

# Community Fund

## ANNUAL REPORT AND ACCOUNTS

### For the financial year ended 31 March 2006

Annual Report presented in compliance with section 34(3) of the National Lottery etc Act 1993 by the Secretary of State for the Department of Culture Media and Sport.

Accounts prepared pursuant to Section 39(1) of the National Lottery etc Act 1993 and presented by the Comptroller and Auditor General.

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# Community Fund

## Annual Report and Accounts 2005/06

### Contents

Introduction by the Chair and Chief Executive	2
<b>Section 1</b> About us, our framework and what we do	6
<b>Section 2</b> How we work, our strategy and structure	12
<b>Section 3</b> Our grant programmes	18
<b>Section 4</b> Our operational performance	38
<b>Section 5</b> Our financial performance, including:	52
The remuneration report	56
Statement of Accounting Officer's responsibilities	59
Statement on Internal Control	61
The Certificate and Report of the Comptroller and Auditor General	69
Annual Accounts	77
<b>Section 6</b> Our Statutory Background	99
<b>Section 7</b> Lists of awards over £100,000 made in the year	106

## Introduction

by the Chair and Chief Executive

This Annual Report sets out the achievements of the Big Lottery Fund during 2005/06. Last year we reported on the successful administrative merger of the New Opportunities Fund and Community Fund, which came together to form the Big Lottery Fund. Until the legislation to formalise this administrative merger is enacted, we will formally report separately on the activities of the two statutory bodies. This report sets out the development and performance of the Big Lottery Fund as it relates to the Community Fund, including how those resources made available to the Community Fund have been used.

2005/06 has seen several key developments for the Big Lottery Fund, the preparation of our strategic plan for the period to 2009, planning and launching a range of new programmes UK-wide and the implementation of a major change programme designed to deliver business efficiencies.

In continuing to integrate the structures of the two legacy funds and to develop our new business, we have used the results of the major, UK wide consultations with our stakeholders and the wider public to develop the strategic plan for the Big Lottery Fund. Details are set out in section 2 of this report.

During 2005/06, a significant amount of effort has been devoted to developing new grant programmes reflecting the themes and outcomes that emerged from our consultations. As the Big Lottery Fund does not yet legally exist we will, for expediency, make awards through these programmes using New Opportunities Fund powers.





## Introduction

We have developed a mixed portfolio approach to funding, both strategic and demand led. We have introduced full cost recovery on legitimate overhead costs for voluntary and community organisations, and more flexibility in the length of our funding. We have also developed an evaluation, research and learning strategy for 2005 to 2009. In all, we have launched 16 programmes, including the demand-led, lightly prescribed Reaching Communities programme in England, People and Places in Wales and the Young People's Fund programmes in Scotland, Wales and Northern Ireland. We are currently working up a number of other programmes and will launch a further 23 in 2006/07. Details of our programmes are set out in this report.

At the same time, we have also successfully integrated and restructured our offices in Scotland, Wales and Northern Ireland, opened the Newcastle Centre and refocused our regional presence in England, with an expanded remit for regional intelligence outreach and partnership working. The Birmingham Centre is expected to open by the end of 2006. The two new centres in Newcastle and Birmingham will deliver the large majority of our grant management functions in England. A phased transition of many of the functions currently based in London and in the previous England Regional Offices is being undertaken and will be substantially completed during 2007.

During 2005/06, we have made the final awards under the Community Fund's legacy grant programmes. Through these legacy programmes and our new Big Lottery Fund programmes, we have in 2005/06 committed £350 million of funding. We have worked with our key partners and grant holders to ensure that the funding awarded is reaching beneficiaries as quickly as possible; during the year we have paid out £227 million in grants.

Finally, we have continued to lead the way in taking forward the agenda for joint working, public involvement and promotion of the benefits of the National Lottery, spelt out by the Secretary of State in 2003. We have set up the framework for a capital centre of excellence and redesigned the joint distributor website, supported the work of the National Lottery Promotions Unit, including the drive towards common branding, launched a programme (People's Millions) which enables people to vote for their favourite projects as seen on TV and engaged young people in the decision-making on grants under our Young People's Fund.

We would like to express our thanks to all those who have played a part in the Big Lottery Fund's considerable achievements this year. They could not have happened without the leadership and direction of the Board and Committee members and the hard work, professionalism and dedication of the staff, for many of whom it has been a year of significant personal uncertainty.

We believe that the new, different and better funder promised last year is emerging; a more intelligent funder that will bring real improvements to communities and the lives of people most in need.

**Sir Clive Booth**

Chair

**Stephen Dunmore**

Chief Executive

10 November 2006

## Section one

About us, our framework and what we do

### Our history and statutory framework

In February 2003, the Secretary of State for Culture, Media and Sport asked the Community Fund (the operating name of the National Lottery Charities Board) and the New Opportunities Fund to come together to create a new Lottery distributor, building on the strengths of both organisations. In November 2003, Stephen Dunmore was appointed Chief Executive of both bodies and he put together a joint management team to lead the new distributor. With the appointment of a Chair and Board, the Big Lottery Fund was administratively created on 1 June 2004.

We expect the Big Lottery Fund to be formally commenced on 1 December 2006 subject to the Parliamentary timetable. The new Big Lottery Fund Board is likely to meet for the first time in December 2006. Until this point, both 'legacy' organisations will continue to work as an administratively merged body and lay the foundations for the new organisation. Until the legislation is in place the statutory powers of the Community Fund and the New Opportunities Fund will continue to be used and we will report separately on the work, performance and finances of each of the two bodies. This report deals with the Community Fund.

The Department for Culture, Media and Sport has responsibility within government for National Lottery policy and sets the policy and financial framework within which the distributing bodies work. There are currently 15 independent distributing bodies responsible for awarding Lottery grants.

The Community Fund was established by the National Lottery etc. Act 1993. The Community Fund is a UK-wide-non-departmental public body, regulated in accordance with the Management Statement, Financial Directions and Policy Directions issued by the Secretary of State for Culture, Media and Sport.

### What we do – grant making

The Community Fund was set up to make National Lottery grants to the voluntary and community sector. We receive policy directions from government which set out the principles with which we must comply. These Policy Directions are set out in Section six of this annual report.

New policy directions were issued in 2005 for the transformational grants initiative, now established as the Living Landmarks and People's Millions programmes.

In 2005, the Government also agreed with the Big Lottery Fund a set of strategic themes and outcomes. These allow us to develop policies and programmes in consultation with key stakeholders.

Our new funding programmes follow three broad themes that allow us to support a wide range of projects across the UK:

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



We have also set out a number of outcomes for our programmes. The outcomes – what will be achieved with our funding – are the result of separate consultations in each UK country. They are therefore different in each country, reflecting the unique challenges and demands in England, Scotland, Wales and Northern Ireland.

During 2005/06, we have been developing the new programmes derived from these themes and outcomes.

We have launched a number of programmes including:

- Reaching Communities, Parks for People and Children's Play in England
- Young People's Fund in Scotland
- People and Places and the Young People's Fund in Wales
- Change UR Future in Northern Ireland.

We are currently working up a number of other programmes and will launch a further 23 programmes in 2006/07.

As well as developing Big Lottery Fund programmes, we have continued the work of our legacy programmes through offering a high quality service to our applicants, grant holders, key partners and stakeholders. During 2005/06, we made the final awards on Community Fund's legacy grants programmes.

In 2005/06, we made awards of £350 million. We have worked with our key partners and grant holders to ensure that the funding awarded is reaching the beneficiaries as quickly as possible; during this year we paid out £227 million in grants.

You can find details of all our programmes in section three of this report.

### **Our restructuring**

Last year we reported on the successful administrative merger between the New Opportunities Fund and Community Fund. During 2005/06, we have continued the programme of integration and restructuring to deliver the expected savings and efficiencies from this merger.

The offices in Scotland, Wales and Northern Ireland were successfully integrated and restructured during 2004/05.

Within England we have implemented a major change programme, the "Structural Review". We looked at how and where we want to administer our England grant-making activities and corporate support functions to achieve operational efficiencies and improved customer service.

Grant assessment and grant management activities within England will be consolidated within two centres in Newcastle and Birmingham. We will retain and enhance regional presence to maintain and develop local stakeholder links and outreach activities. Corporate support functions will be located either in London or within the Birmingham Centre.

We started to implement these decisions during this reporting year. During 2005/06, we consulted with the two recognised Trades Unions about the loss of posts in our regional offices. We recruited 87 staff to our Newcastle Centre and we moved into our new building in March 2006. Our Birmingham Centre will open during 2006/07.

## Section one

### Our Lottery Funding

Our income comes from the National Lottery. The Community Fund receives 16.67 per cent of all income raised by the National Lottery for the good causes. This income is invested in the National Lottery Distribution Fund (NLDF), which is under the stewardship of the Secretary of State for Culture, Media and Sport. We receive interest earned on our NLDF balances.

The Board has approved grant budgets totalling £2.2 billion for new programmes for the period to 31 March 2009 based on forecast available funds. In setting these budgets, the Board took into account the risk that our income might go down, should ticket sales for the National Lottery decline. The Lottery will also contribute to the cost of the 2012 Olympic Games. We also considered the possible impact of the end of the current National Lottery licence in 2009.

### Relationships with key stakeholders

Following on from the wide-scale consultations in 2004, the Big Lottery Fund has continued to build relationships with key stakeholders. We have organised a number of meetings to review our funding policies and to review our undertaking to give 60-70 per cent of our funding to the voluntary and community sector. In England we held a joint forum with ACEVO to disseminate our full cost recovery policy and encourage other funders to adopt full cost recovery principles. We remain committed to being a listening organisation, using feedback to shape our policies, procedures and funding programmes.

### Our mission and values

Our mission at the Big Lottery Fund is to bring real improvements to communities and the lives of people most in need.

We have identified seven values that underpin all our work. They are:

- ▶ **Fairness** – putting equality and diversity at the heart of our work.
- ▶ **Accessibility** – making it easier to access our funding and providing help to grant applicants and recipients.
- ▶ **Strategic focus** – working in partnership and joining up with existing strategies, developing programmes that are focused on the outcomes and the difference they make for communities.
- ▶ **Involving people** – involving local communities in our work and making sure the public know and care about our work.
- ▶ **Innovation** – building evidence-based programmes, sharing what we learn and considering new ways of making grants.
- ▶ **Enabling** – working with communities, partners and other funders to help achieve lasting change.
- ▶ **Additional to government** – ensuring our funding is distinct from government funding and adds value.

We have also consulted widely with staff to establish a set of internal values: accountability, valuing people, teamwork and service excellence. These express the type of employer the Big Lottery Fund intends to be and what we expect from our staff.

## Looking forward

We are looking ahead to a number of developments affecting our funding and the way we are organised to deliver it.

The Big Lottery Fund recently announced its new programmes for England, Scotland, Wales and Northern Ireland. It will distribute £2.2 billion between 2006–2009.

Programmes are divided into two broad areas: demand-led programmes and strategic programmes. The demand-led programmes encourage organisations to bring their own ideas to us for funding. The strategic programmes focus more specifically on the outcomes that the Big Lottery Fund wants its funding to achieve.

As well as our new programmes we have announced a range of measures to help communities get funding from us more easily. We will:

- have different approaches to funding, with at least a third of our grant income going to demand-led, lightly prescribed, accessible programmes, including the expanded Awards for All scheme
- be more flexible in the length of funding, making grants available for up to five years
- adopt the principle of full cost recovery by allowing voluntary and community organisations to recover the cost of their legitimate overheads

- ensure that 60–70 per cent of our funding will go to the voluntary and community sector
- focus the work of our regional offices on policy development, regional intelligence, outreach, partnership working and external relations
- establish two centres for England in Newcastle and Birmingham to ensure a strong, unified funding policy
- make efficiency savings of 10–20 per cent (£6–£12 million) on the running costs of the two legacy organisations to be ploughed back into funding of projects
- introduce a two-stage application process, where appropriate, to reduce the administrative burden on applicants.

Public involvement in the National Lottery is an important priority for the Government and for us. We are looking at new ways of involving the public in deciding where money for good causes should go. Under the Young People's Fund we recruited young people to sit on national and regional committees to help make funding decisions. We have consulted widely on our new programmes, including commissioning research on how Lottery players think Lottery money should be spent.

We have also launched in 2005 our People's Millions programme, which allowed TV viewers to vote for their favourite community based project. In 2005, we awarded 53 grants of £50,000 under this scheme and launched a programme to award one large grant of up to £1.5 million which will be voted on by the public.

## Section one

We are committed to evaluation and learning, sharing good practice and influencing policy nationally and locally.

Where appropriate, we will work in partnership with Government and complement Government priorities and programmes to achieve maximum impact with our money. We have affirmed our commitment to helping people and communities in need, even if that means funding projects that may be unpopular with some people.

Most important of all, the Big Lottery Fund will be neither the Community Fund nor the New Opportunities Fund. It will be a new and different funder, focused not on whom we give the money to (whether specific sectors or priority groups) but on outcomes – what we fund and who benefits from it.







## Section two

### How we work, our strategy and structure

#### Our strategy

The years 2004 – 2006 have been transitional. Against a background of merger, restructuring, delivery, closure of existing programmes and development of new programmes we have been laying a solid foundation for the Big Lottery Fund to become a new, different and better funder.

During this period, we have established annual plans rather than a longer term strategy. In our 2005/06 corporate plan we identified the following challenges for the year:

- to develop and launch new grants programmes that meet our main themes, outcomes and priorities
- to meet delivery targets on all existing grant programmes, while restructuring the England regional offices, our grant management and our corporate services
- to design and develop a strategic and corporate business planning model and process for 2006–09, strengthening the management and improving the performance of the new organisation
- to continue to integrate the New Opportunities Fund and the Community Fund, and to implement coherent strategies and policies to deliver our business.

We set ourselves six objectives supported by 23 performance indicators. In section four of this report we set out how we have performed against these objectives.

We can now consider our longer term strategy. We are finalising our strategic plan for the period April 2006 to March 2009. This will be the Big Lottery Fund's first Strategic Plan.

The Strategic Plan will set out who we are, where we are now and where we want to be in 2009. It will include the following.

- ▶ Our mission, values and legislative framework. These describe who we are and what we stand for. It differentiates us from other grant-making bodies.
- ▶ Our key achievements in the past two years, which establish where we are at the beginning of this Strategic Plan period.
- ▶ Our consultations, new policy directions and our destination statement, which set out where we want to be in 2009.
- ▶ Our funding frameworks and new programmes explaining the difference we would like to make to communities and the lives of people most in need.
- ▶ Our annual corporate plan reflecting our priorities and resources for each year to move us towards our goals for 2009.

The annual corporate plan will contain our corporate objectives, key performance indicators and the grant and operating budgets for that year.

Our performance against these objectives and targets are monitored and reported to the Board every three months and will be published each year in our Annual Report and Accounts.

The Strategic Plan will be published in hard copy and will also be available from the Big Lottery Fund website at: [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)



## How we are run

### The Board

We have a single Board for both organisations of 17 members (including a Chair, Vice-Chair, three members each from Northern Ireland, Scotland and Wales and six general members). All Board members served for the whole of the financial year.

The Board is responsible for the overall strategic direction and performance of the Big Lottery Fund, including our accountability to Government and other stakeholders. To fulfil its accountabilities the Board has committees (the Resources Committee, the Audit and Risk Committee and the Remuneration Committee), advisory panels (the Equalities Forum and the Evaluation and Learning Panel) and committees for advising and making funding decisions for specific programmes. The full list of Board members and their responsibilities for chairing committees of the Board are set out below.

The Board meets every two months; members of the Senior Management Team attend meetings. The Audit and Risk Committee meets every three months. It approves the internal audit programme, endorses the risk register and scrutinises the outcome of internal and external audit reports. The Resources Committee meets every three months. It approves 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.



**Sir Clive Booth**

Chair  
Joint Chair, Big Lottery Fund/Millennium Commission Committee  
Chair, Remuneration Committee



**Dame Valerie Strachan**

Vice Chair  
Chair, Strategic Grants Committee



**Dr Samuel Burnside**

Northern Ireland Member  
Chair, Active Lifestyles Northern Ireland Committee



**David Campbell CBE**

Scotland Member  
Chair, New Opportunities for PE and Sport Scotland Committee  
Chair, Scottish Land Fund Committee

## Section two



**Paul Cavanagh**  
Northern Ireland Member  
Chair, Young People's Fund  
Northern Ireland Committee



**John Gartside OBE**  
England Member  
Douglas Graham  
Scotland Member  
Chair, Active Futures Scotland  
Committee  
Chair, Audit and Risk Committee  
Chair, Reaching Communities  
Committee



**Tom Davies**  
Wales Member  
Chair, New Opportunities for P E  
and Sport Wales Committee



**Taha Idris**  
Wales Member  
Chair, Mentro Allan Wales  
Committee



**Roland Doven MBE**  
General Member  
Chair, Equality Forum



**Dugald Mackie**  
General Member  
Chair, New Opportunities for P E  
and Sport England Committee  
Chair, Resources Committee



**Professor Breidge Gadd CBE**  
Northern Ireland Member  
Chair, New Opportunities for P E  
and Sport Northern Ireland  
Committee  
Chair, Voluntary and Community  
Funding Programme, Northern  
Ireland Committee



**John Naylor OBE – Resigned  
31 March 2006**  
Scotland Member  
Chair, Developing Communities  
Scotland Committee  
Chair, Evaluation and Learning  
Advisory Panel (to March 2006)  
Chair, Young People's Fund  
Scotland Committee



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**Esther O'Callaghan**  
General Member  
Chair, Young People's Fund  
National Grants England  
Committee



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**Anna Southall**  
General Member  
Chair, Living Landmarks  
Committee



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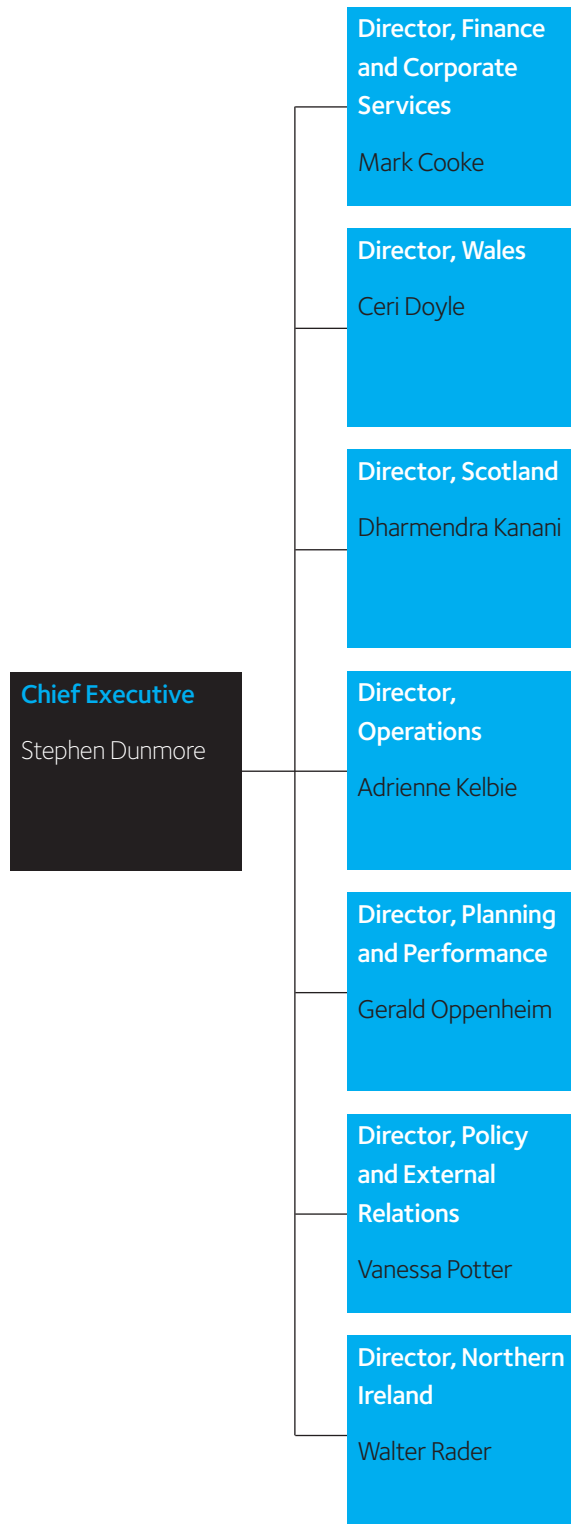
**Huw Vaughan Thomas**  
Wales Member  
Chair, Voluntary and Community  
Funding Programme, Wales  
Committee  
Chair, Young People's Fund Wales  
Committee  
Chair, Evaluation and Learning  
Panel (from March 2006)



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**Diana Whitworth**  
General Member

## Section two



### The Senior Management Team

The Chief Executive is appointed by the Board and is also the Accounting Officer. He chairs the Senior Management Team, which supports the Board in the strategic management of the Big Lottery Fund. The Senior Management Team consider policy and key strategic and operational matters which require the approval of the Board and its main committees. The Senior Management Team also maintain an overview of the day-to-day operations of the organisation.

The Senior Management Team is made up of the Chief Executive and seven Directors. Each Director's remit is set out in the organisation chart left.

The Big Lottery Fund has two management Boards (Organisational Management Board and Grant Programme Board) which are responsible for oversight of cross Directorate activities, making recommendations to, and implementing decisions made by, the Senior Management Team and the Board. They report to the Senior Management Team.

## **Register of Interests**

All Big Lottery Fund Board and committee members, assessors and members of advisory panels must declare any relevant interests under our code of ethics. This code complies with the Cabinet Office code of practice for Board members of public bodies.

If the Board or committee takes any decisions which would 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.

All staff must complete an annual declaration setting out any relevant interests. Training ensures that all staff know they must report any conflicts of interest that arise in their day to day work.

The public can look at the register of declared interests and hospitality declarations by writing to the Director of Planning and Performance. Board members' declarations of interest are published on the Big Lottery Fund's website.

## Section three

### Our programmes

In this section, we review the progress of each of the programmes launched by the Community Fund.

Last year we announced the closure of all Community Fund programmes with the exception of our contribution to the Awards for All programme. The final closing date for all programmes has now passed and the final awards have been made on all programmes. Most programmes were fully committed and due to the large volume of grant applications received on the main grants programme the Board made a further £139 million available.

Since the administrative merger of the Community Fund and New Opportunities Fund we have been working on a wide variety of new programmes under the Big Lottery Fund banner. Our new programmes were developed as a result of extensive consultation and are broadly encompassed under our themes. Details of those programmes we have launched are also set out in this section. As legislation has yet to be finalised the majority of grants made through these new programmes will be made under New Opportunities Fund powers as that organisation has more financial resources.

### Financial highlights

During 2005/06, the Community Fund has made £350 million of grant awards and has paid out £227 million to grant recipients.

### Our commitment to monitoring

The Community Fund has developed a set of procedures for managing grant contracts. The procedures are used to ensure that timely payments are made to recipients and that each scheme delivers the benefits set out in the grant contract. Desk-based monitoring is applied to all grants. We have a number of monitoring tools that we use to ensure our grants are being correctly managed.

Monitoring phone calls and/or visits usually occur on either a six monthly or annual basis. More in-depth compliance visits can take place to verify that schemes are complying with their contractual terms and conditions. In addition, we have comprehensive capital monitoring procedures that are used for all capital grants.

### Strategic Grants

#### **95 grants awarded totalling £25 million.**

This programme supports national organisations and projects which work across regional and country boundaries. It has proven very popular with strategic and support organisations in this sector.

The Drinkaware Trust (formerly the Portman Group) were awarded £358,444 to establish a new UK wide funding programme to prioritise peer led alcohol education projects. It links with UK Youth's Youth Achievement Awards which are recognised and accredited; also with Prince's Trust, Groundwork, YMCA and Brook for other peer led education projects.





The project increases awareness and understanding of alcohol issues among organisations working with young people and the young people themselves and so will increase motivation and skills to resist pressures to misuse alcohol. This will lead to a long-term reduction in a range of alcohol related harms among young people.

The Jennifer Trust for Spinal Muscular Atrophy were awarded £272,566 to support families of children born with this genetic condition. Spinal Muscular Atrophy is an incurable condition that affects around 110 children born each year of which 50 per cent will not reach their first birthday. This project employs two outreach workers to provide advice and support to parents of children newly diagnosed with this condition; they also support local peer support groups. The project will also deliver training to health professionals. The long-term benefit will be to raise awareness of this rare condition and spread best practice in support to parents.

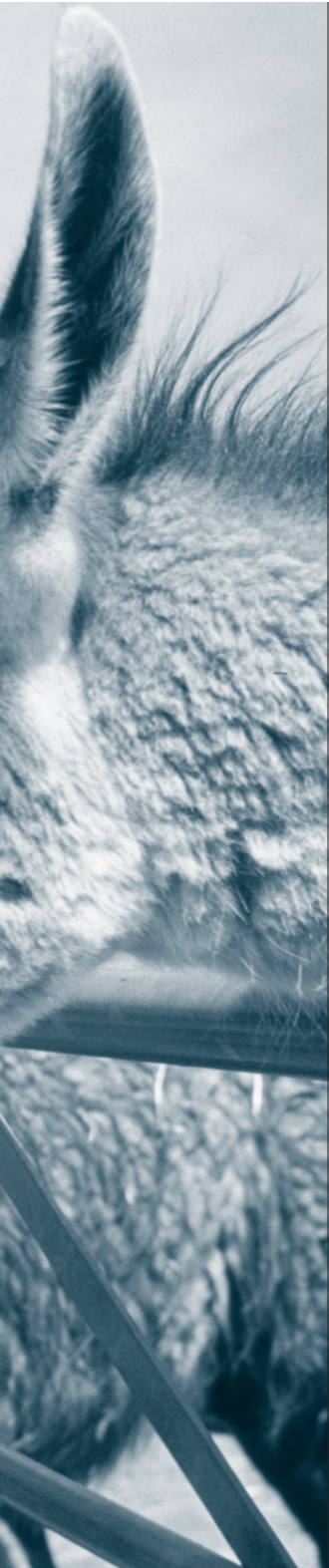
The National Gulf Veterans and Families Association (NGVFA) was established in 1999 to enhance and improve the quality of the day-to-day lives of all Veterans who served in the Gulf conflicts and their families, through support, information, advocacy and counselling. They were awarded £315,000 to follow through the findings of a previous Lottery funded feasibility study to see what services Gulf War Veterans and their Families need. Consequently this project develops the organisation through an administrative centre and membership data and ICT system. It also enhances the counselling service provided to veterans, provides education for counsellors and ensures user involvement in all activities. This will improve accessibility to counselling and support, information and services for veterans and their families.



