

sportscotland
Lottery Fund

Annual Review 2007/08

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1 Introduction

sportscotland is the national agency for sport in Scotland, and is the organisation responsible for distributing Scotland's share of the National Lottery monies devoted to sport. It was appointed as a distributor under the *National Lottery etc Act 1993*, which was later modified by the *National Lottery Act 1998*.

sportscotland began its distribution activities in late 1994, when it launched the Capital Programme of awards. Since then, **sportscotland** has continued to distribute awards, while diversifying its funding programmes to cover a range of revenue projects.

Following a major organisational review, **sportscotland** in 2002/03 integrated its Lottery and Exchequer functions, and introduced a more partner-focused application process to help develop stronger, more effective relationships in Scottish sport. As a result, a new one-stop integrated investment process for Lottery and Exchequer funding was introduced as a pilot scheme in 2003/04. It was then rolled out to all Governing Bodies of Sport during in 2004/05 and Local Authorities in 2005/06.

sportscotland continues to distribute Lottery funding under the integrated investment process and other programmes, which are aligned to its role in delivering the National Strategy for sport: Reaching Higher.

2 Review of the Year

During 2007/2008 **sportscotland** as a Lottery distributor engaged in eight main activities:

- Distributing awards under the integrated investment process, and three continuing programmes and their various strands
- Processing claims and payments for continuing programmes, and for old programmes with projects that are not yet completed
- Introducing new investment categories and winding up old ones
- Producing and publishing a new Lottery strategy for 2007-2011
- The merger of the Scottish Institute of Sport with **sportscotland**, and its transfer to Exchequer funding
- Progressing the National and Regional Sports Facilities Strategy
- Reviewing and developing procedures and system requirements for the integrated investment process for Governing Bodies and Local Authorities
- Appraising and amending where appropriate the risk management and assessment criteria and procedures across all programmes

3 Strategic Plan for the Distribution of Lottery Monies

3.1 Background

Strategic plans, in the context of the distribution of Lottery monies, are statements of distributor's policies for making awards in the light of Government Policy and Financial Directions. They state the funds available and assess needs and priorities.

sportscotland's Lottery strategy for 2007-2011 sets out our plans for the distribution of Lottery funding for Scottish sport. It sets out the principles under which we will distribute Lottery funding, and the key investment areas and programmes that we will support along with estimated levels of investment.

3.2 Strategy Preparation

The Lottery strategy was shaped by Reaching Higher, Scotland's national strategy for sport which was published in March 2007, and which identifies two national outcomes for sport: Increasing Participation and Improving Performance.

The Lottery strategy, and **sportscotland's** corporate plan for 2007-2011 which provides the delivery vehicle for the strategy, were developed to implement **sportscotland's** dual role in Reaching Higher. This dual role involves planning our contribution towards putting in place the four building blocks of the strategy and secondly to support our partners in developing and sustaining their contributions.

3.3 Strategy Consultation

The Lottery strategy for 2007-2011 was also shaped by public views. Between December 2006 and February 2007, **sportscotland** carried out a consultation with partners and members of the public on the proposed principles for distributing Lottery resources.

We received 33 replies from a range of respondents including local authorities, national governing bodies and individuals involved in sport in both a volunteer and employee capacity. These responses were taken into account in finalising the strategy.

3.4 Adoption and Publication

Following Government's endorsement of our strategy, it was published in September 2007.

Shortly after publishing the strategy, there was a change in Scottish Government. Due to the cross-party support for Reaching Higher, this has not altered the Lottery distribution principles or investment priorities. However with changes in Government's directions for exchequer funding, the respective proportion of Lottery investment across the priority areas of our strategy has been varied to ensure that Lottery resources continue to provide additionality.

4 Distribution of Awards

In carrying out its role as a Lottery distributor, **sportscotland** operates in accordance with the Policy and Financial Directions issued by government. **sportscotland's** compliance with these Directions has been demonstrated in this and previous Annual Reports and Annual Reviews, and in the reports of auditors. A Statement of Account for 2007/08 is also attached as Appendix I.

4.1 Criteria

sportscotland distributes the Lottery Fund on the basis of applications made under an Integrated Investment process as well as a range of individual award programmes.

The integrated Investment process and individual award programmes have similar features:

- They give effect to the provisions of the Act, the Policy Directions and the Financial Directions
- They take account of the need for the project/plan, and the need of the applicant for additional funding
- They give clear guidelines on eligibility and priorities
- They have individual application forms which assist applicants to clearly present their submissions
- They have standard assessment procedures through which all applications pass; applicants under each programme are treated alike
- **sportscotland** monitors the implementation of each project/plan
- **sportscotland** monitors the impact of completed projects/plans
- **sportscotland** evaluates the impact of programmes/plans once they have had sufficient time to make a difference.

4.2 Programmes

In 2007/08 **sportscotland** made 263 award commitments with a total value of just over £10.2 million. The awards were spread across the Integrated Investment process and individual programmes as shown below:

Programme	Number	Value £
Integrated Investment Process		
Governing Bodies of Sport	38	6,616,851
Local Authorities	22	868,912
Building for Sport Programme	11	991,538
Area Institutes of Sport Programme	6	749,250
Awards for All Programme	186	1,000,000
Totals	263	10,226,551

In addition to this total, **sportscotland** had to keep funding in reserve to cover £19.7m of commitments to the National and Regional Sports Facility Strategy (see para 5.1.iii)

Some of the total amount offered will be taken up and spent by applicants in the same year. This is usually the case with revenue awards. However, in the case of awards for capital projects, expenditure can continue for several years after an award is offered. Meanwhile, **sportscotland** must keep money in reserve to cover its commitments to applicants who have accepted award offers.

