in delivering directly services to beneficiaries or grant recipients in accordance with its Section 43 Policy Directions. For example provision of grant applicant and recipient support structures and quality assurance for the direct benefit of grant recipients.

1.9 Taxation

Corporation tax is charged on the basis of tax law enacted at the financial position date. This taxation is on interest received on cash balances held in commercial bank accounts.

BIG is registered for valued added tax (VAT). VAT is charged and recovered on BIG's activities that comply with the definition of business activities as set out in VAT legislation. This includes much of our non-Lottery activities.

1.10 Cash and cash equivalents

Cash includes cash in hand and deposit held at call with commercial banks.

1.11 Provisions

Provisions for restructuring costs and onerous lease transactions are recognised when BIG has a present legal obligation as a result of a past decision, it is probable that resources will be required to settle the obligation and the amount has been reliably estimated.

1.12 Grant management

Delegated partners

BIG has entered into agreements with a number of delegated bodies to carry out specified grant management processes. Funds advanced to delegated partners for the purpose of payment of hard commitments are recorded as a current asset until BIG receives confirmation that grant commitments have been met.

Joint schemes

Where BIG has entered into a joint scheme, as defined in the National Lottery Act 1998, hard commitments made through the joint scheme are accounted for on the basis of BIG's share in the scheme. Funds advanced to the joint scheme for the purpose of payment of hard commitments are recorded as a current asset until BIG receives confirmation that the grant commitments have been met. Administration costs are included in the income statement at the amount charged to BIG.

1.13 Third party assets

BIG holds as custodian certain assets belonging to third parties. These are not recognised in the accounts since BIG has no direct beneficial interest in them. The bank balances held on behalf of third parties are shown as in note 23.

2. First time adoption of IFRS

Impact on income and expenditure reserves

£'000

Income and expenditure reserve at 31 March 2008 under UK GAAP (774,387)

Adjusted for the implementation of the following International Accounting standards:

- IAS 19 'Employee Benefits'; accounting for the accrued cost of holiday benefit carried forward at 31 March 2008. (543)
- IAS 17 'Leases'; Adjustment to spread the benefit of incentives (rent free periods) over the full term of the lease as at 31 March 2008. These were previously spread to the first rent review. (689)
- IAS 17 'Leases'; Adjustment to spread the cost of incentives (rent free periods) provided to tenants to the earlier of the rent break point or expiry date of the lease as at 31 March 2008. These were previously spread to the first rent review. 191

Income and expenditure reserve at 31 March 2008 restated for IFRS (775,428)

Income and expenditure reserves at 31 March 2009 under UK GAAP (733,616)

- IAS 19 'Employee Benefits'; accounting for the accrued cost of holiday benefit carried forward at 31 March 2009. (479)
- IAS 17 'Leases'; Adjustment to spread the benefit of incentives (rent free periods) over the full term of the lease as at 31 March 2009. These were previously spread to the first rent review. (881)
- IAS 17 'Leases'; Adjustment to spread the cost of incentives (rent free periods) provided to tenants to the earlier of the rent break point or the expiry date of the lease as at 31 March 2009. These were previously spread to the first rent review. 354

Income and expenditure reserve at 31 March 2009 restated for IFRS (734,622)

Impact on the Surplus for 2008/09

£'000

Surplus of Income and expenditure for 2008/09 under UK GAAP 40,771

- IAS 19 'Employee Benefits', reduction in staff costs as the accrual for holiday benefit at 31 March 2009 was lower than the prior year. 64
- IAS 17 'Leases', increase in rent expenditure as rent free premiums are spread over the length of the lease. (192)
- IAS 17 'Leases', increase revenue as rent free premiums to lessors are spread to the earlier of the rent break point or the expiry of the lease 163

Surplus of Income and expenditure for 2008/09 under IFRS 40,806

Notes to the accounts

3. Income

Recoveries of grant £35,684,000 (2008/09 £5,022,000) represent income received back from grant holders (see note 1.8). In 2009/10 these recoveries of grant included £32,025,000 from the three large grants that were made through the Renewable Energy programme to support the construction of an offshore wind farm (delivered by Seascope) and two biomass power stations (delivered by E-On and Sembcorp). In March 2009 the Government changed the way in which it incentivised renewable electricity generation in the UK. As a result these three grant holders decided to return their grants. This money, including interest, was returned on 1 April 2009. £3,489,000 is included within bank and other interest receivable.

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Bank and other interest receivable		
Bank interest	49	895
Other interest	3,489	-
	<u>3,538</u>	<u>895</u>
	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Other income		
Income from delivering non-Lottery funding	4,387	3,933
Income from delivering Lottery funding on behalf of other distributors	663	1,291
Rental income	1,743	1,456
Other	228	193
	<u>7,021</u>	<u>6,873</u>

4. Programme expenditure

IFRS 8 requires disclosure of financial data by reportable segment. BIG manages and reports grant-making activity based on geographical segments. Operating costs, however, are not managed and reported on a segmental basis.

BIG is a UK wide funder. The allocation of funding between the four UK countries is a matter for BIG's Board. We do not allocate income but manage each country's share through determination of grant budgets. As set out in section four of the annual report our grant budgets are set based on available cash resources. The Board has allocated indicative funding for the 2009 – 2015 Strategic plan to each country after a share of budget, up to 10 per cent, is top sliced for UK programmes. Of the remaining budgets England receive 77.5 per cent; Scotland 11.5 per cent; Wales 6.5 per cent and Northern Ireland 4.5 per cent. Over the plan period each country committee has discretion, within certain constraints, on the phasing of grant decisions. The table below sets out grant commitments charged to the Income Statement in the year.

	Year ended 31 March 2010						Year ended
	UK	England	Scotland	Wales	Northern Ireland	Total	31 March 2009
	£'000						£'000
Grant commitments made	34,225	274,103	63,501	18,989	49,404	440,222	526,499
Less lapsed and revoked commitments	(1,015)	(15,173)	(2,161)	(1,042)	(1,356)	(20,747)	(27,656)
Net grant commitments made	33,210	258,930	61,340	17,947	48,048	419,475	498,843

5. Direct expenditure in support of programmes

Costs relating to expenditure for the direct benefit of third party recipients made under contract rather than a grant award.

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Consultancy support provided directly to grant applicants and recipients	4,572	3,891
The People's Millions award	-	32
Scottish Youth Football award	3,355	-
	<u>7,927</u>	<u>3,923</u>

BIG has entered into the following contracts that will provide support directly to beneficiaries. The expenditure is accounted for when the services contracted for are provided. At 31 March the following financial commitments were outstanding on these contracts.

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
sportscotland – Scottish Youth Football	1,455	4,810
Highlands and Islands Enterprise – Growing Community Assets support contract	199	1,347
Participation Works – Young People's Fund, England	-	1,612
6 contracts to deliver the Lifeskills programme in Wales	3,191	-
4 other support and development contracts (2008/09 – 6)	1,077	1,197

Notes to the accounts

6. Operating costs

Included in operating costs are:

	Year ended 31 March 2010			Year ended 31 March 2009
	Operating costs for distributing Lottery income £'000	Recharged operating costs £'000	Total operating costs £'000	Total operating costs £'000
Employee remuneration (note 8)	35,262	2,164	37,426	35,857
Travel and expenses				
– Staff	1,911	107	2,018	1,905
– Board and committee members	111	-	111	137
Payments under operating leases				
– Property	3,882	2,152	6,034	5,962
Other accommodation costs	2,669	31	2,700	3,276
Information for grant applicants and recipients	3,352	139	3,491	3,430
IT infrastructure costs	4,777	115	4,892	3,322
Externally provided support for grant programmes	1,892	93	1,985	2,114
Programme evaluation	449	5	454	665
Staff recruitment and training	1,573	53	1,626	2,162
Professional fees including support and development contracts	1,125	2,093	3,218	2,098
Business Process re-engineering project	-	-	-	132
Auditors remuneration				
– For audit work	106	-	106	105
– For IFRS review	5	-	5	2
Other costs	416	69	485	1,634
Non cash items:				
– Depreciation	748	-	748	847
– Write down of property, plant and equipment	2	-	2	-
Total	58,280	7,021	65,301	63,648

Recharged operating costs are incurred undertaking the following activities.

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Delivering non-Lottery funding	4,387	3,933
Delivering Lottery funding on behalf of other distributors	663	1,291
Sub letting surplus accommodation	1,743	1,456
Other activities	228	193
	<u>7,021</u>	<u>6,873</u>

7. Financial performance indicator

Our financial performance indicator is the proportion of our share of Lottery income that we spend on distributing it. We exclude from this measure costs that we recharge to other people, including the costs of distributing Lottery and non-Lottery money for other organisations and sub-let properties. We also exclude the one-off costs of investment to achieve future efficiencies. On this basis the cost of distributing our share of Lottery income was 7.4 per cent of that income (2008/09 8.6 per cent).

