

# Summary of responses to the Consultation on Big Lottery Fund Policy Directions

## Introduction

The Big Lottery Fund (BIG) is the largest distributor of Lottery money to good causes. BIG is responsible for delivering 40% of all funds raised for good causes (about 11 pence of every pound spent on a lottery ticket) by the National Lottery. Since June 2004 BIG has awarded over £4.4bn to projects supporting health, education, environment and charitable purposes. BIG is committed to bringing real improvements to communities and the lives of people most in need and has been rolling out grants across the UK since June 2004. This funding helps communities and people most in need throughout the United Kingdom to improve the quality of their lives by making a difference to the things which matter most to them.

The voluntary, community and social enterprise sector is at the heart of this Government's mission to build a Big Society. BIG play an important role in supporting civil society and it is entirely fitting that policy responsibility for BIG transferred from the Department for Culture, Media and Sport to the Cabinet Office. In line with the transfer of responsibilities for the Big Lottery Fund, the Cabinet Office opened a 12-week consultation on 22 August 2011 on proposed new policy directions for BIG going forward.

Respondents were asked for their views on proposed new policy directions going forward and invited to respond to the following two questions:-

1. Is there anything set out in these directions that the Big Lottery Fund should not be doing? If your answer is yes, please tell us what it is and why they shouldn't be doing it.
2. Is there anything the Big Lottery Fund should be doing in addition to these directions? If your answer is yes, please tell us what they should be doing and why.

## **Conducting the consultation exercise**

The Cabinet Office opened a consultation on proposed new policy directions for the Big Lottery Fund in August 2011 via the Cabinet Office website. Stakeholders, government departments and devolved administrations were all signposted to the consultation. Our strategic partners were encouraged to draw the consultation to the attention of their members. BIG signposted the consultation through their website and highlighted it through a number of channels including e-bulletins and a roundtable event in October 2011.

We had over 180 responses to the consultation. 60% of responses were from small voluntary and community sector organisations in England and 20% from larger UK voluntary and community sector organisations. Overall there was general support for the new directions. The majority of views focused on the amount of funding BIG should allocate to the voluntary sector, continued independence from Government and BIG supporting the development of the Social Investment market. A summary of views expressed and decisions taken in light of the consultation exercise is outlined below:

## SUMMARY OF VIEWS EXPRESSED & DECISIONS TAKEN IN LIGHT OF CONSULTATION EXERCISE

Key issue/theme raised	Government Response
<p><b>Funding the VCS (1B &amp; 2B).</b>                      Approximately 50% of respondents stated that all of BIG's funding should be made available exclusively to the voluntary sector organisations and requested the term 'primarily' in the proposed directions at 1B in the UK section of the directions be replaced with 'exclusively', and at 2B, in the England &amp; Isle of Man section of the directions that the word exclusively is inserted.</p>	<p>Section 2B (in the England &amp; Isle of Man section of the directions) reflects the policy direction issued by Tourism and Heritage Minister John Penrose to the Big Lottery Fund following a consultation with the sector. The direction requires the Big Lottery Fund to focus its funding in England on projects that support the voluntary and community sector and followed changes to increase the share of lottery funding going to arts, heritage and sport in December 2010.</p> <p>The word 'primarily' occurs in section 1B because this section is meant to act on funding that goes beyond England expenditure and we would expect devolved administrations to take the UK directions into account when setting their own directions.</p> <p><b>In essence including the word 'exclusively' in either section would rule out projects that benefit communities served by the voluntary and community sector.</b> Examples of the kinds of projects which would be excluded under a 100% approach include the funding parish councils working in rural areas with low social capital, funding veterans, wellbeing projects which work in partnership would also be more difficult to fund (and in some cases impossible). In 2010/11 90% of BIGs funding went directly to the voluntary and community sector. The remaining 10% of funding went to parish and community councils, veterans, schools and other bodies. It is important that the policy directions are future proofed and allow BIG the flexibility to fund a range of activities.</p>
<p><b>Additionality &amp; complementarity principles 1G(5)</b>                      Respondents were concerned that the principle on additionality &amp; complementarity erodes the additionality principle by suggesting funding should complement that made by other funders, including the government.</p>	<p><b>Lottery funding is distinct from Government funding and adds value.</b> Although it does not substitute for Exchequer expenditure, where appropriate it complements Government and other programmes, policies and funding. <b>The direction at 1G(5) to be amended and the following words added - 'distinct from'. This reinforces the position that lottery funding is distinct from government funding and adds value.</b></p> <p>The concept of 'additionality' cannot be absolute circumstances change and the Big Lottery Fund needs to be aware of and responsive to this. BIG's funding / activity does not take place in isolation and we need to be realistic about the interdependence of the work they do with other initiatives and funders.</p>
<p><b>Social Investment 2C(iii)</b>                      Some respondents felt that lottery money had a role to play in</p>	<p><b>The main aspect of BIG's work will continue to be as a grant funder of the voluntary and community sector.</b> Social investment is an emerging area of investment that supports</p>