The Financial Directions require **sportscotland** to include a list of all awards of £100,000 and over. This is attached as Appendix II.

4.3 Conflicts of Interest

The Financial Directions require **sportscotland** to devise a procedure for handling potential conflicts of interest in distributing awards.

sportscotland has procedures to identify and negate conflicts of interest between members and its officers; and organisations or individuals submitting projects and other bodies which might stand to gain from them. Before commencing each award panel meeting, those present must declare any interest they have in applications under consideration. If they have a direct pecuniary interest, or if their participation in the discussion of a matter would suggest a real danger of bias, they must leave the meeting while the project is being discussed. Any interests are recorded.

In addition, members and officers are required to make an annual declaration of interests in sporting organisations and clubs. Membership of **sportscotland** 2007/08 is shown in Appendix III.

sportscotland does not operate any schemes of external delegation in respect of the awards decision-making process.

Furthermore, **sportscotland** confirms that it has not used Lottery funds for the purpose of giving gifts, nor have its members or officers accepted any gifts valued over £25.

5 Programmes Review

5.1 Building For Sport Programme

The Building for Sport Programme was launched in April 2004, replacing the Sports Facilities Programme which ran from late 1999 to March 2004; and its predecessor the Capital Programme which ran from the inception of the Lottery Fund in December 1994 until late 1999.

No new awards were made under the old Capital and Sports Facilities programmes in 2007/08, but **sportscotland** continued to make payments towards projects previously awarded under these programmes.

The Building for Sport Programme has two strands:

- Community Facilities
- Training and Competition Facilities

The Programme operates a two-stage application process: Stage 1 and Stage 2. At Stage 1, applicants provide outline details of their projects. **sportscotland** then determines if an application is eligible, ineligible or unlikely to compete for an award. Also, for those applications deemed eligible, **sportscotland** advises what priority the project would attract. The applicant may still submit a Stage 2 application even if **sportscotland** has advised that the project is unlikely to compete for an award. **sportscotland** makes, or does not make, awards in response to the Stage 2 application.

i) Stage 1 Applications

During 2007/2008 the outcome of the Stage 1 application process was as follows:

Eligible to compete for an award	24
Unlikely to compete for an award	33
Deferred	2
Total submitted	59

The reasons for applications being assessed as “unlikely to compete” were:

- project not financially viable
- project mainly maintenance and/or repair/replacement
- project ineligible (revenue not capital and/or no applicant contribution)
- small number of existing club members likely to benefit with no increased participation forecast
- too low a priority when compared to competing applications.

ii) Stage 2 Applications

During 2007/2008 the outcome of the Stage 2 application process was as follows:

Awards	11
No awards	1
Total considered	12

sportscotland made the following awards:

Strand	Number	Value £
Community Facilities	11	991,538
Training and Competition Facilities	0	0
Totals	11	991,538

(The BFS Programme also makes awards from exchequer funding. In 2007/08, 25 awards totalling £4,101,181 were made in addition to the Lottery breakdown above.)

iii) National & Regional Sports Facilities Strategy

In 2003/04 **sportscotland** set aside £21.2m of Lottery funding to add to £28.8m from the Scottish Executive to help implement the National and Regional Sports Facilities Strategy (NRSFS). The aim was to develop a network of national and regional facilities for key sports over the next five years. A two-stage application process was adopted. This required all stage one applications to be submitted at the same time so that the available resources could be allocated across the country to the projects that could deliver the aims and objectives of NRSFS. Allocations at stage one are not firm commitments but an indication of the level of award that the successful applicants can expect at stage two provided the project is developed in line with the approved proposals and conditions.

Twelve stage one applications for 16 projects were received on 31 March 2004. Following assessment, six applicants received allocations for ten projects, as announced by the Minister for Finance and Public Services. The total amount of Lottery funding allocated at stage one amounted to £19.7m.

In 2007/08, work continued on the Toryglen Regional Football Facility, Glasgow, and Regional Sports Facility in Aberdeen; and Forthbank Sports Village in Stirling commenced on site. Two further projects, the Municipal Stadium at Scotstoun, Glasgow (£4.5m), and the Ravenscraig Regional Facility in North Lanarkshire (£7m) received Stage Two approval. The National Indoor Sports Arena & Velodrome in Glasgow also received an in-principle award of £13.5m in February 2008.

5.2 Awards for All Programme

Awards for All is a small grants programme jointly operated by **sportscotland** and the other Scottish Lottery distributors, namely: the Heritage Lottery Fund, the Scottish Arts Council and the Big Lottery Fund.

The **sportscotland** part of the programme is directed at local voluntary sports clubs and other community organisations with an interest in sport that wish to undertake development projects. Priority is given to groups with an annual gross income of under £20,000, funding projects costing less than £10,000.

The aims of the programme are to encourage new people across the whole community to participate in a wide range of sports and to improve the quality of existing activities for those already taking part.

Awards ranging from £500 to £10,000 are made for both capital and revenue projects from a total annual grants budget for sport of £1 million.

During the course of 2007/08, **sportscotland** made 186 awards through the programme, with a total combined value of £1 million. The funding supported 38,378 participants across a range of 44 different sports.

The awards detailed below are a sample of projects assisted during the year, and indicate the scope of the programme. A complete breakdown of the awards by sport and local authority is set out in Appendix IV.