Notes to the accounts

8. Staff numbers and costs

The total salary cost, including Board members, was as follows:

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Wages and salaries	29,053	27,481
Social security costs	2,298	2,184
Other pension costs	5,046	4,889
Agency costs	1,749	1,454
Holiday pay	35	(65)
Capitalised salaries	(755)	(86)
	37,426	35,857

These costs include £153,025 for staff seconded out to other organisations. Recoveries of £157,303 are included in other income.

The salary and pension entitlement of the senior management and Board members of BIG are included above; details are disclosed in the Remuneration Report.

Salary costs incurred in the development of the new funding management system have been capitalised in accordance with IAS 38 'Intangible assets'. These costs are included within additions in Note 12. In 2009/10 £90,000 of capitalised salaries were taken to revenue as part of business process re-engineering costs (see note 9).

The average number of full time equivalent employees and temporary staff working for BIG during the year was as follows:

	Year ended 31 March 2010			Year ended 31 March 2009
	Average number of temporary staff	Average number of employees	Total average no. of staff (FTE's)	Total average no. of staff (FTE's)
Grant making	49	576	625	618
Support to customers and stakeholders	6	191	197	194
Governance and administration	10	200	210	218
Staff engaged on capital projects	1	14	15	16
	66	981	1,047	1,046

At 31 March 2010 BIG employed 988 full time equivalent employees (2008/09 969).

9. Restructuring and investment costs

Over the past four years we have implemented the 'Structural Review', a major change programme to restructure and relocate our England grant-making activities and corporate service functions. We also continue to look at the way we are structured and make changes to deliver fit for purpose, efficient and effective services. During 2009/10 the costs of this restructuring including termination payments and property transactions are set out on page 74.

In 2009/10 we sublet a floor of our Plough Place, London premises at market rent which is less than we are currently contracted to pay. In accordance with IAS 37 'Provisions, contingent liabilities and assets' we have provided in full for this difference (see Note 16). BIG's requirement for space has reduced and the Plough Place space has been replaced by lower cost accommodation in Birmingham and Newcastle; we will receive substantial future benefits from this transaction.

We are investing in a review of our business processes including a new funding management system to improve customer service and increase efficiencies. Most of this expenditure is capitalised in accordance with IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' (see Notes 11 and 12). However certain expenditure has been charged to the Income Statement in the financial year. During 2009/10 we incurred costs in developing the plans and drawing up the detailed blueprint for the new funding system. Included in these costs are, £417,000 for staff costs previously included in intangible assets, £278,000 for licences and £631,000 for consultancy fees for a draft of the blue print that has now been superseded.

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Termination payments	349	1,937
Property rationalisation	3,511	1,311
Business process re-engineering review	1,682	-
	<u>5,542</u>	<u>3,248</u>

10. Taxation

BIG only pays corporation tax on bank and any other interest received.

The tax payable on 2009/10 interest received is £990,000 based on a corporation tax rate of 28 per cent. In 2008/09 we underprovided corporation tax due by £26,000 therefore the total charged to the Income Statement in the current year is £1,016,000 (2008/09 £241,000).

Investment income generated on balances held and invested by the National Lottery Distribution Fund on BIG's behalf is not taxable.

Notes to the accounts

11. Property, plant and equipment

	Leasehold improvement £'000	IT £'000	Office equipment, furniture and fittings £'000	Total £'000
Cost				
At 1 April 2009	6,537	2,571	228	9,336
Additions	51	89	72	212
Disposals	-	(797)	-	(797)
At 31 March 2010	6,588	1,863	300	8,751
Depreciation				
At 1 April 2009	2,696	1,722	182	4,600
Charge for the year	403	311	31	745
Disposals	-	(795)	-	(795)
At 31 March 2010	3,099	1,238	213	4,550
Net cost				
At 31 March 2010	3,489	625	87	4,201
Cost				
At 1 April 2008	6,273	2,034	185	8,492
Additions	264	537	43	844
Disposals	-	-	-	-
At 31 March 2009	6,537	2,571	228	9,336
Depreciation				
At 1 April 2008	2,261	1,358	133	3,752
Charge for the year	435	364	49	848
Disposal	-	-	-	-
At 31 March 2009	2,696	1,722	182	4,600
Net cost at 31 March 2009	3,841	849	46	4,736
At 31 March 2008	4,012	676	52	4,740

All leasehold improvements are on short leasehold properties where the leases expire in less than 20 years. In 2008/09 IT equipment includes £292,000 for equipment acquired for the development of the new funding system. All assets are owned by BIG.

12. Intangible assets

	Funding system software – under development £'000		Funding system software – under development £'000
Cost		Cost	
At 1 April 2009	1,294	At 1 April 2008	-
Additions	1,768	Additions	1,294
Impairment	(827)	Impairment	-
At 31 March 2010	2,235	At 31 March 2009	1,294
Amortisation		Amortisation	
At 1 April 2009	-	At 1 April 2008	-
Charge for the year	-	Charge for the year	-
Disposal	-		-
At 31 March 2010	-	At 31 March 2009	-
Net cost at 31 March 2010	2,235	Net cost at 31 March 2009	1,294
		Net cost at 31 March 2008	-

13. Trade and other receivables

	At 31 March 2010 £'000	At 31 March 2009 £'000	At 31 March 2008 £'000
Amount falling due within one year			
Held by delegated partners for payment of grant commitments	12,555	2,633	600
Deposits and advances	891	491	428
Other receivables	1,686	2,159	3,865
	15,132	5,283	4,893
Prepayments and accrued income	3,543	4,020	3,929
	18,675	9,303	8,822

Included in the amounts above are the following:

£44,339 owed by 76 members of staff for season ticket loans. No loan exceeds £5,000. All loans are for 12 months and are repayable through deduction from salary.

Notes to the accounts

Balances payable by other Government bodies are as follows:

	At 31 March 2010 £'000	At 31 March 2009 £'000	At 31 March 2008 £'000
Amounts due from other Government bodies	3,423	1,737	4,612
Amounts due from local authorities	12	997	304
Amounts due from bodies external to government	4,231	6,216	3,715

14. National Lottery Distribution Fund

	£'000	£'000
Balance as at 1 April 2009		545,119
Proceeds from the National Lottery	740,257	
Investment income from the NLDF	6,000	
Funds drawn down from the NLDF	(643,617)	
Olympic Transfer	(171,728)	
Net decrease in balance		(69,088)
Cost as at 31 March 2010		476,031
Unrealised loss on investment		(1,889)
Market value at 31 March 2010		474,142
Balance as at 1 April 2008		577,876
Proceeds from the National Lottery	624,587	
Investment income from the NLDF	30,632	
Funds drawn down from the NLDF	(645,706)	
Olympic Transfer	(42,932)	
Net decrease in balance		(33,419)
Cost as at 31 March 2010		544,457
Unrealised gain on investment		662
Market value at 31 March 2009		545,119

BIG receives a share of the monies paid by Camelot Group plc to the NLDF after deduction for the costs of the Secretary of State for Culture, Olympics, Media and Sport in exercising his functions under the Lottery Act, the costs of the regulator (the National Lottery Commission), the costs of the investment manager (the National Debt Commissioners) and the costs of the National Lottery Promotions Unit.

15. Trade and other payables

	At 31 March 2010 £'000	At 31 March 2009 £'000	At 31 March 2008 £'000
Amount falling due within one year			
VAT	-	93	60
Other taxation and social security	1,245	981	1,100
Trade payables	80	103	10
Other payables	1,139	1,171	1,239
Accruals and deferred income	4,579	6,060	6,439
	7,043	8,408	8,848
Amount falling due after more than one year			
Other payables, accruals and deferred income	1,914	1,686	1,596

Included in the amounts above are the following balances payable to other Government bodies:

	At 31 March 2010 £'000	At 31 March 2009 £'000	At 31 March 2008 £'000
Amounts due to other Government bodies	2,634	1,677	3,023
Amounts due to local authorities	11	103	9
Amounts due to bodies external to Government	6,312	8,314	7,412

Notes to the accounts

16. Provisions for liabilities and charges

	Unavoidable lease payments	Early retirement contributions	Redundancy provisions	Redundancy support	Total provisions
	£'000	£'000	£'000	£'000	£'000
Brought forward at 1 April 2009	4,027	1,889	2,211	142	8,269
Net charged to expenditure in the year	3,261	11	316	22	3,610
Payments made	(265)	(415)	(503)	(26)	(1,209)
Carried forward at 31 March 2010	7,023	1,485	2,024	138	10,670
Brought forward at 1 April 2008	2,826	2,089	990	139	6,044
Net charged to expenditure in the year	1,502	68	1,832	34	3,436
Payments made	(301)	(268)	(611)	(31)	(1,211)
Carried forward at 31 March 2009	4,027	1,889	2,211	142	8,269

Unavoidable lease payments

BIG has sublet part of its Plough Place, London premises to three tenants. The provision represents the difference between the rent charged to BIG's tenants and that which the Fund is contracted to pay to its landlords. The provision for the difference in market rent is calculated using an assumed inflation rate of 3 per cent. The provision will be realised over 12 years.

