Big Lottery Fund
Annual Report and Accounts
for the financial year ended 31 March 2009

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Big Lottery Fund
Annual Report and Accounts 2008/09

Contents

Introduction and summary by the Chair and Chief Executive ........................................ 2

Section one  Intelligent funding; the way we work ....................................................... 4

Section two  Our grants programmes ........................................................................... 8

Section three  Our operational performance ................................................................. 28

Section four  Our financial performance ...................................................................... 38

Section five  Our governance framework; how we work, including ................................. 46

The remuneration report ............................................................................................... 52

Section six  Our financial statements, including ............................................................ 56

Statement of Accounting Officer's responsibilities ....................................................... 56

Statement on internal control ....................................................................................... 58

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament ................................................................. 62

Annual accounts .......................................................................................................... 64

Section seven  Our statutory background ..................................................................... 84

Appendix  Our large grants – details of awards over £5 million .................................... 95
Introduction and summary
by the Chair and Chief Executive

This report outlines the performance and achievements of the Big Lottery Fund in 2008/09. In this report we set out how we have used the money raised by the National Lottery for health, education, environmental and charitable purposes through the year ending 31 March 2009. We also report on our progress in managing non-Lottery funding which we see as a new and important activity.

Our mission is to improve the lives of people and communities in need. In 2008/09, we committed £526 million across the UK, in grants ranging from £300 to £10 million. A further £83 million of awards are waiting grant holder acceptance.

Demand for our Lottery funding remains high. In 2008/09 we received over 23,000 applications requesting more than £2.4 billion.

BIG is a UK-wide Non Departmental Public Body, which devolves significant levels of decision making to country committees in England, Scotland, Wales and Northern Ireland. We draw strength from common services and strategies where these make sense. We locate most programme and project design and decision issues within the countries these are seeking to benefit. We are increasingly using our devolved structure to learn between and across countries to the benefit of the UK as a whole.

We try to be as accessible to people as we can. Our country and regional offices work closely with helper agencies to ensure our customers are aware of what funding is available and how to access it. Our outreach work was singled out for praise by the Public Accounts Committee in their report arising from the National Audit Office’s value for money study ‘Making grants efficiently in the culture, media and sport sector’, as something from which other grant makers could learn. We now make use of an outline proposal stage for many programmes to provide quick feedback on whether an application is worth progressing in full and how it might be developed. We have ambitious plans underway to significantly improve and refine our online capability.

The Voluntary and Community Sector (VCS) is frequently best placed to make our funding work for communities and people most in need. In 2004 we gave an undertaking to direct between 60–70 per cent of our funding to the VCS; we have sought to protect the sector from the impact of Lottery funding diverted away from BIG to support the 2012 Olympics. This has been welcomed by the sector at large. In 2008/09 the voluntary and community sector received 88 per cent of the funding that we awarded.

Our operating costs for distributing Lottery funding in 2008/09 were £57 million – a £3 million reduction on the previous year. The National Audit Office’s report referred to above, showed that our costs compared favourably with public sector funders and with other funders in the voluntary sector. We seek to spend income on administrative costs only where these add value to the impact of the money we distribute: in the financial year 2008/09 our operating costs were 8.6 per cent of income received, down from 9.1 per cent the previous year.
Non-Lottery funding is an important activity. On behalf of the Office of the Third Sector we are running the Community Assets programme, delivering more than £30 million to refurbish local authority buildings in England, which will eventually be given to third sector organisations. We are also administering the myplace programme on behalf of the Department for Children, Schools and Families. Through myplace we have awarded £240 million so far to provide youth facilities, in a programme worth £270 million, the balance of which will be delivered in 2009/10. In March 2009 we also learned that we had been successful in obtaining £16 million in European Social Fund grants through the Welsh Assembly Government to enhance and expand our Lifeskills programme.

We are also preparing to implement HM Treasury legislation that allows us to distribute money currently held in dormant bank and building society accounts.

We would like to thank our staff and others we work closely with for their valuable contributions. Their energy and commitment have allowed us to achieve great things. As we look ahead to the period covered by our new Strategic Framework, we intend to continue to fund intelligently by making the most of our resources to bring about lasting change. We will use our connections, expertise and ability, as well as our money, to achieve great outcomes. What we fund, how we fund and who we fund will be informed by the best possible evidence.

Peter Wanless
Chief Executive
7 July 2009

Sir Clive Booth
Chair
In this section we describe our approach to funding and set out how we are delivering our strategy. We provide analysis of who we have funded and what has been achieved with this funding.

**Our current strategic framework**

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

Our mission is to bring real improvements to communities and the lives of people most in need. Three broad themes are set out in our Policy Directions, provided by the UK Government and cover our work in each country. These themes are:

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

**Intelligent funding**

In last year’s report we committed to being an intelligent funder, setting out five principles that would guide how we worked. These are:

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

This approach has developed during 2008/09. Intelligent funding has helped us to identify where closer working with applicants and grant holders will achieve better outcomes, and where improved systems and processes can make their experience of BIG funding more streamlined. It has also started to shape our plans for encouraging new and imaginative approaches while continuing to support tried and tested interventions.

**Our undertaking to the voluntary and community sector (VCS)**

We recognise that the VCS is frequently in the best position to make our funding work for communities and people most in need. It is also central to a strong and effective civil society. The sector’s unique role in communities, and its ability to articulate their needs, makes our relationship with it pivotal to our success.

In recognition of this, in 2004 we gave an undertaking to give between 60–70 per cent of our funding directly to the VCS. We further promised in January 2007 that, provided ticket sales hold up, we would honour that undertaking through to 2012 as if the transfer of funds away from BIG to the Olympics being announced at that time had not taken place.

The undertaking recognises the relationship we have with the voluntary and community sector. It also gives us the flexibility to fund projects run by other types of organisations, such as schools and parish or community councils, often in partnership with VCS organisations, where we judge that this funding route will better achieve the lasting outcomes we seek.

Following consultation with the sector, we agreed that we would use HM Treasury’s definition of the ‘third sector’ in England, Scotland and Northern Ireland. In 2007/08 Wales also adopted this definition in line with the decision by the Welsh Assembly Government to use the term to more accurately reflect the range of organisations involved in this area.
“Organisations that are independent from the state, with a motivation derived from values and social purposes rather than the pursuit of profit, and the re-investment of surpluses principally in pursuit of these values rather than for private distribution.”