Organisation	Award £	Purpose
BFC Linlithgow	4,320	The provision of football training and coaching equipment for 300 young people across 20 teams, and the development of girls' coaching. The award funded balls, bibs, ladders, poles, cones/markers, portable goals, SFA coaching courses and a first aid course.
Highland Wheelchair Curling Club	9,908	The provision of wheelchair curling equipment, the staging of open days and tournaments, attendance at competitions and coaching courses. The award funded wheelchairs, curling sticks and sets, coaching courses and event costs.
Keiss Bowling Club, Caithness	750	The provision of bowling equipment, to facilitate club expansion, especially with regard to young people. The award funded bowls, telescopic pen measures, and umpires' kits.

5.3 Scottish Institute of Sport Programme

The Scottish Institute of Sport (the Institute) was established in 1998 by **sportscotland**, in agreement with the then Scottish Executive. The Institute was put in place to help deliver the Sport 21 vision of Scotland as a country achieving and sustaining world-class performances in sport. The Sport 21 strategy has now been built on with the new national strategy for sport in Scotland, Reaching Higher, and again the Institute is a key agency in supporting the delivery of one of the two key objectives – Improving Performance.

i) The Institute

Since the Institute was established in late 1998, it has been funded by Lottery monies totalling £29.4 million for just over nine years of its operation to the end of March 2008. The first four-year cycle of the Institute operation was supported to a value of £9,084,000, and the second four-year cycle up to 31 March 2007 received funding of £15,850,537. In order to align the funding of the Institute to other performance agencies and key performance events, a new two-year plan was put in place from April 2007 – March 2009. The first year of this investment, 2007/08, was funded with a Lottery award of £4,464,836 which was committed in 2006/07.

However, on 9 January 2008, the Scottish Government announced its proposals for the future of **sportscotland**, including relocation of its headquarters to Glasgow and a merger with the Institute. On 31 March 2008, the Scottish Institute of Sport was formally merged with **sportscotland**, and as a direct consequence future funding of the Institute has to come directly from **sportscotland**'s Exchequer award from the Scottish Government. Thus, there was no new Lottery award commitment made during 2007/08 for the Institute's future funding.

During 2007/08 the Institute managed programmes in the following sports: badminton, curling, football, golf, hockey, judo, rugby, and swimming. In addition, individual athletes were supported in eleven sports. At the end of March 2008 there were 200 athletes on Institute programmes.

All athletes are supported by expertise in Sports Medicine, Sports Science, Performance Lifestyle, and Strength and Conditioning. The Institute is responsible for delivering cutting-edge support to athletes across these areas, in conjunction with their sports-specific competition and training programmes. The Institute also ensures consistent delivery of these services to Area Institute of Sport supported athletes.

Monitoring

The Institute has a number of performance measures consisting of outcome targets, and further progress measures and actions have been set within the Institute's plans. For the year 2007/08 these focussed on refining systems and processes, with the key focus on athletes with the potential to qualify for the Beijing Olympic Games.

Success Stories

Some examples of the Institute's sporting successes during the year are illustrated below:

Cycling

- Chris Hoy – World Championship silver medal (Team Sprint)
- Craig McLean – World Championship silver medal (Team Sprint)

Canoeing

- Fiona Pennie – World Championship bronze medal (K1)
- David Florence – World Championship bronze medal (C1)
- Tim Baillie – World Championships silver medal (C2)

Rowing

- Katherine Grainger – World Championships gold medal (Quads)

Judo

- Euan Burton – World Championships bronze medal (U81 K)

Athletics

- Lee McConnell – World Championships bronze medal (4 X 400m Relay)

Tennis

- Jamie Murray – Wimbledon Mixed Doubles Champion

ii) Area Institutes

The Institute is complemented by a network of six Area Institutes of Sport, designed to provide support programmes for nationally identified, locally based developing athletes, with a view to helping them progress up the Scottish Governing Body athlete pathway.

The six Area Institutes support 405 athletes locally, from 30 sports. Since Winter 2001, 160 new Scottish Institute of Sport athletes have come from the Area Institute structure.

One of the main achievements of the Area Institutes has been to bring together nearly 70 partners, including national Governing Bodies of Sport, Local Authorities, Universities, and Colleges. The partners' commitment and support are a major strength in the development of this concept.

The six Area Institutes are Central Scotland, East of Scotland, Grampian, Highland, Tayside and Fife, and West of Scotland. In 2007/08 **sportscotland** made six awards totalling £749,250. Investment in the Area Institutes from April 2005 – March 2009 is based on four-year operating plans developed during 2004/05, and individual awards are agreed annually.

The relationship between the Area Institutes and the Institute continues to develop. During 2007/08, investment previously given to the Area Institutes to employ support service staff has now been given directly to the Institute. This has helped streamline the support to athletes and has also released investment through greater efficiencies.

Monitoring

The Area Institutes have established a number of performance measures as part of the exercise to develop their four year operating plans. The over-riding measure for Area Institutes is the percentage of eligible new Scottish Institute athletes that come through the Area Institute structure. The monitoring framework for the Area Institutes will be reviewed during 2008/09.

iii) Statement

The Financial Directions require **sportscotland** to report on the progress and financing, both current and future, of all projects awarded £5 million or more. The Institute is the only such project to date and **sportscotland** has reported on its current progress and financing in the paragraphs above. In view of the funding changes noted above, future progress of the Institute's operation will be reported through the main **sportscotland** Annual Review process.