During 2009/10 a new sublease was entered into (See Note 9). We used the market rents indicated by this agreement to revise the existing provisions.

In previous years we have not discounted the provision as the financial impact was deemed too immaterial. At 31 March 2010 we have discounted the provision for unavoidable lease payments using the discount rate advised by HM Treasury, 2.2 per cent. This has reduced the provision by £692,000.

Restructuring: retirement, redundancy and support

As part of the merger and the Structural Review certain posts have been identified as no longer required or have been relocated. As a result staff have been made redundant or have taken early retirement.

- Where eligible staff take early retirement BIG is contracted to meet certain pension contributions until these staff reach statutory retirement date. An estimate of these future contributions is provided. Payments against this provision will continue to be made for up to ten years
- A provision has been made for the estimated redundancy costs of those staff with whom BIG has entered into consultation prior to 31 March 2010, but for which settlement was not paid by that date. Redundancy payments are made in accordance with contractual arrangements and terms set out in the Principal Civil Service Pension Scheme arrangements. It is expected that the majority of this provision will be realised over the course of the two years to 2012.
- Other costs directly relating to providing support to staff being made redundant have also been provided.

17. Grants committed for payment (hard commitments)

	£'000	£'000
Hard commitments		
Brought forward at 1 April 2009		1,306,714
Grant commitments made	440,222	
Lapsed and revoked commitments	(20,747)	
Grant commitments met	(603,748)	
Net movement in hard commitments		(184,273)
Carried forward at 31 March 2010		<u>1,122,441</u>
Brought forward at 1 April 2008		1,365,394
Grant commitments made	526,499	
Lapsed and revoked commitments	(27,656)	
Grant commitments met	(557,523)	
Net movement in hard commitments		(58,680)
Carried forward at 31 March 2009		<u>1,306,714</u>

Ageing of hard commitments

The hard commitment balance at the year end represents amounts due to recipients in the following periods:

	At 31 March 2010 £'000	At 31 March 2009 £'000	At 31 March 2008 £'000
Grants committed for payment within one year	471,842	625,113	640,926
Grants committed for payment in more than one year	650,599	681,601	724,468
	<u>1,122,441</u>	<u>1,306,714</u>	<u>1,365,394</u>

Included in the above amounts are the following balances payable to other Government bodies.

	At 31 March 2010 £'000	At 31 March 2009 £'000	At 31 March 2008 £'000
Grants committed for payment to other Government bodies	27,563	25,735	35,836
Grants committed for payment to local authority bodies	287,096	280,411	424,678
Grants committed for payment to the National Health Service organisations	76,484	73,059	85,125

Notes to the accounts

18. Soft commitments

Soft commitments represent grant offers that have yet to be formally accepted in writing by the applicant. As such these offers are not recognised as a financial commitment within these accounts.

	£'000	£'000
Soft commitments		
Brought forward at 1 April 2009		83,318
Soft commitments made	422,742	
Lapsed and revoked soft commitments	(2,659)	
Soft commitments transferred to hard commitments	(440,222)	
Net movement in soft commitments		(20,139)
Carried forward at 31 March 2010		63,179

19. Joint schemes

Active England

£1.5 million (2008/09 £2.8 million) of grant commitments carried forward at 31 March represent BIG's contribution to grants made as part of the Active England joint scheme. BIG will contribute £77.5 million to the total funding of £107 million. This scheme is administered by Sport England on behalf of all parties to the agreement.

Awards for All, England

This scheme concluded on 31 March 2009 and no new commitments were made after this date; in 2008/09 £36.9 million of new grant commitments were made. All grant commitments have been met by 31 March 2010 (in 2008/09 the accounts included £2.2 million of outstanding commitments. This scheme is administered by BIG on behalf of all parties to the agreement.)

Parks for People

Included within hard commitments are £23.8 million (2008/09 £25.9 million) of new grant commitments; and grant commitments carried forward at 31 March include £42.2 million (2008/09 £27.1 million) representing BIG's contribution to the Parks for People joint scheme. BIG will contribute up to £80 million to the total expected funding of £140 million. This scheme is administered by the Heritage Lottery Fund on behalf of all parties to the agreement.

20. Reconciliation of income and expenditure to net cash flow from operating activities

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Surplus for the period	104,622	40,806
Depreciation of property, plant and equipment	745	848
Write down of disposal of property, plant and equipment	2	
Impairment of intangible assets	1,326	-
Surplus adjusted for non-cash transactions	106,695	41,654
(Increase) in trade and other receivables	(9,372)	(481)
Decrease in NLDF balance	70,977	32,756
(Decrease) in trade and other payables	(1,322)	(350)
Increase in provisions	2,401	2,225
(Decrease) in provision for grant commitments	(184,273)	(58,679)
Net cash (outflow)/ inflow from operating activities	(14,894)	17,125

21. Financial risks

Liquidity risks

In the year ended 31 March 2010, £740 million (93 per cent) of BIG's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the NLDF £4 million (1 per cent) and from bank interest and other income £47 million (6 per cent).

At 31 March 2010 BIG had net liabilities of £630 million and soft commitments of £63 million. Although BIG has a net liability the Board does not consider that BIG is exposed to significant liquidity risks as many of its commitments will not be paid until after the next financial year end. Grant holders can only draw down monies once they have proved their need to receive the next tranche of grant funding allocated to them. Due to these timing differences between the date the grant holder accepts the grant offer and the dates that they draw down these monies, BIG is encouraged by the Department for Culture, Media and Sport to over-commit the available funds.

	£'m
Liquid assets at 31 March 2010	
Market value of NLDF investments	474
Cash	13
	<hr/>
	487
Forecast cashflows during 2010/11	
Income from the National Lottery	732
Less transfer to the London 2012 Olympics	(172)
Other income	15
Operating cost payments	(66)
Grant payments	(591)
	<hr/>
Net forecast outgoings	(82)
	<hr/>
Forecast liquid assets at 31 March 2011	405

The income forecasts are based on projections provided by the Department for Culture, Media and Sport. The forecast grant payments are based on expected draw down profiles as compiled at 31 March 2010.

Interest rate risks

Cash balances are invested in the NLDF. As set out in Note 1.3 the Board has no control over the investment of funds in the NLDF. This is managed by the National Debt Commissioners on behalf of the Secretary of State for Culture, Olympics, Media and Sport. The market value of investment in the NLDF at the year-end was £474 million. In the year the average return on these investments was 0.58 per cent.

Cash balances which are drawn down from the NLDF to pay grant commitments and operating costs are held in instant access variable rate bank accounts which on average carried an interest rate of 0.15 per cent in the year. The cash balance at the year-end was £13 million. The Board considers that BIG is not exposed to significant interest rate risks.

Foreign currency risk

BIG is not exposed to material foreign exchange risks.

Credit risk

BIG's only financial instruments relate to contracts to buy non-financial items in line with BIG's expected purchase and usage requirements and therefore BIG is exposed to little credit or market risk.

Notes to the accounts

22. Financial commitments

National Endowment for Science Technology and the Arts (NESTA)

In 2005/06 Parliament agreed to provide additional funding to NESTA. A sum of £15 million is transferred from NLDF income allocated to the Big Lottery Fund each year for a period of 5 years starting 31 March 2006. The final payment was made on 31 March 2010.

Olympic transfer

In 2007/08 Parliament agreed to the transfer of up to £1,085 million from the NLDF to the Olympic Lottery Distribution Fund in order to meet some of the costs of hosting the 2012 games. BIG is committed to contribute up to £638 million between February 2009 and August 2012 in quarterly instalments.

Commitments under operating leases

Total future minimum lease payments under operating leases are given in the table below:

	As at 31 March 2010 £'000	As at 31 March 2009 £'000
Property leases held as a lessee:		
Not later than 1 year	6,493	6,595
Later than 1 year and not later than 5 years	25,369	25,680
Later than 5 years	35,026	40,947
	<u>66,888</u>	<u>73,222</u>
Property leases where we are the lessor:		
Not later than 1 year	1,584	1,381
Later than 1 year and not later than 5 years	5,168	4,723
Later than 5 years	1,050	1,625
	<u>7,802</u>	<u>7,729</u>

As set out in accounting policy 1.7 leases cannot be reliably split between land and buildings but both elements are operating leases.