We collaborated closely with the VCS on counting, measuring and reporting on this undertaking. It applies across the UK, over the lifetime of our programmes. The reported figure applies solely to awards made direct to VCS organisations and does not include other funding that indirectly benefits the sector, such as that delivered in partnership with local authorities.

Non-VCS funding goes much wider than just statutory bodies. For example, the flexibility of our funding arrangement recently allowed us to announce further funding for individual Veterans to commemorate the 65th anniversary of the end of the Second World War.

We have consistently exceeded our 60-70 per cent undertaking to the VCS, both yearly and over the life of all of our programmes. This year is no exception: we committed the largest percentage of Lottery funding ever to the VCS: 88 per cent.

Since BIG's inception on 1 June 2004 we have made awards of more than £1.6 billion to the VCS, comprising 77 per cent of the total grant awards we have made.

**Our outcomes funding policy**

We are an 'outcomes funder'. By this we mean that we require organisations to work out what they want to achieve and the difference they want to make for their beneficiaries. Outcomes help organisations focus on goals and aims and think about how they will demonstrate their achievements.

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**Reporting on outcomes 2004-2008**

This summary presents information on the themes and outcomes that funded projects aim to achieve. We also report on the outcomes which have been achieved by completed projects. Awards made by BIG can be for up to five years. As this report covers four years, only a small number (49 of the 3,173 awards analysed) were complete in March 2008.

Between 1 April 2004 and 31 March 2008, BIG made 3,173 awards with a total value of £1,021 million. This figure represents commitments, not actual payments made.

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

In England, 2,265 awards with a total value of £840 million were made:

- 743 awards worth £331 million to make people and communities healthier and more active
- 140 awards worth £74 million for improved rural and urban environments, which communities are better able to access and enjoy
- 1,518 awards worth £404 million to give people a better chance in life, better access to training and development to improve life skills
- 1,782 awards worth £563 million to build stronger communities, with more active citizens, working together to tackle their problems.

In Northern Ireland, 129 awards with a total value of £21 million were made:

- 36 awards worth £3.4 million to promote community ownership of better and safer rural and urban environments
- 34 awards worth £8.6 million to improve physical and mental health for all people

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Additionality

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

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

All Lottery distributors are required to report on their additionality policy and practice.

Considerations of additionality are a key part of our programme development process. We work closely with leading organisations and experts in the relevant sectors to ensure that our funding programmes are distinct from Government and other funding sources, but add value and are also complementary to these funds. In some circumstances grants officers assessing an application may have to judge whether a project is ‘additional’. Clear guidance has been developed to ensure that Lottery funding will not subsidise or replace statutory funding for a service and will not duplicate statutory responsibilities. We make sure that this guidance is applied consistently and fairly.

All awards made in 2008/09 were consistent with this definition of additionality.

Our commitment to Compacts

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

We operate a full cost recovery policy allowing us to make a proportionate contribution to funded organisations’ overheads. By funding projects for up to five years we exceed Compact good practice guidelines.
We consult regularly and widely with the VCS on our strategy, range of programmes and funding principles, and engage in dialogue with them when we develop our programmes, policies and procedures.

We take into account the particular needs of the voluntary and community sector as an integral part of the way we develop our programmes, policies and procedures, through our Equalities Assurance Process.

We have reviewed our compliance with the Compacts and Schemes across the UK as part of our commitment to observing their principles.

**Looking forward**

At the end February 2009, BIG completed a major consultation exercise – Big thinking. This generated over 3,400 responses to our online survey alone, with further contributions via stakeholder workshops and other events in Northern Ireland, Scotland, Wales and each of the English regions. The consultation questions focused on the key elements of the Strategic Framework, which will shape our work from 2009 through to 2015.

Following a thorough analysis of the consultation responses, we published our new UK-wide Strategic Framework in June 2009. Detailed programme development will follow at a UK and country level throughout 2009/10.

BIG will have less to spend on new programmes in 2009/10, due to the Olympic transfer. Nevertheless, we will continue with open programmes such as Reaching Communities (in England) and the recently re-launched Awards for All. BIG thinking confirmed that these are popular and achieve powerful results in terms of meeting local needs.

There will also be some funding available for more targeted programmes. For example, in March we launched a new round of The People's Millions, our successful collaboration with ITV which has been running now for five years. As before, there will be competitions in each of the 15 ITV news regions through which viewers will have a say in the funding of up to 69 new projects. We are also very pleased to offer support once again to WW2 veterans, as we did five years ago at the 60th anniversary of the Normandy Landings. This time, our Heroes Return 2 programme will enable many to attend overseas events marking the 65th anniversary of key events in Normandy and other theatres of combat in the closing stages of WW2.

We mentioned in our last Annual Report that we were embarking on a major improvement programme for our funding management systems, due to complete in 2010. This is running to schedule. We are confident that by the time of our next Annual Report, those who deal with BIG will begin to see the benefits of improved funding processes and more closely tailored support. The new system will give us the flexibility to fund in a variety of different ways in the coming years and achieve the ambitions set out in our new Strategic Framework. It will help to make our demand-led programmes more efficient while also enabling us to explore other methods of funding which will target need effectively.
During 2008/09 we made new awards, continued to manage awards made by our programmes previously, as well as within some residual programmes launched by our three legacy organisations, the Community Fund, New Opportunities Fund and the Millennium Commission. Details of our grants over £5 million are given in the Appendix on page 95.

Volume of activity
During 2008/09 we received more than 23,000 applications for funding requesting over £2.4 billion: that is more than four times our annual income.

The tables below summarise the volumes of full applications, awards made and grants in management during the financial year on programmes managed by BIG. This excludes applications to, and awards made by, our award partners and contracted delivery partners.

<table>
<thead>
<tr>
<th>Applications received during 2008/09</th>
<th>Number of applications</th>
<th>Amount requested £million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Lottery Fund programmes</td>
<td>9,371</td>
<td>1,527</td>
</tr>
<tr>
<td>Awards For All England¹</td>
<td>13,662</td>
<td>103</td>
</tr>
<tr>
<td>Non-Lottery funded</td>
<td>256</td>
<td>856</td>
</tr>
<tr>
<td>Total</td>
<td>23,289</td>
<td>2,486</td>
</tr>
</tbody>
</table>

On many of our programmes we make use of an outline proposal stage to provide quick feedback on whether an application is worth progressing in full and how it might be developed. In 2008/09 we received 3,183 outline proposal applications requesting £855 million.