5.4 United Kingdom Programmes

i) World Class Performance Programmes

During 2006, UK Sport took on additional responsibility for the support and development of athletes below those on World Class Podium programmes. This means that more Scottish athletes are supported through the UK system. This work has allowed a focus of support for athletes with a potential to qualify and medal at the London Olympics in 2012.

10% of athletes on UK Sports' World Class Programmes are Scottish.

Monitoring

sportscotland does not monitor UK World Class Performance Programmes. UK Sport is responsible for monitoring and evaluating them and for reporting the results.

6 Integrated Investment Process

sportscotland Lottery and Exchequer functions were integrated during 2002/03 to introduce a more partner-focused application process to help develop more effective relationships in Scottish sport. **sportscotland** undertook an extensive review of all its Lottery programmes and procedures, and consulted partners to help establish criteria for a new one-stop integrated investment process for Governing Bodies of Sport and Local Authorities. It was rolled out to Governing Bodies of Sport in 2004/05 and Local Authorities in 2005/06.

In 2007/08 **sportscotland** continued to develop procedures and system requirements to support the integrated investment process.

6.1 Governing Bodies of Sport

sportscotland created three new integrated investment categories on which investment to Scottish Governing Bodies is made. The categories relate directly to targets outlined in Reaching Higher, Scotland's national strategy for sport, and our own corporate plan. The investment categories are Strong Partners, Performance Development and Coaching.

sportscotland invests against a governing body's strategic and annual business plan where there are shared objectives that contribute to the outcomes of Reaching Higher. The shared objectives are aligned to the investment categories and form the basis of a governing body's integrated investment application.

The integrated investment applications are assessed and discussed at the relevant decision-making panel meetings, which look at the sport as a whole rather than applications to different programmes at different times.

During 2007/08, integrated investments were made to 36 Governing Bodies totalling £5,870,851 from Lottery funds. Lottery funds are predominately allocated against the investment categories of Performance Development and Coaching, focusing on additional posts, programmes and projects which without this funding would not happen. (Exchequer funding was also given as part of the total investment from **sportscotland**, predominately allocated to the investment category of Strong Partners, focusing on the running costs of governing bodies including staff.)

Additionally, **sportscotland** invested £746,000 in the detailed business plans of two pilot Sports Partnerships through the integrated investment process. These partnerships employ regional Governing Body Development Managers who work directly with local partners including local authorities, tertiary education and sports clubs to increase activity and ensure an integrated pathway is being delivered for selected sports.

A summary of integrated investments during 2007/08 is attached as Appendix V.

Monitoring

The total investment to each governing body is reviewed annually in the following year against the targets set in its business plan for the year of investment, so that the impact of each of these investments can be assessed. A monitoring system for the whole integrated investment process to match the results of the combined overall

progress across the governing bodies in relation to **sportscotland's** priorities and the national outcomes and priorities of Reaching Higher was commenced this year.

In 2007/08, Lottery funds supported through this integrated investment, in the Performance Development category, 70 regional/national coaches and performance managers across 29 sports; and in the Coaching Development category, 1073 coaches to obtain a level 1 United Kingdom Coaching Certificate and 200 to obtain level 2.

6.2 Local Authorities

sportscotland worked up criteria and procedures for an integrated investment process for Local Authorities based on similar principles to those given above for Governing Bodies of Sport, but taking into account that Local Authorities have more complex structures. It was rolled out to Local Authorities during 2005/06.

In 2007/08, 22 integrated investments were made to 21 Local Authorities totalling £868,912 under the Community Regeneration category. Exchequer funding was also given towards Active Schools, Coaching and Player Improvement (Clubgolf) categories as part of the total investment from **sportscotland**.

7 Monitoring Overview

7.1 Introduction

sportscotland monitors projects during their implementation in order to ensure compliance with conditions of award and expenditure of funds on approved items. The extent of monitoring varies with the nature of the project and the degree of risk **sportscotland** has assigned to it. In general, all projects involving building and construction work receive monitoring over longer periods than revenue projects.

During 2007/08 the main thrust of monitoring in **sportscotland** was on Active Schools, an exchequer programme (a follow-on from the Lottery funded School Sport Coordinator Programme), and the exchequer funded SPORTSMATCH programme. Monitoring of Lottery Fund programmes in the year focused on projects in **sportscotland**'s Capital and Sports Facilities Programmes.

7.2 Capital and Sports Facilities

Through the life of the construction of a project, project managers work closely with award recipients to monitor the implementation of awards. This monitoring involves the comparison of progress and costs against the agreed project proposals; vetting the agreed project proposals; vetting claims for awards; and combining desk work with site visits both during the project and on completion.

For all capital Lottery Fund programmes, **sportscotland** uses standard questionnaires to gain information from award recipients during post-completion monitoring of awards. The questionnaires are sent to awardees in Years Two, Seven and Twelve following project completion. The questionnaires focus on:

- The outcomes for sport in terms of increased participation, higher standards of performance, improved coaching provision and access to better sports facilities.
- Compliance with the conditions of award in terms of the ownership and operation of facilities and confirmation by the applicant that the award was used for the purposes intended.

Thereafter, **sportscotland** selects a sample of awards to examine in more depth and to provide detailed information on the impact of the awards and the programmes themselves. Lessons learned and feedback from such monitoring exercises help to shape programmes and the assessment process in the future.