## Section three







## Research Grants

**20 grants awarded worth £4.9 million.**

The aim of our research grants programme is to make medical and social research accessible to voluntary groups and their beneficiaries and to build bridges between the voluntary sector and researchers. All our grants are made directly to voluntary sector organisations, most of which work in partnership with universities. Adopting a 'voluntary sector led' approach the programme, which has been running for more than three years now, makes a unique contribution to the UK research funding landscape.

Of the 20 grants awarded, a number focus on mental health. For example, MIND, the National Association of Mental Health, was given £374,655 for a project to compare different types of care for people with long-term depression, provided through GP Surgeries. Health in Mind was awarded £174,465 to document the experiences of male survivors of childhood sexual abuse and the impact on their mental health and personal relationships.

The programme has also supported research into other areas of health. For example, The National Autistic Society has been awarded £461,420 to study the effects of early detection of autism in children aged 18 months, compared to those diagnosed at three years. St Luke's Hospice in Sheffield received £368,344 to determine and evaluate depression and demoralisation in people suffering from advanced cancer.

## International Grants

**56 grants were awarded worth £23.5 million.**

Our International grants programme has continued to target funding at those who need it most. This year, 38 per cent of our £23.5 million budget went towards projects in Africa and 30 per cent to projects in the Indian subcontinent. These will help to increase access to education, improve health, provide water and alternative livelihoods, and protect the rights of those who are most disadvantaged. The remaining funds were targeted at poor communities in Latin America and Eastern Europe.

Examples of projects we have funded this year include a grant of £469,204 to the Leonard Cheshire Foundation to tackle disability issues in the Indian subcontinent. Through a combination of physical barriers, stigma, and marginalisation by society, only one per cent of children with disabilities in Pakistan, Bangladesh and India benefit from a primary education. This project will work in seven slums across the three countries where children with disabilities are particularly disadvantaged. By working with schools, teachers and faith leaders, the foundation will seek to change attitudes, develop inclusive teaching methods for use in schools, work with the Ministries of Education to modify school buildings where necessary and encourage the Governments of all three countries to adopt the plans.

## Section three

St. John's Ambulance were awarded a grant of £634,536 to provide home-based care to those affected by HIV/AIDS in South Africa, a country where 5.3 million people are living with either HIV or the fully developed AIDS virus. Anti-Retrovirals do not reach all those who need them and for those without access to treatment, care in the home is crucial to their well-being and quality of life. This project will train nearly 5,000 people in essential care skills over a four-year period and also has a community development aspect so that carers are supported within their communities.

We have been consulting with charities working in areas affected by the Asian Tsunami of December 2004 to ensure that the £12 million of additional Big Lottery Fund support for long term reconstruction initiatives will be targeted as effectively as possible.

The International Grants programme closed for new applications in May 2005. The Big Lottery Fund's commitment to International funding was demonstrated by the decision to expand the programme to include strategic and small grants components as well as continuing to fund a demand-led strand. The new programme was launched in March 2006.

We will continue to align the programme with key elements of the UN Global Poverty Reduction Strategy and support work that tackles the causes of poverty and deprivation, and brings about a long-term difference to the lives of the most disadvantaged people.



### England

**1,570 grants awarded to the value of £192.6 million.**

The past year has been one of transition for the Big Lottery Fund. The Voluntary and Community sector programmes closed on 31 May 2005. We had received an unprecedented number of applications by this deadline so our Board allocated an additional £78 million to this year's budget to allow us to support as many of the best projects as possible. Projects like The Growing Space in South Somerset.





A grant of £66,125 contributed to the running costs of this project, which works with mental health users, people with learning disabilities, prisoners, and schoolchildren. It uses horticultural work and therapy to develop independence and build self-esteem.

As part of our restructuring, our regional offices moved away from a grant making capacity. They have been strengthened to increase the emphasis on policy development, outreach, partnership and external relations. Our grant making capacity has now moved to our operations centres Newcastle and Birmingham.

Previously regions set their own funding priorities from the following list: Children and Young People; Black and Minority Ethnic communities; Older people and their carers; Disabled people and their carers; People in areas disadvantaged by economic/ social problems; and Refugees and Asylum seekers. Although we no longer set regional priorities, all our projects allow for local diversity and we always ask how a project will fit in with local needs and priorities. Our aim is to ensure that we meet local needs, but within a national strategic framework.

## Section three

### Awards made through the Voluntary and Community Sector programmes for financial year 2005/2006.

Region	Number of Awards	Total Amount
Eastern	122	£14,433,860
East Midlands	138	£14,197,159
London	285	£39,818,807
North East	125	£11,886,058
North West	190	£28,798,977
South East	175	£22,197,172
South West	206	£19,437,269
West Midlands	163	£19,653,882
Yorkshire and Humber	166	£22,216,365

#### Scotland

Over the past year, the Developing Communities programme (the name of the Community Fund's large grants programme in Scotland) awarded 248 grants worth £33.5 million.

The initial budget of £17.9 million for the year was supplemented with an additional £15.6 million. This made the Big Lottery Fund the largest source of funding for the voluntary and community sector in Scotland outside of central and local government.

The programme continued to focus on the priorities set in its strategic plan in 2002: funding projects which benefited people disadvantaged by social and economic change, disabled people and their carers, and Black and Minority Ethnic communities.

The success rate, in terms of applications being awarded a grant, was 69 per cent. Awards were made throughout Scotland to a wide range of organisations, from small community groups to large national charities. Projects ranged from village halls to supported employment projects, and from support for people with a wide range of disabilities to advice and help for members of ethnic minority communities. This programme is now closed and in grant management.

We also began work on commissioning an independent evaluation of the success of the Developing Communities programme. This study will examine the extent to which the programme has built the capacity and credibility of the voluntary and community sector in Scotland, focusing on a number of specific geographical areas and one of the priorities set out in the strategic plan.

## Wales

**164 grants were awarded, to a value of £23.9 million.**

Additional funding was made available to meet the high level of applications received in the last three months of the programme. We have also solicited a further application of up to £500,000 to provide voluntary sector bodies with advice and training on how to sustain and diversify funding for their projects. This will help to ensure that the programme leaves a lasting legacy and that projects funded through the programme continue to provide benefits to their communities into the future.

This additional funding also ensured that four of the five target areas under the fair share initiative exceeded their financial target. In the fifth area, Caerphilly, a tripartite agreement between the Fund, the local County Voluntary Council and the local authority, ensured that the area significantly increased its share of funding. Two geographical priority areas of Newport and Bridgend also exceeded financial targets for the year.

Over 450 grants totalling £76.6 million were managed over the year. Staff working on the programme in both the Newtown and Cardiff offices ensured that a good level of customer care was maintained.

## Northern Ireland

**103 grants awarded worth £9.8 million.**

In February 2006, the final awards, valued at £3.5 million, in Northern Ireland were announced under the Voluntary and Community Sector programme. Projects include an award to Contact-A-Family, who secured £214,301 to introduce a family support service for families in Northern Ireland caring for children with disabilities or long-term illnesses. The project will offer a face-to-face service for parents/carers of disabled children. Families who have been referred to the family support workers will receive home visits, and an individual action plan will be drawn up addressing the areas identified by the parents as requiring immediate attention.

In 2005, we carried out the second phase of consultation on what we should fund; and were gratified by the high level of positive input and feedback. We are confident that the funding framework arising out of this consultation prioritises those issues most important to our stakeholders in Northern Ireland.

We have made changes to our working and funding practices as we strive to be an intelligent funder and, in developing our new programmes, we are determined to build on the substantial achievements of the voluntary and community sector programme to help us realise our aim of bringing real improvements to communities and the lives of people most in need.



## Section three



### Fair Share

In 2002, the Community Fund and the New Opportunities Fund launched the Fair Share initiative. Its task was to make Lottery funding more readily available to disadvantaged communities in 77 deprived areas across the UK, chosen because they had not had their fair share of Lottery funding in the past.

Published funding targets were given for each of these areas, and a team of grants, outreach and development staff was tasked with increasing support to applicants in these areas.

From the beginning, we were committed not only to making grants to Fair Share areas but also investing in the long-term sustainability of projects to leave a lasting legacy.

By working with communities and developing partnerships with key stakeholders in each area, we were able to identify barriers and build local capacity access funding not just from us but from other funders.

The Fair Share initiative closed in England, Scotland and Northern Ireland in 2005. In Wales, grant making under Fair Share continued throughout 2005/06.

The first evaluation report found that performance, experiences and approaches varied markedly between Fair Share areas. While the Fund was able to reach most of its funding targets in most areas, applicants and others involved were often more interested in the support provided for inexperienced applicants, and indeed some of the most valued work was direct community development.





This meant that at the end of the initiative, many groups were only just reaching a point when they could consider applying, so many of the benefits may only be apparent in years to come. That said, we always expected that there would be challenges working in areas that often had a poorly organised voluntary sector. The evaluation will revisit projects funded under the initiative and will compare the experiences of those funded by Community Fund and those funded by the New Opportunities Fund's Fair Share Trust.

### **Countryside Communities**

Countryside Communities is a joint initiative between Community Fund and the Countryside Agency. Its aim is to ensure that some of England's rural areas receive their 'fair share' of funding.

Eight areas were chosen to benefit from Countryside Communities, based on both deprivation indices and low levels of funding. The areas are: Shepway (Kent); Dover (Kent); King's Lynn and West Norfolk; North Norfolk; Fenland (Cambridgeshire); Boston (Lincolnshire); West Lindsey (Lincolnshire); and Sedgemoor (Somerset).

In each of these areas, our outreach and development staff have spent time working with communities to encourage successful applications. As well as providing one-to-one support for potential applicants, they have also played a significant role in brokering partnerships with other funders to ensure more successful and sustainable projects. They are also using local intelligence to build a clearer picture of the areas, which will help us work more strategically in the future.

By end March 2006, grant awards across the eight Countryside Communities areas had reached £10.5 million – 72 per cent of the five-year target. However, some areas had performed markedly better than others – with three of the areas achieving their five year target (Fenland, West Lindsey and Boston), but Dover reaching just 34 per cent.

The main part of the Countryside Communities programme had been due to run until October 2007. We have made a public commitment to spend this money in the eight areas and we will honour this commitment. The remaining targets will be met through Big Lottery Fund's new programmes.

A strategic grant of £2.2 million under the Countryside Communities programme will be delivered by our award partner, the Carnegie UK Trust. Carnegie is running a 'Rural Action Research' programme, which aims to pilot practical and cost-effective community led solutions in rural areas. Carnegie aims to ensure that the experiences of these Action Research projects will help to shape and influence rural policy, through links to the Carnegie Commission for Rural Community Development. The programme will run for up to three years, with approximately £750,000 per year from the Big Lottery Fund and £250,000 from the Carnegie UK Trust.

## Section three



### Big Lottery Fund programmes

Our aim is to fund projects and organisations that make a difference. Instead of focusing on what an organisation is or does, we focus particularly on what the organisation aims to achieve with our funding. In other words, the outcome of our funding.

Therefore, in each UK country, we have developed three or four national outcomes to support our strategic themes which explicitly set out what we hope our funding will achieve. These outcomes are the result of separate consultations in each UK country. They are therefore different in each country reflecting the unique challenges and demands in England, Scotland, Wales and Northern Ireland.

Big Lottery Fund programmes are the result of the close working between Community Fund and the New Opportunities Fund. Until legislation passes awards for many of these programmes will be made using the New Opportunities Fund's powers. In this section, we provide details of those Big Lottery Fund programmes that we launched in 2005/06.





### **UK-wide programmes**

As well as our national programmes in England, Scotland, Wales and Northern Ireland, the Big Lottery Fund will run a small number of grants programmes right across the UK.

#### **People's Millions**

Up to £16.5 million has been made available to fund projects that improve the lives of local communities through transforming the local environment by making the local environment cleaner, safer and greener; improving the local natural environment; and improving the design, appearance and accessibility of local amenities.

#### **Living Landmarks**

The Living Landmarks programme aims to capture the imagination of communities and increase their involvement with the Lottery and to inspire them to transform the places where they live, through social and community projects and major infrastructure investments. Up to £140 million has been allocated to this programme which will award a small number of grants of between £10 million and £25 million to regional projects.

### **International Grants Programme**

This programme, with a budget of up to £72 million aims to fund effective projects that tackle the causes of poverty and deprivation and bring about a long-term difference to the lives of the most disadvantaged people in the world. The annual budget will be split 50/50 between demand-led and strategic programmes.

The International programme will be delivered through three streams: a demand led stream – the International Communities programme – which includes a separate pot of funding for post-tsunami reconstruction; a strategic stream – the International Strategic programme; and a stream to support initial feasibility studies – the International Small Grants programme.

## Section three

### England programmes

#### Awards for All (England)

In 2005/06, we handed out 12,743 grants worth nearly £53 million in England. The money for Awards for All comes from five Lottery distributors: Arts Council England, the Community Fund, the New Opportunities Fund, Heritage Lottery Fund and Sport England. The Community Fund's contribution to this pot was £10.3 million. We fund projects for people to take part in art, sport, heritage and community activities, as well as projects that promote education, the environment and health in the local community.

We have been looking at different ways of making micro grants up to £500, some involving local people making decisions on grants. A pilot was delivered, with four schemes running in three regions for a nine month period. It ended in the summer of 2005. A review concluded that micro-grants would provide added value and benefit to local communities in a highly visible way.

The positive findings from the pilot evaluation together with the overall success of the programme led to programme changes being agreed for 2006.

From April 2006, applicants can make one application at a time for a grant from £300 to £10,000. Organisations cannot get more than £10,000 of Awards for All grants in any two-year period, from the date of first award (either through single or multiple awards) and projects still have to be completed within a 12-month period, starting from the date of award.

#### Young People's Fund (England)

In England, we made £157.5 million available to support projects that involve young people from start to finish, specifically by providing facilities and activities for young people both after school and in the holidays, and that aim to achieve the outcomes in the 'Every Child Matters' Green Paper.

In total, seven strands of work make up the Young People's Fund in England. A total of £79.9 million was made available to fund four national programmes which complement government policy and support the framework for the Young People's Fund.

- ▶ Out of School Hours Learning: School Sport Co-ordinators – £28.4 million.
- ▶ Positive Activities for Young People – £25 million.
- ▶ Extended Schools – £14 million.
- ▶ Do it for Real (formally Get Real) – £12.5 million.

After consulting with young people, key stakeholders in the voluntary and public sector, and with government departments a further £77.6 million went to fund the following three programmes:

- ▶ Grants to Organisations – £40 million.
- ▶ National Grants – £27.6 million.
- ▶ Grants to Individuals – £10 million.

In May 2005, we allocated an extra £100 million to the Young People's Fund. Of this £19 million will support the final roll out of activities linked to the Out of School Hours Learning/School Sport Co-ordinators programme. In June 2006, we announced how the remaining £81 million will be allocated.





## Section three

### Reaching Communities

Reaching Communities is our main demand led programme. It aims to improve communities and the lives of people most in need, including those who are hard to reach, and support projects that respond to the needs of communities and actively involve them. Up to £100 million has been made available for the first year; budgets will be set annually.

### Parks for People

The Parks for People programme, launched in January 2006 will aim to:

- provide better parks which are accessible to all and relevant to the needs of their communities
- increase community involvement and pride in parks
- improve safety
- increase the number of skilled rangers, conservation officers and volunteers
- ensure long-term maintenance and management by local authorities and communities.

We are running this programme in partnership with the Heritage Lottery Fund, building on their long-standing expertise in providing Lottery funding for public parks projects. Up to £90 million is available for this programme.

### Changing spaces

The Changing Spaces programme, launched in January 2006, has three priority areas:

- community spaces – developing good quality, accessible community spaces which local people can take pride in
- local community enterprises – making the links between food, exercise and health, encouraging the sustainable use and reuse of resources and building sustainable local economies
- access to the natural environment – improving the natural environment and encouraging access.

Funding will be delivered through a number of award partners, which will run grant schemes on our behalf, and portfolio partners, which will provide funding to a pre-determined 'portfolio' of projects. Up to £234 million is available for this programme.





### **Children's Play**

The initiative will be delivered through three programmes:

- the Children's Play programme, with funds of up to £124 million available to every local authority area in England
- a separate Playful Ideas programme, with a budget of up to £16 million, focusing on innovation
- a £15 million grant to the Children's Play Council, part of the National Children's Bureau, to fund England-wide development and support infrastructure.

This programme will support activities that are self-directed, creative and fun. The programme aims to:

- create, improve and develop children and young people's free local play spaces
- develop innovative practice
- create a support and development infrastructure
- promote the long-term strategic development of play
- promote long-term changes in attitude about the importance of children's play
- ensure that all relevant local stakeholders are involved in developing play strategies.

## Section three

### Scotland programmes

#### Young People's Fund

The Young People's Fund in Scotland was launched on 30 August 2005. It is a £20 million grant programme to help young people aged 11-25 learn new things and take part in healthy and positive activities that make them feel good about themselves.

Funding has been made available for the Young People's Fund in three ways to date.

- ▶ Local projects – £11.4 million.
- ▶ Wider inclusion projects – £2.85 million.
- ▶ New ideas – £4.75 million.

Young people's involvement is a key aim of the programme. Projects must show how they have been involved in all stages of the project, from planning through to evaluating how well the project has worked.

#### Awards for All (Scotland)

Awards for All Scotland is run by the Community Fund, the New Opportunities Fund, Heritage Lottery Fund, Scottish Arts Council and sportscotland. In 2005/06, we handed out 2,190 grants worth over £8 million in Scotland. The Community Fund's share of this was 559 grants worth £2.1 million.

Awards for All Scotland projects help people get involved in their community. They help people take part in arts, sports, heritage, social, environmental, health related, educational, and other community activities. Awards for All Scotland was more popular than ever this year, with a 23 per cent increase in the number of applications to the scheme.



An independent study in summer 2005 found out that the scheme is working well but that there is chance to build on its success. As a result the four Lottery distributors decided to make some changes to Awards for All Scotland. These will make Awards for All Scotland a bigger and better way to make small Lottery awards to communities in Scotland.

From mid 2006, we will raise the upper limit of awards to £10,000 and increase the budget for Awards for All Scotland.





## Wales programmes

### People and Places

The People and Places is a new demand led programme launched in November 2005 with a budget of up to £66 million. It aims to bring people together to make their communities better places to live and improve rural and urban environments. It supports projects that achieve one or more of the following programme outcomes:

- revitalised communities
- improved community relations
- enhanced local environments and community amenities.

### Young People's Fund

The Young People's Fund in Wales aims to help young people to enjoy life and achieve their potential, develop skills and contribute to their communities and choose positive activities which discourage anti-social behaviour.

There is £13.2 million available between 2005 and 2009. For this period the programme will focus on young people between 10 and 19 years old and has three strands.

- ▶ Make it Happen – £1 million for small grants.
- ▶ Bridging the Gap – £6 million for outreach and support services.
- ▶ Reaching Out – £6.2 million for development projects.

It is a requirement of each strand that young people are involved in designing, delivering and implementing the project.

## Section three

### **Awards for All (Wales)**

Awards for All Wales awards grants of between £500 and £5,000 to local communities in a simple and straightforward way. Projects bring people together within their local communities to take part in heritage and community activities, as well as promoting education, the environment and health. The scheme was supported by three Lottery distributors in Wales: the Community Fund, the New Opportunities Fund and the Heritage Lottery Fund. Since the programme was launched in June 2001, more than £10 million has been awarded to more than 3,000 groups.

In 2005/06, the Community Fund made a total of 305 grants worth £0.9 million through Awards for All Wales.

During the summer of 2005, we consulted with stakeholders about the future direction of the programme. The resounding response was to keep the programme as accessible to as many groups as possible through simple processes and small grants. Awards for All Wales will therefore maintain its £5,000 upper limit to continue to support community activities in Wales at a local level.



## Northern Ireland programmes

### Young People's Fund

The Young People's Fund, valued at £14.8million, is Big Lottery Fund's first programme in Northern Ireland. The aim of the programme is to target resources at young people at greatest risk of exclusion or offending. The Young People's Fund puts young people at the centre of creating, planning and delivering projects that will achieve four main outcomes.

The Young People's Fund programme is being delivered through two strands.

- ▶ Change UR Future – £10.8 million.
- ▶ Award partner – £4 million to deliver both a small grants programme to support young individuals, and groups of young people, and develop strategic programme(s) that will support young people, aged up to 25 years, as decision-makers.

### Awards for All (Northern Ireland)

Awards for All Northern Ireland is run by the Community Fund, the New Opportunities Fund, Heritage Lottery Fund, the Arts Council of Northern Ireland and Sports Council for Northern Ireland. In 2005/06, we handed out 862 grants worth almost £3.3 million. The Community Fund's share of this was 215 grants worth £0.8 million.

Awards for All Northern Ireland remains a popular, well known programme that helps people to get involved in their community in arts, sports, heritage, social, environmental, health related, educational, and other community activities.

We are introducing some changes to Awards for All Northern Ireland to ensure the programme will retain its position as the funder of choice for many small groups. From April 2006, we will raise the upper limit of awards to £10,000 and the Awards for All budget will be increased to £5.35 million. The overarching aims of Awards for All remain the same but the changes we have implemented will make the programme even more relevant to communities in Northern Ireland.



## Section four

### Our operational performance

As a result of our administrative merger with the New Opportunities Fund we have brought together our performance management, customer service and equalities monitoring procedures. This section sets out the performance of the Big Lottery Fund encompassing both Community Fund and New Opportunities Fund activities.

#### Our performance against our corporate objectives

The 2005/06 Corporate Plan sets out the corporate objectives and related performance indicators. These are summarised below, with details of the performance achieved.

##### 1. To achieve a new organisation which is fit for its purpose by:

###### a) creating a coherent governance structure.

###### Performance Indicator

- ▶ Ensure Board and committees/panels function within the agreed governance structure and terms of reference.

###### End of year report

- ▶ The Board or Board Chair signed off terms of reference for committees and panels.

###### b) developing a strategic plan with approved performance management model and process for 2006-09 by March 2006.

- ▶ Develop the 2006-09 strategic plan with approved performance management process incorporating balanced scorecard.

- ▶ The Strategic Plan 2006-09 and Corporate Plan 2006/07 were developed with an approach derived from the balanced scorecard as our corporate performance management model. The Board approved the combined Strategic Plan and Corporate Plan in May 2006.

###### c) developing and applying consistent management and quality standards by October 2005.

- ▶ Review progress against corporate objectives on a quarterly basis, and prepare a report for the Senior Management Team and the Board.

- ▶ The Business Plan 2005/06 was agreed in May 2005 with quarterly progress reports submitted to the Senior Management Team and the Board.

- ▶ Co-ordinate and prepare 2004/05 Annual Report and Accounts for the Community Fund and the New Opportunities Fund.

- ▶ The Annual Report and Accounts for New Opportunities Fund and Community Fund 2004/05 were laid before London and Edinburgh Parliaments in October and December 2005 respectively.

- ▶ Launch and implement the Common Charter and Complaints Process agreed by all Lottery distributors from April 2005.

- ▶ The Common Charter and Complaints Process was launched in April 2005 with all the Lottery distributors. It has since been implemented.

d) applying the programme and project management frameworks to support the management of the organisation.

#### Performance Indicator

- ▶ Plan and manage a set of Management Boards to underpin the organisational strategic, corporate and business planning. Plan in place for Intelligent Funder work.

#### End of year report

- ▶ The forward plans of both Management Boards and the agreed Intelligent Funder approach were established in April 2005. The Senior Management Team considered the portfolios of both Management Boards to inform corporate prioritisation of resources. Project assurance reviews were conducted regularly. The programme development framework was developed and applied to new funding programmes from May 2005 onwards.

e) carrying out the England and Operations restructuring.

- ▶ To achieve a smaller office in London, two operations centres located in Newcastle and Birmingham and nine smaller and refocused regional offices.
- ▶ Staff recruitment in Newcastle was successful and the Newcastle Centre was opened in March 2006. The Birmingham Centre is expected to open by the end of 2006. The new structure of the England regional offices was approved and recruitment for vacancies was completed.
- ▶ A phased transition of some of the functions currently based in London was agreed to take place during 2006/07. It was also agreed that NESTA and the Olympic Lottery Distributor will be co-located with the Big Lottery Fund in its London office from July 2006.

f) consolidating HR policies and procedures by September 2005.

- ▶ Complete integration of HR policies and procedures.
- ▶ The full package of staff terms and conditions was launched in October 2005 following the consolidation of all HR policies and procedures.

## Section four

g) providing training for staff.

### Performance Indicator

- ▶ Develop and deliver training for staff in line with business needs identified by the Learning and Development Strategy.

### End of year report

- ▶ The development programme for 2005/06 was agreed. A new HR Strategy including workforce development was developed to support the delivery of the Strategic Plan.

## 2. To develop and manage new and existing programmes and deliver them throughout 2005/06 by:

a) launching a new portfolio of grant programmes throughout 2005/06.

### Performance Indicator

- ▶ Advise Board in Spring/Summer 2005 on overall framework and streams within it and launch new programmes to timetables across the UK.

### End of year report

- ▶ The Board approved the portfolio of new programmes for England, Wales, Scotland and Northern Ireland in the first and second quarters. All nine new programmes were launched to the agreed timetables in 2005/06:

England programmes – People’s Millions, Living Landmarks, International and Tsunami, Changing Spaces, Reaching Communities, BASIS, Children’s Play  
 Wales programme – People and Places  
 Scotland programmes – Investing In Ideas.