<table>
<thead>
<tr>
<th>New awards made in 2008/09</th>
<th>Number of awards</th>
<th>Amount awarded £million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Lottery Fund programmes</td>
<td>4,450</td>
<td>423</td>
</tr>
<tr>
<td>Awards For All England¹</td>
<td>7,210</td>
<td>52</td>
</tr>
<tr>
<td>Non-Lottery funded</td>
<td>64</td>
<td>243</td>
</tr>
<tr>
<td>Total</td>
<td>11,724</td>
<td>718</td>
</tr>
</tbody>
</table>

¹Awards for All England was a joint scheme managed by BIG on behalf of BIG, Arts Council England, Sport England and Heritage Lottery Fund up until April 2009. These figures are the total for the scheme. For the Awards for All programmes in Scotland, Wales and Northern Ireland BIG’s own applications and awards can be identified and are included within the BIG Lottery Fund programmes totals.
The table below shows grants in management during 2008/09. These grants have previously been awarded by BIG, and are now in the project delivery phase and are drawing funds down from their grant allocation.

<table>
<thead>
<tr>
<th>Grants in management at 31 March 2009</th>
<th>Number of awards</th>
<th>Payments due to grant recipients £million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Lottery Fund programmes</td>
<td>16,567</td>
<td>1,305</td>
</tr>
<tr>
<td>Awards For All England¹</td>
<td>9,058</td>
<td>3</td>
</tr>
<tr>
<td>Non-Lottery funded</td>
<td>101</td>
<td>267</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,726</strong></td>
<td><strong>1,598</strong></td>
</tr>
</tbody>
</table>
Section two
UK-wide programmes

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

Research
The Research programme was launched in 2007 with a budget up to £20 million to fund the voluntary and community sector to carry out social and medical research.

The programme aims to influence local and national policy and practice by producing and disseminating evidence-based knowledge, and through this process ensure better services and interventions for people.

Number of grants awarded in 2008/09: 28 development and 24 research grants totalling nearly £8 million.

People's Millions
The People’s Millions programme was launched in 2005. Since then it has awarded over £18 million to 318 projects.

Run jointly with ITV it offers the public a chance to vote on local projects. The aim of the competition is to fund projects that provide opportunities for people to enjoy their local area and improve local facilities for all to enjoy.

Number of grants awarded in 2008/09: 90 worth £5.5 million.

Breathing Places
Breathing Places is a UK-wide small grants programme that has been developed with the BBC to complement its Breathing Places campaign. We have awarded grants to projects that inspire communities to get involved in creating and caring for local green spaces, which benefit wildlife and people.

In January 2009 we made £1 million available for a final phase of the programme. Existing Breathing Places grant holders could apply for a grant of between £1,000 and £5,000 to run events and activities that celebrate the success of their breathing place and increase the number of people who make use of and help to develop and maintain it.

International programmes
The International programme was launched in 2006 with a budget up to £72 million. The programme has three parts: International Communities (including Tsunami funding), International Strategic and International Small Grants.

The programme aims to tackle the causes of poverty and deprivation overseas. The programmes are open to UK-based organisations working with partners overseas.

Number of grants awarded in 2008/09: 39 worth £27.4 million.
## Section two
England programmes

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

- Community learning and creating opportunity
- Promoting community cohesion and safety
- Promoting well-being

### England and UK outcomes
- People having better chances in life, including being able to get better access to training and development to improve their life skills
- Stronger communities, with more active citizens, working together to tackle their problems
- Improved rural and urban environments, which communities are better able to access and enjoy
- Healthier and more active people and communities

### England programmes
- Community Libraries
- Family Learning
- BASIS
- Advice Plus
- Community Buildings
- Parks for People
- Changing Spaces
- Well-being
- Awards for All
- Children's Play
- Young People's Fund
- Reaching Communities
Advice Plus
The £50 million Advice Plus programme was launched in 2006.

The programme helps people to get good advice on their legal rights and responsibilities. The awards made in 2008/09 supported third sector legal advice services to bring together and build on the work of existing local advice services.

Number of grants awarded in 2008/09: 39 worth £18 million.

Awards for All England
Until 31 March 2009, we managed this joint Lottery grants scheme, which was financially supported by Arts Council England, BIG, Heritage Lottery Fund and Sport England. The programme made small grants of between £300 and £10,000 in a simple and straightforward way.

Number of grants awarded in 2008/09: 7,210 worth more than £52 million.

Building and Sustaining Infrastructure Services (BASIS)
The £151 million BASIS programme launched in 2006.

The programme aims to ensure that voluntary and community organisations throughout England have access to high quality support that will help them be more effective. Only voluntary and community sector infrastructure organisations could apply to BASIS.

Number of grants awarded in 2008/09: 119 awards worth £50 million.

Changing Spaces
Our £200 million Changing Spaces programme supports environmental projects across England that focus on three priority areas – community spaces, local community enterprise and access to the natural environment.

Five organisations are running open grants schemes on our behalf (we call these award partners). The five grants schemes are – Community Sustainable Energy (run by BRE), Community Spaces (run by Groundwork), Ecominds (run by Mind), Access to Nature (run by Natural England) and Local Food (run by RSWT). Five other partners are also running an England-wide portfolio of projects – Catch22 (formerly Crime Concern), Field Studies Council, Imperial College, Places for People and Plunkett Foundation. These schemes support environmental activities including local food growing, improving green spaces, and helping community groups to reduce the amount of energy they use.

Our awards through this programme were made during 2007/08.

Children’s Play including Playful Ideas
The Children’s Play programme launched in 2006 with up to £155 million available.

Our Children’s Play programme aims to create, improve and develop children and young people’s free local play spaces throughout England. The initiative is made up of three strands: the Children’s Play programme; the Playful Ideas programme; and a support and development contract.

Through the Children’s Play programme funds were allocated to every local authority area in England. Local authorities, working in partnership with the VCS, will deliver the outcomes.

Over the course of Children’s Play the programme has awarded 351 grants worth £123 million, and Playful Ideas has made 64 grants worth over £12 million to play projects with a focus on innovation.
Community Buildings
The Community Buildings programme launched in 2006 with up to £50 million available.

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

Number of grants awarded in 2008/09: 124 worth over £38 million.

Community Libraries
The Community Libraries programme launched in 2006 with a budget of up to £80 million.

The programme aims to invigorate libraries as centres of wider community learning and develop learning based activities; create, improve and develop library spaces that meet the needs of the whole community; and be innovative and promote good practice in the way libraries are designed and run. The programme offers funding that is additional to traditional library services through its emphasis on strengthening the relationship between libraries and their communities, placing communities at the heart of the development, delivery and management of public library services.