In 2007/08 **sportscotland** monitored 44 Year Seven projects from the Capital Programme and one Year Two project. These projects covered major local authority operated facilities through to small club projects. All projects were complying with the conditions of award at monitoring. There was evidence across a number of projects of organisations undertaking programmes of maintenance and refurbishment and rejuvenation of facilities and also that the initial awards made by **sportscotland** were a stepping stone to further developments.

In terms of impact, the local authority facilities that had received Lottery Fund awards continued to provide a wide range of sporting opportunities to their communities. For local sports organisations the picture was more mixed with some voluntary sports clubs managing to increase membership and/or usage levels from that at Year Two whereas others had experienced a decline in membership levels.

Year Two monitoring of projects in the Sports Facilities Programme covered 23 projects in the Local Facilities, School and Community, Swimming Pool Upgrade and Football Academy strands. Of the local facilities supported by an award most of the clubs reported increased memberships following project completion and all other organisations including local authorities noted that usage had increased. Of the three School and Community projects monitored only one was actually operated by a school with the others being available for schools to use. Under the Swimming Pool Upgrade strand four small projects in North Ayrshire were completed with two larger projects completed at the Tryst Sports Centre in Cumbernauld and at Warrender Swim Centre in Edinburgh. Both of these larger projects exhibited increases in user visits following completion: at Warrender user visits increased from about 161,000 annually to about 180,000; and at the Tryst the centre as a whole had 414,000 user visits in the year and there was a 27% increase to about 1000 children in total in the number signed up for swimming lessons.

The Highland Football Academy was also monitored in the year. It has indoor training facilities and outdoor grass pitches at Dingwall and outdoor pitches both synthetic and grass at Charleston Academy in Inverness. In addition to use of the facilities by both Inverness Caledonian Thistle and Ross County Football Clubs there is also use by local clubs particularly at Dingwall as access to the synthetic pitch in Inverness is restricted because of local management arrangements there. Discussions are ongoing with the Highland Football Academy to resolve this situation and make the facilities fully available to the community at appropriate times. The Highland Football Academy is now the base for Scottish Football's Youth Action Plan developments for Highland, Orkney and the Western Isles.

7.3 Ethnic Monitoring of Lottery Applications and Awards

sportscotland has endorsed the Statement of Principle on Minority Ethnic Group Access to Lottery Funding Opportunities.

In support of this Statement **sportscotland** records information on whether a project is directed at or of particular relevance to a specific ethnic minority community for applications to appropriate Programmes.

In 2007/08 **sportscotland** received no applications for projects directed at or of particular relevance to a specific ethnic minority community.

8 Performance Indicators

8.1 Quantitative

Since April 1998 **sportscotland** has produced a number of key process indicators covering efficiency and economy for the Lottery Fund Programmes. **sportscotland** has agreed these indicators with the Department for Culture, Media and Sport and the Scottish Government. The indicators are produced quarterly and show the performance for the quarter, year-to-date and cumulatively (since the start of the Lottery or the programme). Shown below are the indicators for the Building for Sport Programme operated principally under the Lottery Fund. Other Lottery Funding has been subsumed within the new integrated funding approach and indicators cannot be produced for the Lottery funds as they cannot be disaggregated from the integrated investments made to governing bodies of sport.

Indicators are not produced for the Awards for All Programme because applications are handled by the Big Lottery Fund. For the indicator - administration costs per completed application - all Lottery Fund awards are included. Indicators for the year 2006/07 are shown to allow year-on-year comparison.

Building for Sport Programme

Indicator: Average number of days taken to process each application 2007/08.
Target: 70 days

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	Days	Days	Days	Days
Quarter 07/08	82	111	n/a	115
(06/07)	75	82	63	111
Year to Date 07/08	82	87	87	89
(06/07)	75	79	73	89
Cumulative 07/08	76	77	77	77
(06/07)	72	72	72	75

Additional Indicator: Average number of days taken to process each Stage 1 application 2007/08. Target: 18 days.

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	Days	Days	Days	Days
Quarter 07/08	16	22	39	30
(06/07)	24	18	17	32
Year to Date 07/08	16	21	27	28
(06/07)	24	21	20	21
Cumulative 07/08	18	19	20	20
(06/07)	20	20	19	20

Notes for Performance Indicators

The following definitions have been used in determining the indicators:

- **Applications outstanding:** all applications that can be processed
- **Cases completed:** all applications on which a decision has been taken
- **Working days:** the number of working days between the date the application is received to the date on which the decision is made. This is calculated by taking 5/7 of the total number of days
- **Administration costs:** all Lottery Fund expenses.

Administration costs cover the following:

- dealing with enquiries about all of the programmes
- continuing to process and assess applications for capital awards
- monitoring of construction projects and monitoring and evaluation of programmes; the working up of new programmes
- the processing and assessing of applications for revenue awards
- consultations
- operating systems reviews and developments
- publicity, staff recruitment and continuing development
- the preparation of reports for Government
- all costs associated with the operation of the Lottery Fund office.

Note: Depreciation, notional cost of capital and insurance do not affect the Lottery Fund's cash flow and are financial book entries. Corporation tax is excluded because it is separately disclosed from administration costs in the income and expenditure account.

Additional Indicators from 2002/03

In 2002/03 **sportscotland** agreed with the Scottish Executive to produce a number of additional indicators. These indicators, for the year 2007/08, are shown below as well as 2006/07 indicators to allow year-on-year comparison.