(b) meeting delivery targets on all grant programmes.

- ▶ Meet agreed commitment and spend targets.
- ▶ Meet the agreed timescales for assessment and decision-making.
- ▶ Meet all grant management standards.

- ▶ Partly met the agreed commitment targets. Exceeded the spend targets.
- ▶ Partly met published timescales for assessment. Met timescales for decision making in this reporting period.
- ▶ Met the grant management standards for this reporting period.



### 3. To make continuous improvement in being an effective and intelligent funder by:

(a) developing overarching themes, outcomes and priorities by December 2005.

#### Performance Indicator

- ▶ Develop framework to provide basis of future funding programmes and ensure that correct framework is reflected on policy directions issued by Government.

#### End of year report

- ▶ In November 2005, the Department for Culture, Media and Sport (DCMS); the Minister for Culture, Sport and Welsh Language; the Scottish Executive and the Department of Culture, Arts and Leisure of Northern Ireland approved the new interim policy directions of England, Wales, Scotland and Northern Ireland respectively and DCMS issued those applying generally and across the UK.

b) re-developing and delivering the grants programmes by aligning them with the organisational outcome framework by December 2005.

- ▶ Advise Board on future of Research Grants programme.

- ▶ The Board meeting in July 2005 approved a paper on the new Research Grants programme with its programme framework and delivery options.

c) identifying best practice in funding to ensure internal learning.

- ▶ Feedback overall recommendations from the two public consultations to Board and advise on key funding/strategic issues.

- ▶ The overall recommendations were fed back to the Board leading to decisions on key funding/strategic issues such as monitoring the voluntary and community sector commitment, the full cost recovery work and sustainability. The Board also approved an approach to targeting which is being used to inform our approach to equality. Meetings were held with other funders to discuss their approaches to being an Intelligent Funder.

## Section four

d) developing a grant programmes development toolkit by December 2005.

### Performance Indicator

- ▶ Develop toolkit modules for use with new programmes.

### End of year report

- ▶ The Toolkit Project team was established in April/May 2005. Some modules were completed in 2005/06 and the others were re-phased into 2006/07 to match the priority of programme launches.

e) developing the potential delivery of non-Lottery funding by December 2005 (subject to legislation).

- ▶ Prepare non-lottery funding strategy.

- ▶ This key performance indicator will be carried to 2006/07 due to the delay in implementation of new legislation until autumn 2006.

f) developing an evaluation and research strategy (for individual programmes and whole) by July 2005.

- ▶ Produce a strategy for Board approval.

- ▶ A four-year Evaluation, Research and Learning Strategy was approved by the Board in May 2005.

g) ensuring high quality publications that deliver organisational objectives.

- ▶ Develop branding corporate identity for all publications and develop new internet site.

- ▶ Research on how customers relate to our brand was conducted. New application materials were revised based on the research findings. Phase one of the new internet site was launched in March 2006. This activity will be continued in 2006/07.

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### 4. To continue being an accountable and financially efficient organisation by:

a) planning for a more effective organisation and achieving 10-20 per cent saving on running costs by the end of 2007/08, by meeting target savings agreed by Senior Management Team (SMT) and the Board for 2005/06.

### Performance Indicator

- ▶ Meet target savings agreed for 2005/06.

### End of year report

- ▶ We have achieved a saving of 6.5 per cent.

b) attaining minimum balances consistent with agreed risks.

Performance Indicator

- ▶ Regularly update forward planning models to inform commitment targets and provide monthly information on progress against NLDF targets.

End of year report

- ▶ As at 31 March 2006, we exceeded the target reduction in the NLDF balance for the New Opportunities Fund. We failed to achieve the target reduction in the NLDF balance for the Community Fund due to higher than expected income from the NLDF of £20 million and lower than expected grant payments of £11 million.

(c) developing and operating effective risk management throughout 2005/06.

- ▶ Develop risk management framework.

- ▶ A new risk management policy outlining an overall approach for risk management for the organisation was approved for implementation in 2006/07. A new corporate risk register was developed by SMT for 2006/07.

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**5. To work in partnership by:**

a) developing and delivering a public involvement strategy throughout 2005/06.

Performance Indicator

- ▶ Develop general public involvement strategy and negotiate broadcast opportunities for engaging public.

End of year report

- ▶ We piloted a public involvement technique with other Lottery distributors in Tyneside in October/November 2005. 178,000 people voted for their favourite projects via ITV Regional News for the People's Millions programme in October. The BBC was engaged in a constructive dialogue on small grant programmes to support Breathing Places.



## Section four

b) developing decision making and public involvement mechanisms for grants programmes by September 2005.

### Performance Indicator

- ▶ Develop proposals alongside programme papers.

### End of year report

- ▶ As shown in 5a above, the public involvement opportunities were developed on a programme by programme basis when launching new programmes in 2005/06 and 2006/07. This activity will be continued in 2006/07.

c) developing and maintaining a good working relationship with stakeholders including other Lottery distributors.

- ▶ Progress joint working with other Lottery distributors through relevant forum.

- ▶ The Chief Executive and relevant staff regularly attended Lottery Forum meetings in all four countries in this reporting period. For example, we worked with other Lottery distributors to launch a single telephone hotline and joint web site for the general public to make enquiries about all Lottery funding in March 2006.

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### 6. To comply with legislative requirements and apply good practice in equality by:

a) developing and delivering an integrated equality strategy by March 2006.

### Performance Indicator

- ▶ Produce an equality strategy.

### End of year report

- ▶ The Board approved the Equal Opportunities Policy and Equality Principles in November 2005. The new Equality Strategy has been considered by the Senior Management Team and its final approval will be in June 2006.

## Customer care matters

Customer care continues to be central to our way of working and this year we have promoted customer care standards throughout the organisation and made customer care a key requirement when recruiting new staff.

Unfortunately we have not been able to satisfy all of our customers and the following highlights the type of complaints we have received and how they have been dealt with. We also set out, where relevant, how we are learning from the matters raised.

There are three stages to our complaint procedure; stage one is where we invite customers to contact the person or department that they are unhappy with. We try to resolve complaints as quickly as possible this way.

If customers remain unhappy, they may proceed to stage two, where the customer care and quality advisor will arrange for the Chief Executive to reply.

Stage three, if customers are still not satisfied then they may refer their complaint to our Independent Complaints Reviewer (ICR). The ICR is not part of our organisation and their investigations and recommendations are impartial and unbiased.

### Stage one complaints

During 2005/06, the Big Lottery Fund recorded 27 stage one complaints, which is fewer than last year. We believe that many complaints remain unrecorded, as they are quickly resolved on the telephone or as an integral part of the assessment process. In addition, some complaints are escalated immediately to stage two due to the nature of the complaint.

Here are some examples of complaints we received.

- ▶ Some people found it difficult to download the electronic application form. This was resolved.
- ▶ There were claims that we have not properly investigated mismanagement of funding. These were often local disputes where we have no remit to act once we found that the outcomes of the project that we are funding were being delivered satisfactorily.
- ▶ There were complaints about clarity of information. We have made changes to guidance to explain things clearly in plain English, we have also amended the message on our national enquiry line.

### Stage two complaints

There were 46 stage two complaints – a major increase from previous years. Seven were upheld in full, seven were upheld in part and 32 were not upheld.

Those upheld in full can be broadly divided into three categories.

- ▶ Three where our actions have led to the application missing a deadline.
- ▶ Two where we misinterpreted information contained within the form.
- ▶ Two where our application form was not clear.

In all cases we apologised and, where possible, reassessed the application. If it was not possible to reassess due to the nature of the programme (public voting) then we offered to fast-track into the next year's programme.

## Section four

Those complaints upheld in part were primarily about delays, either in responding to the applicant or in assessing their application. The elements we did not uphold were mostly allegations we had not assessed the application properly.

The majority of complaints not upheld were from rejected applicants who felt we had not understood their application, had not assessed their application properly, or should have allowed them to submit more information before they were rejected. When we looked into these claims, they were unsubstantiated or we found the applicants had not understood the application process. We offered further clarification of the reasons for rejection and the way we assess applications.

We also had a number of complaints from organisations whose funding had been suspended during investigations of allegations of misuse of funding. They felt we were in breach of their human rights in acting this way. We strongly deny this and all our funding agreements contain a clause that allows us to safeguard public money in this way.

### Stage three complaints

In the past 12 months nine complaints have been taken to the ICR, one of which was withdrawn by the complainant and one that the ICR did not investigate as it was an appeal against a properly made decision. Two complaints were upheld, three partly upheld and two were not upheld.

The two complaints that were upheld related to very different issues.

- ▶ Lack of clarity in our application materials regarding the number of grants to each individual that we would fund. As the programme was non competitive, the ICR felt that the applicant had a reasonable expectation of success. We agreed that our application materials were defective and agreed to recompense the applicant for their expense.
- ▶ A grant recipient had miscalculated the funding they required. The ICR agreed that the main responsibility for the error lay with the applicant; however he felt that given the failure of our commissioned third party assessor to follow proper assessment procedures it would be right for us to acknowledge some share of responsibility. We offered to contribute towards the shortfall.

The three complaints that were partly upheld related to allegations that we had not assessed an application properly, that we had rejected an application for reasons not given in the application pack, and we had contributed to the failure of a project through unnecessary delays.

The ICR found against the main elements of these complaints and found that we had properly assessed the applications. In two cases he criticised us for the clarity of our rejection letters and how they relate to application guidance. We are currently reviewing our guidance on rejection letters. In one case the ICR felt we were unsympathetic in our approach to the complainant and recommended that we arrange an appropriate meeting with relevant representatives. This meeting has taken place and a single point of contact has now been identified.



## Freedom of information

The Freedom of Information Act has been in force for over a year now. The Act gives individuals the right to look at any information held by the Big Lottery Fund, subject to exemptions.

Between 1 April 2005 and 31 March, 2006 the Big Lottery Fund received and answered 140 Freedom of Information requests. All of them were answered within 20 working days. There has been some information withheld under exemptions, but only two appeals have been received. Both decisions were upheld after internal review and neither case has been referred to the Information Commissioner for an independent review of our decision.

Requests have come from a variety of sources, including journalists, grant holders, and members of the public with an interest in Lottery funding.

The Big Lottery Fund will continue to be open and transparent and will only use exemptions if necessary.

## Our employment policies

Our arrangements for pay and conditions are based on best practice in the public sector and we have established a range of employment policies that demonstrate our commitment to be a fair employer. The arrangements and policies for the New Opportunities Fund were reviewed during 2005/06 with those of the Community Fund and from August 2005 common terms and conditions for all Big Lottery Fund staff were introduced.

Employees are covered by the provisions of the Principal Civil Service Pensions Scheme or, since 1 October 2002, new starters may choose to join a money purchase stakeholder based arrangement. More details are given in notes 1.5 and 20 of the annual accounts.

We appreciate the importance of staff training and development and make sure that we give staff the chance to develop new skills.

To encourage communication and good relations between the Board, management and staff at all levels the Prospect and Amicus trade unions have been recognised jointly for the purpose of collective bargaining for all employees, excluding Directors. Prospect and Amicus are the representatives of staff for consultation and negotiation.

The nature of our work means that a number of staff work closely with the senior management team and the Board, for example, through the developing and evaluating programmes, through assessment and decisions on applications. Some members of staff attend meetings of the Board, which enable them to be aware of the thinking about the development of the Big Lottery Fund and its operations. Board minutes are available on our intranet.

Additionally, staff are consulted on a number of matters and a business improvement group has been established which draws the views of staff from across the organisation on any and all operational matters.

Our senior management make sure that information is cascaded throughout the organisation.

## Section four

### **Our commitment to equality**

We are committed to valuing diversity and promoting equality of opportunity, both as a grant maker and as an employer. We adopt an inclusive approach to ensure that grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.

The Equality Forum was set up by the Board to provide advice and to act as a sounding board on equality and diversity issues relating to our funding programmes. The Forum is made up of four Board members and external advisors each with a different area of expertise. The Forum is a valuable source of experience for Board members and officers to draw on in developing and implementing funding policies to support the range of new funding programmes.

This year the focus of our work has been on building equality issues into all of our new programmes and policies. Our Equality Project Team developed an Equality Assurance Process to help staff think about and address the potential equality issues involved in all of our new business. Equality assurance in practice means, for example, that groups seeking funding are now asked in the application process to show how both their organisation and project show a commitment to equality. This process, which is currently being independently evaluated, will play a key role in helping us meet our requirements under Section 75 of the Northern Ireland Act 1998 (see report on the work of the Office for Northern Ireland), the Race Relations Amendment Act 2000 and Disability Equality Duty.

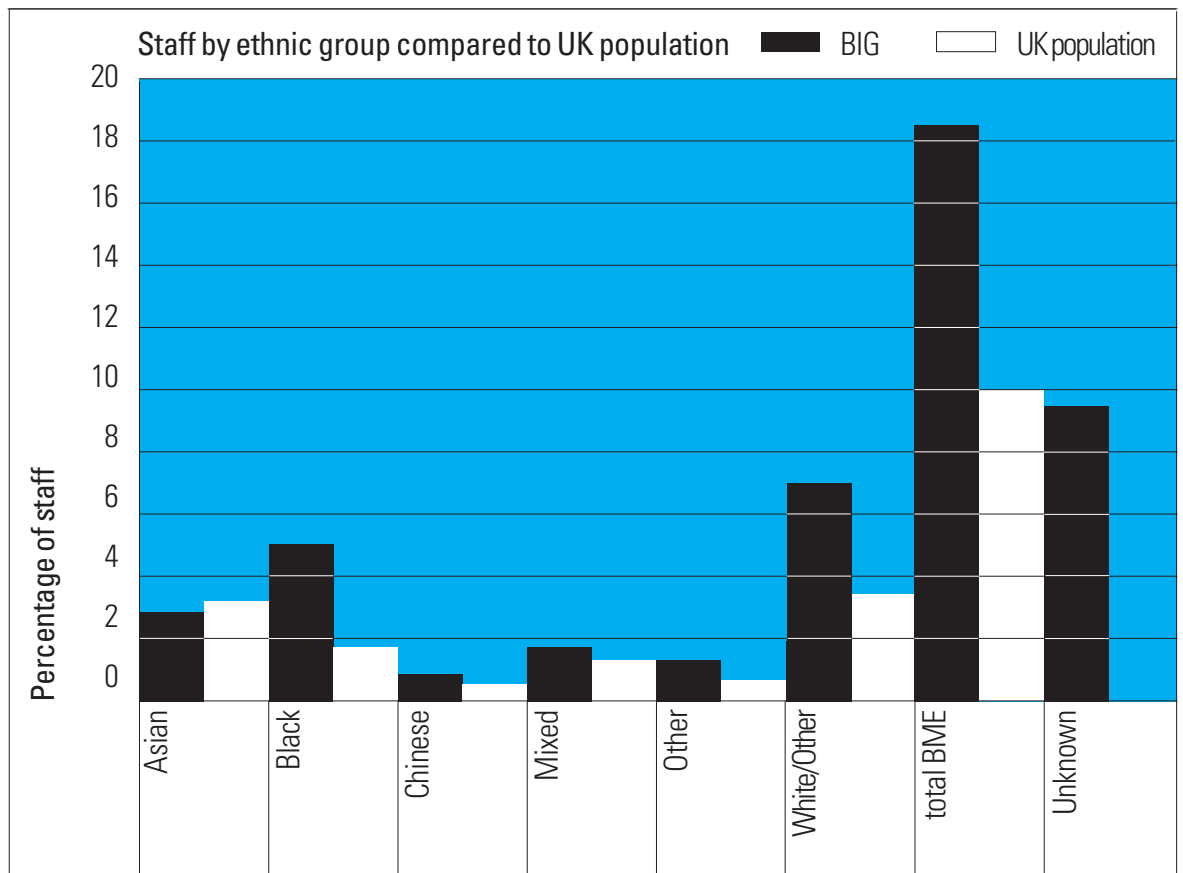
We have developed an equal opportunities policy, which sets out a series of commitments that apply to our internal and external work, covering our employment practices as well as all aspects of our grant-making from programme development through to how we publicise successful awards. The policy highlights that each individual member of staff is responsible for promoting equality of opportunity in their relations with their colleagues as well as in the delivery of services to our customers. We will ensure that the policy is regularly monitored and reviewed and kept up to date with developments in legislation and good practice.

We have developed and commenced roll-out of a comprehensive Equality Learning and Development Plan, to support the needs of our staff, Board and Committee members in meeting the commitments set out in our equal opportunities policy. Our focus has been to ensure that all new staff receive mandatory equality training as part of their induction process.

We know that our funding should support those most in need, but that it should also benefit the wider community. We have decided to adopt a tailored approach to targeting on a programme-by-programme and country-by-country basis, which is overlaid by an emphasis on equal opportunities that cuts across all our programmes. In line with our approach to targeting we will use monitoring data to ensure that there is a good spread of funding both to geographic communities and to communities of interest. Analysis of this data will enable us to redress areas, which we think are under-represented in our funding.

This year we became a holder of the Disability Symbol quality mark. This is a visible sign that we are committed to taking positive steps in employing and developing disabled people. We have continued to monitor all aspects of our employment practice with a view to identifying areas requiring particular attention.

The high level of staff change this year, as a result of the merger process, has however made it difficult to arrive at any firm conclusions. Key equality statistics are presented below. Our organisation profile continues to be ethnically diverse. There has also been a small improvement in the per cent of disabled staff, increasing from 2.5 per cent last year to 3.4 per cent.



(72 per cent of staff classify themselves as White/UK)

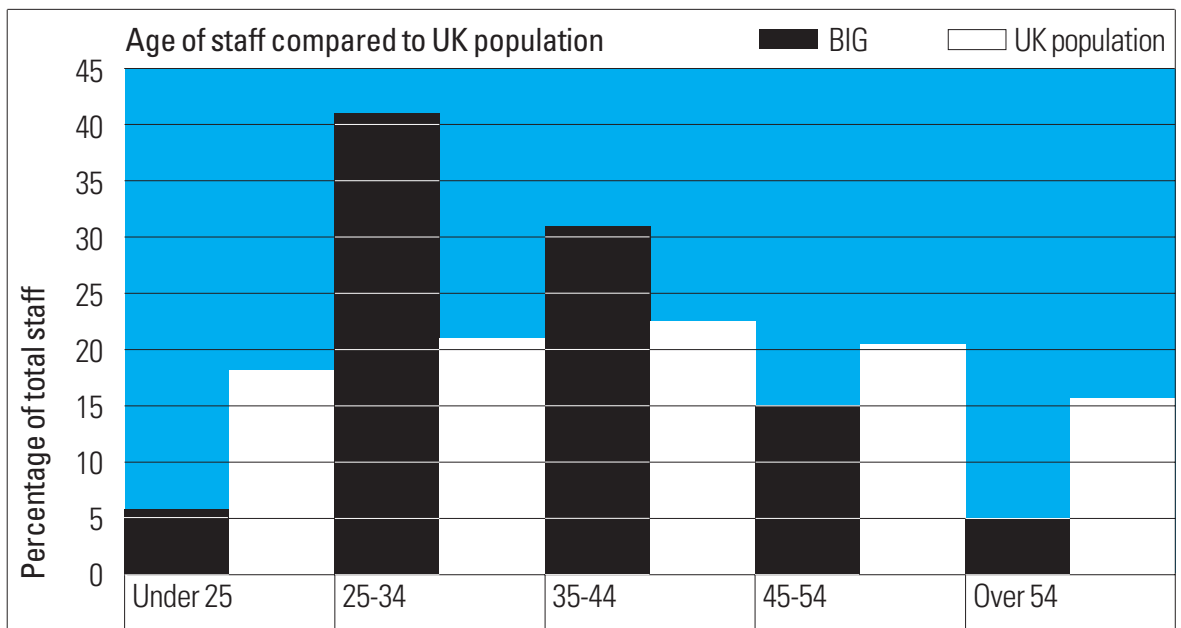


## Section four

Staff by Gender	BIG	Civil Service	UK population
Female	65.3%	52.3%	45.4%
Male	34.7%	47.7%	54.6%

Staff by Disability	BIG	Civil Service	UK population
Staff with disability	3.4%	4.2%	13.6%
Staff with no disability	96.6%	95.8%	86.4%



## Welsh Language scheme

In accordance with the Welsh Language Act 1993, we have a published Welsh Language Scheme, approved by the Welsh Language Board, which details how we provide an equitable service to English and Welsh speaking members of the public. We recognise that enabling people to engage with the organisation through their preferred language is a matter of equality of opportunity and good practice.

It is the responsibility of staff at the Wales office to monitor the implementation of the Welsh Language Scheme and the Director for Wales sends an annual report to the Welsh Language Board on our performance against the published targets.

## Our approach to sustainable development

Sustainable development is an important factor in our activities and its principles have been applied across our grants programmes and internal practices. We are committed to developing new approaches to sustainable development through our funding and the way we operate.

Last year the Sustainable Development Commission produced a report assessing the level to which sustainable development had been incorporated into our application, assessment and evaluation processes. It identified areas of good practice and opportunities for improvement. This has and will continue to inform the development of our new programmes. As a result we have committed to improving web based guidance for applicants and working with other Lottery distributors to share learning and good practice.

Internally the Big Lottery Fund makes every effort to minimise the consumption of both non-renewable and renewable natural resources in the running of its offices, for example:

- computerised control systems are used to manage both the lighting, heating and cooling systems
- water miser systems are fitted to reduce the amount of water we use in the toilets
- staff are encouraged to use video conferencing facilities to reduce the amount of travel between our 12 offices
- water coolers are plumbed into the mains supply in the catering and staff kitchen areas to avoid the need to supply bottled water for meetings
- recycled paper is used in all our printers and photocopiers and also for our branded stationery, pamphlets, application forms, etc
- office furniture comes from suppliers that are Forest Stewardship Council accredited
- we participate in a number of recycling schemes for paper, plastics, glass and other packaging and printer consumables
- our old electronic equipment – computers, printers, faxes, mobile telephones, etc, are refurbished for use in developing countries.

## Our payment policy and practice

We aim to pay all our creditors within 30 days of receipt of an invoice, unless alternative terms and conditions have been negotiated. This is in accordance with the Better Payment Practice Guide. In the year under review 89 per cent (2004/05, 88 per cent) of all creditors were paid within 30 days of receiving an invoice.

## Section five

### Our Financial Performance

The Community Fund's financial results for the year to 31 March 2006 are set out in the annual accounts on pages 77 to 95.

#### Income

We received £230 million in Lottery income. This is invested in the National Lottery Distribution Fund and we received a further £8 million in investment income during the year. Our Board do not have control over the investment of NLDF balances; stewardship rests with the Secretary of State for Culture, Media and Sport. Further details are provided in note 11 to the annual accounts. Note 18 to the annual accounts sets out why the Board considers that we are not exposed to significant interest rate risks.

Over our lifetime we have received £3.2 billion from the Lottery.

#### Grant awards and payments

During 2005/06, we made new net grant offers totalling £336 million. This is £122 million more than set out in the 2005/06 Corporate Plan. As a result of the huge demand for grant funding experienced in the months prior to the closure of the voluntary and community sector programmes the Board approved an increase in grant budgets. Over its lifetime the Community Fund has made grant awards of over £3.3 billion.

A total of £227 million was paid to grant recipients during 2005/06. Payments are made on the basis of forecast expenditure, or for capital projects claims received from recipients with evidence of past or imminent expenditure. At 31 March 2006, commitments still to be paid were £438 million and there were a further £21 million soft commitments for awards awaiting acceptance by the grant recipient.

#### Operating costs

During the financial year under review our operating costs, excluding merger and Structural Review were £25 million. This expenditure is £4 million lower than last year. This mainly reflects a significant reduction in staff costs due to vacant posts during the relocation of a number of posts and efficiency savings arising from the merger; legacy Community Fund staff have carried out IT support, programme development and grant making functions on behalf of the New Opportunities Fund. Note 7 to the annual accounts reports the financial performance indicator. Net operating costs are 7.8 per cent (2005/06, 7.6 per cent) of income received over the lifetime of the Fund. In previous years the Community Fund has also considered net operating costs as a percentage of income received in the year. Using this basis the financial performance indicator is 10.5 per cent (2004/05, 11 per cent).

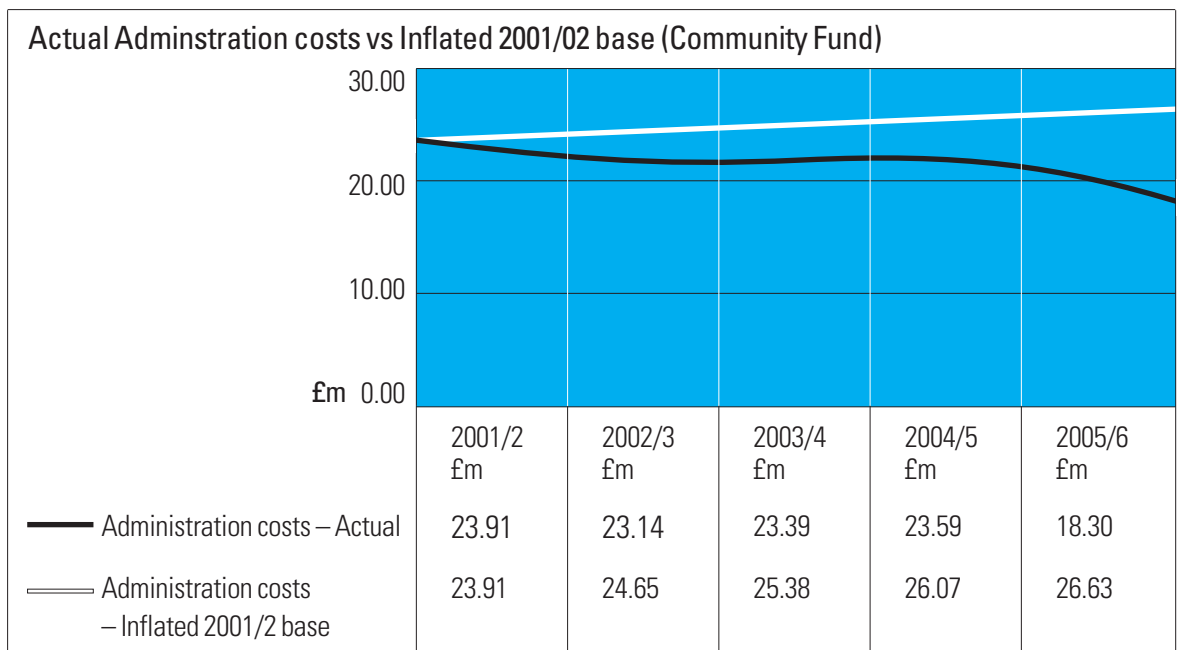


The Structural Review project, a programme of activities to reorganise and relocate England grant making functions and corporate activities, has been undertaken during the 2005/06 financial year. This programme will continue over the next two years with the continued transition of posts from London and other Regional Offices to Birmingham and Newcastle and the disposal of surplus accommodation. Costs of £7 million have been incurred in 2005/06 mainly in staff termination payments.