58 applicants were successful at the initial application stage in 2007. Last year saw these applicants begin the build work for their projects. Projects will launch in 2009/10.

Family Learning
The Family Learning programme launched in 2006 with up to £40 million available.

The programme aims to increase the number of high quality family learning opportunities available. These should be more accessible to families who face particular barriers to involvement in learning, or who are not confident supporting their children's learning.

Number of grants awarded in 2008/09: 57 worth over £12.5 million.

Parks for People
Parks for People is a joint programme with the Heritage Lottery Fund (HLF) which launched in 2006, with a combined budget of up to £150 million.

The programme, administered by HLF, made the final stage 1 decisions in March 2009. BIG will continue to make joint decisions with HLF on applications that have already had a first stage decision made by the end of March. In the last year, we agreed 19 first stage awards, worth £42 million; and confirmed a further 17 second stage awards worth £38 million.

Reaching Communities (England)
The Reaching Communities programme which launched in December 2005 is about improving communities and lives of those most in need. This popular and highly competitive programme has just completed its third year of grant-making.

Every project we fund meets at least one of our startegic outcomes. Grants cover a wide range of issues, with grants supporting communities through national as well as small local voluntary groups. Awards range from £10,000 to £500,000.

Number of grants awarded in 2008/09: 252 worth £60 million.
Well-being
The £160 million Well-being programme was launched in 2005. Funding was awarded to 17 lead organisations, which manage a portfolio of projects, which contribute to the programme’s outcomes:

- people and communities having improved mental well-being
- people being more physically active
- children, parents and the wider community eating more healthily.

Each portfolio is made up of a number of individual projects, which together deliver the programme outcomes. Portfolios operate at a national or regional level.

All portfolios are now in their second or third year of project delivery.

Young People’s Fund 2
The Young People’s Fund programme launched in 2005. A second round of funding, Young People’s Fund 2, worth up to £68 million was launched in 2007.

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

In the last year the Young People’s Fund 2 programme made 15 awards worth £30 million under its National Grants programme. Young People’s Fund 2 Local Grants launched in May 2008 and its offers up to £38 million to support local projects to benefit young people.

Non-Lottery programmes
The National Lottery Act 2006 gave BIG new powers to deliver funding from non-Lottery sources for charitable purposes or purposes connected with health, education or the environment. We welcome the opportunity to deliver funding on behalf of other organisations, if this funding can be used to help achieve BIG’s mission and values. BIG currently distributes funding on behalf of other organisations including (in England) the Department for Children, Schools and Families and the Office of the Third Sector. Any non-Lottery funding managed by BIG will be accounted for and promoted independently from Lottery funding.

Community Assets
We are managing this programme on behalf of the Office of the Third Sector.

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

Community Assets aims to empower communities by offering grants for refurbishment of local authority buildings in England, to enable their transfer to the third sector.

Number of grants awarded in 2008/09: 26 worth over £18 million.

Myplace
We are managing this programme on behalf of the Department for Children, Schools and Families.

The programme aims to deliver world-class youth facilities driven by the active participation of young people and their views and needs.

Number of grants awarded in 2008/09: 62 worth £240 million.
Section two
Scotland programmes

In Scotland, our Investing in Communities portfolio entered its third year. It continued to operate primarily through its four complementary investment areas, supported by the Investing in Ideas development fund. The four investment areas are: Dynamic, Inclusive Communities; Growing Community Assets; Life Transitions and Supporting 21st Century Life. In 2008/2009 we made 144 grants totalling £44.7 million through these investment areas.

The Investing in Communities portfolio closed to outline proposals in August 2008 and full applications in December 2008. Following a review of each investment area and the portfolio as a whole, the Scotland Committee agreed on intervention plans to address thematic and geographic gaps. Interventions focusing on community engagement, changing needs and changing services, young people and older people were launched in this year.

Analysis of the relationship between disadvantage and low funding uptake was also undertaken and will inform a geographically focused intervention in 2009/10. Further thematic gaps, around equalities and volunteering, were also identified and interventions will be rolled out in 2009/10.

As part of our commitment to encouraging and supporting learning, all Investing in Communities grant holders are required to self-evaluate their projects. The Blake Stevenson consultancy was appointed to offer self-evaluation support to all grant holders in 2007. This is delivered through workshops, telephone assistance, networking, one-to-one contact and online, and by the end of the second year of the contract 62 per cent of grant holders have accessed support in one or more of the ways available.

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

Community learning and creating opportunity
Promoting community cohesion and safety
Promoting well-being

Scotland outcomes
People have better chances in life
Communities are safer, stronger and more able to work together to tackle inequalities
People have better and more sustainable services and environments
People and communities are healthier

Scotland investment areas
Life Transitions
Dynamic Inclusive Communities
Growing Community Assets
21st Century Living
Awards for All Scotland
In 2008/09, Awards for All was funded by BIG, the Heritage Lottery Fund, the Scottish Arts Council and sportscotland. It awarded grants of between £500 and £10,000 to projects to get people involved in their community.

In the last year, the programme made 1,700 awards worth £10.5 million.

Dynamic, Inclusive Communities
This investment area was launched in 2006 and aims to help the voluntary and community sector in Scotland build and strengthen itself. Investment from Dynamic, Inclusive Communities will nurture and sustain communities throughout Scotland by creating the conditions and infrastructure through which healthy and vigorous voluntary and community activity can occur.

Number of grants awarded in 2008/09: 24 worth £9.8 million.

Growing Community Assets
Growing Community Assets was launched in 2006 to allow communities to have more control over their futures through owning, managing and developing their local assets. It has the largest budget of the four Scotland investment areas, with up to £50 million available to provide a spectrum of assistance, from supporting communities in assessing the feasibility of asset ownership, through to purchase and post-acquisition development. A diverse range of assets can be supported, including land, buildings and renewable energy.

Number of grants awarded in 2008/09: 26 worth more than £6.8 million.
**Life Transitions**
Life Transitions was launched in 2006 and supports people at times of change. The investment area aims to enable people to develop the skills and confidence to cope, and to improve services that support people in making successful, sustainable transitions.

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

Number of grants awarded in 2008/09: 42 worth more than £14.3 million.