The average balances held in the National Lottery Distribution Fund

This indicator is reported on a quarterly and year-to-date basis. For each indicator the average balance is that held at the end of each month in each period divided by the number of months in the period.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Quarter 07/08	£50,180,036	£49,913,771	£49,816,140	£50,056,876
(06/07)	£54,635,697	£54,490,537	£52,680,299	£52,449,914
Year to Date 07/08	£50,180,036	£50,046,905	£49,969,964	£49,991,707
(06/07)	£54,635,697	£54,563,117	£53,935,511	£53,563,279

The uncommitted balances held in the National Lottery Distribution Fund

This indicator provides information on the uncommitted balances at the end of each quarter.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Quarter 07/08	£22,033,106	£25,266,447	£20,536,029	£20,347,752
(06/07)	£26,407,543	£29,080,537	£31,725,942	£34,371,346

The average balance held in the Lottery Fund bank account

This indicator is reported on a quarterly and year-to-date basis. For each indicator the average balance is that held at the end of each month in each period divided by the number of months in the period.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Quarter 07/08	£2,177,000	£2,383,355	£2,643,345	£2,307,893
(06/07)	£2,471,981	£2,092,225	£2,242,713	£2,262,558
Year to Date 07/08	£2,177,000	£2,280,177	£2,401,233	£2,377,898
(06/07)	£2,471,981	£2,282,103	£2,268,973	£2,267,335

Administration costs as a % of income

This indicator is reported on a quarterly and year-to-date basis. Administration costs are as noted above.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Quarter 07/08	16.71%	17.06%	17.49%	14.11%
(06/07)	16.52%	19.22%	16.62%	20.10%
Year to Date 07/08	16.71%	16.89%	17.10%	16.22%
(06/07)	16.52%	17.93%	17.44%	18.13%

Administration costs as a % of total awards made

This indicator is reported on a quarterly and year-to-date basis. Administration costs are as noted above, and the total awards made refers to awards approved in the period.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Quarter 07/08	11.86%	58.63%	58.72%	26.18%
(06/07)	24.11%	32.61%	37.37%	12.70%
Year to Date 07/08	11.86%	20.29%	26.74%	26.60%
(06/07)	24.11%	28.22%	30.88%	21.89%

Total administration costs

This indicator is reported on a quarterly, year-to-date and annual basis. Administration costs are as noted above.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Quarter 07/08	£640,104	£696,088	£779,885	£736,059
(06/07)	£685,046	£866,671	£840,810	£960,656
Year to Date 07/08	£640,104	£1,336,192	£2,116,077	£2,852,136
(06/07)	£685,046	£1,551,717	£2,392,527	£3,353,183

8.2 Qualitative

In addition to measuring the efficiency and economy of the Lottery Fund using the key process indicators, **sportscotland** also sought qualitative feedback on performance, from customers in the Building for Sport Programme.

A questionnaire was sent to 46 Stage 1 applicants in 2007 and another, slightly different, questionnaire was sent to 14 Stage 2 applicants again in 2007. A total of 16 completed questionnaires from Stage 1 applicants were returned (35% response rate) with 11 Stage 2 questionnaires returned (78%).

Stage 1 Findings

Findings from the Stage 1 questionnaires were:

- The majority of applicants clearly understood that the two-stage process is designed to save time and effort for both applicants and **sportscotland** on applications which were unlikely to be successful.
- Three quarters (75%) of respondents understood why **sportscotland** had allocated a particular priority to their application.
- Over a third of respondents (38%) had some difficulty completing the application form. The main difficulties noted related to estimating future usage, income and expenditure.
- Just over three fifths (62%) of respondents had sought guidance from **sportscotland** in completing their application.
- All respondents that had had face to face contact with **sportscotland** rated it as at least fairly good.
- Three quarters of respondents (75%) were at least satisfied with **sportscotland's** overall performance in the handling of their application.

Stage 2 Findings

Findings from the Stage 2 questionnaires included:

- Nearly two thirds (64%) of respondents found it easy or relatively easy to complete the application form. Only one respondent found particular parts of the form difficult to complete.
- Most respondents (81%) had sought guidance from **sportscotland** in relation to their application. Nearly all (89%) respondents who had sought guidance rated it as at least fairly good.
- Most respondents (88%) that had had face to face contact with **sportscotland** rated it as fairly good or good.
- Nearly all respondents (91%) were satisfied or fairly satisfied with **sportscotland's** overall performance in handling their application.

sportscotland benchmarked the scores given by respondents against those received in 2000 through to 2003 for the Sports Facilities Programme, and from 2004 has done the same for the Building for Sport programme. As the questions in both questionnaires were the same, it is possible to compare benchmark scores from 2000 to 2007. Benchmark scores are based on a four-point scale with 1 equating to good, 2 fairly good, 3 fairly poor and 4 poor. Where the 2007 benchmark score is lower than previous scores there has been an improvement.