It is expected that on completion of the Structural Review we will achieve our stated savings target, to deliver administrative savings of between 10-20 per cent by 2007/08 as a result of our merger with the New Opportunities Fund. In 2005/06, the Big Lottery Fund has delivered savings of £4.1 million (6.5 per cent of the pre merger baseline) of which £2 million has been recycled into new activities.

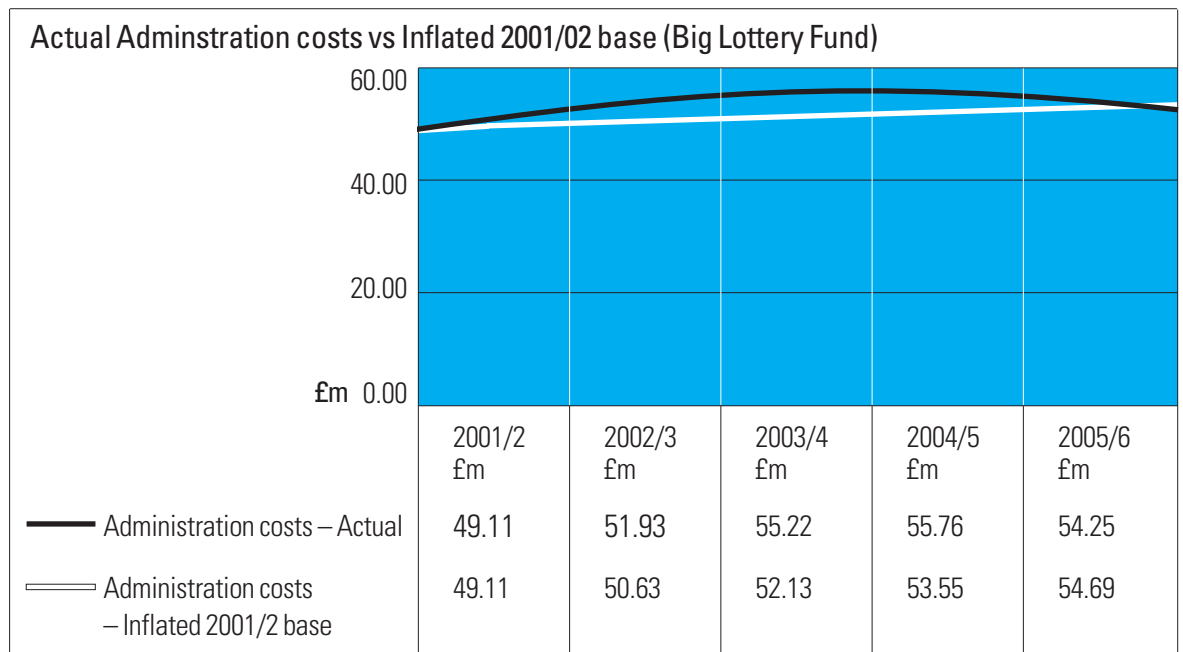
**Five year performance statistics**

The table below illustrates how the Community Fund administration costs (excluding costs recharged to other distributors, merger and structural review costs) have changed over a five year period compared with what would have happened if the 2001/02 base figures had simply been subject to inflation.



## Section five

These figures reflect the changing cost base of the Community Fund as the effects of the administrative merger with the New Opportunities Fund are realised. The table below shows the five-year history as if the Community Fund and New Opportunities Fund were merged throughout this period.



## NLDF balances

In accordance with our policy the Community Fund's balance in the NLDF has continued to decline from £174 million at the beginning of the financial year to £172 million at the year end. The NLDF balance is predicted to be £127 million by 31 March 2009 (see note 1.3). The forecast balance reported in last year's annual accounts for 31 March 2006 was £140 million. This target was not achieved because:

- the receipt of £20 million more income than predicted
- a decrease in locally held bank balances of £1 million
- £11 million less in grant payments than expected.

The shortfall in grant payments was due in part to a slight increase in the number of capital projects that we have funded – these projects take longer to get started due to planning and tendering requirements.

As described above, at 31 March 2006 we are committed to make payments to grant recipients of £438 million. We have £172 million in the NLDF meaning we have over committed our available funds by £266 million. This over commitment represents approximately 12 months of future predicted income.

## Financial position

Due to our policy of over commitment we made a deficit for the year of £121 million. This deficit is added to the cumulative net deficit from previous years and the Community Fund now has a deficit on retained reserves of £269 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. Cashflow projections are set out in Note 18 to the accounts.

## Fixed assets

The movements in fixed assets during the year are set out in Note 9 to the accounts. During the year we invested £1.4 million in capital expenditure which substantially relates to the fit out and equipping of the new office in Newcastle.

## Post balance sheet events

There have been no significant events having a financial impact on these annual accounts between 31 March 2006 and the signing of these financial statements. The National Lottery Act 2006 received Royal Assent on 11 July 2006. The main provisions, which will establish the Big Lottery Fund and dissolve the Community Fund, are expected to be commenced in full by December 2006.

## Auditors

Under the National Lottery Act 1998, the Community Fund is required to have its annual accounts examined and certified by the Comptroller and the Auditor General. Hence the National Audit Office undertake the external audit of the Community Fund.



## Section five

### Remuneration Report

#### Our Remuneration Committee

Our Remuneration committee is chaired by the Chair of the Board, Sir Clive Booth, and also comprises the Vice Chair of the Board, Valerie Strachan, the Chair of Resources Committee, Dugald Mackie, and a country Board member David Campbell.

The Committee's main 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
- decide on severance terms for the Chief Executive and Directors, subject to any necessary clearances by DCMS/Treasury.

#### Senior staff remuneration policies

Biennially a review of relevant market data is undertaken to assess the relevance of senior staff salary ranges.

The basis of senior staff remuneration is set out in their individual contracts of employment. The Chief Executive receives a performance bonus up to 15 per cent of his annual salary. The value equating to the percentage pay award negotiated by staff is consolidated, the balance of the award is a non consolidated bonus. Directors receive a consolidated annual pay award as negotiated by staff and a non consolidated performance bonus of up to 8 per cent of their annual salary.

We mirror the arrangements issued by the Cabinet Office with regard to the performance element of the Chief Executive and Directors pay. These arrangements are reviewed by the Remuneration committee who assess the level of increase to be awarded.

#### Remuneration of our Senior Management Team

From 1 December 2003 the Chief Executive took on the role of joint Chief Executive of the Community Fund and New Opportunities Fund. His remuneration for the part of his service contract with the New Opportunities Fund is charged to that organisation's accounts. The Chief Executive's contract expires one day after appointment of a new Chief Executive of the Big Lottery Fund, following the implementation of the legislation. The Chief Executive is subject to the Big Lottery Fund's standard terms and conditions of employment.

Directors are appointed to the Senior Management Team of the Big Lottery Fund, the joint management team for the Community Fund and New Opportunities Fund. All Directors are subject to the Big Lottery Fund's standard terms and conditions of employment.

The Directors of Finance and Corporate Services, Wales, Policy and External Relations and Northern Ireland are employed by the New Opportunities Fund on permanent employment contracts, which allow for them to provide services to the Community Fund.

The Directors of Scotland, Operations and Planning and Performance are employed by the Community Fund under contracts that allow for them to provide services to the New Opportunities Fund.

The total salary and pension entitlement of the senior management of the Big Lottery Fund was as set out in the table below. These costs are charged to the New Opportunities Fund and Community Fund based on the appropriate apportionment criteria (see note 1.10 in the accounts). There were no compensation payments or non cash benefits paid in the year.

	Salary, including performance bonus, for the year ending 31 March 2006	Real increase in pension at 60	Total accrued pension at 60 as at 31 March 2006	Cash equivalent transfer value (CETV)	Real increase in CETV after adjustment for inflation and changes in market investment factors
	£'000	£'000	£'000	£'000	£'000
Stephen Dunmore (Chief Executive)	140 – 145 (130 – 135)	2.5 – 5 plus 7.5 – 10 lump sum	50 – 55 plus 155 – 160 lump sum	1,140 (852)	47
Mark Cooke (Director of Finance and Corporate Services) from 14 June 2004	85 – 90 (65 – 70)	0 – 2.5	0 – 5	34 (11)	16
Ceri Doyle (Director, Wales)	80 – 85 (75 – 80)	0 – 2.5	10 – 15 plus 0 – 5 lump sum	135 (89)	16
Dharmendra Kanani (Director Scotland) from 27 August 2004	80 – 85 (45 – 50)	0 – 2.5	0 – 5	23 (4)	12
Adrienne Kelbie (Director of Operations)	95 – 100 (90 – 95)	0 – 2.5 plus 2.5 – 5.0 lump sum	10 – 15 plus 35 – 40 lump sum	143 (98)	16
Gerald Oppenheim (Director, Planning and Performance)	95 – 100 (90 – 95)	0 – 2.5 plus 2.5 – 5.0 lump sum	35 – 40 plus 105 – 110 lump sum	693 (511)	32
Vanessa Potter (Director, Policy and External Relations)	95 – 100 (90 – 95)	0 – 2.5 plus 2.5 – 5.0 lump sum	10 – 15 plus 35 – 40 lump sum	160 (104)	16
Walter Rader (Director, Northern Ireland)	80 – 85 (75 – 80)	0 – 2.5 plus 2.5 – 5.0 lump sum	5 – 10 plus 20 – 25 lump sum	166 (112)	22

2005 comparatives shown in brackets

## Section five

Pension benefits are provided through the Principal Civil Service Pension Scheme. Further pension disclosures are made in note 20. Column 4 of the table opposite shows the member's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. Column 5 reflects the increase in CETV effectively funded by the employer. 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.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in the former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV's are calculated within the guidelines prescribed by the Institute and Faculty of Actuaries.

**Stephen Dunmore**  
Chief Executive  
10 November 2006

## Statement of Accounting Officer's Responsibilities

Under Section 35(3) of the National Lottery Act etc. 1993, (as amended by the National Lottery Act 1998), the Community Fund 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 the Department for Culture, Media and Sport. The annual accounts are prepared on an accruals basis and must show a true and fair view of the Community Fund's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

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 annual accounts on the going concern basis, unless it is inappropriate to presume that the Community Fund will continue in operation.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of the Community Fund as the Accounting Officer for the Community Fund. The Chief Executive's 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 Government Accounting, and in the Financial Directions issued by the Secretary of State for Culture, 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 the Community Fund 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 the Community Fund auditors are aware of that information.



## Section five

### Delegated responsibilities

The Community Fund 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 the Community Fund's Accounting Officer is responsible for: ensuring that Lottery funds allocated by the Community Fund are applied in accordance with the Community Fund's legal powers; the economic, efficient and effective use of Lottery funding allocated by the Community Fund 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 Bodies.

The Community Fund is participating in the following joint schemes.

- ▶ Awards for All, England, part of the small grants scheme initiative. A scheme administered by the Community Fund on behalf of Community Fund, Arts Council of England, Heritage Lottery Fund, New Opportunities Fund and Sport England.
- ▶ Home Front Recall, part of the veterans programmes. A scheme administered by the Community Fund on behalf of Community Fund, Heritage Lottery Fund and New Opportunities Fund.
- ▶ Living landmarks, part of Transformational Grants initiative. A scheme administered by the Community Fund on behalf of Community Fund and New Opportunities Fund.

The Community Fund has used the powers provided by the National Lottery Act 1998 to delegate to the Carnegie Institute a grant schemes as an Award partner of the Fund. The grant offer between the Community Fund and the Carnegie Institute sets out the responsibility of the Chief Executive of the Award Partner to ensure that the systems implemented to administer Lottery applications and 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 the Community Fund and for ensuring that Award Partners operate within our agreed terms and in line with financial and policy directions provided to me.

**Stephen Dunmore**  
Chief Executive  
10 November 2006

## 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 the Community Fund's aims and objectives whilst;

- safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned through Government Accounting
- ensuring compliance with the requirements of the Community Fund'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 the Community Fund'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 2006 and up to the date of the approval of the annual report and accounts and accords with Treasury guidance.

The main elements of the Community Fund's control framework are set out below.

### Control environment

- ▶ The Department of Culture, Media and Sport has designated me, the Chief Executive of the Community 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. I am also the Chief Executive and Accounting Officer of the New Opportunities Fund.
- ▶ Following the Secretary of State for Culture, Media and Sport's announcement to integrate the New Opportunities Fund and the Community Fund to form the Big Lottery Fund, a co-terminus Board was appointed with responsibility for both New Opportunities Fund and Community Fund matters. Further information on transition arrangements are set out below.
- ▶ 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 the Community Fund and compliance with the Management Statement.
- ▶ A Board which meets at every two months to consider the strategic direction of the Community Fund. The Board comprises a Chair and 16 non executive members and is attended by members of the Senior Management Team. Further details are in Section two of the annual report.

## Section five

- ▶ 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. 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. Further details are in the remuneration report.
- ▶ The Resources Committee, whose terms of reference require the Committee to approve the annual budget and to receive regular financial reports to challenge and oversee expenditure.
- ▶ A published corporate plan that sets out our objectives and performance measures. 2005/06 was identified as a transitional year in which the New Opportunities Fund and Community Fund would work as one administrative body and lay the foundations for the Big Lottery Fund.
- ▶ Quarterly performance management reports to the Senior Management Team reporting progress in achieving corporate objectives, performance and service delivery targets. These targets have generally been met, as detailed in section four 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 reported to the Department for Culture Media and Sport and dealt with by liaison with Police and other agencies where appropriate. 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 including fraud awareness training.
- ▶ A project management framework, with defined responsibilities including project sponsor, for developing new programmes.

- ▶ An internal communications process that ensures that all staff are informed about key decisions on a timely basis through appropriate media, including the use of emails from the Chief Executive, 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 analysis of the risk to which the Community Fund is exposed. The annual internal audit plans are based on this analysis and are approved by me and endorsed by the Audit and Risk Committee. The Head of Internal Audit meets regularly with me, and on an annual basis meets with the Audit and Risk Committee with no Officers present. The Head of Internal Audit provides me with periodic progress reports building to an annual report on internal audit activity, including the findings of follow up reviews, in the Community Fund. This annual report includes her opinion on the adequacy and effectiveness of the systems that they have reviewed. This has been reviewed by the Audit and Risk Committee.

### **Integration with the New Opportunities Fund**

- ▶ The administrative merger of New Opportunities Fund and Community Fund took effect from 1 April 2004. I was appointed as Chief Executive and Accounting Officer for both organisations from 1 December 2003, and by August 2004 had appointed my Senior Management Team. This team has led the assimilation of corporate and operational functions.
- ▶ A project board, chaired by me, comprising the Senior Management Team members and other officers, has been established to oversee the structural review (an in depth review of the internal management structures and physical location of the organisation in England, particularly in relation to grant making and regional representation roles). The main policy decisions have been approved and this project board now oversees the implementation of the agreed plans, particularly with regard to the assimilation of grant making and regional stakeholder management.



## Section five

### Risk management

#### Capacity to handle risk

During 2005/06, we formally managed risk through reviews by the Senior Management Team of the risks faced by the organisation. The outcome of these reviews were discussed with the Audit and Risk Committee to validate the contents of the corporate risk register. These reviews were based on the risk register agreed by the Board in June 2005 and have ensured that the risk register and our responses are relevant.

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

Following an internal audit of risk management, a new approach to this was developed during the latter half of the year integrating corporate planning and risk more closely. In January 2006, the Board agreed a new risk management policy statement setting out the approach for risk identification and management for April 2006 onwards.

#### Risk and control framework

The risk register agreed by the Board in June 2005 highlighted 46 corporate risks. The potential impact of each risk and the likelihood of it being realised have been assessed and appropriate controls to mitigate these risks have been determined. This has been recorded in the corporate risk register. As detailed above, this is reviewed and updated.

In addition risk management is built into our business planning processes.

- ▶ The programme 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 Grant Programme Board. On a monthly basis, a summary of the key risks associated with the portfolio of new grant programmes is reported to the Senior Management Team.
- ▶ 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 in grant management.

During this year the risk priorities have included

- ▶ Financial risk including consideration of external and internal fraud, delivery of administrative savings and longer term income predictions.
- ▶ Political risk and in particular the development of the UK and Country programmes all with their own requirements and timetables.
- ▶ Grant making risk including consideration of outcomes, achievement of targets, monitoring of third party service providers, closure of legacy programmes and launch of new programmes.

- ▶ Legal and regulatory risk including compliance with new and existing legislation and contributing to the consultation on new Lottery legislation.
- ▶ Organisational risk including integration of disaster recovery and prompt response to problems
- ▶ People risks, particularly the loss of key staff due to uncertainties around integration and maintaining productivity during this period of change.
- ▶ Reputational risk including the risks associated with public criticism as a result of unpopular funding decisions.
- ▶ The integration process; management and control frameworks have been put in place to ensure that the integration of functions is properly managed and controlled.

### **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 the work of the internal auditors, the executive managers within the Community Fund who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Community Fund's Board and Audit and Risk Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place. Details of significant internal control issues are set out below.

### **Investigation of suspected multiple application fraud**

In the Annual Report and Accounts for 2004/05, it was reported that a significant suspected fraud had been discovered involving the making of multiple applications to Community Fund administered grant programmes, in particular the joint distributor Awards for All England programme.

During 2005/06, both the Police and our own investigation team have conducted extensive investigations. The Police investigation is continuing.

It is the policy of the Fund to protect the use of public funds by dealing firmly with all incidences of suspected fraud and serious breaches of terms and conditions of grant. Any suspected fraud that is discovered is reported to the Police. Where fraud or another serious grant performance issue is found, we will consider whether withdrawal of grant and recovery proceedings are appropriate in cases where the Police do not pursue a criminal action.

A total of 606 Awards for All applications with a total value of £1 million were identified as suspect through the Community Fund's procedures. A substantial number of the related files have been examined to provide support to the Police investigation, and some have been cleared from the investigation as a result. However, because of the large number and low individual value of the applications, I have decided that it would not be an effective use of resources to examine every suspected application in the depth that would be required to establish conclusively whether or not it was in fact fraudulent.

As a result, I am unable to obtain sufficient assurance that any of the grants made as a result of these applications were properly spent for the purposes for which they were made. It is also unlikely that any material amount of these grants will be recovered by legal action. I have therefore decided to write off as losses the amount of £1,004,816, which is the total value of the awards made which were paid by Community Fund. I will also recommend to the Awards for All England Project Board and to the Accounting Officers of the other funders that they write off the amounts paid by them.

A small number of applications made to other grant programmes, principally the Voluntary and Community Sector programmes of the Community Fund, were also identified as suspect.

The results of our investigations into these applications is set out in the table below. There were 48 grants made with a total value of £3.44 million. Our own investigation team has investigated all these applications. The results of our investigations are that only nine grants with a total value of £510,446 are considered to be fraudulent. A further 39 grants with a value of £2,929,000 were found not to be fraudulent. In 28 of these cases with a value of £1.59 million, there appear to have been breaches of our grant conditions, and action is being taken to correct these and to recover grant where that is considered appropriate. Our investigations are continuing in two cases with a value of £311,475.

Category	Awards for All		Main grant programmes		Total	
	No	Amounts paid £	No	Amounts paid £	No	Amounts paid £
As reported last year						
Amounts previously considered to be at risk	606	1,004,816	48	3,439,616	654	4,444,432
<b>As reported now – revised classification</b>						
Amount now presumed fraudulent:	606	1,004,816	9	510,446	615	1,515,262
Breach of grant conditions			28	1,590,265	28	1,590,265
Total potential irregular payments	606	1,004,816	37	2,100,711	643	3,105,527
Cases investigated and found to be regular			4	573,158	4	573,158
Investigation limited by legitimate disposal of records			5	454,272	5	454,272
Investigations not yet complete			2	311,475	2	311,475
<b>Totals</b>	<b>606</b>	<b>1,004,816</b>	<b>48</b>	<b>3,439,616</b>	<b>654</b>	<b>4,444,432</b>

As a result of these findings, I have decided that losses of £510,446 should be written off, which is the value of those main programme grants determined to have been paid as a result of fraudulent applications, where there is only a remote prospect of obtaining any repayment.

### **Actions taken to reduce the risk of fraud**

Vigorous action has been taken by the Big Lottery Fund to reduce the future risk of fraud. The investigation team has been increased in size and integrated into the Fund's Internal Audit department, and lessons learned from their work have been fully taken account of in reviewing the controls applied to the new grant programmes of Big Lottery Fund. In addition to the team's investigations of particular grants, reviews of the controls operating across the programmes have been carried out. These have taken account of advice from the Police and an independent report prepared for me as Accounting Officer. Over 100 possible improvements to systems have been identified, the large majority of which have been subsequently incorporated.

I have also considered and acted on the interim recommendations made by the National Audit Office in their report on last year's accounts.

Significant improvements made include enhanced electronic data analysis on applications, alerting staff to carry out additional work on applications that are suspicious, a programme of fraud awareness training for all grants staff, and additional checks on applicant identities through applicants' banks.

A high level Fraud Management Group, reporting to the Senior Management Team, has overseen this work. The Audit and Risk Committee of the Board has received regular reports on progress.

In preparation for the increase in the maximum size of Awards for All grants to £10,000 (which took effect on 28 April 2006), the programme was subject to a systematic review which resulted in it being recertified as fit for purpose, including having in place controls to prevent fraud appropriate to the size of grants made and the nature of the programme. Particular attention was paid in the redesign of the programme to striking the correct balance between maintaining the ease of access to the programme for applicants and obtaining sufficient assurance that grants made are properly used.

Following the recommendation of the NAO last year, memorandum accounts for the whole of Awards for All England activity have been appended to these accounts.



## Section five

### Risk management

In 2004/05, Internal Audit identified that there were some significant actions that needed to be addressed to ensure that integrated risk management was fully implemented and embedded throughout the organisation. A follow up review undertaken during 2005/06 identified delays in the implementation of a number of the agreed recommendations. By 31 March 2006, we have developed and commenced implementation of a Risk Management Implementation Plan and have agreed a Risk Management Strategy. Since 31 March 2006, Senior Management has reviewed and updated the Corporate Risk Register and work is continuing to implement the remaining recommendations.

### Compliance

The Community Fund has implemented procedures throughout the organisation to ensure that the requirements of the Financial Directions are followed. The Internal Audit Unit checks on a sample basis that all offices and departments are following the agreed procedures and ensures that the procedures are properly documented and disseminated.

The Community Fund maintains a Register of Interests for all Board and Committee Members and all Fund staff that 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 the Department.

It is my opinion that the Community Fund has made sufficient arrangements to ensure compliance with the requirements of our Management Statement, Policy and Financial Directions. I am satisfied that we have adequate internal and external audit arrangements in place. 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.

**Stephen Dunmore**  
Chief Executive  
10 November 2006

## 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 Community Fund for the year ended 31st March 2006 under the National Lottery Act 1993 (as amended). These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

### **Respective responsibilities of the Board, Chief Executive and auditor**

The Board and Chief Executive are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury, and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Board and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury.

I also report whether 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. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, the Community Fund has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 61 to 68 reflects the Community Fund's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Community Fund's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Annual Report, including the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## Section five

### Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Community Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury, of the state of the Community Fund's affairs as at 31st March 2006 and of its deficit for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Lottery Act 1998 and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury; and
- 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.

My report on the financial statements is on pages 71 to 76.

John Bourn  
**Comptroller and Auditor General**

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

15 November 2006

## 2005/06 Community Fund Financial Statements – follow up report on actions taken by the Fund following the discovery of irregular grant applications in September 2004

### Purpose of Report

1. The Community Fund, now operating as the Big Lottery Fund, distributes funds to the voluntary and charitable sectors through a number of grant schemes. This includes the Awards for All programme, which is a lottery grants scheme aimed at local communities. Since the programme commenced in 1999 over 95,000 awards have been made for some £347 million. In 2005/06, 12,743 grants were made (for amounts between £500-£5,000) totalling £53 million of which the Fund's share was £10.3 million.
2. In September 2004, the Community Fund, first identified a number of irregularities in certain grant applications. The Fund, the police and the Charity Commission initiated extensive investigations into the potentially fraudulent applications. The majority of the grant payments in which irregularities were detected were made under the Awards for All England programme, which the Community Fund administers on behalf of a consortium of lottery distributors. The various investigations are ongoing and no fraud has yet been proven.
3. I qualified my opinion and reported on the Community Fund's 2004/05 financial statements<sup>1</sup> on the basis that the payments made in respect of potentially fraudulent applications were not in accordance with Parliamentary intentions noting the period of losses extended over some 5 years.
4. In the Statement on Internal Control attached to the financial statements for 2005/06 (page 65), the Fund have now set out their final estimate of the losses they have sustained over the period 1999-2005. They have also provided information regarding the actions taken to reduce the risk of such losses in future.
5. The purpose of my report now is to set out the reasons for my unqualified audit opinion on the Fund's financial statements for 2005/06 and to report on the progress the Fund have made in implementing the recommendations I made in my report last year. I also set out additional recommendations arising from the further work conducted during my audit of the 2005/06 accounts. In the course of the year the NAO have provided additional guidance on good practice in tackling external fraud in grant-making<sup>2</sup> focused on the culture, media and sport sector.