**Supporting 21st Century Life**
This investment area was launched in 2006. It recognises the challenges, changes and pace of change of 21st century life, and supports projects that enable people, families, households and communities to build and sustain positive relationships. It also aims to enable people and communities to think and plan ahead together to match future needs and services. It aims to support people and communities to cope with the pace of change and to help combat social isolation and exclusion.

Number of grants awarded in 2008/09: 52 worth £13.7 million.

**Investing in Ideas**
The £4.6 million Investing in Ideas programme was launched in 2006. The main aim of the programme is to provide up front development support to potential applicants across the four investment areas described above. This support takes the form of grants of between £500 and £10,000, which are used to turn ideas into reality. Priority is given to smaller voluntary and community organisations with an income of less than £50,000.

Number of grants awarded in 2008/09: 194 worth £1.7 million.

**Primetime**
The Primetime programme launched in 2007. The programme was a public involvement collaboration with BBC Scotland. It promotes the positive and increasingly important role that older people play in Scotland by funding projects that make them feel better about themselves, allow them to contribute to their communities and improve their links with younger people.

Six TV programmes were broadcast on BBC2 Scotland over the autumn of 2008, each programme featuring three projects from a particular area of Scotland. TV viewers voted for the project they wished to win each programme and these six winning projects received a total of over £2.4 million in funding. Primetime is now closed.

**2014 Communities**
We launched 2014 Communities in November 2008 to maximise the benefits and legacy from Glasgow’s hosting of the 2014 Commonwealth Games. In its first year 2014 Communities offered grants of up to £1,000 to grass roots sports and community organisations. Through the programme we aim to encourage more people to take part in sport or physical activity.

Number of grants awarded in 2008/09: 165 awards worth more than £130,000.
Section two
Wales programmes

Our review, completed during 2007, confirmed the continuing relevance of our current programmes to Welsh life, whilst also highlighting a number of gaps and areas of unmet need.

Using the findings of our programme review, and the results of our discussions with stakeholders, we identified several areas where we could make strategic investments in the future. Throughout the year we have carried out further policy work and continued the dialogue with our stakeholders to identify the following areas for potential future strategic programmes, in addition to a continuing need for demand led funding:

- Older People
- Climate Change
- Community Assets Transfer
- Building the Capacity of the Citizen’s Voice

We included these proposals in our Big thinking consultation, the findings from which will help shape our new programmes between 2009 – 2015.

We have also been examining ways of using our new powers to distribute non-Lottery money. We have worked in partnership with the Welsh European Funding Office to develop the Lifeskills programme which will use Lottery funds and European Social Funds to deliver projects that support participants to gain skills and confidence that will help them re-engage in education, training, volunteering and employment. We intend to start delivering the Lifeskills Programme during 2009. In addition, we conducted a consultation on behalf of the Welsh Assembly Government on how dormant accounts funds could be spent in the future, presenting the findings to the Government in March 2009.

BIG’s programmes in Wales support three themes, and focus on the three outcomes and the nine priorities shown in the table below.

<table>
<thead>
<tr>
<th>Remit</th>
<th>Community learning and creating opportunity</th>
<th>Promoting community cohesion and safety</th>
<th>Promoting well-being</th>
</tr>
</thead>
</table>

| Wales outcomes | People of all ages equipped with the skills and learning to meet the challenges of modern society | People working together for stronger communities, social justice and better rural and urban environments | Healthier and more physically active people and communities |

<table>
<thead>
<tr>
<th>Wales programmes</th>
<th>Stepping Stones</th>
<th>People and Places</th>
<th>Mental Health Matters</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Young People's Fund</td>
<td>Healthy Families</td>
<td>Awards for All Wales</td>
</tr>
</tbody>
</table>

20 BIG Annual Report and Accounts
Awards for All Wales
During 2008/09 the programme was a joint initiative between BIG and the Heritage Lottery Fund.
It paid for people to take part in heritage and community activities, and for projects promoting health, education and the environment. The programme offers grants of between £500 and £5,000. It was extremely popular with applicants who highlight the easy access and the quick turnaround of applications.
Number of grants awarded in 2008/09: 727 worth £2.7 million.

Healthy Families
This programme aims to address levels of obesity in Wales, concerns about coronary heart disease continuing to be the most common cause of death and a need to tackle lifestyle causes of ill health. The aims are to add value to existing policy by making a strategic link between children’s play, nutrition and physical activity and creating a joined up approach to promoting active and healthy lifestyles among children and families.
To enable us to achieve these aims we have developed two programmes that link closely with each other:

Healthy Families – Child’s Play
Our Child’s Play programme promotes the development of open access to play opportunities. It will support the development of infrastructure to deliver play services, and in addition fund projects that provide play opportunities and encourage a joined up approach between nutrition, healthy eating and play. Up to £1.3 million has been made available for grants of £250,000 - £1 million.

The first round of funding was distributed in December 2007. We awarded 10 grants to support infrastructure development worth £2.5 million. Funding at round two will support the development of strategic play projects. The deadline for round two applications which are currently in assessment was March 2009.

Healthy Families – Way of Life
Up to £7 million was made available for our Way of Life programme for projects aiming to promote healthy eating and exercise.
Number of grants awarded in 2008/09: 14 worth £6.4 million with awards ranging from £250,000 to £500,000.

Mental Health Matters
The Mental Health Matters programme, which launched in March 2007, aims to promote the integration and independence of people with serious mental health problems and support people at greatest risk of serious mental illness or suicide.
The aim of the programme is to address gaps in current services and the barriers faced by the target groups. All projects are expected to address the discrimination and stigma faced by people with mental health problems.
In April 2008 we awarded 19 grants worth £13.6 million, with awards ranging from £250,000 - £1 million.

People and Places
In our largest programme up to £66 million is available to support organisations to work together to develop strong communities, social justice and better rural and urban environments. Grants of between £5,000 and £1 million are available.
During 2008/09 we awarded 88 grants worth £17 million.

Stepping Stones
Our Stepping Stones programme helps people facing barriers to learning and people facing major or long-term challenges in their lives. The programme is mostly aimed at people over 16 years old and projects had to be strategic and innovative.
Nine awards of between £250,000 - £1 million were made in November 2007, and a total of just under £7 million was awarded.
Section two

Young People’s Fund Wales
Our Young People’s Fund programme in Wales helps young people between 10 and 19 years old to enjoy life, develop new skills and achieve their potential. There are three parts to the Young People’s Fund in Wales.

Bridging the Gap gave £4.5 million to six strategic projects across Wales. The projects work closely with the hardest to reach young people, who are disengaged from their peers or society, and provide joined up services and support.