23. Pension scheme

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, employees may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos members build up pensions based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

For 2009/10, employers' contributions of £4,937,000 were payable to the PCS (2008/09 £4,829,000) at one of four rates in the ranges set out below. Employer contributions are to be reviewed every four years following a full scheme valuation. The latest valuation, carried out by Hewitt Bacon and Woodrow, was on 31 March 2007. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Rates in 2009/10 have been decreased based on recommendations from the Actuary.

Bands	Year ended 31 March 2010
£20,500 and under	16.7%
£20,501 - £42,000	18.8%
£42,001 - £72,000	21.8%
£72,001 and over	24.3%

Bands	Year ended 31 March 2009
£19,501 and under	17.1%
£19,501 - £40,500	19.5%
£40,501 - £69,000	23.2%
£69,001 and over	25.5%

24. Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2010 we have written off losses of £1,428,863 representing 132 awards. (2008/09 £1,362,428 representing 89 awards). There was one write off that exceeded £100,000 as detailed below.

Jibcraft	£233,960
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Special payments arise where

- a grant has been made inadvertently to an organisation that is ineligible under the law but where the grant is within the broad intention of statutory legislation. All these awards were spent on project objectives in accordance with the grant terms and conditions
- ex gratia payments are approved.

In the financial year to 31 March 2010 19 special payments of £86,952 (2008/09 £52,536 representing nine awards) were made in relation to grant transactions.

In the financial year to 31 March 2010 the decision was taken not to accept the original blueprint solution for the development of the new funding management system. The implications of this decision on the carrying value in intangible assets of our funding management software are set out in Note 9. In accordance with accounting standards the value of the intangible asset has been impaired by £1.3 million.

Notes to the accounts

25. Related party transactions

BIG is a non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS). The DCMS is considered to be a related party.

During the year, BIG has had various material transactions with the DCMS and other bodies for which the DCMS is regarded as the sponsor Department: Heritage Lottery Fund, Sport England, Arts Council of England and the Olympic Lottery Distributor.

Transactions with DCMS reflect income received through the NLDF and the inward secondment of staff. Transactions with the other Lottery distributors include income received for management of Awards for All and rental of office space. Payments are made to HLF and Sport England for their services in running joint grant programmes (Note 19).

In addition, BIG has a number of material transactions with Government departments and bodies that regard other Government departments as their sponsor department:

- ▶ Natural England sponsored by Department for Environment, Food and Rural Affairs is a recipient of a grant award
- ▶ Highlands and Islands Enterprise sponsored by the Scottish Ministers who deliver a grant programme on our behalf
- ▶ HM Revenue and Customs relating to PAYE and NI transactions
- ▶ the Department for Education has contracted to BIG the management of the **myplace** grant programme
- ▶ the Office for Civil Society has contracted to BIG the management of the Community Assets grant programme.

Board members

BIG abides by the Cabinet Office code of practice for Board members of public bodies. As a matter of policy and procedure, Board members maintain publicly available registers of interests and declare any direct interests in grant applications made to BIG and commercial relationships with BIG.

Where any committee decisions are taken which would reasonably be seen as giving rise to a conflict of interest, principally over grants to voluntary bodies, the chair of the meeting ensures at the outset that disclosure is made and the committee member withdraws for the duration of any discussion of the relevant item. BIGs procedures also ensure that grant officers are not engaged on processing applications in which they would have an interest.

A number of Board members have declared interests with public, voluntary and charitable bodies with which BIG has non-material business interests. These are disclosed on page 49 of the annual report.

26. Third party assets

These assets represent bank balances held on behalf of third parties on whose behalf we manage grant programmes and the Olympic Lottery Distributor and the National Lottery Promotions Unit to meet payments processed by BIG under service level contracts. These balances are not included within BIG's own accounts.

At 31 March 2009 the following bank balances were held on behalf of third parties:

	31/03/09 £	Inflows £	Outflows £	31/03/2010 £
Department for Education; the <i>myplace</i> programme	958,314	30,017,328	(24,580,744)	6,394,898
Office for Civil Society; the Community Assets programme	10,078	16,063,372	(16,072,496)	954
Arts Council England; Awards for All England and West Midlands Community Buildings programme	634,020	91,381	(636,772)	88,629
Heritage Lottery Fund; Awards for All, England, Scotland, Northern Ireland	437,895	148,932	(485,145)	101,682
Sport England; West Midlands Community Buildings programme	38,215	396,224	(379,986)	54,453
Arts Council Scotland; Awards for All	83,691	473,902	(515,734)	41,859
sportscotland; Awards for All	102,057	840,654	(942,711)	-
Sports Council Northern Ireland	29,798	12,008	(36,113)	5,693
Olympic Lottery Distributor	17,330	382,584,548	(382,575,594)	26,284
National Lottery Promotions Unit	1,165,897	2,596,468	(2,916,262)	846,103

Section seven

Our statutory background

Policy Directions

The Secretary of State for Culture, Olympics, Media and Sport is given power under the Act to give Directions as to matters to be taken into account in grant-making and the conditions under which money is distributed.

Following consultations between the Government and the Big Lottery Fund. A set of themes, outcomes and priorities were agreed, which allowed the development of policies and programmes for the Big Lottery Fund through the administrative merger arrangements which brought the Community Fund and the New Opportunities fund together as the Big Lottery Fund. During 2005/06, new Policy Directions were issued to enable the Community Fund to support the new range of funding programmes within its existing legal powers, in particular the ability to make transformational grants. These Directions were issued in November 2006 on the commencement of the Big Lottery Fund. These are set out below.

The Big Lottery Fund has complied with these Directions throughout the financial year 2009/10 in every material aspect.

England and UK

DIRECTIONS GIVEN TO BIG LOTTERY FUND UNDER SECTION 36E OF THE NATIONAL LOTTERY ETC. ACT 1993.

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on her by section 36E of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund (“the Fund”), National Assembly for Wales, Scottish Ministers and Northern Ireland Department of Culture, Arts and Leisure pursuant to section 36E(5) of that Act, hereby gives the following directions to the Fund:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993.

General Directions

2. In exercising any of its functions in relation to English devolved expenditure, Isle of Man devolved expenditure and transformational grant expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

A. The need to ensure that money is distributed under section 25(1) for projects which promote the public good and which are not intended primarily for private gain.

B. The need to ensure that money is distributed under section 25(1) to projects which make real and sustainable improvements to the quality of life of local communities.

C. The need to encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.

D. The need to further the objectives of sustainable development.

E. The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.

F. The need:

- (i) in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;
- (ii) where capital funding is sought:
 - (a) for a clear business plan incorporating the need for resources to be available to meet any running and maintenance costs associated with each project for a reasonable period, having regard to the size and nature of the project; and
 - (b) to ensure that project evaluation and management process for major projects match those of the Office of Government Commerce's Gateway Reviews.
- (iii) in other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability wherever possible.

G. The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of the Fund's strategy.

H. The need to ensure that the Fund has such information as it considers necessary to make decisions on each application, including independent expert advice where required.

I. The need to require an element of partnership funding and/or contributions in kind from other sources commensurate with the reasonable ability of different kinds of applicants, or applicants in particular areas to obtain such support.

J. The need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.

K. The need to involve the public in making policies, setting priorities and making grants.

Transformational Grants

3. In exercising any of its functions in relation to transformational grant expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

A. The need to ensure that the Fund achieves over time the distribution of money to projects in each country of the United Kingdom.

B. The need for money to be distributed for the purpose of capital expenditure on projects and only to be otherwise distributed where the money:

- (i) is distributed for the purposes of endowments or in the form of revenue grants where:
 - (a) such endowments or grants are associated with a capital project, in respect of which money has been or is proposed to be distributed; and
 - (b) such endowments or grants support the delivery of the project outcomes, increase accessibility, reduce barriers to entry and ensure that such projects are sustainable; or
- (ii) is distributed for development funding to projects which have been assessed as suitable for such funding.

C. The need to transform and revitalise communities and the physical environment.

D. The need for widespread public participation in the decision to award grants which:

- (i) involve consultation, voting systems or other suitable mechanisms;
- (ii) are free from bias, corruption and manipulation; and
- (iii) involve partnerships with broadcasting, electronic, print and other media.

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English And Isle Of Man Devolved Expenditure

4. In exercising any of its functions in relation to English and Isle of Man devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

A. The need to ensure that the Fund, taking into account its assessment of needs and any priorities it has identified in its strategy, achieves over time the distribution of money to a reasonably wide spread of recipients, including small organisations, those organisations operating at a purely local level, social enterprises, and organisations with a base in England and working overseas.