### Unqualified Audit Opinion

6. In forming my opinion on the Community Fund's 2005/06 financial statements, I am required to confirm whether, in all material respects, the income and expenditure of the Fund have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them (that is, that they are "regular"). In doing so, I have regard to HM Treasury authorities, as well as the Fund's financial directions.

<sup>1</sup> [http://www.nao.org.uk/publications/nao\\_reports/05-06/communityfundreport.pdf](http://www.nao.org.uk/publications/nao_reports/05-06/communityfundreport.pdf)

<sup>2</sup> [http://www.nao.org.uk/guidance/DCMS\\_Fraud\\_in\\_Grant\\_Making.pdf](http://www.nao.org.uk/guidance/DCMS_Fraud_in_Grant_Making.pdf)



7. In order to obtain the necessary assurance I require for my audit, I have considered the control framework the Fund now has in place for assessing and monitoring applications as well as reviewing whether they have operated effectively in practice. I have also reviewed the levels of irregularity being identified by the Fund during their own compliance visits. This is supported by my own testing of a sample of grant files to verify that the relevant controls are operating in practice. I have also reviewed the levels of write-offs proposed by the Fund as shown in note 21 of their financial statements.
8. I am satisfied that, in all material respects, the income and expenditure of the Fund reported in the 2005/06 financial statements have been applied to the purposes intended by Parliament. I have therefore given an unqualified opinion on the 2005/06 Community Fund's financial statements.
10. In my report on the 2004/05 financial statements, I reported amounts that the Fund had identified that were "at risk" of fraud. A more precise value of the losses sustained due to suspected fraud could not be given as investigations by both the Fund and the police were continuing.
11. At that time, the maximum level of losses sustained by the fund, since 1999, was thought to be £4.4 million representing 0.18 per cent of total grants paid since then totalling some £2.4 billion. As the Fund explain in their Statement on Internal Control (see page 65) further work has been carried out to obtain a better understanding of the levels of fraud and other irregularities that exist within the population of grants previously identified as being "at risk" of fraud. The results are shown in the table below.
12. The Fund now consider the full value of the Awards for All suspect grants to be lost and intend to write these off. The Fund are also proposing to write-off £510,446 as the likely loss sustained on their main grants programme. The Fund are still considering the actions to be taken in those cases where breaches of grant conditions have been identified. Where these are significant the grant is likely to be withdrawn and either recovery or write-off action will be taken.

### **Quantification of levels of potential losses**

9. As reported last year, the Fund were first alerted to a number of suspicious grant applications in 2004/05 by an alert member of staff. Following the identification of the initial cases of suspected fraud involving multiple applications, the Fund conducted a data-mining exercise on its grants database system to identify all possible grant awards and payments related to the original cases.

Category	Awards for All	Main grant programmes	Total
<b>As reported last year</b>			
Amounts previously considered to be at risk	1,004,816	3,439,616	4,444,432
<b>As reported now – revised classification</b>			
Amount now presumed fraudulent:	1,004,816	510,446	1,515,262
Breach of grant conditions		1,590,265	1,590,265
Total potential irregular payments	1,004,816	2,100,711	3,105,527
Cases investigated and found to be regular		573,158	573,158
Investigation limited by legitimate disposal of records		454,272	454,272
Investigations not yet complete		311,475	311,475
<b>Totals</b>	<b>1,004,816</b>	<b>3,439,616</b>	<b>4,444,432</b>

## Improvements to control mechanisms

- 13.** My report on the Fund's 2004/05 financial statements set out the actions they had already taken or were being taken to combat the risk of fraud from multiple applications. In summary these included:
- improved data analysis tools and system alerts warning staff of suspicious applications
  - revised checklists for staff to follow in assessing grant applications
  - fraud awareness training
  - the transfer of the grant investigations team to a position independent of operations and increased staffing levels in the team; and
  - confirmation of relevant information from applicant's banks.

- 14.** Since then, work to develop the control framework for the Big Lottery Fund's new programmes has continued. The key improvements include their procedures for:

- sampling of grant files to assess the effective operation of their internal processes. This is being led within operations but by a team independent of grants officers
- random visits to a sample of grant recipients in addition to those assessed as high risk.

- 15.** The Fund have reviewed the Awards for All control framework. The revised Awards for All programme has been "re-certified" as fit for purpose by the Department for Culture, Media and Sport. From 28 April 2006, the scheme allows applicants to apply for grants up to £10,000 (up from the previous limit of £5,000).

16. The enhanced control framework is primarily based on making more effective use of the data analysis tools, more thorough checking of the identity of the applicant and enhanced fraud awareness training. Checks still concentrate however on the appraisal of grant applications rather than on monitoring and follow-up to ensure the grants had been used as intended. The key control for the latter is review of end-of-grant reports.

### Progress on implementing previous NAO recommendations

17. In my report on the Fund's 2004/05 financial statements I made a number of recommendations that the Fund could be getting on with while their investigation progressed. In the following paragraphs, I provide an update of how these recommendations have been implemented by the Fund to date.

**Recommendations for the Fund** and progress to date:

- **more explicit consideration should be given to the risk of fraud that may exist within programmes that are intended to be easy access and the extent to which controls should be put in place to combat this.** The Fund have given us some indications on this in respect of the Awards for All programme. However, assessing the risk of fraud on a programme by programme basis needs to be further embedded as part of the Fund's evolving control framework. Without this assessment of the risk of fraud, the Fund cannot ensure that the controls in place are proportionate

- **any failures in internal control that are discovered must be carefully considered in case they highlight a failing that is systematic rather than a one-off failure.** The Fund have introduced system alerts in response to the fraud involving multiple applications. As part of launching the new programmes, it has re-assessed the control framework around all its programmes. More work can still be done to make better use of existing reporting mechanisms, for example regarding disputes and visits and to ensure management are aware of key trends in this area
- **the audit committee should review the process for bringing risks identified by internal audit to their attention and ensure that summarisation of internal audit reports does not lead to significant audit findings being excluded from their overview.** The Audit Committee now reviews an executive summary of each internal audit report, together with a summary of the recommendations made in high risk areas. The Audit Committee has requested high-level summaries of key controls in place by programme including the means by which Accounting Officer obtains assurance over regularity and this is being arranged.

Recommendations for the Department for Culture, Media and Sport (DCMS) as the sponsor department

- **the Department for Culture, Media and Sport should consider whether accountability for joint grant programmes could be given greater clarity. For example the Department should appoint a lead Accounting Officer for significant grant schemes who can take all decisions relating to the scheme rather than as in the case of Awards for All where accountability is still shared.** The Department and relevant lottery distributors are looking at ways to streamline processes in line with my recommendation
- **due to inconsistencies in the way individual grant schemes are reported in the annual accounts of lottery distributors, the DCMS should consider with the Distributors whether all similar joint programmes could be reported separately rather than, as for Awards for All, each distributor reporting their share of grants paid.** As stated in the Statement on Internal Control on page 67, the Fund have, as a first step, prepared an unaudited summary account for the Awards for All scheme for 2005/06. This will be subject to audit in future years.

### **Further development in the control framework operated by the Big Lottery Fund**

**18.** In following up on the work of the Fund I have the following further recommendations:

On the risk of fraud:

- the development of the control framework should be based on a more explicit consideration of the risk of fraud that is inherent within each programme. This would allow the Fund to ensure that the control framework developed is appropriate.

On monitoring:

- the levels of grants to be selected for more detailed monitoring, such as a visit, have previously been constrained by the staffing levels of the Fund. The consideration of the number of grants to be selected for visit should start with an assessment of the level of assurance the Accounting Officer requires on regularity and the degree of risk faced together with an element of random selection. It is important that the revised sampling of grant files for compliance with internal procedures and for visiting quickly become the norm and that senior management review the key findings from these programmes. Where necessary appropriate action must be taken which may be by the Fund, their partners, awardees or jointly. If awardees have real difficulty complying or are found to be deliberately not complying then the level of visits may need to be increased.



- the Fund should keep under review whether the end-of-grant report they require from applicants is providing sufficient evidence of how the grant has been spent. The end-of-grant report is also supported by a series of visits on a sample basis. And again, levels of visits should be kept under review to ensure that they are adequate protection against the perceived risk of the grant being misspent
- understandably, staff visiting grant applicants pay considerable attention to the progress of the project and whether the project is supporting the planned number of beneficiaries. The Fund should, however, also ensure that grant officers pay sufficient attention to reviewing and documenting evidence of spend, such as reviewing invoices, during their visits.

On working with award partners:

- further consideration needs to be given to the monitoring controls used by award partners (who assess and monitor grants on the Fund's behalf for certain programmes). Their control frameworks should incorporate the same level of defence against fraud as the Fund applies to the grants it assesses and monitors in-house.

On the information provided to management:

- at the moment the Fund collects a range of financial and qualitative data on a programme-by-programme basis but this is not regularly summarised to give an organisation-wide view to senior management. The Accounting Officer needs to consider more explicitly levels of breaches to grant terms and conditions being identified by the routine compliance checks conducted by the Fund's staff
- continued attempts to defraud the organisation are being identified through their system alerts. This information should be analysed and reported to senior management and shared with Award Partners as appropriate.

**19.** As the Big Lottery Fund takes on the roles of the Community Fund and the New Opportunities Fund<sup>3</sup>, we have highlighted to the Fund where we believe the issues raised require further consideration. The Fund should also refer to our published guidance.

John Bourn  
**Comptroller and Auditor General**

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

15 November 2006

<sup>3</sup>The National Lottery Act 2006 received royal assent on 11 July 2006 and is due to take effect over the coming months.

# Community Fund Annual Accounts

## Income and Expenditure Account for the year ended 31 March 2006

	Note	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
<b>Income</b>			
Proceeds from the National Lottery	11	230,419	226,074
Investment income from the National Lottery Distribution Fund	11	8,207	5,927
(Increase)/decrease on loss on revaluation of investment		(521)	1,990
Bank interest receivable		272	508
Recoveries of grant		2,343	3,364
Other income		6,688	5,698
<b>Total Income</b>		<b>247,408</b>	<b>243,561</b>
<b>Grant expenditure</b>			
Grant commitments made	14	350,314	199,321
Less lapsed or revoked commitments	14	(13,877)	(17,090)
		<b>336,437</b>	<b>182,231</b>
<b>Administration costs</b>			
Employee remuneration costs	2	15,457	16,431
Board member remuneration costs	3	100	142
Other operating charges	4	9,107	12,062
Merger costs	6	-	2,534
Structural Review	6	6,890	-
Depreciation	9	330	654
<b>Total administration costs</b>	5	<b>31,884</b>	<b>31,823</b>
<b>Total expenditure</b>		<b>368,321</b>	<b>214,054</b>
<b>(Deficit)/surplus before taxation</b>		<b>(120,913)</b>	<b>29,507</b>
Taxation	8	(52)	(125)
<b>(Deficit)/surplus for the period</b>		<b>(120,965)</b>	<b>29,382</b>
<b>Retained deficit</b>			
Brought forward at 1 April 2005		(147,940)	(177,322)
(Deficit)/surplus for the period		(120,965)	29,382
<b>Retained (deficit) at 31 March 2006</b>		<b>(268,905)</b>	<b>(147,940)</b>

The Community Fund has no recognised gains and losses other than those above and consequently no separate statement of total recognised gains and losses has been presented. There are no discontinued activities.

The notes on pages 80 to 95 form part of these accounts.

## Balance Sheet as at 31 March 2006

	Note	As at 31 March 2006 £'000	As at 31 March 2005 £'000
<b>Fixed assets</b>			
Tangible fixed assets	9	1,751	664
<b>Current assets</b>			
Debtors and prepayments	10	2,561	3,221
Cash at bank and in hand		4,510	9,866
Investment balance in National Lottery Distribution Fund	11	171,950	174,460
		<u>179,021</u>	<u>187,547</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors	12	(5,651)	(6,023)
Grants committed for payment	14	(239,060)	(169,049)
		<u>(244,711)</u>	<u>(175,072)</u>
<b>Net current (liabilities)/assets</b>		<u>(65,690)</u>	<u>12,475</u>
<b>Total assets less current liabilities</b>		<u>(63,939)</u>	<u>13,139</u>
<b>Creditors: amounts falling due after one year</b>			
Creditors	12	(2)	(183)
Grants committed for payment	14	(199,262)	(159,612)
<b>Provisions for liabilities and charges</b>	13	(5,702)	(1,284)
<b>Total net (liabilities)</b>		<u>(268,905)</u>	<u>(147,940)</u>
<b>Represented by:</b>			
<b>Retained deficit</b>		<u>(268,905)</u>	<u>(147,940)</u>

Signed on behalf of the Community Fund Board who approved the annual accounts on 10 November 2006.

**Stephen Dunmore**  
Chief Executive and Accounting Officer  
of the Community Fund

**Sir Clive Booth**  
Chair of the Community Fund

The notes on pages 80 to 95 form part of these accounts.

## Cash Flow Statement to 31 March 2006

	Note	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
<b>Operating activities</b>			
Funds drawn down from the National Lottery Distribution Fund	11	240,615	272,781
Other income		7,020	4,974
Recoveries of grant and cash from other sources		2,343	3,364
Payments to suppliers		(16,262)	(8,412)
Payments to and on behalf of employees		(11,011)	(16,128)
Payments to grant recipients		(226,791)	(253,430)
<b>Net cashflow from operating activities</b>	17	(4,086)	3,149
<b>Returns on investments and servicing of finance</b>			
Bank interest received		272	508
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(1,417)	(169)
<b>Taxation</b>			
Tax paid on interest received		(125)	(80)
<b>(Decrease)/increase in cash</b>		(5,356)	3,408
<b>Change in funds resulting from cashflow</b>			
Cash balances carried forward at 31 March		4,510	9,866
Less cash balances brought forward at 1 April		(9,866)	(6,458)
<b>Movement</b>		(5,356)	3,408

The notes on pages 80 to 95 form part of these accounts.



## Notes to the Accounts

### 1. Statement of accounting policies

#### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by reference to their current cost. The accounts have been prepared in a form directed by the Secretary of State for Culture, Media and Sport with the consent of Treasury in accordance with Section 39(2) of the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998).\*

Whilst the Community Fund's Accounts Directions require the inclusion of Fixed Assets at their value to the business by reference to current costs, for 2005/06 the Community Fund does not believe that these values are materially different to the historic costs shown in the Balance Sheet. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act and Accounting Standards issued by the Accounting Standards Board insofar as they are 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 of Culture Media and Sport. In taking this view of future income the Board assume as a matter of public policy, the continued operation of the Lottery and the maintenance of Community Fund's percentage of the National Lottery Distribution Fund as set out in sections 21 to 23 of the Act, as amended by the National Lottery Act 1998.

#### 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, Media and Sport. However, the share of these balances attributable to the Community Fund is as shown in the accounts and, at the Balance Sheet date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by the Community Fund in respect of current and future commitments

The Community Fund aims to reduce its NLDF balances to £127 million by March 2009, providing the Community Fund continues to have sufficient assurance that this will neither compromise existing commitments nor unreasonably constrain its ability to make future commitments

\* A copy of the Accounts Directions issued by the Department of Culture, Media and Sport on 10 June 2002 are available on written request to the Community Fund, 1 Plough Place, London EC4A 1DE

The targets for three years are as follows:

- by 31 March 2006, to aim for balances in the NLDF to be £140 million
- by 31 March 2007, to aim for balances in the NLDF to be £106 million
- by 31 March 2008, to aim for balances in the NLDF to be £94 million.

These targets are based on the income predictions available at the time as provided by DCMS and allow for the impact of the proposed Olympic Lottery and reflect expenditure on current and expected Policy Directions.

#### 1.4 Fixed assets

Fixed assets are capitalised in the Balance Sheet at their historic cost value rather than by reference to current costs, as these are not considered to be materially different. Items costing less than £2,000 are written off to the Income and Expenditure Account in the year of purchase. The Community Fund does not capitalise software development costs.

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:

Fixture and fittings	The lower of 4 years or the remaining life of the lease where appropriate
Office equipment	4 years
IT equipment	3 years

#### 1.5 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. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge on the PCSPS. The Community Fund pays a charge for each employee calculated on an accruing basis. Pension benefits are provided through the PCSPS. From 1 October 2002, staff who are members of the scheme can be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). New entrants after 1 October 2002 may choose between membership of the premium scheme or can join a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account). The differences between the schemes can be found on the [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk) website.

For a small number of staff the Community Fund makes contributions of 15 per cent of salary in respect of the private and personal pension scheme of their choice. From 1996/97, following Treasury advice the contribution rate for new personal pension schemes was reduced to three per cent.

#### 1.6 Operating leases

The costs of operating leases held by the Community Fund are charged to the Income and Expenditure Account in the period to which they relate on a straight-line basis. The benefits of rent-free periods on all new leaseholds entered into are apportioned over the period to the first rent review on a straight-line basis.

## Notes to the Accounts

### 1.7 Grant 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 the Community Fund has a written contractual agreement with the applicant. Hard commitments are charged to the income and expenditure in the year that the contracts are signed. Hard commitments are shown on the Balance Sheet as a creditor, the balance being reduced as payments to grant recipients are released.

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

### Grants repaid and recovered

The Community Fund'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 grantee falls below a grant that has been paid based on estimated costs.

### Grant transfers

Grant transfers are required when existing grant recipients change their constitution during the year. As the new organisation is a new legal entity this requires the old grant to be revoked and a new grant to be applied for and awarded.

### 1.8 Third party assets

The Community Fund holds as custodian certain assets belonging to third parties. These assets represent bank balances of £8.5 million held on behalf of other Lottery Distributors to fund awards made under the Awards for All schemes and the Home Front Recall grant programme administered by the Community Fund. These are not recognised in the accounts since the Community Fund has no direct beneficial interest in them.

### 1.9 Grant management – joint schemes

Where the Community Fund 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 the Community Fund's share in the scheme. Administration costs are included in the Income and Expenditure Account at the amount incurred by the Community Fund.

### 1.10 Allocation of income and costs

Income and costs incurred by the Big Lottery Fund are allocated between the New Opportunities Fund and Community Fund. Income and costs attributable to a specific Fund are allocated directly. Joint costs are apportioned to each Fund based on an appropriate allocation methodology for example based on income share; staff numbers.

### 1.11 Notional cost of capital

From 1 April 2002 HM Treasury removed the requirement for a notional cost of capital charge to be calculated on assets funded by the Lottery.

## 2. Staff numbers and cost

Staff are employed by either the New Opportunities Fund or Community Fund under contracts that allow them to provide services to the other Fund. Employee costs and numbers are allocated to each organisation based on an apportionment methodology described in note 1.10.

Employee costs, excluding Board members, were as follows:

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Wages & salaries	11,321	13,037
Social security costs	945	1,013
Pension costs	1,911	1,592
Agency staff	1,280	789
	15,457	16,431

These costs include £8,832 for staff seconded out to other organisations. Recoveries of £8,832 are included in other income.

The salary and pension entitlement of the senior management of the Community Fund are included above, details are disclosed in the Remuneration Report.

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

	Year ended 31 March 2006			Year ended 31 March 2005
	Average no. of temporary staff (FTE's)	Average no. of employees (FTE's)	Total average no. of staff (FTE's)	Total average no. of staff (FTE's)
Planning and Performance	3	22	25	20
Finance and Corporate Services	21	38	59	44
Policy and External Relations	8	42	50	20
Operations	30	161	191	283
Country offices	17	97	114	64
Other distributors *	25	107	132	104
	104	467	571	535

\*The Community Fund employs staff to process applications and manage grants on behalf of other Lottery distributors under the Awards for All and Home Front Recall schemes and the New Opportunities Fund's Childcare programme.



## Notes to the Accounts

### 3. Board members remuneration

The Chair of the Community Fund's Board is a part-time appointment, two days per week. Emoluments paid to the Chair (excluding employers national insurance) are as follows:

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
Diana Brittan to 31 May 2004	-	29,412
Sir Clive Booth from 1 June 2004	18,504	18,238

All Board Members are appointed by the Secretary of State for a time defined period. Board Members are entitled to receive remuneration for the time spent on the activities of the Community Fund. For Board Members appointed to the Big Lottery Fund 50 per cent of their time is deemed to be spent on Community Fund activities. These activities, for which Board Members can claim a daily rate fee of £210 (2004/05, £198), mainly consist of meetings in Community Fund's offices. No Board Member received contributions to pension. Total emoluments (excluding employers national insurance) paid to Board members to 31 March 2006 were £73,067 (2004/05, £82,927), analysed as follows:

	Year ended 31 March 2006	Year ended 31 March 2005
	£'000	£'000
Elaine Appelbee to 31 May 2004	-	0.4
Steven Burkeman to 31 May 2004	-	1.5
Dr Samuel Burnside from 15 June 2004	6.0	5.0
David Campbell from 1 June 2004	5.6	4.1
Jeff Carroll to 31 May 2004	-	1.9
Paul Cavanagh	6.0	2.8
Tom Davies from 15 June 2004	4.2	3.3
Roland Doven from 1 June 2004	3.4	2.1
Professor Briedge Gadd from 15 June 2004	5.1	4.3
John Gartside from 1 June 2004	4.6	2.4
Douglas Graham	3.0	6.9
Kay Hampton to 31 May 2004	-	1.5
Taha Idris	5.0	4.2
Professor James Kearney to 31 May 2004	-	2.9
Dugald Mackie from 1 June 2004	2.1	2.6
Sheila Jane Malley to 31 May 2004	-	3.3
Richard Martineau to 31 May 2004	-	4.6
John Naylor from 1 June 2004	6.8	4.5
Esther O'Callaghan from 1 June 2004	0.8	1.8
Anna Southall from 1 June 2004	4.4	2.2
Dame Valerie Strachan (Deputy Chair)	8.8	10.0
Carol Tongue to 31 May 2004	-	1.0
Huw Vaughan Thomas from 15 June 2004	3.8	2.4
Benjamin Whitaker to 31 May 2004	-	3.6
Diana Whitworth from 1 June 2004	3.5	3.8

The Community Fund reimburse the travel and subsistence expenses of Board members and meet the tax liability on these expenses.

## 4. Other operating costs

Included in other operating costs are:

	Year ended 31 March 2006 £'000		Year ended 31 March 2005 £'000	
Travel and expenses				
Staff	550		688	
Board members	99	649	78	766
Auditors remuneration for audit work		44		43
Operating lease payments		1,303		1,521
Other costs		7,111		9,732
		<u>9,107</u>		<u>12,062</u>

## 5. Total operating expenses

Analysis of operating expenditure

	Year ended 31 March 2006 £'000		Year ended 31 March 2005 £'000	
Effective grant making	27,026	85%	25,313	79%
Governance and administration	3,332	10%	5,305	17%
Supporting the voluntary sector	1,526	5%	1,205	4%
Total administrative expenditure	<u>31,884</u>	<u>100%</u>	<u>31,823</u>	<u>100%</u>

**Effective grant making** is the work required to run the Community Fund's grant programmes and decision-making processes. Including costs of the regional and country offices, assessing applications, reviewing programme areas and priorities, managing and monitoring awards, the regional and country committees and IT systems needed to support grant making.

**Governance and administration** is the work required to run the Community Fund as a legal entity. This includes the costs of the Board and non-grant making Committees, Chief Executive's office, internal audit and some aspects of the corporate service departments.

**Supporting the voluntary sector** includes the work of initiatives linked to the strategic priorities aimed at developing stronger links between grant holders working in certain areas and increasing the impact of the Community Fund in ways such as fair share or outreach, and the work of development officers.

## Notes to the Accounts

### 6. Merger/Structural Review costs

Merger costs incurred during the assimilation of the Community Fund and the New Opportunities Fund include;

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Consultation	-	277
IT changes	-	11
Termination payments	-	1,282
Professional fees	-	45
Property Costs	-	883
Other	-	36
	<u>-</u>	<u>2,534</u>

The Structural Review, a major change programme to restructure and relocate our England grant making activities and corporate service functions, has incurred the following costs during 2005/06;

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Termination payments	5,280	-
Recruitment & Induction costs	269	-
Property rationalisation	1,211	-
Project Management	122	-
Other	8	-
	<u>6,890</u>	<u>-</u>

### 7. Financial performance indicator

The Community Fund aims to keep operating costs below 10 per cent of income. This indicator is calculated on a net basis ie excluding income and expenses relating to activities recharged at full cost to other distributors. This target continues to be achieved over the lifetime of the Community Fund; net operating costs are 7.8 per cent of income (2004/05, 7.6 per cent). In previous years the Community Fund has also considered net operating expenses as a percentage of income received in the year. Using this basis the financial performance indicator is 10.5 per cent (2004/05, 11 per cent).

### 8. Corporation tax

The Community Fund pays corporation tax on bank interest received at an effective rate of 17.6 per cent (prior year 22 per cent). The tax payable is £51,573 (2005, £125,206). Monies held and invested by the National Lottery Distribution Fund on the Community Fund's behalf are not taxable.

## 9. Tangible fixed assets

	Office equipment £'000	Computer equipment £'000	Fixture and fittings £'000	Total £'000
<b>At cost</b>				
At 1 April 2005	430	995	2,079	3,504
Additions	93	180	1,144	1,417
Disposals	(171)	(97)	(48)	(316)
<b>At 31 March 2006</b>	<b>352</b>	<b>1,078</b>	<b>3,175</b>	<b>4,605</b>
<b>Depreciation</b>				
At 1 April 2005	413	894	1,533	2,840
Charge for the year	35	74	221	330
Disposal	(171)	(97)	(48)	(316)
<b>At 31 March 2006</b>	<b>277</b>	<b>871</b>	<b>1,706</b>	<b>2,854</b>
<b>Net book value</b>				
At 31 March 2006	75	207	1,469	1,751
At 31 March 2005	17	101	546	664

All leasehold improvements are on short leasehold properties where the leases expire in less than 50 years.