Make it Happen gave small grants for projects that had been planned by young people and allowed them to take part in a wide range of activities and contribute to their community. Up to £800,000 was made available for grants of £500 – £5,000.

The Reaching Out programme aimed to fill gaps in local services and activities to help young people at risk of becoming disaffected, while also offering outreach and support to those who are already disengaged. A total of £7.7 million was made available in grants of up to £300,000.
In the past year in Northern Ireland, we have been working with applicants, grant holders and key stakeholders to listen, respond and celebrate the impact which programmes and projects have had in Northern Ireland. We have been assessing, and our Northern Ireland Committee have been making decisions on, our open programme Reaching Communities, as well as our strategic learning, health and community safety programmes. In addition, we have been working in a different way to think of longer-term requirements of the voluntary and community sector in Northern Ireland.

From this ongoing dialogue and through our Big thinking consultation we have sought stakeholder views in a variety of ways: at events we organised; by soliciting views from the public and from projects; and by directly discussing a number of questions with children and young people. We are drawing together our findings and learning to shape how BIG will deliver in Northern Ireland over the next six years.

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

- Community learning and creating opportunity
- Promoting community cohesion and safety
- Promoting well-being

### Northern Ireland outcomes
- People can actively participate in their communities to bring about positive change
- Community ownership of better and safer rural and urban environments
- Improved physical and mental health for all people
- People have the opportunity to achieve their full potential

### Northern Ireland programmes
- Young People's Fund
- Reaching Communities Northern Ireland
- Safe and Well
- Improving Community Buildings
- Building Change Trust
- Live and Learn
Improving Community Buildings

Improving Community Buildings launched in 2006. The programme awarded grants to voluntary and community organisations, charitable not-for-profit companies and social enterprises to refurbish their community venue to enhance services.

In 2007, a total of £2.5 million was awarded to 53 projects.

Live and Learn

The £18 million Live and Learn programme launched in 2006. This programme aims to increase learning opportunities and promote well-being among Northern Ireland’s most disadvantaged communities. Live and Learn aims to fund projects which offer families opportunities to develop new skills at different stages in their lives.

Live and Learn had a two-stage application process with development grants offered to applicants successful at stage one. These applicants were invited to apply to stage two of the process.

Number of grants awarded in 2008/09: 17 worth £16 million.

Reaching Communities Northern Ireland

The £18m Reaching Communities Northern Ireland programme launched in 2006. The programme makes grants to voluntary and community-led organisations and aims to deliver on BIG’s mission to make a difference to people and communities most in need.

Number of grants awarded in 2008/09: 5 worth £2.2 million.
**Safe and Well**
The £18 million Safe and Well programme launched in 2006. This programme aims to improve the lives of people in the most disadvantaged communities in Northern Ireland by funding preventative projects that promote well-being. Safe and Well encourages communities to work together to tackle health and safety issues.

Safe and Well has a two-stage application process with development grants offered at stage one.

Number of grants awarded in 2008/09: 24 development grants worth £780,000.

**Young People’s Fund Northern Ireland**
The £14.8 million Young People’s Fund launched in 2005.

The programme targets resources at young people at the greatest risk of exclusion and/or offending. It aims to give money to young people themselves and can fund organisations working on behalf of young people. There are two parts to this programme.

Awards through the £10.8 million **Change UR Future programme** were made in 2007/08.

YouthNet was appointed in 2006 to run the other strand of the Young People’s Fund in Northern Ireland. The **Big Deal**, brings together a partnership of key youth work agencies in Northern Ireland and manages a number of pioneering programmes where young people are involved in the decision-making process. Young people are also able to apply for funding of between £500 and £2,500 to develop projects that will make a difference to their lives, families and communities.

Number of grants awarded in 2008/09: 218 worth over £486,000.
Section two
Legacy programmes

Some grants awarded by our legacy bodies are still in management. The final closing date has passed for all these programmes and funds are now substantially committed.

**Fair Share Trust**
**New Opportunities Fund – UK-wide**
The Fair Share Trust, a £50 million trust fund for which Community Foundation Network (CFN) are the sole UK Trustees, was launched by the New Opportunities Fund in 2003.

This 10-year programme is intended to provide sustained funding in areas that have previously missed out on Lottery funding. It aims to build capacity by involving local communities in decision-making about Lottery funding, build social capital by building links within and between communities to promote trust and participation, and improve the living environment for communities.

CFN have appointed local agents in each area. Selected neighbourhoods in each area are receiving targeted support from these agents, and local people are getting the opportunity to make decisions on where the funding goes. The programme is on track to have spent nearly £31 million by the end of the 2008/09 Fair Share Trust financial year.

**Healthy Living Centres**
**New Opportunities Fund UK-wide**
The £300 million UK Healthy Living Centre (HLC) programme was launched in 1999.

The programme aimed to promote health in its broadest sense and to improve the health of people in disadvantaged communities through the setting up of HLCs. Our evaluation found that the programme achieved all that it set out to do. The programme had a target to fund HLCs accessible to 20 per cent of the population, our study identified that centres were accessible to at least 26 per cent of the population. Many of the 352 HLCs continued to benefit communities throughout 2008/09.

A sustainability project was launched at the beginning of 2008, which aimed to work with selected HLCs to develop a model for sustainability through social enterprise. This culminated in a dissemination workshop at the House of Lords in January 2009.

**New Opportunities for PE and Sport (NOPES)**
**New Opportunities Fund UK-wide**
NOPES aims to bring about a step-change in the provision of sporting facilities for young people and for the community generally. The main aims of the programme are to:

- modernise existing, and build new, indoor and outdoor sports facilities for school and community use;
- provide initial revenue funding to support the development and promotion of these sporting facilities for community use; and
- build or modernise outdoor adventure facilities, where this would benefit young people who do not currently have access to these facilities.

Up to £750 million of funds were awarded in accordance with policy directions laid down by the Government. The programme is currently on schedule, with most facilities now completed.

**Renewable Energy**
**New Opportunities Fund UK-wide**
This formed part of a wider package of government funding offered under the Bio-energy Capital Grants Scheme. As part of a £50 million UK-wide programme three large grants were made through the Renewable Energy programme to support the construction of an offshore wind farm (delivered by Seascape) and two biomass power stations (delivered by E-On and Sembcorp). In March 2009 the Government changed the way in which it incentivised renewable electricity generation in the UK. As a result the three large grant holders decided to return their grants. This money (approximately £36 million including interest) was returned on 1 April 2009 and will be used for other programmes. The returned funds will be reflected in the 2009/10 accounts.
Section three
Our operational performance

Our performance against our corporate objectives
The Corporate Plan for 2008/09 identified five outcome focused corporate objectives and the priority activities needed to achieve these objectives. Our performance against these objectives is monitored and reported to the UK Board at intervals throughout the year.