B. The need to ensure that the Fund achieves over time the distribution of money reasonably equally between the expenditure on or connected with:

- (i) the promotion of community learning;
- (ii) the promotion of community safety and cohesion; and
- (iii) the promotion of physical and mental well being.

C. The need to have regard to the interests of England as a whole, the interests of all the different parts of England and the relative population sizes of, and the scope for reducing economic and social deprivation in, the different parts of England.

5. In relation to English and Isle of Man devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to projects which are intended to achieve one or more of the following outcomes:

A. People having better chances in life, with better access to training and development to improve their life skills.

B. Stronger communities, with more active citizens, working together to tackle their problems.

C. Improved rural and urban environments, which communities are better able to access and enjoy.

D. Healthier and more active people and communities.

6. In relation to English and Isle of Man devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the need to ensure one or more of the following priorities are met:

A. Improving family skills.

B. Improving literacy, numeracy, ICT and creative skills.

C. Developing consumer skills, including finance and debt management.

D. Developing basic business skills, particularly for social and creative enterprise.

E. Removing barriers to and developing employability, including through improving communication and problem solving skills.

F. Developing life skills, including skills which help improve personal independence and interactions with others.

G. Supporting the training needs of volunteers.

H. Celebrating community identity, culture, diversity and achievements.

I. Strengthening volunteering and voluntary sector infrastructure.

J. Building capacity for community engagement.

K. Broadening children and young people's experiences and raising expectations.

L. Reducing isolation, for example for older people, disabled people and their carers, and enabling participation in community and family life.

M. Supporting citizenship, leadership and local planning and delivery

- N.** Ensuring safer places, free from anti-social behaviour and crime.
- O.** Better designed, clean and well-maintained public places and public art.
- P.** Increasing community usage of local parks, play facilities, public places, community building and the countryside.
- Q.** Enabling communities to tackle local environmental problems and improve their local environment.
- R.** Promoting environmental awareness through educational projects.
- S.** Increasing community participation in sport, dance, play and physical and creative activity.
- T.** Developing better approaches to tackling mental health problems, including through education, public awareness and the arts.
- U.** Improving opportunities for healthier eating and promoting the relationship between methods of production and the environment.
- V.** Addressing health inequalities through educational and information projects.

Signed on behalf of the Secretary of State for Culture, Media and Sport

Scotland

DIRECTIONS GIVEN TO THE BIG LOTTERY FUND UNDER SECTION 36E(4)(b) OF THE NATIONAL LOTTERY ETC. ACT 1993

Scottish Ministers, in exercise of the powers conferred on them by section 36E(4)(b) of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund (“the Fund”) and obtained the consent of the Secretary of State for Culture, Media and Sport pursuant to section 36E(8) of that Act, hereby give the following directions to the Fund:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993.

General Directions

2. In exercising any of its functions in relation to Scottish devolved expenditure the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

A. The need to ensure that money is distributed under section 25(1) for projects which promote the public good and which are not intended primarily for private gain.

B. The need to ensure that money is distributed under section 25(1) to projects which make real and sustainable improvements to the quality of life of local communities.

C. The need to encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.

D. The need to further the objectives of sustainable development.

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E. The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.

F. The need:

(i) in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;

(ii) where capital funding is sought:

(a) for a clear business plan incorporating the need for resources to be available to meet any running and maintenance costs associated with each project for a reasonable period, having regard to the size and nature of the project; and

(b) to ensure that project evaluation and management process for major projects match those of the Office of Government Commerce's Gateway Reviews.

(iii) in other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability wherever possible.

G. The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of the Fund's strategy.

H. The need to ensure that the Fund has such information as it considers necessary to make decisions on each application, including independent expert advice where required.

I. The need to require an element of partnership funding and/or contributions in kind from other sources commensurate with the reasonable ability of different kinds of applicants, or applicants in particular areas, to obtain such support.

J. The need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.

K. The need to involve the public in making policies, setting priorities and making grants.

Scottish Devolved Expenditure

3. In exercising any of its functions in relation to Scottish devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

A. The need to operate within the distinctive policy context in Scotland, adding value where appropriate to Scottish Ministers' strategy; supporting a fairer Scotland with the development of opportunities for everyone to flourish within a more successful and sustainable Scotland.

B. The need to ensure that the Fund, achieves over time the distribution of money to address the priorities of tackling disadvantage, the advancement of well-being and addressing inequalities; while ensuring a reasonably widespread of recipients, including small organisations, those organisations operating at a purely local level, social enterprises and organisations with a base in Scotland and working overseas.

C. The need to have regard to the interests of Scotland as a whole, the interests of different parts of Scotland and the relative population sizes of, and the scope for reducing economic and social deprivation in, the different parts of Scotland.

D. Finally, the need to ensure that the Fund achieves over time, the distribution of money reasonably equally between the expenditure on or connected with:

- (i) the promotion of community learning;
- (ii) the promotion of community safety and cohesion; and
- (iii) the promotion of physical and mental well being.

The priority of tackling disadvantage and the need to address inequalities.

4. In relation to Scottish devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to projects which are intended to achieve one or more of the following objectives:

- A.** SMARTER: People having better chances in life.
- B.** SAFER AND STRONGER: Communities work together to tackle inequalities.
- C.** GREENER: People have better and more sustainable services and environments.
- D.** HEALTHIER: People and communities are healthier.

5. In relation to Scottish devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the following principles:

- A.** ENGAGEMENT - the development of programmes should be based on the active engagement of public, private and third sector partners.
- B.** SOLIDARITY and COHESION - ensuring that individuals and communities across Scotland have the opportunity to contribute to, participate in, and benefit from a more successful Scotland.
- C.** SUSTAINABILITY - to improve Scotland's environment today and for future generations while reducing Scotland's impact on the global environment.

D. ADDITIONALITY and COMPLEMENTARITY - the development of programmes should complement and add values to the strategies and activities of partners and stakeholders.

E. COLLABORATION - where possible, the outcomes of projects and programmes should benefit from effective collaboration between organisations and between public, private and third sector partners.

Signed on behalf of Scottish Ministers by John Swinney, Cabinet Secretary for Finance and Sustainable Growth, a member of the Scottish Government, July 2009.

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Wales

DIRECTIONS GIVEN TO BE BIG LOTTERY FUND UNDER SECTION 36E OF THE NATIONAL LOTTERY ETC. ACT 1993.

The National Assembly for Wales, in exercise of the powers conferred on it by section 36E(4)(a) of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund (“the Fund”) and obtained the consent of the Secretary of State for Culture, Media and Sport pursuant to section 36E(8) of that Act, hereby gives the following directions to the Fund:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993.

General Directions

2. In exercising any of its functions in relation to Welsh devolved expenditure, the Fund shall take into account the following matters in determining to whom the Fund may make grants or loans, the purposes for which the Fund may make grants or loans, the process used to determine what payments to make and the terms and conditions on which the Fund makes grants or loans:

- A.** The need to ensure that money is distributed under section 25(1) for projects which promote the public good and which are not intended primarily for private gain.
- B.** The need to ensure that money is distributed under section 25(1) to projects which make real and sustainable improvements to the quality of life of local communities.

- C.** The need to encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.
- D.** The need to promote and support the Welsh language and reflect the bilingual nature of Wales, including giving effect to the principle of equality between the English and Welsh languages. This should be achieved by including specific conditions on language in grants and monitoring and overseeing the performance of grant recipients with regard to those conditions.
- E.** The need to further the objectives of sustainable development.
- F.** The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.
- G.** The need:
 - (i) in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;
 - (ii) where capital funding is sought:
 - a). for a clear business plan incorporating the need for resources to be available to meet any running and maintenance costs associated with each project for a reasonable period, having regard to the size and nature of the project; and
 - b). to ensure that project evaluation and management process for major projects match those of the Office of Government Commerce’s Gateway Reviews.
 - (iii) in other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the Lottery award, taking into account

the size and nature of the project, and for Lottery funding to be used to assist progress towards viability wherever possible.

- H.** The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of its strategy.
- I.** The need to ensure that it has such information as it considers necessary to make decisions on each application, including independent expert advice where required.
- J.** The need to require an element of partnership funding and/or contributions in kind from other sources commensurate with the reasonable ability of different kinds of applicants, or applicants in particular areas to obtain such support.
- K.** The need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.
- L.** The need to involve the public in making policies, setting priorities and making grants.
- M.** The need to ensure an outcome focused approach, working closely with appropriate partners to achieve the best pattern of investment for the benefit of communities across Wales. Where appropriate the experiences of other organisations should be utilised to enhance development and delivery of funding mechanisms.