## 10. Debtors and prepayments

	At 31 March 2006 £'000	At 31 March 2005 £'000
Debtors	1,673	604
Accrued income	297	2,005
Prepayments	591	612
	<b>2,561</b>	<b>3,221</b>

Included in the amounts above are the following balances payable by other government bodies:

	At 31 March 2006 £'000	At 31 March 2005 £'000
Amounts due from other government bodies	1,686	2,040
Amounts due from Local Authorities	11	67

## Notes to the Accounts

### 11. Balance held by the National Lottery Distribution Fund

	£'000	£'000
Cost as at 1 April 2005		175,117
Distribution from the National Lottery	230,419	
Investment income earned	8,207	
Cash drawn down	(240,615)	
Net decrease in balance		(1,989)
<b>Cost as at 31 March 2006</b>		<b>173,128</b>
Unrealised loss on investment		(1,178)
<b>Market value at 31 March 2006</b>		<b>171,950</b>

At 31 March 2006, the market value of the Community Fund's balance held by the National Lottery Distribution Fund (NLDF) was £171,950,343 (2004/05, £174,459,663).

The funds held in the National Lottery Distribution Fund are managed by the Commissioners for the Reduction of the National Debt (formerly known as the National Debt Commissioners). The Community Fund received 16.7 per cent of the moneys paid by Camelot Group Plc to the National Lottery Distribution Fund after deduction of expenses payable to the consolidated fund for the costs of the Secretary of State for the Department for Culture, Media and Sport in exercising her functions under the Act, the costs of the regulator (the National Lottery Commission) and the costs of the investment manager. The National Lottery Distribution Fund investment account is revalued before each transaction, either receipt or draw down, and interest apportioned according to a formula based on the balance held by the body as a ratio of the total balance.

### 12. Creditors: amounts falling due within one year

	At 31 March 2006 £'000	At 31 March 2005 £'000
Trade creditors	969	716
Other creditors	490	453
Amounts due to New Opportunities Fund	3,153	3,601
Accruals and deferred income	987	1,128
Corporation Tax	52	125
	<u>5,651</u>	<u>6,023</u>

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

	At 31 March 2006 £'000	At 31 March 2005 £'000
Amounts due to other Government bodies	3,272	3,653
Amounts due to Local Authorities	40	276

### Creditors: amounts falling due in more than one year

	At 31 March 2006 £'000	At 31 March 2005 £'000
Deferred income	<u>2</u>	<u>183</u>



### 13. 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 2005	385	443	456	-	1,284
Charged to expenditure in the year	279	1,095	3,655	403	5,432
Payments made	(222)	(206)	(586)	-	(1,014)
Carried forward at 31 March 2006	442	1,332	3,525	403	5,702

During the financial year the Community Fund vacated its Baron House, Newcastle premises and the decision was made to vacate Edmund House, Birmingham and Elizabeth House Warrington. On all these properties the lease requires the Community Fund to rectify dilapidations. The 2005/06 provision represents dilapidations and unavoidable lease costs on these properties. These provisions are expected to be realised in 2006/07.

As part of Structural Review

- ▶ Certain eligible staff have agreed to take early retirement. As a result of these agreements the Community Fund is contracted to meet certain pension contributions until the statutory retirement date of these individuals. An estimate of future contributions has been provided for staff who had finalised early retirement agreements prior to 31 March 2006.

- ▶ Certain posts have been identified as no longer required. A provision has been made for the estimated redundancy costs of those staff which the Community Fund has entered into consultation with prior to 31 March 2006 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 Civil Service Pension (CSP) arrangements.

During 2005/06, payments against the provision for staff who took early retirement or redundancies as part of the administrative merger with the New Opportunities Fund have been charged to the provision made in 2004/05. It is expected that the majority of this provision will be realised during 2006/07.

## Notes to the Accounts

### 14. Grant commitments

	At 31 March 2006 £'000	At 31 March 2005 £'000
<b>Hard Commitments</b>		
Hard commitments brought forward	328,661	399,859
Hard commitments made	350,314	199,321
Lapsed and revoked hard commitments	(13,877)	(17,090)
Hard commitments met	(226,776)	(253,429)
Net movement in hard commitments	109,661	(71,198)
Hard commitments carried forward	438,322	328,661

#### Ageing of hard commitments

	At 31 March 2006 £'000	At 31 March 2005 £'000
Due for payment within one year	239,060	169,049
Due for payment during :2007/08 (2006/07)	131,831	104,207
2008/09 (2007/08)	59,560	40,727
2009/10 (2008/09)	7,453	12,350
2010/11 (2009/10)	418	2,328
Total commitments	438,322	328,661

Hard commitments made and lapsed and revoked hard commitments include £8,742,564 of grant transfers (2004/05, £12,352,258) see note 1.7.

### 15. Soft commitments

	At 31 March 2006 £'000	At 31 March 2005 £'000
<b>Soft Commitments</b>		
Soft commitments brought forward	36,512	38,149
Soft commitments made	336,292	198,873
Lapsed and revoked soft commitments	(1,089)	(1,189)
Soft commitments transferred to hard commitments	(350,314)	(199,321)
Soft commitments carried forward	21,401	36,512

## 16. Joint schemes

Included within hard commitments £10.3 million (2004/05, £10.6 million) of new grant commitments and £1.5 million (2004/05, £0.2 million) of grant commitments carried forward at 31 March representing the Community Fund's contribution to the Awards for All, England joint scheme. During 2005/06, the Community Fund contributed £10.2 million to the total funding of £52.6 million. This scheme is administered by the Community Fund on behalf of all parties to the agreement and memorandum accounts for the scheme are included at the end of these accounts.

Included within hard commitments are £0.2 million (2004/05, £0.8 million) of new grant commitments and £NIL (2004/05, £190,882) of grant commitments carried forward at 31 March representing the Community Fund's contribution to the Home Front Recall joint scheme. The Community Fund contributed £0.2 million towards the scheme which was a carry forward from the previous years underspend.

## 17. Reconciliation of income and expenditure to net cash inflow from operating activities

	Year ended 31 March 2006	Year ended 31 March 2005
	£'000	£'000
(Deficit)/Surplus before tax	(120,913)	29,507
Depreciation of fixed assets	330	654
Loss on disposal of fixed assets	-	109
Interest income	(272)	(508)
Net (Deficit)/Surplus from operating activities	(120,855)	29,762
Decrease in debtors	660	824
Decrease in NLDF balance	2,510	38,790
(Decrease)/Increase in creditors	(480)	4,034
Increase in provisions	4,418	938
Increase/(Decrease) in provision for grant commitments	109,661	(71,199)
Net cash (outflow)/inflow from operating activities	(4,086)	3,149

## Notes to the Accounts

### 18. Financial risks

The Community Fund is required to disclose the effect of financial instruments during the period in creating or changing the risks the Community Fund faces in undertaking its role.

#### Liquidity risks

In the year ended 31 March 2006, £230.4 million (93 per cent) of the Community Fund's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the National Lottery Distribution Fund £7.7 million (three per cent), and from bank interest and other income £9.3 million (four per cent).

At 31 March 2006, the Community Fund had net liabilities of £268.9 million and soft commitments of £21.4 million. Although the Community Fund has made commitments in excess of its assets, the Board does not consider that the Community Fund is exposed to significant liquidity risks as many of these commitments will not be paid until after the next financial year end. This is because the Community Fund will only allow grant holders to draw down monies once they have proved their need to receive the next tranche of grant funding allocated to them. Due to the timing differences between the date the grant holder accepts the Community Fund's grant offer, and the date the grant holder draws down these monies, the Community Fund is encouraged by the Department for Culture, Media and Sport to over-commit the available funds.

	£'000
<b>Liquid assets at 31 March 2006</b>	
Market value of NLDF investments	171,950
Cash	4,510
	<hr/> 176,460
<b>Forecast cashflows during 2006/2007</b>	
Income from the National Lottery	212,950
Other income	9,000
Administration cost payments	(23,310)
Grant payments	<hr/> (236,120)
<b>Forecast liquid assets at 31 March 2007</b>	<hr/> <b>138,980</b> <hr/>

The income forecast assumptions are based upon guidance provided by the Department for Culture, Media and Sport. The forecast grant payments are based upon estimated grant draw down profiles submitted by grant recipients at the time of award.

#### Interest rate risks

The financial assets of the Community Fund are invested in the NLDF, which invests in a narrow band of low risk assets such as government bonds and cash. The Board has no control over the investment of funds in the NLDF. At the Balance Sheet date the market value of investment in the NLDF was £172.0 million. In the year the average return on these investments was 4.7 per cent.

Cash balances which are drawn down from the Community Fund to pay grant commitments and operating costs are held in instant access variable rate bank accounts which on average carried an interest rate of 3.4 per cent in the year. The cash balance at the year-end was £4.5 million. The Board considers that the Community Fund is not exposed to significant interest rate risks on its cash balances.

### Foreign currency risk

The Community Fund is not exposed to any foreign exchange risks.

## 19. Financial commitments

### Commitments under operating leases

At 31 March 2006, the Community Fund had the following annual Commitments under operating leases.

	Leased cars	Land and buildings	As at 31 March 2006 £'000	As at 31 March 2005 £'000
Expiring in less than 1 year	2	513	515	100
Expiring in 1-5 years	-	840	840	900
Expiring in more than 5 years	-	1,774	1,774	626
	<u>2</u>	<u>3,127</u>	<u>3,129</u>	<u>1,626</u>

## 20. Pension scheme

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year.

Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants from 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder arrangement with a significant employer contribution (partnership pension account).



## Notes to the Accounts

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

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. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of three 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 CSP arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

For 2005/06, employers' contributions of £1,911,472 were payable to the PCSPS (2004/05, £1,592,000) at one of four rates in the range 16.2 per cent–24.6 per cent of pensionable pay, based on salary bands (as shown below). Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Rates for 2005/06 have increased based on recommendations from the Government Actuary.

Bands	Year ended 31 March 2006
£17,500 and under	16.2%
£17,501 - £35,000	18.6%
£35,001 - £60,500	22.3%
£60,501 and over	24.6%

Bands	Year ended 31 March 2005
£17,500 and under	12%
£17,501 - £36,000	13.5%
£36,001 - £62,000	16.5%
£62,001 and over	18.5%

### 21. Special payments and losses

Special payments occur 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. In the financial year to 31 March 2006, special payments totalled £17,963 (prior year £490,159).

Losses occur where there is no evidence that the project objectives were met. In the financial year to 31 March 2006, losses totalled £831,771 (prior year £1,242,325). Losses over £100,000 were as follows:

	Year ended 31 March 2006 £
Royal British Legion Scotland (Kirkintilloch Branch)	113,294
The Bibini Centre for Young People	116,520
	<u>229,814</u>

In addition, as a result of the investigation of the suspected multiple application fraud £1,004,816 relating to the Community Fund's share on the Awards for All programmes and £510,446 relating to nine grants awarded through the Community Fund's other grant programmes have been written off. Further information is provided in the Statement on Internal Control.

One loss was in excess of £100,000; we are unable to disclose details as this may be prejudicial to the ongoing police action.

## 22. Related party transactions

The Community Fund 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, the Community Fund has had various material transactions with the DCMS and other bodies for which the DCMS is regarded as the sponsor Department: the New Opportunities Fund, Heritage Lottery Fund, the Arts Councils of England, Sport England.

In addition, the Community Fund has a number of transactions with Government Departments and bodies that regard other government departments as their sponsor department.

- ▶ The Sports Councils in Scotland, Wales and Northern Ireland.
- ▶ The Arts Councils in Scotland, Wales and Northern Ireland.

The Community Fund abides by the Cabinet Office code of practice for Board Members of public bodies. As a matter of policy and procedure, the Community Fund maintains a register of interests in grant applications made to the Community Fund and commercial relationships with the Community Fund for Board Members, for chairs and members of its Regional Awards Committees, and for all staff. 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. The Community Fund's procedures also ensure that grant officers are not engaged on processing applications in which they would have an interest.

Awards for All England  
Unaudited memorandum accounts for the year ended  
31 March 2006

**Income and Expenditure**

	Notes	Year ended 31 March 2006 £'000	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000	Year ended 31 March 2005 £'000
<b>Income</b>					
Contributions from Awards for All					
England partners:					
Community Fund		10,784		11,253	
Arts Council England		6,183		6,433	
Heritage Lottery Fund		3,931		3,028	
New Opportunities Fund		28,407		11,278	
Sport England		5,889		6,120	
Notional taxation		31	55,225	44	38,156
Interest received			164		230
Grant refunds			952		881
<b>Total Income</b>			<b>56,341</b>		<b>39,267</b>
<b>Expenditure</b>					
Grant commitments made in the year	5	52,702		35,990	
less lapsed or revoked commitments	5	(194)	52,508	(103)	35,887
Staff costs	2	1,857		1,786	
Other operating costs	3	1,945	3,802	1,550	3,336
<b>Total expenditure</b>			<b>56,310</b>		<b>39,223</b>
Surplus before taxation			31		44
Notional taxation	4		31		44
Surplus/deficit for the period			0		0
<b>Retained surplus/deficit</b>					
Brought forward at 1 April 2005			0		0
Deficit for the period			0		0
Retained deficit at 31 March 2006			0		0

Awards for All England  
Unaudited memorandum accounts for the year ended  
31 March 2006

**Balance sheet at 31 March 2006**

	Notes	As at 31 March 2006 £'000	As at 31 March 2006 £'000	As at 31 March 2005 £'000	As at 31 March 2005 £'000
<b>Current Assets</b>					
Payment in advance to Micro grant partners					60
Balances due from partners					
Community Fund		1,365		0	
Arts Council England		89		0	
Heritage Lottery Fund		92		0	
New Opportunities Fund		4,108		0	
Sport England		151	5,805	0	0
Cash in bank and in hand			1,912		2,943
			<u>7,717</u>		<u>3,003</u>
<b>Creditors falling due within 1 year</b>					
Due to Micro grant partners			4		
Balances due to partners					
Community Fund		0		942	
Arts Council England		0		248	
Heritage Lottery Fund		0		129	
New Opportunities Fund		0		896	
Sport England		0	0	135	2,350
Grants committed for payment	5		7,682		609
other creditors			31		44
			<u>7,717</u>		<u>3,003</u>
<b>Total assets less liabilities</b>			<u>0</u>		<u>0</u>
<b>Represented by</b>					
Retained surplus			<u>0</u>		<u>0</u>

# Awards for All England

## Unaudited memorandum accounts for the year ended 31 March 2006

### Notes

#### 1 Budget for grant awards

The Awards for All England programme is a jointly funded scheme between the Big Lottery Fund (the joint operating name of the Community Fund and the New Opportunities Fund), Arts Council England, Sport England and Heritage Lottery Fund. The funding budget for the programme was

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Community Fund	10,278	10,875
Arts Council England	5,886	6,200
Heritage Lottery Fund	3,735	2,900
New Opportunities Fund	27,094	10,900
Sport England	5,607	5,900
	<u>52,600</u>	<u>36,775</u>

#### 2 Staff costs

The aggregate staffing costs incurred by the Community Fund in delivering the Awards for All England programme during the period were

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Wages and salaries	1,302	1,445
Social security costs	98	106
Other pension costs	222	180
Agency staff	235	55
	<u>1,857</u>	<u>1,786</u>

The average number of employees on a full time equivalent basis employed on the Awards for All England scheme were 83 (2005 74)

#### 3 Other operating costs

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Travel and expenses	48	76
Accommodation	317	416
Communications	481	396
Administration costs	1,099	662
	<u>1,945</u>	<u>1,550</u>

#### 4 Taxation

Corporation tax is due on bank interest received by each Distributor. The notional calculation charged in these accounts assumes Awards for All as a single entity. Tax is calculated at an effective rate of 19% (2005/06, 19%).

#### 5 Hard commitments

	As at 31 March 2006 £'000	As at 31 March 2005 £'000
Hard commitments brought forward	609	219
Hard commitments made in year	52,702	35,990
Lapsed and revoked hard commitments	(194)	(103)
Hard commitments met	(45,435)	(35,497)
Hard commitments carried forward	<u>7,682</u>	<u>609</u>

All payments will fall due within 1 year

There are no soft commitments within the Awards for All England programme, grant recipients confirm acceptance of the terms and conditions of the grant as part of their application.



## Section six

### Our statutory background

The Community Fund is the operating name of the National Lottery Charities Board. This was established as a Non-Departmental Public Body by the National Lottery etc Act 1993, as amended by the National Lottery Act 1998. The Act specifies the share of income from the National Lottery Distribution Fund to be received and it regulates the size of the Board and the appointment of committees generally and specifically for grant making in the four countries of the UK.

The Secretary of State for Culture, 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. The Secretary of State issued Policy Directions and Financial Directions in 1995. These were both revised in February 1999 and the Financial Directions were further revised in August 2002. In 2005, 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 new Policy Directions are interim Directions applying to both the Community Fund and the New Opportunities Fund in the period before the Big Lottery Fund is created in law.

The Community Fund has complied with these Directions throughout the financial year 2005/06

### Financial Directions

Financial Directions issued to the National Lottery Charities Board (the legal name of the Community Fund) under Section 26(3), (3A) & (4) of the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998)

- (i) The National Lottery Charities Board ("the Board") shall comply with the requirements contained within the Statement of Financial Requirements attached as an Annex to these Directions when carrying out its functions under section 25 of the National Lottery etc. Act 1993 ("the Act") as amended by the National Lottery Act 1998 ("the 1998 Act"). Wherever specified in that Annex, the Board must attain the consent of the Secretary of State for Culture, Media and Sport before carrying out certain activities.
- (ii) The Board shall devise and abide by a procedure for handling potential conflicts of interest, which may arise in the evaluation of an application by the Board, or individual members of the Board. This procedure, together with a statement confirming the arrangements that have been applied, should be provided to the Secretary of State for Culture, Media and Sport ("the Secretary of State") before the distribution of any funds under section 25 of the Act, and thereafter at the beginning of every financial year.

Signed by the authority of the Secretary of State for Cultural, Media and Sport, ACB Ramsay, a Group Head in the Department of Culture, Media and Sport.

The Directions have been complied with as follows:

- (i) We have implemented 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 Planning and Performance.
- (ii) We maintain a register of interests for all Board members, Regional Committee members in England, co-opted members in Scotland, Wales and Northern Ireland and all staff. Where any committee decisions are taken which would possibly give rise to conflict of interest, the Chair of the meeting ensures that disclosure is made and the committee member leaves the room while the item in question is discussed. Procedures are also in place to prevent any member of staff from assessing an application from an organisation they are connected with. The application of these procedures has been notified each year to the Secretary of State for Culture, Media and Sport.

## Policy Directions

The Community Fund is a non-departmental public body and therefore operates under Policy Directions issued by its sponsor department, the Department of Culture, Media and Sport. The Policy Directions set out the principles with which the Community Fund must comply. They are revised from time to time; the Directions issued in February 1999 were in force during 2005/06.

There are 10 Directions. These are set out below with a note about our compliance with them.

- A.** *The need to ensure that money is distributed only for charitable (whether or not charitable in law), benevolent or philanthropic purposes.*

All the awards made by the Community Fund go to charitable, philanthropic or benevolent organisations, which are checked for eligibility. These include charities that are registered with the Charity Commission in England and Wales, the Office of the Scottish Charity Regulator in Scotland and those recognised as charitable for tax purposes by the Inland Revenue in Northern Ireland. Philanthropic and benevolent organisations must have the attributes of charity to meet the legal test, i.e., they must have nothing which is against the concept of charity, and they must act from a sense of altruism, for the public benefit and not for private or mutual benefit.

**B.** *The need to ensure that the Board, in the policies that it adopts from time to time and taking into account its assessment of needs and any priorities it might have identified in its strategy, and taking reasonable steps to publicise widely the availability of grants, achieves over time the distribution of money:*

*i) to a reasonably wide spread of recipients, including small organisations and those organisations operating purely at local level;*

*and*

*ii) across a reasonably wide range of charitable (whether or not charitable in law), benevolent and philanthropic activity.*

We take all reasonable steps to publicise our grant programmes. Our grants programmes are designed to enable a wide spread of potential applicants to submit grant applications. The Community Fund's contribution to the Awards for All Programme is designed to ensure that smaller organisations, as well as local ones, have the opportunity to apply for one-off grants of up to £5,000 in a simple way. Development and publicity work helps to ensure that we support a wide range of activity within our defined programmes and strategy.

**C.** *The need to have regard from the outset to:*

*i) the interests of the UK as a whole;*

*ii) the interest of the different parts of the UK;*

*and*

*iii) the relative population size of, and appropriate socio-economic factors applicable to, the different parts of the UK; and, in addition, to consider the interests of organisations with a base in the UK and working overseas, and to distribute grants in the light of these considerations.*

Grant-making Committees ensure that the interests of the different parts of the UK, the UK as a whole, and organisations based in the UK and working overseas are represented in our grant making. The Country Committees for Scotland, Wales and Northern Ireland and the nine Regional Committees in England deal with grants in their areas. Since Autumn 2002 the Strategic Grants Committee has made grants under the Strategic Grants Programme for projects which benefit more than two English regions and up to all four countries of the UK, for research and international grants. Prior to that the England Committee made England-wide grants and the former UK Committee was responsible for UK-wide, research and international grant-making.

The budget for grant making is allocated between the UK countries and the nine England regions on the basis of population weighted by socio-economic factors that take account of need in the different countries and regions. There are separate allocations for the Strategic Grants Committee Programmes.

## Section six

**D.** *The needs of children and young people.*

During 2005/06, we made grants worth at least £65 million which benefited children and young people, through all our grants programmes.

**E.** *The need to further the objectives of sustainable development.*

Sustainable development is an important factor in our grant making and its principles have been applied in many ways through our grant programmes and practices. The Big Lottery Fund is committed to building on the previous work of its legacy organisations and developing its approaches to sustainable development in its funding and in the way it does its work. The Sustainable Development Commission has recently undertaken a piece of research on behalf of Big Lottery Fund to assess the level to which sustainable development has been incorporated into application, assessment and evaluation processes of Community Fund, New Opportunities Fund and Big Lottery Fund to ascertain areas of good practice and opportunities for improvement. This will inform the development of our future programmes and policies.

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

Grants are generally made for up to three years (five years in the case of projects overseas). Organisations receiving grants have been able to reapply for a development grant for up to another three years, although these applicants are assessed in competition with new projects. In exceptional cases, grants have been made for a third three-year period. All existing Community Fund grant programmes closed for applications on 31 May 2005.

**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, for a clear business plan incorporating provisions beyond the period of the grant for associated running and maintenance costs;*  
*and*
- 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.*

These matters are covered in our assessment procedures and guidance to applicants.

- H.** *The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of its strategy.*

Through the Big Lottery Fund arrangements, the Community Fund works in co-operation with the other distribution bodies on a number of common issues, ensuring that we continue to improve our policies and procedures in line with the proposals set out in the Secretary of State's July 2003 Decision Document on Lottery funding.

- I.** *The need to ensure that its powers to solicit applications under Section 25(2A) (of the National Lottery Etc. Act 1993, as amended) are used in connection with the pursuit of strategic objectives.*

The Community Fund's second Strategic Plan was laid in Parliament on 15 April 2002. This sets out priorities for grant making and how these are applied in each country of the UK and each England region. Solicitation powers available to the Community Fund will be used if required by the Strategic Plan for grant making and in furtherance of research needs.

- J.** *The need to ensure it has such information as it considers necessary to make decisions on each application, including independent experts' advice where required.*

The grant application forms for all Community Fund programmes collect information from the applicants and their projects, which are then assessed in accordance with our guidance and procedures in order for decisions to be made.

We seek expert advice where needed (for example on medical and wider social research) to support our decision making. We also take advice from other advisors if grant applications so require (for example, expert financial advice).

### **New Policy Directions**

In November 2005 the Community Fund was issued with new policy directions. These are set out below.

### **General Directions**

The Funds shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Funds distribute any money under section 25(1):

- 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 ensure that the Funds achieve over time the distribution of money to projects in each country of the United Kingdom.
- D.** The need to be innovative and to take risks in distributing money under section 25(1) balanced with the need to manage risk in a manner commensurate with type of project and applicant.



## Section six

- E.** The need to ensure that the Funds, taking into account their assessment of needs and any priorities they have identified in their strategies, achieve 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 the United Kingdom and working overseas.
- F.** The need to ensure that the Funds achieve over time the distribution of money reasonably equally between the expenditure on or connected with:
  - (i) the promotion of community learning in order to create opportunities
  - (ii) the promotion of community safety and cohesion; and
  - (iii) the promotion of physical and mental well being.
- G.** The needs of children and young people.
- H.** The need to further the objectives of sustainable development.
- I.** The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.
- J.** 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.
- K.** The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of their strategies.
- L.** The need to ensure that the Funds have such information as they consider necessary to make decisions on each application, including independent expert advice where required.
- M.** 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.

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

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

The National Lottery Charities Board shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Funds distribute any money under section 25(1):

**A.** the need to promote community learning in order to create opportunities;

**B.** the need to promote community safety and cohesion; and

**C.** the need to promote physical and mental well being.

### **Transformational Grants**

In relation to the transformational grant joint scheme, the Funds shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Funds distribute any money under section 25(1):

**A.** 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.

**B.** The need to transform and revitalise communities and the physical environment.

**C.** 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.

## Section seven

Grants over £100,000 awarded in the year

Our Policy Directions require us to list all grants made over £100,000.