Stage 1 Applications

The benchmarks for 2000 – 2007 are as follows:

Benchmark	2000	2001	2002	2003	2004	2005	2006	2007
Ease of completing form	1.75	1.86	1.89	2.00	2.24	2.17	2.20	2.25
Guidance during application	2.20	2.13	1.79	2.00	1.36	1.26	1.86	1.70
Written contact with sportscotland	2.23	2.03	1.92	2.06	1.77	1.64	1.67	1.83
Telephone contact with sportscotland	2.02	1.96	1.64	2.12	1.56	1.42	1.56	1.54
Face to face contact with sportscotland	1.33	1.60	1.31	1.80	1.10	1.18	1.60	1.14
Handling of application	2.51	2.24	1.95	2.19	2.19	1.86	1.53	1.94

Stage 2 Applications

The benchmarks for 2000 - 2007 are as follows:

Benchmark	2000	2001	2002	2003	2004	2005	2006	2007
Handling of Stage 1 application	1.69	1.35	1.51	1.61	1.58	1.24	1.29	1.27
Ease of completing form	2.43	2.14	2.37	2.24	2.33	2.14	2.21	1.55
Guidance during application	1.67	1.20	1.41	1.56	1.64	1.24	1.08	1.09
Written contact with sportscotland	2.06	1.43	1.50	1.69	1.70	1.33	1.42	1.18
Telephone contact with sportscotland	1.92	1.17	1.73	1.55	1.67	1.27	1.31	1.27
Face to face contact with sportscotland	1.59	1.15	1.32	1.44	1.13	1.10	1.11	1.00
Handling of application	2.03	1.27	1.64	1.89	1.75	1.32	1.14	1.36

Statement of Account 2007/08

The Scottish Government requested that **sportscotland** combine its Lottery Fund Annual Report with the full Statement of Account for 2007/08, prepared pursuant to Section 35 of the *National Lottery etc Act 1993*.

This combined report was laid before Parliament (HC 1101) and Scottish Parliament (SG/2008/215) on 30 October 2008.

The Lottery Fund Annual Review includes in this Appendix an extract from the **sportscotland** Lottery Fund's accounts.

The **sportscotland** Lottery Fund accounts were approved by the Council and signed on its behalf on 24 June 2008. The **sportscotland** Lottery Fund Auditor, appointed by The Auditor General for Scotland, has given an unqualified audit report on the statutory accounts.

The summary of account may not contain sufficient information to allow a full understanding of the results and state of affairs of the **sportscotland** Lottery Fund distribution activities. A copy of the combined statutory accounts and annual report, which contain the detailed information required by law, can be obtained from Her Majesty's Stationery Office, or from the **sportscotland** website.

sportscotland
Lottery Fund
Income and expenditure account
for the year ended 31 March 2008

	2008 £000	2008 £000	2007 £000	2007 £000
Income				
National Lottery Fund proceeds		17,589		18,494
Interest receivable		140		122
Other operating income		99		924
		<u>17,828</u>		<u>19,540</u>
Expenditure				
Grants paid and committed during the year		7,343		6,110
Net grant commitments		2,840		4,474
Movement on Share of Pension		(1,080)		870
Staff costs:				
direct	2,029		2,134	
indirect	<u>0</u>		<u>0</u>	
		2,029		2,134
Depreciation		45		53
Other operating charges:				
direct	1,355		1,579	
indirect	<u>0</u>		<u>0</u>	
Relocation Costs		1,355		1,579
		<u>1,256</u>		<u>0</u>
		13,788		15,220
Operating surplus before tax		4,040		4,320
Notional costs		132		112
Corporation tax		(30)		(26)
Increase in fund		<u>4,142</u>		<u>4,406</u>

sportscotland
Lottery Fund
Balance sheet at 31 March 2008

	2008 £000	2008 £000	2007 £000
Fixed assets			
Tangible assets		49	100
Long Term Debtor		210	0
Current assets			
Investments – balance held in NLDF		48,175	51,311
Debtors		85	680
Bank and cash-in-hand		3,108	2,293
		51,578	54,284
Creditors: amounts falling due within one year		6,880	12,664
Net current assets		44,698	41,620
Creditors : amounts falling due outwith one year		0	850
Provisions		1,316	67
Net assets		43,431	40,803
Represented by			
Grant Commitments		2,005	4,128
Revaluation reserve		13	13
General fund		41,413	36,662
		43,431	40,803

Lottery Fund

Awards of £100,000 and Over

1 April 2007 - 31 March 2008

Building for Sport Programme

Organisation	Project Cost £	Award £
Highland		
Caberfeidh Shinty Club - sports pavilion	344,069	100,000
Stirling		
Stirling Council – Forthbank Sports Village	5,460,000	500,000
2 Awards	5,804,069	600,000

Area Institutes of Sport Programme

Organisation	Award £
Central Area Institute of Sport	109,445
East of Scotland Area Institute of Sport	166,000
Tayside and Fife Area Institute of Sport	122,035
Grampian Area Institute of Sport	134,270
West of Scotland Area Institute of Sport	131,500
5 Awards	663,250

Integrated Investment Process – Governing Bodies

Organisation	Award £
Scottish Athletics Limited	435,400
Scottish Badminton Union	192,124
Basketball Scotland	125,000
Scottish Canoe Association	232,438
Scottish Cricket Union	141,947
Royal Caledonian Curling Club	241,998
Scottish Cyclists Union	329,678
Scottish Disability Sport	175,750
Scottish Equestrian Association	132,113
Scottish Football Association	172,800
Scottish Golf Union	396,073
Scottish Gymnastics	210,000
Scottish Hockey Union	437,384
Scottish Judo Federation	223,503

Netball Scotland	157,155
Scottish Rugby Union	186,000
Royal Yachting Association Scotland	189,080
Scottish Target Shooting Federation	135,000
Snowsport Scotland	147,500
Scottish Squash	197,040
Scottish Amateur Swimming Association Limited	527,000
Tennis Scotland	180,000
Scottish Triathlon Association	102,345
Sport Tayside and Fife (Sports Partnership)	375,000
Sport Central (Sports Partnership)	331,000
26 Awards	5,973,328