Welsh Devolved Expenditure

3. In exercising any of its functions in relation to Welsh devolved expenditure, the Fund shall take into account the following matters in determining to whom the Fund may make grants or loans, the purposes for which the Fund may make grants or loans, the process used to determine what payments to make and the terms and conditions on which the Fund makes grants or loans:

- A.** The need to ensure that the Fund, taking into account its assessment of needs and any priorities it has identified in its strategy, achieves over time the distribution of money to a reasonably wide spread of recipients, including small organisations, those organisations operating at a purely local level, social enterprises, and organisations with a base in Wales and working overseas.
- B.** The need to ensure that the Fund achieves over time the distribution of money reasonably equally between the expenditure on or connected with:
 - (i) the promotion of community learning;
 - (ii) the promotion of community safety and cohesion; and
 - (iii) the promotion of physical and mental well being.
- C.** The need to have regard to the interests of Wales as a whole, the interests of different parts of Wales, the relative population sizes and the scope for reducing economic and social deprivation in the different parts of Wales, and the need to encourage public service bodies, collaborating together, to deliver better service outcomes to citizens

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4. In relation to Welsh devolved expenditure the Fund shall distribute money under section 25(1) to projects which are intended to achieve one or more of the following outcomes:

- A.** people of all ages equipped with the skills and learning to meet the challenges of a modern society;
- B.** people working together for stronger communities, social justice and better rural and urban environments; and
- C.** healthier and more physically active people and communities.

5. In relation to Welsh devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the need to ensure one or more of the following priorities are met:

- A.** tackling the barriers to community learning and effective life skills;
- B.** people working together for stronger communities, social justice and better rural and urban environments; and
- C.** empowering communities to develop and deliver local revitalisation programmes;
- D.** developing constructive community responses to disaffection, anti-social behaviour and crime;
- E.** enabling older people to live independent lives and to contribute to their community;
- F.** enabling communities to manage and enhance their local environment and amenities;

- G.** developing people's ability to take responsibility for their own health and well-being in line with the principles underlying Health Challenge Wales, encouraging individuals and organisations to improve health in Wales;
- H.** promoting healthier eating and increasing physical activity across all age, gender and social groups;
- I.** developing new approaches to promoting community building and the countryside.

Northern Ireland

DIRECTIONS GIVEN TO BE BIG LOTTERY FUND UNDER SECTION 36E(4)(b) OF THE NATIONAL LOTTERY ETC. ACT 1993

Secretary of State for Northern Ireland, in exercise of the powers conferred on them by section 36E(4)(b) of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund ("the Fund") and obtained the consent of the Secretary of State for Culture, Media and Sport pursuant to section 36E(8) of that Act, hereby give the following directions to the Fund:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993.

General Directions

2. In exercising any of its functions in relation to Northern Ireland devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

- A. The need to ensure that money is distributed under section 25(1) for projects which promote the public good and which are not intended primarily for private gain.
- B. The need to ensure that money is distributed under section 25(1) to projects which make real and sustainable improvements to the quality of life of local communities.
- C. The need to encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.
- D. The need to further the objectives of sustainable development.
- E. The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.

F. The need:

- (i) in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;
 - (ii) where capital funding is sought:
 - (a) for a clear business plan incorporating the need for resources to be available to meet any running and maintenance costs associated with each project for a reasonable period, having regard to the size and nature of the project; and
 - (b) to ensure that project evaluation and management process for major projects match those of the Office of Government Commerce's Gateway Reviews.
 - (iii) in other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability wherever possible.
- G. The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of the Fund's strategy.
 - H. The need to ensure that the Fund has such information as it considers necessary to make decisions on each application, including independent expert advice where required.
 - I. The need to require an element of partnership funding and/or contributions in kind from other sources commensurate with the reasonable ability of different kinds of applicants, or applicants in particular areas to obtain such support.
 - J. The need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.

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- K.** The need to involve the public in making policies, setting priorities and making grants.

Northern Ireland Devolved Expenditure

4. In exercising any of its functions in relation to Northern Ireland devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

- A.** The need to ensure that the Fund, taking into account its assessment of needs and any priorities it has identified in its strategy, achieves over time the distribution of money to a reasonably wide spread of recipients, including small organisations, those organisations operating at a purely local level, social enterprises, and organisations with a base in Northern Ireland and working overseas.
- B.** The need to ensure that the Fund achieves over time the distribution of money reasonably equally between the expenditure on or connected with:
- (i) the promotion of community learning;
 - (ii) the promotion of community safety and cohesion; and
 - (iii) the promotion of physical and mental well being.
- C.** The need to have regard to the interests of Northern Ireland as a whole, the interests of all the different parts of Northern Ireland and the relative population sizes of, and the scope for reducing economic and social deprivation in, the different parts of Northern Ireland.

5. In relation to Northern Ireland devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to projects which are intended to achieve one or more of the following outcomes:

- A.** People have the opportunity to achieve their full potential
- B.** People can actively participate in their communities to bring about positive change
- C.** Community ownership of better and safer rural and urban environments
- D.** Improved physical and mental health for all people
- 6.** In relation to Northern Ireland devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the need to ensure one or more of the following priorities are met:
- A.** Improve essential skills to meet social and economic needs
- B.** Increase opportunity for community based learning
- C.** Build community capacity
- D.** Increase opportunity for volunteering and engagement within and between communities
- E.** Build community and voluntary/statutory partnerships
- F.** Improve community facilities, access and services
- G.** Increase community involvement in protecting, restoring and sustaining the urban and rural environment
- H.** Help individuals and communities to develop skills to make healthier lifestyle choices
- I.** Promote mental health and emotional well-being at individual and community level

Signed on behalf by Secretary of State NI

FINANCIAL DIRECTIONS

The Financial Directions set out below apply across all our operations in all four UK countries. We have complied with these directions through implementation of procedures throughout the organisation to ensure the requirements of the Statement of Financial Requirements are followed. We maintain an internal audit service to check on a sampling basis that all officers and departments are following the agreed procedures, and to ensure that these procedures are properly documented and disseminated. The full Statement of Financial Requirements can be obtained from the Big Lottery Fund's Director of Policy and Partnerships.

Financial Directions issued to the Big Lottery Fund under Section 26(3), (3A) & (4) of the National Lottery etc Act 1993 (as amended by the National Lottery Acts 1998) and effective from 1 February 2006 were:

- ▶ The Big Lottery Fund is the operating name of the National Lottery Charities Board and the New Opportunities Fund, working jointly together pursuant to an administrative merger in June 2006.
- ▶ The Big Lottery Fund shall comply with the requirements contained within the attached Statement of Financial Requirements which have the status of directions under section 26 of the national Lottery etc Act 1993, as amended ("the Act"). The Statement of Financial requirements complements, and should be read in conjunction with, the Big Lottery Fund's Management Statement, which deals with corporate governance and management matters.

Reference to the Big Lottery Fund throughout this document means reference to both the National Lottery Charities Board and the New Opportunities Fund.

Signed by authority of the Secretary of State for Culture, Media and Sport

Appendix

Our large grants

During 2009/10 we made no new awards of £5 million or greater. However three International Strategic grants awarded in 2008/09 were increased above the value of £5 million, as part of our response to the recession. We continued to manage 37 grants made in previous years of a value of £5 million or greater. In this appendix we summarise the progress of each of these projects.

UK portfolio

International programme

Organisation: Helpage International
Grant scheme name: Preventing HIV/AIDS and alleviating its impact in multigenerational households
Grant awarded: £5,110,820

This portfolio of nine projects across Eastern and Southern Africa aims to address the needs of older people, people living with HIV/AIDS and orphans and vulnerable children who live in multi-generational households where, due to sickness or death of the middle generation, the burden of care for supporting the family lies with the older family members.

This grant was awarded in 2007/2008 and in 2009/2010 a grant increase was approved as part of a package of additional support for International grants affected by the global economic downturn. By 31 March 2010 we had paid out £1,750,023. The project is expected to complete by April 2013.

Organisation: Care International
Grant scheme name: Enhancing mobile populations' access to HIV/AIDS services, information and support
Grant awarded: £5,102,419

The aim of this five year portfolio of projects is to develop a model of working with marginalised mobile populations in high mobility routes between Bangladesh, India and Nepal who are vulnerable to HIV/AIDS.

The grant was awarded in 2008/2009 and in 2009/2010 a grant increase was approved as part of a package of additional support for International grants affected by the global economic downturn. By 31 March 2010 we had paid out £566,017. It is expected to complete by August 2014.

Organisation: University College London – Institute of Child Health
Grant scheme name: Improving maternal, newborn and child health in low-income countries
Grant awarded: £5,168,087

This five year portfolio of projects aims to decrease maternal and child mortality in target rural areas in Bangladesh and India by improving home care practices, such as early breastfeeding and use of safe delivery kits, and increasing health care use for pregnant women and babies, by reducing delays in seeking and reaching care.