Here we summarise how we performed on each one.

Objective 1: to provide a better service to enquirers, applicants and grant holders

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>End of year report</th>
</tr>
</thead>
<tbody>
<tr>
<td>An improved experience for those who enquire about, apply for, or receive our funding; customer needs are understood across the business; our delivery partners and contract holders understand and fulfil our service standards.</td>
<td>Our BIG Advice Line had contact with over 76,000 people who enquired about a grant from BIG during the year. Staff in our operational centres responded to over 3,000 Outline Proposal forms and almost 24,000 full applications for grants, and supported over 25,000 organisations that currently hold a grant from us. We also worked with hundreds of people who contacted our offices in Wales, Scotland, Northern Ireland and the England Regions. In the same period we received 125 formal complaints. All except one were resolved internally so only that complaint was referred to the Independent Complaints Reviewer. This complaint was resolved before the review was completed. As a result of procedures implemented this year to our complaints handling we now address concerns at an early stage in the majority of cases, leading to a significant reduction in referrals to the Independent Complaints Reviewer. We use internal targets to tell us about the quality of customer service we are delivering against published standards, and we saw a positive trend over the year that we want to continue to build on. Improvements resulted from better programme design, optimising decision-making cycles, and improved staff training, application materials and support. Customer views, gathered from our survey in 2008 and also anecdotally, told us that customers find us helpful, supportive and committed to their aims but they want us to make our processes easier, use on-line technology (but not instead of people), take decisions more quickly where possible, and to be more responsive to customer needs. In 2007/08 we began a two–year project to upgrade our grant management processes and systems. This project is on schedule to complete in 2009/10. Our customer service strategy should help us continue to realise improvements in the next two–to–three years, and we will take opportunities to get feedback from customers who can tell us how we are doing and where we can improve, alongside targeted surveys.</td>
</tr>
</tbody>
</table>
Objective 2:  
**to maximise the impact of our funding**

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>End of year report</th>
</tr>
</thead>
<tbody>
<tr>
<td>An agreed framework of funding programmes for 2009 to 2015 aligned to the funding environment; funding programmes are designed to achieve their intended outcomes, in line with our mission and values; and we make well-informed decisions about where our money goes.</td>
<td>We have been working in a number of areas to increase our impact. We ran a UK-wide strategic framework consultation to ask our stakeholders to tell us what we can do differently and better, and this enabled us to develop our funding framework for 2009-15. This was published in June 2009. In the year ahead this work will be translated into the operational set-up that we require so that we can launch new programmes in 2010. All our funded projects go forward within an outcomes framework, which ensures we can measure them in terms of their outcomes achieved. During the year 202 projects were completed and almost 97 per cent fully achieved their outcomes. In addition to project-level reporting on outcomes, which can be aggregated up to country-level outcomes via our outcomes framework, we have begun to develop a means of measuring and reporting outcomes achievement at programme level.</td>
</tr>
</tbody>
</table>

Objective 3:  
**to improve stakeholder relations**

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>End of year report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key stakeholders have engaged with our intelligent funding principles and funding priorities, they and the public have a greater awareness of our funding successes, and helper agencies are able to operate more effectively.</td>
<td>The high response-rate and wide range of stakeholders who engaged in the UK-wide consultation on our strategic framework 2009-15 is a measure of success this year. We linked a strong and innovative media campaign and a dedicated website to the consultation, promoted as Big thinking, and succeeded in getting more than 3,300 of the 3,446 responses online. In June 2004 we made an undertaking to commit 60 – 70 per cent of our funding to the VCS and, as in each year, we have reported that we have exceeded this. Our work with delivery partners and helper agencies implementing outreach and development, and getting home our messages about intelligent funding were very successful. Our work with helpers was favourably compared to those from other organisations. The helper agency site was felt to be a valuable resource when helpers advise front-line organisations. We strengthened efforts to increase the proportion of projects that acknowledge our funding, because this contributes to public awareness of funding successes. As a</td>
</tr>
</tbody>
</table>
result, we raised compliance to 97 per cent. A monthly poll confirmed that, with Heritage Lottery Fund, we retained top ranking for spontaneous public awareness of who distributes Lottery money.

In addition to public awareness generated by coverage of Big thinking we secured media coverage of all our programme announcements, notably the funding of World War 2 Veterans and year 5 of the public involvement programme The People’s Millions. Over the year favourable media coverage significantly exceeded our targets. Parliamentary confidence remained favourable in line with previous years’ findings; a survey of MPs repeated in 2008 confirmed this.

**Objective 4:**
**to develop our capabilities and get the best out of our people**

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>End of year report</th>
</tr>
</thead>
<tbody>
<tr>
<td>A competent, capable and committed workforce, and improvements in the way we work together across the organisation.</td>
<td>The development of our people and improving how we work continues to be a priority for us. During this year we have implemented a leadership initiative and launched our management development programme. BIG continues to face significant change with the implementation of the upgrade to our systems and procedures and the delivery of our new funding framework. We are addressing this through our Organisational Change Programme. In the first external assessment of our organisation using the European Foundation for Quality Management’s (EFQM) Excellence Model, carried out in 2008, we achieved a 3 star level which recognises our progress towards organisational excellence and will enable us to meaningfully measure progress. To be recognised as a 5 star organisation will be considered as ‘world class’. In 2009/10 we are focusing on leadership and communication as we strive for an EFQM 4 star level in 2010. We have gained the award of the Investors in People Recruitment and Selection Model following our IIP accreditation in 2007/08. This demonstrates excellence in recruitment and selection policy and practice.</td>
</tr>
</tbody>
</table>
**Objective 5:**
to improve efficiency and effectiveness

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>End of year report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective planning, resource modelling and risk management are enabling decision-making at all levels of management to closely align our policies, practices and programmes to a shared vision, supporting the Board and Committees in their functions.</td>
<td>Our key financial objective for the year was to achieve an operating cost budget that represented savings on our pre-merger costs – to deliver the Secretary of State's target of 10–20 per cent savings from the merger. We have delivered a saving of 15 per cent on 2003/04 costs and have also absorbed five years of pay and other inflation. We have delivered these savings through relocating 250 posts out of London and the South East – which has also contributed to another of the Government's targets. Another 50 posts will move over the next two years, when we have implemented our new grant management system. In 2008/09 our operating costs for delivering Lottery funding were £57 million. This figure includes at least £5 million of savings that have been re-invested in new business requirements such as devolution, enhancing and expanding the Awards for All programme, leading on joint working with other distributors and public involvement initiatives.</td>
</tr>
</tbody>
</table>

**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. Employees are covered by the Principal Civil Service Pensions Scheme; they may, however, choose to join a money purchase stakeholder based arrangement.