Integrated Investment Process – Local Authorities

Organisation	Award £
North Lanarkshire Council	106,000
Glasgow City Council	389,825
2 Awards	495,825

Membership of sportscotland 2007/08

Louise Martin CBE	(Co-opted 6 February 2008) (Chair from 2 June 2008)
Ian Beattie	(Acting Chair from 16 February 2008 until 1 June 2008)
Julia Bracewell OBE	(Chair until 15 February 2008)
Wai-Yin Hatton	
Dr Linda Leighton-Beck	
Atholl Duncan	
Steven Grimmond	
Stephen Wright	
Kim McAully	
Carolan Dobson	
David Sole OBE	
Graeme Marchbank	
John Fraser	
Mike Hay MBE	(Co-opted 6 February 2008)
Sir Bill Gammell	(Co-opted 6 February 2008)

Lottery Fund

Awards for All Programme

**Summary of Awards by Local Authority Area
1 April 2007 - 31 March 2008**

Local Authority	Number	Value £
Aberdeen City	7	25,835
Aberdeenshire	5	32,609
Angus	1	1,700
Argyll and Bute	7	50,684
City of Edinburgh	5	20,367
Glasgow City	15	95,061
Clackmannanshire	1	6,500
Dumfries and Galloway	10	70,669
Dundee City	6	34,796
East Ayrshire	7	33,367
East Dunbartonshire	1	851
East Lothian	3	17,754
East Renfrewshire	0	0
Falkirk	4	31,584
Fife	13	52,173
Highland	20	116,707
Inverclyde	1	3,061
Midlothian	0	0
Moray	1	6,059
North Ayrshire	3	20,650
North Lanarkshire	14	57,016
Orkney Islands	2	10,396
Perth and Kinross	7	40,575
Renfrewshire	3	12,267
Scottish Borders	6	35,645
Shetland Islands	0	0
South Ayrshire	6	42,884
South Lanarkshire	16	77,029
Stirling	4	24,930
West Dunbartonshire	5	18,956
West Lothian	9	41,284
Western Isles	2	8,630
Scotland Wide	2	9,961
Totals	186	1,000,000

Summary of Awards by Sport 1 April 2007 - 31 March 2008

Sport	Number	Value £
Aikido	1	4,575
American Football	1	5,000
Archery	2	8,000
Association Football	50	216,963
Athletics	6	30,057
Badminton	2	14,620
Baseball	1	9,654
Basketball	6	30,077
Baton Twirling	1	5,000
Bowls	15	75,843
Canoeing	6	25,232
Cricket	5	41,221
Curling	3	23,477
Cycling	2	6,220
Equestrian	7	39,900
Fencing	2	12,559
Fitness	1	744
Gliding	1	8,500
Golf	10	66,218
Gymnastics	4	24,114
Handball	2	12,200
Hockey	7	42,122
Ice Skating	1	6,000
Judo	1	3,385
Karate	1	5,000
Korfball	1	3,000
Lawn Tennis	2	13,560
Multi Sports	4	33,420
Netball	5	20,683
Orienteering	1	4,800
Rowing	2	19,796
Rugby League	2	15,537
Rugby Union	6	44,006
Sailing/Yachting	6	31,332
Shinty	1	600
Skiing	2	17,200
Squash	1	4,580
Sub Aqua	1	4,111
Swimming, Diving and Water Polo	5	27,624
Table Tennis	3	16,864
Ten Pin Bowling	1	2,461
Trampolining	2	9,118
Weightlifting	1	8,638
Totals	186	1,000,000

Lottery Fund

Integrated Investment Process

**Summary of Awards by Governing Body of Sport
1 April 2007 - 31 March 2008**

Governing Body of Sport	Lottery Fund Investment	Total Investment
	£	£
Angling	10,000	18,450
Archery	20,000	20,000
Athletics	435,400	657,743
Badminton	192,124	371,969
Basketball	125,000	275,000
Bowling	95,000	126,500
Canoeing	232,438	317,438
Cricket	141,947	316,947
Curling	241,998	391,500
Cycling	329,678	415,678
Disability Sport	175,750	250,750
Equestrian	132,113	187,113
Fencing	28,000	52,760
Football	172,800	1,272,800
Golf	396,073	959,523
Gymnastics	210,000	361,525
Hockey	437,384	649,534
Judo *	223,503	392,408
Karate	20,000	48,564
Lawn Tennis	180,000	310,750
Mountaineering*	58,000	267,450
Netball*	157,155	355,785
Orienteering	40,000	71,000
Rowing	42,768	71,463
Rugby Union	186,000	752,500
Sailing/Yachting	189,080	337,080
Shinty	35,000	107,145
Shooting	135,000	140,000
Snowsport	147,500	217,500
Squash	197,040	272,040
Swimming	527,000	818,000
Table Tennis	44,255	59,255
Tae Kwan Do	5,000	5,000
Triathlon	102,345	147,345
Water Skiing	17,500	41,213

Wrestling	38,000	41,000
Medical Scheme	150,000	150,000
Sport Tayside and Fife (Sports Partnership)	375,000	375,000
Sport Central (Sports Partnership)	331,000	331,000
Sports Partnerships - Programme Development	40,000	40,000
Totals	6,616,851	11,996,728

Note 1: Some integrated investment totals include monies awarded to individual athletes under the Athlete Support category.

Note 2: A few governing bodies were wholly funded from Exchequer funds, and they are not included in the list above.

Note 3: Governing bodies marked * received awards covering more than one year.

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