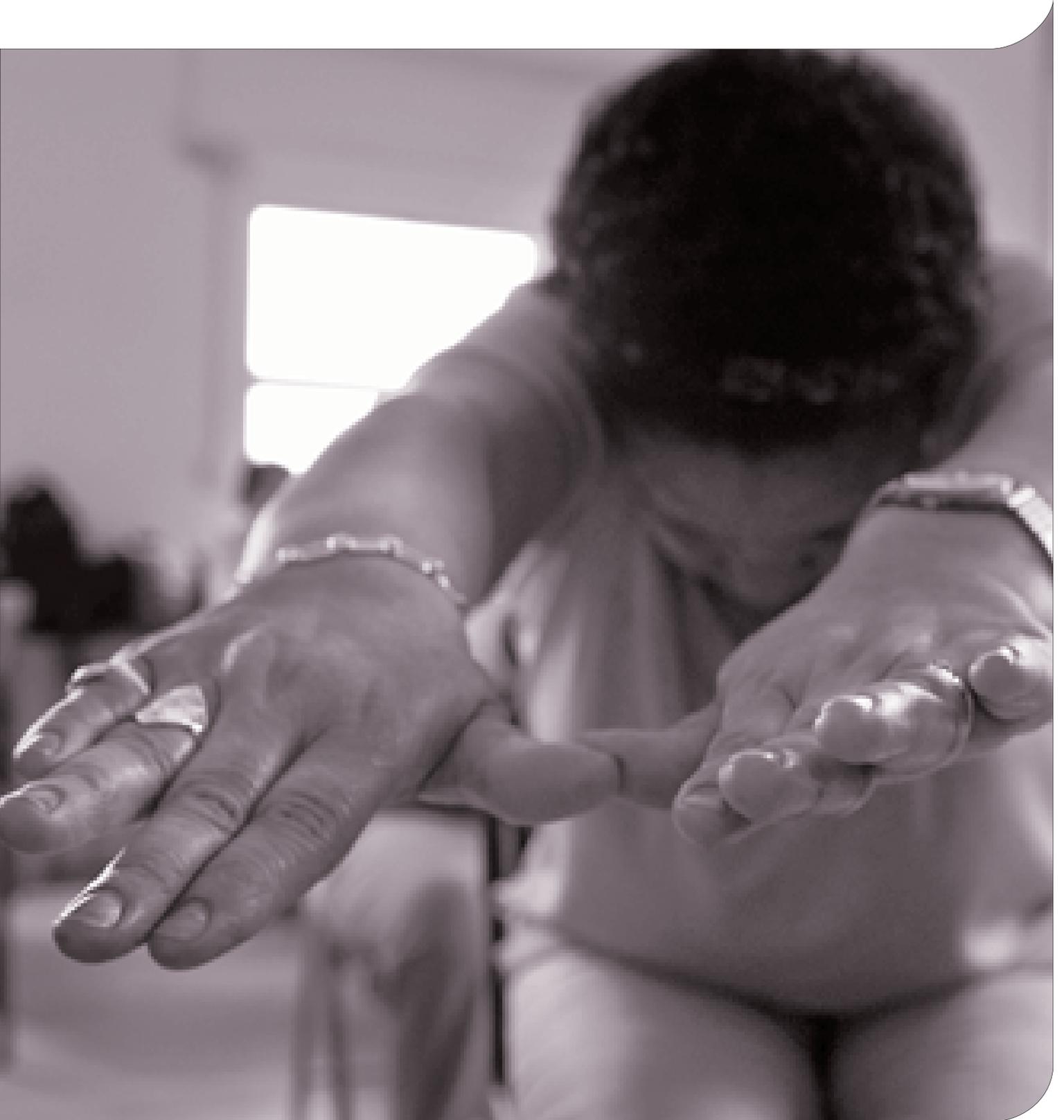
This grant was awarded in 2007/2008 and in 2009/2010 a grant increase was approved as part of a package of additional support for International grants affected by the global economic downturn. By 31 March 2010 we had paid out £1,859,379. It is expected that this portfolio of projects will complete by March 2013.

Living Landmarks

Organisation: Sustrans
Grant scheme name: Connect2
Grant awarded: £49,980,908

The project aims to connect people to people and people to places by addressing the causes of 'severance' within communities, such as busy roads and railways, which make travelling from one place to another more difficult.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid £4,596,802 to the recipient. It is expected that this project will complete by 2015.



Appendix

Organisation: Falkirk Council
Grant scheme name: The HELIX 'creating living connections'
Grant awarded: £25,000,000

Located between Falkirk and Grangemouth, the project will create a new canal link, a 'Kelpie' boatlift, canal hub and a new 'Helix' park.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid £1,151,677 to the recipient. It is expected that this project will be completed in 2013.

Organisation: Cornwall Council
Grant scheme name: Cornwall's Heartlands Project
Grant awarded: £22,297,272

The project will transform a 7.5 hectare brown field site in Pool, including 4.5 hectares of derelict wasteland and Robinson's Shaft, a group of listed mine buildings to create a network of green spaces and multi use facilities.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £6,302,852. It is expected that this project will be completed in 2012.

Organisation: Greater East Belfast Partnership
Grant scheme name: Connswater Community Greenway
Grant awarded: £23,531,285

The project will create a linear park through East Belfast following the course of the Connswater River and its tributaries, the Loop River and the Knock. This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £552,496 to the recipient. It is expected that this project will complete in 2015.

England portfolio

Advice Plus

Organisation: The Advice Services Alliance
Grant scheme name: Working Together for Advice
Grant awarded: £5,714,742

The aim of the project is to develop a portfolio of support services for the independent advice sector. This will comprise eight related work strands, which over three years will improve the quality and delivery of advice, access to advice and awareness and evaluation of advice outcomes for the independent advice sector.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £5,086,661. It is expected that this project will complete by December 2010.

BASIS

Organisation: British Refugee Council
Grant scheme name: RCO Infrastructure Building Project - Realising Potential
Grant awarded: £5,078,472

This project is establishing England-wide infrastructure support for the delivery of support and capacity building to Refugee Community Organisations (RCOs). 400 RCOs will benefit from advice on their development, sustainability, governance and management.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £2,813,301. It is expected that this project will complete by 2012.

Changing Spaces

Organisation: Building Research Establishment Ltd
Grant scheme name: The Community Sustainable Energy Programme
Grant awarded: £11,661,838

Awarding grants to eligible not-for-profit community based organisations for the installation of microgeneration technologies, such as wind turbines and solar panels, along with energy saving measures.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £1,060,044. It is expected that this project will complete by March 2012.

Organisation: Groundwork
Grant scheme name: Community Spaces
Grant awarded: £57,500,000

Groundwork is using the funding to award grants to not-for-profit community groups to create better local environments and increase access to local spaces. Improving local green spaces and increasing the number of people actively involved in developing and running environmental projects.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £15,194,523. It is expected that this project will complete by March 2014.

Organisation: Natural England
Grant scheme name: Access to Nature
Grant awarded: £28,750,000

Natural England is using the funding to award grants to voluntary, community and public sector organisations to work with people who have little knowledge or contact with nature. The projects encourage people to learn about the natural environment and also to create/improve wildlife spaces to meet the needs of local communities.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £3,522,260. It is expected that this project will complete by March 2013.

Organisation: Royal Society of Wildlife Trusts
Grant scheme name: Local Food
Grant awarded: £57,500,000

RSWT is using the funding to make awards to not-for-profit community groups for projects that give people the opportunity to grow and buy food locally through, for example, allotments and box schemes. Projects aim to stimulate economic activity through the development of social enterprises related to local food and promote the link between food and healthy lifestyles.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £8,308,022. It is expected that this project will complete by December 2014.

Organisation: MIND
Grant scheme name: Ecominds
Grant awarded: £8,886,126

MIND is using the funding to make awards to not-for-profit community groups for projects that integrate mental health service users into the community.

This grant was awarded in 2008/09 and to 31 March 2010 we had paid out £1,571,219. It is expected that this project will complete by September 2013.

Organisation: The Crime Concern Trust Ltd
Grant scheme name: Community Space Challenge
Grant awarded: £8,372,839

The Crime Concern Trust is providing a range of environmental projects for young people at risk of anti-social behaviour or offending. The projects involve young people improving their neighbourhoods, giving them a sense of pride in their community.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £3,626,405. It is expected that this project will complete by September 2012.

Organisation: Imperial College
Grant scheme name: Open Air Laboratories Network
Grant awarded: £13,022,441

The network of projects is working with people in their communities, alongside leading scientists to develop the skills and experience to explore, study, enjoy and protect their natural environment. The data is being collected to provide a new educational resource which the communities can access.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £6,555,625. It is expected that this project will complete by November 2012.