<p>expanding opportunities for social investment. However others expressed the view that lottery funding should not be spent developing this market at all or that funding should be restricted to a relatively small element of BIG's funding as their role was primarily as a grant funder.</p>	<p>communities and people in need. It is therefore appropriate that BIG should be able to support work in this area. The direction at 2C(iii) supports this.</p>
<p><b>Funding innovation v's funding the tried and tested 1A(iii)</b> BIG should give consideration to providing 'continuation funding' for successful projects that have come to the end of their lottery funded-term and have delivered measurable outcomes. Trust and Foundation funding is heavily focused on 'new' and 'innovative' projects only and it is increasingly difficult for third sector organisations to source funding to continue to expand or propagate successful work.</p>	<p>BIG fund both new and innovative approaches as well as tried and tested activities. <b>To reinforce this point and for clarity the policy direction at 1A(iii) to be amended and the following words inserted '..... alongside tried and tested models' .</b></p>
<p><b>Communities of interest 2B</b> An assurance from some respondents was sought that the term community extends beyond specific geographical location and include communities of interest (a geographically dispersed, relatively low prevalence community with similar needs and concerns).</p>	<p>The term 'community' in the policy directions does extend beyond specific geographical location and include communities of interest. The directions do not prevent communities of interest from being funded.</p>
<p><b>Social Enterprise 2B (ii)</b> A small number of respondents sought clarification on of a firm definition of what constitutes a social enterprise and requested that it be placed within the policy directions, to ensure clarity as to their role and purpose in relation to voluntary sector bodies.</p>	<p>BIG currently use the broad definition of social enterprise agreed by the sector, and also used by Government: <i>' Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit for shareholders and owners'</i></p>
<p><b>Infrastructure Funding</b> A small number of respondents sought reassurance that BIG would continue to support and fund the development of voluntary sector bodies infrastructure and capacity.</p>	<p>The new policy directions allow BIG to support and fund VCS bodies infrastructure and capacity.</p>
<p><b>Taking account of local intelligence</b> A small number of respondents commented that much greater analysis of what is needed at local level from objective sources before investments are made is needed.</p>	<p>New policy directions do not stop BIG from taking account of local intelligence. A recent PAC report stated the following: <i>'The Big Lottery Fund has increased the spread of successful applications across the United Kingdom and from different social groups, ..... Grant-makers should seek to learn from Big</i></p>

	<i>Lottery Fund's approach, including its regional outreach operations.'</i>
<p><b>Broadening the funding type entitlement to other sectors and organisation types</b></p> <p>In terms of specific policy areas where BIG should place their funding respondents listed the following - young people, environmental and local based projects.</p>	<p>New policy directions allow BIG to fund young people, environmental and locally based projects. Since 2004 BIG has distributed over £4.4 billion across the UK to projects covering health education, the environment and charitable purposes with many examples of where BIG has made interventions within these specific policy areas.</p>
<p><b>Funding support &amp; continuation funding</b></p> <p>A small number of respondents stated that BIG should also offer more support to applicants when applying for funding and should also offer more continuation funding for projects reaching the end of their grant.</p>	<p>New policy directions allow BIG (which they currently do) to provide support to applicants when applying for funding, and provide continuation funding offering up to five years funding for the majority of programmes.</p>

Consultation responses were received from the following organisations:-

Worcester Volunteer Centre  
Urban Challenge  
Telford & Wrekin Volunteer centre  
Arun District Council  
Havant Council of Community Service  
South Liverpool Domestic Abuse Services  
Walking Friends Portsmouth  
RHL  
Greater Manchester Centre for Voluntary Organisation  
Willesborough Baptist Church  
Redmarley Parish Council  
N Plimott  
University of Nottingham  
Gunard Village Hall Association  
West Norfolk Voluntary and Community Action  
Sunderland Voluntary Sector Youth Forum  
Asylum Seekers and Refugees of Kingston-Upon-Hull  
Learning Plus  
Northampton Volunteering Centre  
Blairgowrie and District Next Steps  
Crossroads Care Knowsley Inc.  
Karen Buck MP  
North Devon District Council  
Plymouth University  
PATH (Plymouth Access to Housing)  
Voluntary Action Maidstone  
150th Sheffield Scout Group  
Nottinghamshire Community Foundation  
GACVA  
Thurrock Council  
Stradbroke Charitable Trust  
Torrige District Council  
Hull CVS  
Bolton Interfaith Council  
From The Ground Up  
Salford CVS  
Community First East Hampshire  
C Birch  
Voluntary Action North Lincolnshire  
Action for Deafness  
Cheshire Halton & Warrington Race & Equality Centre  
Jantela Partnership  
Sheffield Association for the Voluntary Teaching of English (SAVTE)  
WiganRecycles Ltd  
Institute of Fundraising