### Strategic Grants

£737,410	The Leonard Cheshire Foundation	£283,786	Nightstop UK Limited
£717,040	NSPCC	£272,566	Jennifer Trust For Spinal Muscular Atrophy
£709,640	Foundation Training Company Ltd	£267,471	National Council Of Voluntary Child Care Organisations
£634,577	NCVO	£260,186	Pilotlight
£596,900	Association of Chief Executives of Voluntary Organisations	£258,310	The Older People's Advocacy Alliance ( UK )
£551,729	D I A L U K	£254,205	Tax Volunteers
£550,433	British Refugee Council	£250,000	National Star Centre for Disabled Youth
£500,000	First Step Trust	£249,567	Link Centre for Deafened People
£500,000	Youthnet UK	£247,786	Voluntary Organisations Disability Group
£498,995	U K Coalition Against Poverty	£233,238	Scope
£478,736	The Stroke Association	£229,989	The Rural Media Company
£474,027	The Public Law Project	£226,083	Over the Wall Gang Camp, The
£443,318	National Council on Ageing	£224,542	Association for Spina Bifida and Hydrocephalus
£428,498	STAR (Student Action for Refugees)	£220,390	Spinal Injuries Association
£425,473	Home Farm Trust Ltd	£209,506	Working Families
£409,687	National Group On Homeworking	£208,953	Black Training and Enterprise Group
£394,700	British Red Cross Society	£208,500	People First (Self Advocacy)
£389,719	Inquest Charitable Trust	£206,182	Centrepoin Soho
£386,160	National Playing Fields Association	£195,793	International Community Of Women Living With HIV/AIDS
£368,339	National Association of Councils for Voluntary Service	£195,101	Solicitors Pro Bono Group
£360,452	British Association for Adoption and Fostering	£190,890	The Challenging Behaviour Foundation
£359,979	A D F A M National	£187,571	Education & Resources for Improving Childhood Continence
£358,444	The Drinkaware Trust	£187,070	Ataxia UK
£356,691	The National Autistic Society	£185,353	Devon Youth Association
£347,062	The Royal College Of Psychiatrists	£180,528	Hi8us Projects
£338,835	National Extension College	£174,790	Prison Reform Trust
£325,824	Trust For The Study Of Adolescence	£170,361	REACH Volunteering
£315,000	The M.M. National Gulf Veterans and Families Association	£166,234	Minorities of Europe
£306,770	FRG Limited	£166,000	Sensory Trust
£299,244	Single Parent Action Network	£163,704	Agency For Culture and Change Management
£298,794	The Princess Royal Trust For Carers	£163,200	Kidney Research UK
£294,412	Fostering Network	£158,403	The Aidis Trust
£292,073	Action for Prisoners' Families	£151,101	Friends Of The Earth Scotland
£290,043	Afiya Trust	£150,111	Shared Care Network
£288,347	Policy Research Institute on Ageing & Ethnicity	£144,857	British Council of Disabled People
£287,210	National Schizophrenia Fellowship	£140,932	Family Service Unit
£286,188	Church of England Children's Society	£140,402	Dyslexia Action
£285,903	Advance Housing and Support Ltd	£134,566	Civil Liberties Trust
		£133,527	Oxfam
		£131,461	Grassmarket Project Limited
		£123,397	Advocacy Resource Exchange
		£111,999	Action Against Medical Accidents
		£102,368	The Lowe Syndrome Trust



## Section seven

## England

## East Midlands

£300,000	Chaos Enterprises (Leicester) Limited	£126,426	Leicester and Leicestershire Irish Forum
£225,641	Share The Care	£125,759	Safe and Sound Derby
£218,378	Nottingham and Nottinghamshire Refugee Forum	£125,329	Bassetlaw Womens Aid Ltd
£208,230	Saffron Young Peoples Project	£124,954	The Federation of Groundwork Trusts
£208,019	Next Step (Against Domestic Abuse)	£119,753	East Midlands Open Minds
£201,625	Lincoln Womens Aid	£118,253	The Royal Philanthropic Society incorporating The Rainer Foundation
£195,699	Mid Derbyshire Citizen's Advice Bureau	£117,820	Radford Care Group
£191,951	2nd Swanwick Scout Group	£117,136	Chesterfield Citizens Advice Bureau
£189,000	The Aston on Trent War Memorial Hall	£117,002	Leicestershire Employment Action Today
£185,470	Nettleton Village Hall & Recreation Ground	£115,971	Leicester Lesbian, Gay And Bisexual Centre
£185,000	St Wilfrid's Community Centre	£115,916	Boston Community Transport Ltd
£183,071	Framework Housing Association	£114,797	Rural Community Council (Leicestershire & Rutland)
£181,282	Nottingham Council For Voluntary Service	£112,781	Deafblind UK
£180,159	Ashfield Links Forum	£112,708	Network for Change Limited
£180,000	The Bower Community Centre Management Committee	£112,256	Girls Friendly Society in England & Wales
£180,000	Engage East Midlands	£112,229	Derby Law Centre
£164,129	Memorial Park Trust	£112,000	Whaley Bridge Community Trust
£162,638	Carers Federation Nottingham and Notts Ltd	£111,421	Church of England Children's Society
£160,480	The Monitoring Group Ltd	£108,978	Boston District Council for Voluntary Service
£159,272	Leicester Chinese Community Centre	£107,466	Hollingwood After School Club
£153,740	The Meadows Partnership Trust	£106,923	South Derbyshire Citizens Advice Bureau
£152,234	Studentforce for Sustainability	£106,427	Nottinghamshire Unemployed Workers Centres Association Ltd
£150,739	Chesterfield & Dist Soc for People with Learning Disability	£105,051	Ashfield Women's Centre Limited
£150,000	Framework Housing Association	£104,883	Disability Direct
£150,000	North Wingfield Parochial Church Council	£103,615	Play At The Community House
£148,500	SOVA	£103,108	Daventry Welfare Rights Group
£148,390	Goldhill Play Association	£102,217	British Red Cross Society
£147,000	Huthwaite Parochial Church Council	£102,083	Borrowbrook Home Link
£146,968	Alfreton Shopmobility	£101,911	Pre School Learning Alliance
£146,555	Home Start Gainsborough Limited	£100,000	Beckingham & Saundby Village Hall and Playing Field
£145,442	Charnwood Racial Equality Council		
£140,000	Sikh Community & Youth Service		
£138,639	Tibshelf Cardiac Rehabilitation Support Group	£295,713	Eastern Stanbridge & Tilsworth Community Association
£138,208	Derby Parenting and Family Centre	£290,000	Framlingham Community Centre Trust
£135,932	Freed	£286,815	West Norfolk Citizens Advice Bureau
£133,956	Clowne And District Community Transport	£277,625	Headway Essex
£133,225	Ashbourne Volunteer Bureau	£260,000	Bentley Village Hall
£132,517	The Volunteer Centre	£259,750	Bacton Village Hall
£130,445	Clarendon Advice Centre	£259,479	Mildenhall Road Estate Community Association
£128,547	Choice Support		



£239,632	Beds Garden Carers	£141,892	Centre Thirty Three Young Peoples Counselling and Information Service
£236,506	Fenland Council for Voluntary Service	£137,673	Red2Green
£225,591	Essex Racial Equality Council	£135,024	Farleigh Hospice
£206,415	Bedfordshire African Support Project	£134,773	Age Concern Colchester
£200,403	Childrens Legal Centre	£134,763	Cambridge Refugee Support Group
£198,880	Speaking Up	£134,378	Lowestoft & District Citizens Advice Bureau
£198,877	Diss, Thetford and District Citizens Advice Bureau	£131,776	Family Lives
£195,873	Out And About	£131,191	The Bridge Project Sudbury
£195,375	Cambridge Chinese Community Centre	£131,108	Cambridge Mencap
£194,845	Saffron Sight	£130,668	Thurrock Open Door
£194,371	Contact A Family	£130,000	Chatterbox Pre school Playgroup
£193,522	Great Yarmouth Refugee Outreach & Support	£125,879	Waveney Community Forum cvs Limited
£187,676	Mary Seacole Housing Association	£119,774	The Lewsey Farm Cafe Project
£186,930	Voluntary Action Epping Forest	£116,514	Fenland Association For Community Transport Limited
£185,387	Open Youth Trust	£116,037	Contact The Elderly
£180,964	Wendens Ambo Village Hall	£112,445	The Prospects Trust
£180,765	Norfolk Association For The Care & Resettlement Of Offenders	£109,961	Epping Citizens Advice Bureau
£179,950	Suffolk Befriending Scheme for People with Learning Disabilities	£107,985	Chelmsford Agency for Volunteering
£176,919	Home Start North and MidBeds	£107,326	Great Oakley Pre School
£175,722	Bedfordshire Pilgrims Housing Association Ltd	£106,803	Kickstart
£174,803	Volunteer Bureau for Tendring	£106,308	Dial Basildon
£172,121	Age Concern Peterborough	£100,801	West Norfolk Mencap
£170,456	Tendring Community Voluntary Services	<b>London</b>	
£165,981	Canvey Island Youth Project	£250,000	Croydon Voluntary Action
£164,870	Abington Institute Management Committee	£250,000	Westminster Childrens Society
£164,663	Ormiston Children & Families Trust	£250,000	Open Age Project
£162,923	Hertsmere Worknet	£250,000	The Parish of Alexandra Park Parochial Church Council (PCC)
£159,289	Home Start Watford and Three Rivers	£250,000	Body & Soul
£158,304	Oak Foundation	£250,000	The Davenant Centre
£156,792	Ipswich and East Suffolk Headway	£250,000	The Parish Church of St Mary Islington
£155,883	North Hertfordshire Minority Ethnic Forum	£250,000	St Pauls Church
£155,439	Peterborough Racial Equality Council	£249,287	DERMAN for the Wellbeing of the Kurdish and Turkish Communities
£154,200	Ormiston Children & Families Trust	£249,085	Centre for Environmental Initiatives
£153,084	The Purfleet Trust Resettlement Project (King's Lynn) Ltd	£249,060	Woman's Trust
£151,170	Norfolk Community Law Service	£249,045	British Red Cross Society
£149,986	Voluntary and Community Action South Bedfordshire	£248,138	London Civic Forum
£148,767	Community Music East Ltd	£247,950	Hammersmith and Fulham Volunteer Centre
£148,362	Daybreak Drug Project	£247,892	Hammersmith and Fulham Volunteer Centre
£145,857	CHeCC		

## ACCOUNTS

£247,694	The Minster Centre	£197,400	Brent Association Of Disabled People
£246,989	Eastwards Trust (Services for Elders)	£196,502	Albanian Youth Action Limited
£244,674	Carr Gomm Society	£195,793	Moving Forward Together
£243,679	London Voluntary Sector Training Consortium	£195,390	Action Disability Kensington and Chelsea
£242,573	Springfield Community Flat	£193,741	Gates Support Project Ltd
£241,623	Lambeth Law Centre	£193,689	Survivors UK
£238,653	St Christopher's Hospice	£193,512	Merton Volunteer Bureau
£236,379	Richmond Fellowship Employment and Training	£192,574	Victim Support London
£235,519	Hackney Wick Community Training Centre	£192,493	North Downham Training Project
£235,138	London Voluntary Service Council	£192,273	Women Against Rape
£233,716	The Food Chain	£192,262	Mind in Enfield
£232,275	Poplar Housing and Regeneration Community Association Limited	£191,403	Ethnic Minority Partnership Agency, Barking & Dagenham
£230,340	Mind in Croydon	£191,343	Age Concern Chiswick
£228,108	The Lorrimore Centre	£191,294	Waltham Forest Turkish Association
£226,398	Shape London	£190,968	The Rain Trust
£226,338	London Play	£190,340	Tower Hamlets Co-operative Development Agency
£225,000	Voluntary Action Lewisham	£189,900	Bosnia Herzegovina Community Advice Centre Brent
£224,133	Wandsworth Carers' Centre	£189,814	Lewisham Citizens Advice Bureaux Service Limited
£221,554	Organisation Of Young Africans	£188,600	St Johns Wood Adventure Playground
£219,927	Hackney City Farm Limited	£187,343	Haringey Association Of Voluntary And Community Organisations
£218,881	The Oxford Kilburn Youth Trust	£186,908	Brent Mind (Association for Mental Health)
£218,432	East End Citizens Advice Bureaux Ltd	£186,703	Anika Patrice Project
£217,591	Time & Talents Association	£185,648	Response Community Projects (Earls Court) Ltd
£216,867	Elfrida Rathbone Camden	£185,166	Ealing Community and Voluntary Service
£216,041	Community Links Trust Ltd	£185,046	Lambeth Voluntary Action Council
£215,181	The Working Well Trust	£184,777	Home Start Westminster
£212,705	London Citizens	£184,589	Islington Citizens Advice Bureaux
£211,631	Oasis North London	£180,686	Positively Women
£207,676	Pre School Learning Alliance	£179,739	Community Accountancy Self Help
£207,409	Afghan Association Paiwand	£179,142	Groundwork West London
£206,607	Agroforestry And Environmental Protection	£178,995	Staying Put Services
£205,910	Camden And Westminster Citizen Advocacy	£178,331	Kingston Carers Network
£205,335	Southwark Association for Mental Health	£177,517	Hillside Clubhouse
£205,073	Enfield Law Centre	£176,854	PLUS (Providence LINC United Services)
£204,114	St Mark with St Margaret Church Hall	£176,554	Ekta Project
£200,000	Muswell Hill Methodist Church	£176,495	advice UK
£200,000	King's Cross Brunswick Neighbourhood Association	£175,587	Contact A Family
£200,000	Fortunegate Community Housing	£172,697	Oxford House in Bethnal Green
£200,000	The Pirate Club	£172,326	Community Accountancy Self Help
£199,728	Forest Recycling Project Limited		
£198,663	IMECE Turkish Speaking Women's Group		

£172,232	Voluntary Sector Resource Agency, Hammersmith and Fulham	£144,843	Elfrida Society
£171,906	City & Hackney Carers Centre	£144,811	Acorn Youth Club
£170,563	Ethiopian Health Support Association	£143,862	The Oval Partnership
£170,441	FRG Limited	£143,790	Bethnal Green Methodist Church
£168,564	Cardinal Hume Centre	£142,938	Voluntary Action Westminster
£168,530	Croydon Citizens Advice Bureau Ltd	£142,688	Latin American Women's Aid
£166,604	Pioneer Theatres Ltd	£141,463	London Tamil Centre
£165,583	Voluntary Action Waltham Forest	£141,412	Feltham Open Door Project
£163,380	The Monitoring Group Ltd	£140,960	Hillingdon Association of Voluntary Services
£162,636	Royal Association for Deaf People	£140,545	Welcare Community Projects
£161,747	Somali Well Woman Project	£140,051	Kilburn Youth Centre
£161,605	Southall Community Alliance	£139,862	Gladesmore Educational and Training Trust
£161,085	Cancer Black Care	£138,163	African Healthcare and Counselling Services
£160,470	U CAN DO I.T. (Internet Training)	£136,798	South Acton Skills & Arts Collaborative
£159,325	Haringey Irish Cultural and Community Centre	£136,458	St Mary Magdalene's and St David's Parish
£158,900	Havering Asian Social And Welfare Association	£136,268	Hackney Play Association
£158,699	The Interlink Foundation	£136,199	Greenwich Citizens Advice Bureaux Ltd
£158,278	The Salmon Youth Centre In Bermondsey	£133,604	Hammersmith & Fulham Black Minority Ethnic Network
£158,228	Glamis Adventure Playground	£132,870	Victim Support Waltham Forest
£157,254	Somali Community Centre	£132,691	Family Lives
£157,212	Riverside Vineyard Christian Fellowship	£131,408	Hillingdon Carers
£156,021	Oxford House in Bethnal Green	£130,968	South Hampstead and Kilburn Community Partnership
£155,900	St Michael Associates	£130,935	Barnardo's
£154,279	Holloway Neighbourhood Group	£130,396	Church of England Children's Society
£154,248	Renate Campbell Trust	£129,665	Integrated Neurological Services
£154,086	Newham Monitoring Project	£128,908	Lewisham Multi Lingual Advice Service
£151,007	Community Link Up	£128,899	The Royal Philanthropic Society incorporating The Rainer Foundation
£150,679	Haringey Carers Centre	£128,385	Waterloo Community Counselling
£150,582	Holborn Community Association	£127,761	London Detainee Support Group
£150,118	Volunteer Centre Westminster	£127,534	TaxAid UK
£150,000	All Souls Parochial Church Council	£127,525	Catholic Children's Society (Westminster)
£149,318	City And Hackney Association For Mental Health (CHAMH)	£126,000	Nova Training
£148,293	Rushey Green Time Bank	£125,782	Age Concern Croydon
£147,358	Deafblind UK	£125,547	Choice Support
£147,215	The Deptford Fund, T/A Albany Centre And Theatre	£124,901	Home Start Havering
£145,900	Westminster Citizens Advice Bureau Service	£124,239	Harrow Association Of Voluntary Services
£145,395	Roots And Shoots	£122,135	Ealing Centre for Independent Living
£145,221	Westminster Advocacy Service for Senior Residents	£121,234	Hillingdon Carers
£145,218	Positively Women	£119,331	Swiss Cottage Community Centre
		£119,102	City and Hackney Alcohol Service
		£118,458	Bromley Mencap



## North West

£300,000	Wigan and Leigh Hospice	£231,204	African Caribbean Care Group for the Elderly
£300,000	Bolton Trinity Centre	£229,330	The PROSPECTS Foundation
£300,000	Preston Community Transport Limited	£222,275	Workington and District Scout Council
£299,889	Bolton District Council for Voluntary Service	£220,284	Wigan Council For Voluntary Youth Service
£299,875	Home Start Salford	£220,228	ITHAAD
£298,800	Home Start North Wirral	£218,210	Home Start Tameside
£297,896	George House Trust	£217,501	Greater Manchester Children's Supervised Contact and Assessment Centre
£296,478	Liverpool Yemeni Arabic Club	£214,652	Global Link
£294,860	Age Concern Lancashire	£213,398	Home Start Oldham Limited
£291,906	Age Concern Northwest Cumbria	£210,206	Health Energy Advice Team Ltd
£288,893	Federation of Local Supported Living Groups	£210,187	West Lancashire Shopmobility Limited
£287,563	Furniture Matters	£209,504	Bolton Racial Equality Council
£287,171	Shakerley Community Partnership	£206,007	Caring Today
£287,164	Leonard Cheshire Foundation	£205,417	Swinton Community Business (Salford) Ltd
£287,018	The Shaw Trust Limited	£203,403	Wigan And Leigh Pensioners Link
£286,660	Knowsley Domestic Violence Support Services	£203,028	Moss Side and Hulme Women's Action Forum
£285,589	Scope working for people with disabilities in Wigan and Leigh	£200,693	British Red Cross Society
£285,516	Netherley Valley Childrens Initiative	£194,483	Alzheimers Society
£283,359	North West Network	£192,077	Liverpool & Sefton South Branch
£282,756	The Foxton Centre	£187,891	Home Start Congleton Borough
£281,574	Opportunities Shop Ltd	£187,891	Tranmere Citizens Quest Alliance
£280,716	Grace Incorporation Faith Trust (GIFT)	£185,252	Alzheimers Disease Society Penrith
£279,793	Groundwork Bury	£184,177	Age Concern East Cheshire
£279,440	Unity Community Association Liverpool	£183,769	Preston Council for Voluntary Service
£277,370	North Liverpool Citizens Advice Bureaux	£183,620	The Association for Real Change
£276,914	Bolton and District Citizens Advice Bureau	£182,537	Relate Greater Manchester South
£276,517	Cumbria Alcohol and Drug Advisory Service	£182,537	Community Technical Aid Centre
£275,756	Eden Valley Hospice	£181,450	Bolton Toy Library
£274,372	Pendle Action for the Community	£180,543	Chorlton Youth Project
£274,339	Dalston Recreation Association	£180,191	Claremont First Step Community Centre
£271,076	Stapleton Public Hall Committee	£179,002	Shopmobility Manchester
£269,034	Home Start Manchester Wythenshaw	£178,310	Wigan Mencap (Hallgate House)
£265,851	Community Development Initiative	£175,792	Link Centre for Deafened People
£260,513	Council for Voluntary Service, Rochdale	£174,675	Advocacy In Wirral
£258,643	People First Tameside	£174,597	Liverpool Association of Disabled People
£256,004	The Microchips Project	£170,515	Home Start Rossendale
£254,458	Merseyside Disability Federation	£170,078	Cartwheel Arts Ltd
£254,254	Home Start Rochdale Borough	£168,827	Nguzo Saba Centre
£251,486	Halton Disability Services	£167,365	Voluntary Action Oldham
£245,269	Hideaway Youth Project Limited	£166,120	Garston Citizens Advice Bureau
£241,024	Home Start Wigan	£165,328	Lancaster And District Y.M.C.A
£233,137	Valley Supported Living	£162,600	Aftermath Support
£232,399	Sefton Carers Centre	£160,626	The Shaw Trust Limited
		£159,941	Salford Council For Voluntary Service
		£158,774	



## Section seven

£157,590	Greater Manchester Coalition Of Disabled People		
£156,729	One Vision Media Productions		
£151,563	Rossendale Citizens Advice Bureau		
£150,000	Bamber Bridge Methodist Church		
£147,581	Age Concern Metro Rochdale		
£146,070	The Broughton Trust		
£144,026	Novas Ouvertures Group		
£143,522	Frodsham Parochial Church Council		
£139,579	Hyndburn Cultural Association		
£138,915	West Pennine Housing Association		
£138,621	Black Environment Network		
£138,476	Lancaster Citizens Advice Bureau		
£138,268	Chester Aid to the Homeless		
£135,800	Think Ahead Community Stroke Group		
£133,662	Northern Education and Resettlement Information Services		
£130,871	Royal National Institute for Deaf People		
£129,871	Coolshade Community Musical Workshop		
£127,560	Refugee Action		
£125,383	Family Service Units		
£125,346	Copeland Citizens Advice Bureau		
£124,841	Stockport Council for Voluntary Service		
£123,005	Warrington Young Men's Christian Association		
£122,078	Gamblesby Community Centre		
£121,013	Interlink, North West of England		
£115,644	Pendle District Citizens Advice Bureau		
£113,930	Salford Disability Forum		
£113,844	The Social Partnership Limited		
£110,524	Prism Arts		
£110,373	Church of England Children's Society		
£108,714	Council for Voluntary Service West Lancashire		
£108,218	Play Raffles		
£103,950	Womens Enterprising Breakthrough		
£103,474	Morecambe and Heysham Citizens Advice Bureau		
£102,224	Community Technical Aid Centre		
£102,011	Age Concern Halton		
£101,904	Wirral Council for Voluntary Service		
£100,712	Stockport East Cheshire and High Peak Cerebral Palsy Society		
		<b>South East</b>	
		£300,000	Shoreham and District Mental Health Association
		£300,000	Refugee Resource
		£291,150	Bembridge Youth and Community Centre
		£274,695	1st Eastleigh Scout Group
		£270,963	Puzzle Pre School
		£265,738	Headway Portsmouth and South East Hampshire
		£260,000	Kingsley Village Centre Limited
		£251,500	Wittersham Village Hall
		£250,000	The Trinity Centre Winchester
		£250,000	Friends of the Elderly
		£249,627	Asylum Welcome
		£245,000	Village Hall, Rockbourne, Hampshire
		£242,887	Worthing Churches Homeless Projects
		£217,530	United Reformed Church Sheerness
		£213,569	Walk Tall
		£212,000	The Banbury And District Community Bus Project
		£209,635	Council For Voluntary Service (Medway)
		£208,878	Right Employment Limited
		£205,797	Shaftesbury Homes And Arethusa
		£204,660	Energy and Vision
		£200,000	Berkshire Autistic Society
		£199,948	Northgate Ward Over 60s Community Service
		£199,796	Age Concern Slough
		£197,360	Contact A Family
		£195,655	Chichester Diocesan Assoc. For Family Social Work
		£195,405	Harbour Cancer Support Centre
		£195,232	A Step Forward, Domestic Abuse Project
		£194,739	MIND in Brighton and Hove
		£193,492	Sussex Diocesan For The Deaf
		£192,511	The Rupert Square Information Shop and Cafe Association
		£191,101	The Canterbury & Districts Mediation Service
		£190,238	South Downs Council For Voluntary Service
		£189,546	The Kent Autistic Trust
		£187,403	Ryde East Community Association
		£184,617	Link Centre for Deafened People
		£184,082	Brighton & Hove Unwaged, Advice & Rights Centre
		£178,776	Youth Clubs Hampshire And Isle of Wight
		£178,249	Home Start Havant

£174,743	Employment Opportunities for People with Disabilities	£127,744	Warborough and Shillingford Pre School
£174,303	Homestart Bicester	£127,291	Thanet Youth Council
£174,202	Centre for Independent Living Kent	£126,762	Banbury Young Homelessness Project
£172,156	The Valley Trust	£125,380	Wokingham and District Society for Mentally Handicapped Children and Adults
£169,460	Motiv8 South Ltd	£124,761	Richmond Fellowship Employment and Training
£168,107	Milton Keynes Women & Work Group	£124,497	Fairbridge
£165,495	Sussex Autistic Society	£122,850	Service User Working Party
£164,500	St Nicholas Church Middleton	£122,556	Choice Support
£163,503	The Pace Centre	£122,323	The Surrey Family Mediation Service
£162,718	Mosaic Black & Mixed Parentage Family Group	£121,450	Shoreham and District Mental Health Association
£162,306	East Sussex Association for the Blind	£120,952	Minorities Agricultural and Rural Equestrian Skills
£161,757	Kent Refugee Action Network	£120,316	Bracknell Shopmobility Ltd
£161,379	Brighton & Hove Working Together Project	£118,423	Reading Quest
£161,104	Friends Families and Travellers	£117,685	Higham Memorial Hall
£159,830	Solent Youth Action	£117,474	The Hampton Trust (Hampshire & Isle of Wight)
£158,240	Isle of Wight Citizens Advice Bureau	£116,360	The Thames Valley Groundwork Trust Limited
£156,675	Gravesham Volunteer Bureau	£116,020	Reigate And Banstead District Citizens Advice Bureau
£155,605	Weston Spirit	£113,124	Shepway Citizens Advice Bureau
£155,581	Wycombe Crossroads Caring for Carers	£111,884	Migrant Helpline
£155,007	The Making	£111,231	Winchester Area Community Action
£153,571	National Schizophrenia Fellowship	£111,227	CTC Youth & Family Initiative Limited
£152,840	1st Cippenham Scouts	£109,796	The Royal Philanthropic Society incorporating The Rainer Foundation
£151,000	Ashenground Community Centre	£109,787	Beneficial Foundation
£149,563	Rushmoor Voluntary Services	£107,802	West Sussex Deaf And Hard Of Hearing Association
£148,835	AdventureLink	£107,111	Bicester and District Citizens Advice Bureau
£147,313	Southampton Scrap Store	£106,525	Isle of Wight Citizens Advice Bureau
£146,233	Basingstoke Voluntary Services	£106,350	Aylesbury Vale Dial a Ride
£144,436	Support and care through relationship breakdown	£106,295	Home Start Milton Keynes
£138,656	Bexhill Young Peoples Services	£102,270	Test Valley Community Services
£137,995	Haslar Visitors Group	£101,497	Oxfordshire Playbus
£137,212	Home Start Milton Keynes	£100,616	The Sunrise Multi Cultural Project
£137,099	Home Start West Berkshire		
£137,042	The Dover Detainee Visitor Group		
£135,375	Andover Young Carers Project		
£135,345	The Fellowship of St. Nicholas		
£131,853	Tandem in Oxfordshire		
£130,000	Queen Elizabeth II Silver Jubilee Activities Centre		
£129,340	The Oxfordshire Befriending Network		
£129,250	Tylers Green Village Hall		
£127,972	Milton Keynes Council Of Voluntary Organisations		
£127,893	Brunswick Community Development Project		