Appendix

Organisation: Plunkett Foundation
Grant scheme name: Making Local Food Work
Grant awarded: £10,033,875

The Plunkett Foundation is using the funding to make awards to projects working with local people to grow their own food and run their own shops and cooperatives. It aims to reconnect consumers to the land by increasing access to fresh, healthy local food.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £5,081,471. It is expected that this project will complete by September 2012.

Organisation: Places for People Homes Ltd
Grant scheme name: Green spaces for people
Grant awarded: £15,669,999

This funding is facilitating a range of projects to create and improve green spaces for people living in social housing, particularly on estates where anti-social behaviour is a problem.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £8,892,675. It is expected that this project will complete by September 2012.

Children's Play

Organisation: National Children's Bureau
Grant scheme name: Play England
Grant awarded: £14,494,368

The aims of the Play England project are to design and build a regionally based, sustainable play support and development infrastructure for England. The structure will support local agencies in the public, voluntary, community and social enterprise sectors.

This grant was awarded in 2005/06 and by 31 March 2010 we had paid out £8,958,855. It is expected that this project will complete by March 2011.

Well-being

Organisation: MEND Central Ltd
Grant scheme name: England on the MEND: Fitter, Happier and Healthier
Grant awarded: £7,997,162

A community based family orientated treatment and prevention programme for overweight and obese children aged 7-13.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £6,995,214. It is expected that this project will complete by August 2011.

Organisation: The Soil Association
Grant scheme name: Food for Life
Grant awarded: £16,920,332

The Food for Life portfolio is a national programme establishing 20 flagship communities in each of the nine government regions. By using local schools as hubs the portfolio's aim is for children and families to improve their skills, knowledge, and access to healthy and sustainable foods.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £11,492,526. It is expected that this project will complete by April 2012.

Organisation: West Midland Leaders Board (formerly West Midlands Regional Assembly)
Grant scheme name: Living Well in the West Midlands
Grant awarded: £6,793,739

A portfolio of 31 projects contributes to a reduction in regional obesity levels, improved mental health and greater participation in physical activity.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £5,185,441. It is expected that this project will complete by January 2011.

Organisation: School Food Trust
Grant scheme name: Let's Get Cooking
Grant awarded: £20,000,000

The aim of this portfolio of projects is to achieve a positive impact on the eating behaviour of school age children, their families and the wider community.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £9,304,144. It is expected that this project will complete by February 2013.

Organisation: Greater London Authority
Grant scheme name: Well London
Grant awarded: £9,460,000

This portfolio of projects is working closely with 20 small, disadvantaged communities to tackle health inequalities related to poor diet, lack of physical activity and poor mental well-being.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £6,093,733. It is expected that this project will complete by October 2012.

Organisation: Stockport Metropolitan Borough Council
Grant scheme name: North West Networks for Healthy Living Partnership
Grant awarded: £7,043,000

This five year portfolio of projects spreads across North West of England. Example projects include 'arts on prescription' projects for those with mild to moderate mental health difficulties; 'soup and salad' cook and eat workshops; and 'fit for life' programmes.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £2,939,023. It is expected that this project will complete by October 2012.

Organisation: Yorkshire and Humber Strategic Health Authority
Grant scheme name: Altogether Better – working to create healthier people and communities
Grant awarded: £6,864,367

The Altogether Better portfolio covers the Yorkshire and Humber region. It aims to help people to eat better, be more physically active and to improve their mental health.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £3,397,203. It is expected that this project will complete by March 2013.

Organisation: Age UK (formerly National Council on Ageing)
Grant scheme name: Fit as a Fiddle
Grant awarded: £15,177,417

The 'Fit as a Fiddle' national portfolio of projects aims to stimulate the interest of older people in physical activity and healthy eating, as well as addressing issues of mental and physical health.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £6,697,495. It is expected that this project will complete by October 2012.

Organisation: Mind – National Association for Mental Health
Grant scheme name: Moving People
Grant awarded: £16,150,000

Moving People is a national portfolio of projects which aim to stamp out stigma and discrimination by improving public understanding, raising people's aspirations and encouraging them to stand up for their rights.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £11,477,882. It is expected that this project will complete by May 2012.

Appendix

Organisation: Sustrans Limited
Grant scheme name: Active Travel Consortium
Grant awarded: £19,994,808

The aim of this national portfolio of projects is to enable individuals identified as currently inactive or insufficiently active to walk and cycle as part of their everyday lives, improving their physical and mental well-being.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £10,662,480. It is expected that this project will complete by August 2012.

Organisation: The Federation of Groundwork Trusts
Grant scheme name: Target: Well-being
Grant awarded: £8,872,800

A portfolio comprising of 91 projects to improve the well-being of people living in the most disadvantaged communities by delivering activities that improve mental well-being, increase physical activity levels and encourage healthy eating.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £5,267,410. It is expected that this project will complete by November 2012.

Organisation: South East Coast Strategic Health Authority
Grant scheme name: Chances 4 Change – Readdressing the hidden health inequalities in the South East
Grant awarded: £5,609,580

A portfolio comprising of 62 projects to tackle the most socially, economically and geographically excluded groups and individuals seeking a legacy of permanent health improvement.

This grant was awarded in 2007/08 and by 31 March 2010 we had paid out £3,904,578. It is expected that this project will complete by January 2012.

Scotland portfolio

Investing in Communities – Dynamic, Inclusive Communities

Organisation: Scottish Council for Voluntary Organisations (SCVO)
Grant scheme name: Supporting Voluntary Action
Grant awarded: £8,143,844

The grant is to co-ordinate a strategic programme of activity designed to improve the functioning and effectiveness of the CVS network as a whole, and to increase and improve the way it works with other voluntary and equalities sector networks across the country.

This grant was awarded in 2007 and by 31 March 2010 we had paid out £2,782,756. It is expected that this project will complete in 2012.

Northern Ireland portfolio

Building Change Trust (Northern Ireland)

Organisation: Building change Trust Ltd
Grant scheme name: Building Change Trust
Grant awarded: £10,000,000

The Building Change Trust will invest £10 million to help community groups and larger voluntary organisations adapt and develop new ways of working to ensure that the sector will be fit for purpose in the future. The funding will be invested over 10 years.

This grant was awarded in 2008/09. At 31 March 2009 £10,000,000 has been paid. It is expected that this project will complete in 2019.

Legacy programmes

Fair Share Trust

Organisation: Fair Share Trust Ltd
Grant scheme name: Fair Share Trust
Grant awarded: £50,000,000

The Fair Share Trust is targeted at 77 areas across the UK that missed out on Lottery funding prior to 2002. Community Foundation Network delivers the programme on our behalf throughout the UK and manages delivery agents in each Fair Share area.

The grant was awarded in 2002/3 and in Scotland the programme will finish in March 2010 and in the rest of the UK in 2013. The full grant was paid to the Trust in 2002/03.

Community Sport

Organisation: sportscotland
Grant scheme name: Youth Football Action Plan
Grant awarded: £6,000,000

This arrangement part funds the youth football action plan run by the Scottish Football Association. This is a Scotland-wide programme which funds all aspects of youth football from grassroots level.

This grant was awarded in 2006 and by 31 March 2010 we had paid out £4,544,843. It is expected that this project will complete in 2010.

New Opportunities for Health

Organisation: British Heart Foundation
Grant scheme name: Heart Failure Support Network
Grant awarded: £9,302,733

This grant was awarded in 2002/03. At 31 March 2010 £9,302,733 has been paid. This project completed in 2009.

Legacy Trust

Organisation: Legacy Trust UK
Grant scheme name: Legacy Trust UK
Grant awarded: £29,000,000

This grant was awarded in 2007/08. Our grant comprised £29 million. Separate awards were made by DCMS and Arts Council England to create a £40 million endowment for the Legacy Trust UK.

The Legacy Trust UK will help communities nationwide build a lasting legacy from the London 2012 Olympic and Paralympic Games. Their projects will unite culture, sport and education, make a lasting difference to all those involved and support grassroots initiatives, often small in scale, and uniting communities of interest at local and regional level. LTUK has committed most of its regional and national programme funding already and will complete its work by 2013.

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Accessibility

Please contact us to discuss any specific communication needs you have.

Our equality principles

Promoting accessibility; valuing cultural diversity; promoting participation; promoting equality of opportunity; promoting inclusive communities; reducing disadvantage and exclusion. Please visit our website for more information.

We care about the environment

The Big Lottery seeks to minimise its negative environmental impact and only uses proper sustainable resources.

Our mission

We are committed to bringing real improvements to communities and the lives of people most in need.

Our values

We have identified seven values that underpin our work: fairness; accessibility; strategic focus; involving people; innovation; enabling; additional to government.

The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grantmaker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.



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