North East Circus Development Trust  
Family Focus Parent Support Group  
Effective Fundraising  
RSPB  
The Royal Borough of Kensington and Chelsea  
Women Connect First  
Sunbeams Music Trust  
South East Lottery Forum  
Leicestershire County Council  
Refuge  
Harrogate and Area Council for Voluntary Service  
The Lesbian & Gay Foundation  
Royal National Institute for Blind people  
CVS Newcastle  
Redcar and Cleveland Council  
Oxfordshire Community and Voluntary Action  
Age UK Cheshire  
Crewe Women's Aid  
Hastings Furniture Service  
Social Enterprise Lancashire Network  
Katharine House Hospice  
Stockport Council  
The National LGB&T Partnership  
Helix Arts  
Sunderland AFC Foundation  
Regeneration Team, Derbyshire County Council  
Newcastle-Under-Lyme Borough Council  
RETAS Leeds  
Community Foundation Network  
Workington Transport Heritage Trust  
Community Development Foundation  
Woodland Trust  
Tameside Third Sector Coalition (T3SC).  
Women's Work (Derbyshire) LTD  
Ashby Canal Trust  
SPEAK Network  
Cumbria County Council  
Daventry Volunteer Centre  
Stonewall Housing  
UK Overseas Territories Conservation Forum  
North West Tenants & Residents Assembly  
Birmingham City Council  
Co-operatives UK  
Directory of Social Change  
Centre 63  
Social Enterprise UK  
National Council for Voluntary Organisations  
Council for Voluntary Service  
The Wildlife Trusts  
Community North West

Community Matters  
Community Action Hampshire  
The University of Northampton  
Hertfordshire Community Foundation  
Association of Charitable Foundations  
Tameside Third Sector Coalition (T3SC)  
Lazonby swimming pool association ltd  
Groundwork UK  
Social Firms UK  
Churches Legislation Advisory Service  
Gateshead Voluntary Organisations Council  
TMCR 95.3fm  
Kirkby Arts and Crafts  
Newcastle City Council  
South Holland District Council  
Natural England  
Solihull Metropolitan Borough Council  
West Norfolk Voluntary and Community Action  
Humber Centre for Excellence in the Built Environment (Arc).  
Shelter  
Volunteering Cornwall  
MENTER  
Walton Pre School  
Sutton Centre for the Voluntary Sector  
Community & Business Partners CIC  
The Prince's Trust  
Home –start Sutton  
Women Thinkers.com  
Charity Finance Directors Group  
Castle Vale Community Regeneration Services  
Wolverhampton Voluntary Sector Council  
Community Action Derby  
Kingfisher Riding for the Disabled  
Royal Association for Deaf People  
Cascade Training Plus  
Sussex Village Halls Advisory Group  
The Calvert Trust  
Age UK  
North Somerset Council  
Kent County Council  
Third Sector Lancashire  
RASA Advocacy Project  
MACC  
Craven CVS  
Liverpool Lighthouse  
Voluntary Action Oldham  
NAVCA  
Sefton Association for Voluntary and Community Action  
The Prince's Initiative for Mature Enterprise (PRIME)  
National Coalition for Independent Action.

Independent Academic Research Studies (IARS)  
Inland Water Association  
Scottish Natural Heritage  
CAF  
Merseyside Disability Federation  
Plan Ulverston (Community Led Plan)  
National Trust  
The Social Enterprise Loan Fund  
Selly Oak Trust School  
East Sussex County Council  
Voluntary Action Sheffield  
Hindu Cultural & Heritage Centre  
Northern Fells Group  
Lancaster Green Spaces  
Handsworth Community Forum  
Wakefield Council  
Locality  
Centre for Environmental Initiatives  
Herefordshire Council  
Sefton O.P.E.R.A.  
Warwickshire Association of Youth Clubs  
Volunteer Centre Liverpool  
Voluntary Sector North West  
NLSQBC  
NCVO  
ACEVO  
Children in Scotland  
Stradbrook Charitable Trust  
St James' Trust  
The Law Centres Federation.  
Havant Council of Community Services  
Children England  
Greater Manchester Centre for Voluntary Organisation  
St Matthew's Church  
EcoLocal  
Canon M Wedgeworth  
North Tyneside Sport and Recreation Alliance  
Montserrat Government UK Office  
ACRE