## Section seven

## South West

£197,751	Tros Gynnal	£143,207	ADDACTION
£196,568	Voscur Limited	£143,143	Somerset Racial Equality Council
£193,549	Cool Recovery Limited	£142,714	Aashyana Housing Association Ltd
£193,029	Bangladesh Association	£141,102	Age Concern In Cornwall And The Isles Of Scilly
£192,575	Dorset Community Action	£140,279	Gloucestershire Domestic Violence Support and Advocacy Project
£190,125	Young People Cornwall	£139,993	Age Concern Bristol
£185,003	Four Towns Transport (South Gloucestershire) Community Transport	£139,230	Exeter Community Initiatives
£184,313	Traveller Space	£138,672	Bristol Debt Advice Centre
£183,617	Pentreath Ltd	£138,608	Hamp Community Association
£183,172	East End Development Trust	£138,035	Community Self Build Agency
£181,936	Guideposts Trust Limited	£137,617	Cheltenham Housing Aid Centre
£180,000	Cotswold Care	£137,344	St Pauls Advice Centre
£179,031	St Stephen Recreation Club	£137,297	B I B I C
£177,660	The Elder Tree	£137,295	Avalon Fair Share
£174,783	Council of Ethnic Minority Voluntary Sector Organisations	£136,500	The Miners And Mechanics Institute
£174,070	Off The Record	£135,131	The Intercom Trust
£170,366	Bath & North East Somerset	£133,376	Church of England Children's Society
£170,290	Age Concern Exeter	£132,195	Exeter Council for Voluntary Service
£169,003	Somerset Racial Equality Council	£131,503	Torrige Voluntary Services
£168,905	Centre For Sustainable Energy	£131,470	Dorchester Opportunity Group
£168,905	Forest of Dean Citizens Advice Bureau	£130,000	Sherborne Youth Resource Centre
£166,400	Take Art Limited	£129,299	Dorchester and District Citizens Advice Bureau
£165,741	Addiction Recovery Agency	£128,220	The Portland Centre
£162,299	Music Alive	£126,714	Burnham On Sea and Highbridge Regeneration Partnership
£160,459	Cornwall Advocacy	£126,400	The Steven James Practice
£159,245	Stithians Village Hall & Comm. Centre Management Comm.	£126,158	The Launceston Forum
£157,195	Rent A Role Drama Service	£126,108	Disability Wessex
£153,936	Bristol Resource Centre	£125,034	Bristol Pakistani Community Welfare
£153,114	Age Concern Torbay	£123,237	Salisbury Lifestyles
£152,215	Devon Law Centre	£120,050	Ups and Downs Southwest
£150,000	Studland Village Hall	£120,029	Stroud & District Citizens Advice Bureau
£150,000	Clouds	£120,018	Age Concern Devon
£150,000	St Werburghs Community Association	£119,257	The Robert Barton Trust Ltd
£147,843	Youth Education Service Limited	£118,279	Torbay Citizens' Advice Bureaux
£145,717	The Monitoring Group Ltd	£118,195	Bath Ethnic Minority Senior Citizens Association
£145,459	Bristol Missing Link Ltd	£115,599	Terrence Higgins Trust
£145,316	The National Autistic Society	£115,408	Gloucester Centre For Voluntary Services
£144,989	West Devon Citizens Advice Bureau	£113,704	The Bower Meeting Place Limited
£144,791	Dorset People First	£112,407	Bishops Forum
£144,509	West Somerset Council For Voluntary Service	£111,835	SARI
£143,315	KHAAS		



## Section seven

£131,394	Church Preen and Hughley Village Hall Committee		
£130,352	The Sutton Central Churches Trust		
£128,291	National Youth Advocacy Service		
£127,383	Women's Royal Voluntary Service		
£126,253	Batchley Support Group		
£124,836	Employment Opportunities for People with Disabilities		
£123,149	Stoke On Trent Citizens Advice Bureau		
£122,856	Biddulph Methodist Church		
£122,425	The Community Council Of Staffordshire		
£121,527	Age Concern North Staffordshire		
£121,175	Age Concern Solihull		
£120,976	Age Concern Dudley		
£120,673	Grapevine (Coventry & Warwickshire) Limited		
£120,071	Stafford District Voluntary Services		
£117,791	Oscar Sandwell		
£116,298	The Bloomsbury Cyber Junction		
£115,914	Upton Snodsbury Parish Recreational Association		
£115,723	Landau Limited		
£113,531	Artistic Ministries		
£113,123	Sandwell Young Carers Project		
£109,322	Race Equality Sandwell		
£108,815	Race Equality Sandwell		
£108,618	Comex (Walsall) Limited		
£107,132	Warwick Road United Reformed Church		
£106,501	Burton Upon Trent Citizens Advice Bureau		
£106,176	The Community Education & Training Academy		
£106,135	North Staffordshire British Muslim Welfare Society		
£105,617	Age Concern Ledbury & District		
£104,709	Staffordshire Blind		
£102,576	South Staffordshire Citizens Advice Bureau		
£102,380	Rhydygroesau Village Hall		
£102,144	Broom Village Hall		
£101,394	Worcestershire Association For The Blind		
£100,296	Castle Vale Community Housing Association (cvcha)		
£100,000	District Church Council of St Margaret's		
		<b>Yorkshire and the Humber</b>	
		£300,000	43rd Huddersfield Crossland Moor Scout Group
		£299,623	Conisbrough & Denaby Drug Awareness Group
		£293,181	St Vincent Support Centre
		£282,163	Christ the King Parochial Church Council (P.C.C.), Battleyford
		£277,175	Inter Active Whitby and District
		£267,330	Advice Centres Support Group (Bradford and District)
		£263,018	Sheffield Partnership Advice and Information Network
		£259,364	East Leeds Health for All
		£258,114	South Yorkshire Eating Disorders Association
		£255,426	Leeds Involvement Project
		£255,287	Shield South Yorkshire HIV Support Group
		£253,103	Voluntary Action Barnsley
		£243,926	Active Faith Communities Programme
		£240,556	Hull Citizens Advice Bureau
		£238,921	Victim Support Humber Ltd
		£235,060	Children and Family Action
		£229,864	South Yorkshire Neighbourhood Watch Association Limited
		£226,719	Leeds Asylum Seekers Support Network
		£223,437	The Knotted Note Limited
		£215,297	Batley Self Help Depression Group
		£213,000	Hull and East Yorkshire Mind
		£206,570	Otley Action For Older People
		£199,118	Carers' Resource
		£199,000	Horton Housing Association
		£198,634	Sheffield Diocesan Board of Finance
		£193,856	Scope
		£193,777	Contact A Family
		£192,321	Asian Disability Awareness Action in Bradford
		£192,235	Cudworth and West Green Community Partnership
		£191,120	Otley Road and Undercliffe Community Works
		£186,697	Lost Chord
		£186,238	The Canopy Housing Project Ltd
		£183,565	Foxhill Forum Ltd
		£182,688	Ben's Centre for Vulnerable People (Sheffield)
		£179,782	Northbank Forum for Voluntary Organisations Ltd
		£178,971	Age Concern Sheffield
		£170,371	The Nerve Centre Kirklees



£168,040	Fit For Life Enterprises Ltd	£140,882	South Bradford Community Network
£167,844	The Leonard Cheshire Foundation	£140,705	Older Citizens' Advocacy York
£167,826	South Yorkshire Funding Advice Bureau	£140,032	Getaway Girls
£167,067	Bangladeshi Community Association	£140,030	Longley Organised Community Association Ltd
£166,057	Home Start Bradford	£140,004	Todmorden Together
£164,548	Grimsby, Cleethorpes and District Citizens Advice Bureau	£139,775	Birstall Urban Motorcycle Project For Youth Ltd
£163,404	Sheffield Women's Counselling and Therapy Service	£139,420	Sheffield Law Centre
£162,999	Harbour Place Day Centre	£138,910	Pyramid of Arts
£160,975	Handsworth Community Forum	£137,342	Airedale and Bradford Crossroads Ltd
£160,016	Beverley Community Lift	£136,829	YWCA England and Wales
£159,718	Station House Community Association	£136,216	Hillsborough and Area Advice Service
£159,362	FACE Advice Centre	£135,477	Home Start Rotherham
£159,056	Church of England Children's Society	£135,279	S.A.D.A.C.C.A. Limited
£158,917	York and District Citizens Advice Bureau	£131,569	Bentham Development Trust
£157,015	Youth Clubs North Yorkshire	£131,511	Scarborough Survivors
£156,468	NOMAD Homeless Advice and Support Unit	£128,697	Northcall
£156,065	Healthy Cross Community Project	£128,605	Access Space Network
£155,874	The Frizinghall Partnership	£127,976	Boothferry Road Community Project
£155,237	Henshaw's Society for Blind People	£127,526	Thorpe Edge Community Project
£151,758	DIAL Doncaster	£127,291	Girlington Advice Centre
£150,998	Barnsley Older People's Community Forum Limited	£126,676	St John's Burlington Methodist Church
£149,929	Selby District Citizens Advice Bureau	£124,992	Almondbury Methodist Church
£149,594	Girlington Advice Centre	£122,827	Thornhill Lees Community Centre
£149,376	Goole and District Community Transport Group	£121,038	Oblong Ltd
£148,910	Sheffield Black and Ethnic Minority Environmental Network	£120,477	Rotherham Lifestyles
£147,749	Northbank Forum for Voluntary Organisations Ltd	£119,995	Burley Lodge Centre
£147,738	Home Start Goole & District	£118,657	Hull Community and Voluntary Services Ltd
£146,519	Noah's Ark Community Cafe	£118,348	New Hall Kidz Limited
£145,839	Roshni Sheffield Asian Women's Resource Centre	£118,049	SKIPKO Arts Team
£145,304	Mental Health Matters	£117,471	City Of Bradford Y.M.C.A.
£144,954	Circles Network	£116,571	Choices & Rights Disability Coalition Limited
£144,468	Cantley Community Centre	£113,483	Holy Trinity Thorpe Hesley (Anglican and Methodist)
£144,021	HOOT, Kirklees Music and Mental Health Project	£112,377	Age Concern North Yorkshire
£142,559	Sheffield Volunteering	£111,912	The Villages Youth Project
£142,189	Age Concern Scarborough and District	£111,250	Bradford Citizens Advice Bureau
£141,574	Leeds Society for Deaf and Blind People	£108,938	Rhema Youth Works
£141,523	Barnsley Sexual Abuse and Rape Crisis Helpline	£107,774	Craven Advocacy
£140,975	Alzheimer's Society	£107,406	Lai Yin Association
		£103,569	York and North Yorkshire Playwork Assessment Centre
		£102,838	Caring Together in Woodhouse and Little London
		£102,809	Association Of Blind Asians (Leeds)
		£101,981	Foundation Housing

## Section seven

## Scotland

£301,500	Tarbert Village Hall	£201,500	The Clan Macquarrie Community Centre
£301,500	South Dennistoun Neighbourhood Centre	£201,000	Cothrom Limited
£300,000	Auchinleck One Stop Shop	£200,484	Glasgow Disability Alliance
£300,000	Partnership Housing Ltd	£200,383	Four Square (Scotland)
£300,000	Whitsome Village Hall Association	£200,089	Edinburgh Sick Kids Friends Foundation
£299,206	HOPE	£199,657	Ayr North Community Forum
£290,167	Turning Point Scotland	£199,547	Circles Around Dundee
£272,373	The National Autistic Society	£198,052	Skerries Public Hall
£268,836	Fairbridge In Scotland	£196,426	North Lanarkshire North Council for Voluntary Service
£267,194	Lodging House Mission	£192,439	Raploch Community Partnership
£261,120	Powerful Partnerships	£190,684	Kuloc Chinese Community Association
£259,488	Maryhill Citizens Advice Bureau	£190,159	Save The Children Fund
£259,000	Keiss Amenities Association	£188,800	East Ayrshire Carers Centre Limited
£253,090	Gavinton Village Hall	£186,000	Dunaverty Village Hall
£251,500	Marie Curie Cancer Care	£184,793	Gorbals Community Forum
£251,500	Seil Island Community Hall Charity	£184,667	Richmond's Hope
£251,500	Princess Royal Sports & Community Trust	£183,491	Contact A Family
£250,000	Isle of Eigg Heritage Trust	£183,332	Working for Environmental Community Action Now!
£249,000	Mey Village Hall Trust	£182,273	Knowetop Community Farm Ltd
£248,180	Jigsaw	£181,000	The Brae Partnership
£239,267	CKUK	£180,982	PBC Foundation
£236,500	Heiton Village Hall	£180,058	Hollies Day Centre
£230,041	PAMIS Profound & Multiple Impairment Service	£180,000	Roads Community Cafe Project
£229,008	East Kilbride and District Shopmobility	£179,865	One Parent Families Scotland
£227,768	Tullynessle and Forbes Hall	£179,349	Bowel Cancer UK
£220,571	Flourish House Ltd	£178,823	Common Wheel
£216,500	Blantyre Miners Welfare Charitable Society	£178,573	Glenboig Neighbourhood House
£214,684	Deafblind Scotland	£176,520	The Factory Skatepark
£214,584	Caring Operations Joint Action Council	£176,250	Gillespie Centre Association
£212,730	Boat of Garten Community Hall	£176,011	AbilityNet Scotland
£211,633	Fairbridge in Scotland	£175,522	East Renfrewshire Council for the Voluntary Sector
£210,365	Adult Learning Project Association	£174,401	The Tulloch Trust
£210,307	Johnstone Castle Learning Centre	£171,000	Lochaber Hydrotherapy
£210,000	Smart Communities Project	£170,702	Glasgow Old Peoples Welfare Association
£208,035	Partners in Advocacy	£170,660	Voice Of Carers Across Lothian
£207,418	Dornie & District Community Hall	£164,235	Dundee Citizens Advice Bureau
£206,268	Stirling & District Association For Mental Health	£163,890	Queens Cross Housing Association
£204,504	Theatre Nemo	£163,357	Positive Action In Housing Ltd
£204,387	Tayside Association for the Deaf Ltd	£162,381	Lothian And Edinburgh Environmental Partnership
£202,845	Link Centre for Deafened People	£160,000	Home Basics (Tweeddale) Co. Ltd
£202,175	Parkhead Citizens' Advice Bureau	£159,454	Utheo Limited
£201,500	Minginish Community Hall Association		
£201,500	Girvan Youth Trust		

£157,850	Upper Nithsdale Art and Craft Community Initiative Ltd	£130,104	Deaf Connections
£156,603	Mayfield & Easthouse Youth 2000 Project	£129,996	West Scotland Deaf Children's Society
£156,059	Greater Easterhouse Community Support Service	£128,568	Inverclyde Council on Disability Limited
£155,755	Inverclyde Community Care Forum	£128,085	Renfrewshire Citizens Advice Bureau
£155,582	Edinburgh Cyrenians Trust	£127,740	Volunteer Centre Edinburgh
£153,215	The Prostate Cancer Charity	£126,971	Revive Scotland
£152,473	The Prince's Trust	£126,900	Glasgow Braendam Link
£151,500	Dunlop and District Community Company	£124,498	The Prince's Trust
£151,489	Central Scotland Chinese Association	£121,224	Realise Community Project
£151,000	Sense Scotland	£121,024	North West Carers Centre
£150,280	Scottish Network for Families Affected by Drugs	£120,000	Pilton Elderly Project
£150,000	Cunningsburgh Public Hall	£119,733	Carers Of West Lothian
£150,000	Walls Public Hall	£119,450	Cube Housing Association Ltd
£150,000	Ankur Arts	£118,463	Employment Opportunities for People with Disabilities
£149,690	Health in Mind	£118,194	Headway Glasgow
£147,694	Paisley Partnership Regeneration Company Limited	£116,711	Epilepsy Connections
£147,054	Youth Counselling Services Agency	£116,395	North Lanarkshire Volunteering Development Agency
£146,096	Bellsbank Adventure Playground	£115,204	Arthritis Care
£145,902	West Dunbartonshire Council for Voluntary Services	£114,925	Chinese Community Development Project
£145,704	Evaluation Support Scotland	£113,635	IntoWork Ltd
£145,433	Signpost	£113,222	National Schizophrenia Fellowship (Scotland)
£141,699	Tarbat Community Hall Group	£113,210	Drumchapel Opportunities Limited
£141,485	East Ayrshire Citizens Advice Bureau	£113,185	ACE Cornton
£141,035	Firth and Mossbank Enterprise	£112,955	Arnisdale and Loch Hour Community Association
£140,741	Venture Scotland	£111,871	Lanarkshire Association For Mental Health
£140,693	St Mary's Family Support Project	£110,837	Home From Home
£140,667	The National Association for the Welfare of Children in Hospital (Scotland)	£110,391	Centre For Independent Living In Glasgow
£138,946	Banffshire Partnership Limited	£110,000	Uig Community Centre Association
£138,656	Benbecula Community Association	£109,038	Sikh Sanjog
£138,259	Lightburn Elderly Association Project Limited	£108,450	Forth Sector
£137,943	Volunteering Highland	£106,886	The National Deaf Children's Society
£137,908	Craigmillier Ability Network	£105,755	Food For Thought Glasgow
£135,134	Citizens Advice Bureau (Grangemouth & Bo'ness) Ltd.	£105,717	Epilepsy Connections
£134,321	Downs Syndrome Scotland	£105,000	Empower Scotland
£133,574	Royal National Institute for Deaf People	£104,943	Skye and Lochalsh Citizens Advice Bureau
£133,500	Crook of Devon Institute	£102,706	Ancrum Public Hall
£131,975	Clackmannanshire Citizens Advice Bureau	£102,371	Inverclyde Advocacy Service
£131,540	Dean and Cauvin Trust	£101,740	Create Ltd
£131,000	St Andrew's Hospice (Lanarkshire)	£100,319	P.R.O.P Stress Centre
		£100,000	Blue Triangle (Glasgow) Housing Association Limited

## Section seven

<b>Wales</b>			
£300,000	Friends of Pedal Power Project Ltd	£206,041	Sustainable Wales Cymru Gynhaliol
£300,000	Conwy Furniture Reclaim Ltd	£203,000	Deri Regeneration Group
£300,000	West Glamorgan Council on Alcohol & Drug Abuse Limited	£203,000	Neath Port Talbot Council For Voluntary Service Limited
£300,000	Track 2000 Community Resource Services	£199,393	Amman Valley Enterprise
£300,000	Newlink Wales	£199,356	Maesglas Family Learning Association
£300,000	Carmarthenshire Association of Voluntary Services	£199,289	Canolfan Felin Fach Centre Limited
£300,000	Wrexham Hospice and Cancer Support Centre Foundation	£199,124	The Association for Real Change
£299,913	The Young Persons Resource Centre Port Talbot	£197,000	Cwmavon Community Association
£298,940	Save The Family Limited	£196,455	Mentrau Iaith Myrddin
£298,838	Felinfach Memorial Hall	£195,000	Bridgend Association of Voluntary Organisations
£298,459	Cyngor Ar Bopeth Powys Citizens Advice Bureau	£191,109	Aber Valley Y M C A
£297,678	Gofal Cymru	£189,042	Every Link Counts
£288,683	Crest Co-operative Ltd	£188,297	Dementia Relief Trust
£288,125	Interactive Rhyl Ltd	£187,885	Powys Association of Voluntary Organisations
£286,500	Medrwn Mon	£187,238	The Family Planning Association
£282,835	CAMFA	£185,204	Pembrokeshire Carers Outreach
£269,391	North Wales Race Equality Network	£184,034	Caia Park Partnership Limited
£267,202	Home Start Butetown, Grangetown, Riverside	£182,803	Scope
£263,504	The Willows Centre Troedyrhiw	£180,205	Age Concern Cymru ( Wales Council For The Elderly)
£259,441	Creation Community Development Limited	£178,000	Displaced People In Action
£257,884	Grwp Gwalia Cyf	£173,526	The Penywaun Enterprise Partnership
£248,000	Harriet Davis Seaside Holiday Trust For Disabled Children	£172,946	Disability Powys/Anabledd Powys
£246,050	Llandybie Public Memorial Hall and Recreation Ground	£170,832	Walkways Youth Projects
£240,193	Canolfan Cyngori Ynys Mon Citizens Advice Bureau	£169,617	Relate North Wales
£231,697	Aberavon Integrated Children's Centre	£169,291	Advocacy Action Wales
£226,277	Innovate Trust	£167,855	Ringland Community Association
£225,252	Gwent Association of Voluntary Organisations	£162,935	RCT Play Association
£224,671	Royal Mencap Society	£162,741	Advocacy Action Wales
£222,525	Vale of Clwyd Mind	£161,625	Blaenllechau Community Regeneration
£217,647	Supporting Young People in Aberaeron	£160,971	Pyramid Trust Cymru
£213,850	Mountain Ash Y M C A	£158,535	Monmouthshire Spastic Society
£213,550	Mancot & Moor Village Hall Association	£157,739	British Epilepsy Association
£210,937	Home Start UK	£157,556	Foothold Community Specialists Ltd
£209,763	Age Concern Pembrokeshire	£154,423	STARS Gogledd Cymru/North Wales Ltd
£208,712	Pontardawe and District Youth Facility	£154,005	Home Start Ceredigion
£208,000	Amman Valley Dementia Carers Support Group Ltd	£153,615	West Rhyl Community Company Ltd
		£152,266	Talbot Community Centre
		£151,511	The Princess Royal Trust For Carers
		£151,435	Swansea Community Farm
		£151,242	Gwent Association of Voluntary Organisations
		£151,041	Flintshire Victim Support
		£150,184	Drive

£149,862	Women's Aid Monmouthshire Ltd	£168,000	Ulster Community Investment Trust Ltd
£148,686	Wrexham Play Association	£161,587	Cancer Choices
£146,160	Aberdare Childrens Contact Centre	£153,538	Help The Aged
£145,324	Llanegryn Village Hall	£146,598	Voice Of Young People In Care (V O Y P I C)
£144,179	HAFAL	£145,357	Youth Hostel Association of Northern Ireland
£143,330	Hi! Help Inside	£144,036	Hazelbank Residents Action Association
£138,571	Workers Educational Association South Wales	£141,303	Galliagh Community Development Group
£136,165	NCH	£140,659	Marie Curie Cancer Care
£135,263	CSV (Community Service Volunteers)	£134,441	Drumgor Detached Youth Work Project
£133,112	Wrexham Women's Aid	£131,885	HIV Support Centre
£133,094	Oxfam	£126,000	Womens Aid in Antrim, Ballymena, Carrickfergus, Larne and Newtownabbey
£133,035	Youth Cymru	£120,887	Claudy Rural Development Limited
£131,859	AFASIC	£120,159	Northern Ireland Association for Mental Health
£131,306	HAFAL	£120,000	Tara Counselling and Personal Development Company Limited
£130,273	Tros Gynnal	£119,778	British Dyslexia Association
£128,566	Community Mediation Services (CMS) Rhondda Cynon Taff	£118,932	The Family Planning Association
£126,996	Dyfed Powys Crime Prevention Trust	£117,036	The 1825 Project Limited
£125,869	CSV (Community Service Volunteers)	£115,457	Northern Ireland Community Development & Health Network
£125,457	Swansea Women's Training and Resource Centre	£115,037	Speechmatters Limited
£124,440	Hindu Cultural Association	£115,000	Newry and Mourne Carers Limited
£120,798	Montgomeryshire Family Crisis Centre	£113,919	Ballymagroarty Youth Club
£118,550	Advocacy Action Wales	£112,191	Royal National Institute for Deaf People
£118,432	Solas Cymru Ltd	£109,242	Northern Visions Media Trust
£117,705	Gwent Cancer Support Young Persons Project Ltd	£108,000	Glenullin Childcare Trust
£115,637	The National Deaf Children's Society	£107,872	Headway Belfast
£115,557	Advocacy Action Wales	£107,025	Reconciliation Education and Community Training
£106,258	Carmarthen Youth Project	£105,678	Ballymena Community Forum
£105,573	British Red Cross Society	£104,137	New Life Counselling Service
£103,000	The Waterfront Church Council	£102,829	British Deaf Association
£102,900	Glan Y Nant Memorial Hall	£102,357	Omagh Womens Aid
£102,223	Lisburne Hall Management Committee	£101,132	Bready and District Ulster Scots Development Association
	<b>Northern Ireland</b>	£100,674	Craigavon & Banbridge Volunteer Bureau
£236,529	Parents' Education As Autism Therapists		
£222,573	Omagh Ethnic Communities Support Group		
£214,301	Contact A Family		
£202,720	Lifestart Mid Ards		
£202,720	Youthlife		
£183,921	Armagh and Dungannon Volunteer Bureau		
£183,222	Tar Anall		
£181,306	Ardmonagh Family & Community Group Limited		



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