We appreciate the importance of staff training and development and make sure that we give staff the chance to develop new skills that improve their capability to carry out their duties.

To encourage communication and good relations between the Board, management and staff at all levels the Prospect and Amicus trade unions are recognised jointly for the purpose of collective bargaining for all employees, excluding Directors. Relations with the Joint Union Group are extremely positive and formal meetings take place monthly.

The nature of our work means that a number of our staff work closely with the Senior Management Team and the Board, for example, through developing and evaluating programmes, through assessment and decisions on applications. Some members of staff attend meetings of the Board, which enables them to be aware of the thinking about the development of the Big Lottery Fund and our operations. Additionally staff are consulted on a number of matters and various groups exist to facilitate this.

We monitor and manage sickness levels and in 2008/09 the average number of days sickness per employee was 7.7 representing 3.4 per cent of lost time. Our absence rate target is 3 per cent. During 2009/10 training will be provided to Managers to support them to manage sickness absence within their teams.
Section three

Our commitment to equality
We have continued to take a proactive approach to equality and diversity issues this year. With a strong steer from our Board the focus of our work has been to embed our equality principles into our practices and the projects we fund.

Equality in employment
We are a member of the Employers' Forum on Disability and have retained our Two Ticks status. We use positive action in terms of encouraging applications from disabled people as we believe that we should employ more disabled people. In spite of this the proportion of disabled staff that we employ has remained constant.

<table>
<thead>
<tr>
<th>Disability status</th>
<th>BIG</th>
<th>Civil service</th>
<th>UK economically active population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff with disability</td>
<td>3%</td>
<td>4%</td>
<td>13%</td>
</tr>
<tr>
<td>Staff without disability</td>
<td>97%</td>
<td>96%</td>
<td>87%</td>
</tr>
</tbody>
</table>

Our workforce remains largely female although the gender imbalance has narrowed slightly over the last 12 months. The number of men that we employ has increased in lower graded posts. Our workforce in higher graded posts is relatively well balanced.

<table>
<thead>
<tr>
<th>Gender</th>
<th>BIG</th>
<th>Civil service</th>
<th>UK economically active population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>61%</td>
<td>52%</td>
<td>44%</td>
</tr>
<tr>
<td>Male</td>
<td>39%</td>
<td>48%</td>
<td>56%</td>
</tr>
</tbody>
</table>

The ethnicity of our staff is roughly in line with what should be expected given the location of our principal offices. The overall proportion of staff from an ethnic minority background has grown slightly over the last year. In addition BME staff are proportionally represented at all grades.

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>BIG</th>
<th>UK population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>5.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Black</td>
<td>2.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Chinese</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Mixed</td>
<td>1.2%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Other</td>
<td>0.4%</td>
<td>0.4%</td>
</tr>
<tr>
<td>White other</td>
<td>6.6%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Total BME</td>
<td>16.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>White UK</td>
<td>81.2%</td>
<td>90.0%</td>
</tr>
<tr>
<td>Not known</td>
<td>1.8%</td>
<td></td>
</tr>
<tr>
<td>Do not want to declare</td>
<td>0.5%</td>
<td></td>
</tr>
</tbody>
</table>

Equality in new programmes
Equality monitoring has been introduced into most of our new programmes; this data is not used for assessment purposes. Applicants are asked if their project is directed at, or is of particular relevance to, people of specific ethnicity, age, gender, faith, community background (in Northern Ireland only), disability or sexual orientation.

In the last year we have invested resources to verify the equality data we hold. However, this information does come with a health warning. Applicants can select more than one category and some people do not answer the questions.
We are, however, committed to exploring the reasons behind the following findings:

- the high success rate experienced by projects targeted at members of the Chinese community (whilst noting the relatively small number of projects involved);
- the low success rate experienced by projects targeted at people aged 65 plus (again noting the relatively small number of projects involved) and projects targeted at people of a specific faith (or no faith); and
- the low application rate among projects targeted at members of the lesbian, gay and bisexual community.

The results set out in the table below relate to awards (excluding all small grant programmes and the programmes managed by others on our behalf including Parks for People and Growing Community Assets) made during the 2008/09. They account for 3,859 applications and 970 awards totalling £348 million.

Our policy is to consider funding projects which are targeted at the needs of specific groups (as long as a clear need can be demonstrated), however we generally prefer to fund projects which are open to all sections of the community. This is reflected in our funding statistics, which highlight that the vast majority of applications received and awards made have gone to projects which are open and inclusive.

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Number of applications and application rate</th>
<th>Number of awards and application success rate</th>
<th>Requested amount (£000) and % of requested total</th>
<th>Awarded amount (£000) and % of awarded total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>330 10%</td>
<td>51 15%</td>
<td>£117,972 9%</td>
<td>£12,574 4%</td>
</tr>
<tr>
<td>Black</td>
<td>298 9%</td>
<td>36 12%</td>
<td>£107,815 8%</td>
<td>£9,855 3%</td>
</tr>
<tr>
<td>Mixed</td>
<td>230 7%</td>
<td>29 13%</td>
<td>£142,851 11%</td>
<td>£8,984 3%</td>
</tr>
<tr>
<td>Chinese and other</td>
<td>94 3%</td>
<td>30 32%</td>
<td>£30,608 2%</td>
<td>£7,885 2%</td>
</tr>
<tr>
<td>White other</td>
<td>83 2%</td>
<td>17 20%</td>
<td>£56,256 4%</td>
<td>£4,716 1%</td>
</tr>
<tr>
<td>White UK</td>
<td>167 5%</td>
<td>18 11%</td>
<td>£88,352 7%</td>
<td>£5,729 2%</td>
</tr>
<tr>
<td>No specific ethnicity</td>
<td>2,650 78%</td>
<td>812 31%</td>
<td>£1,049,649 80%</td>
<td>£289,163 90%</td>
</tr>
<tr>
<td>Not specified</td>
<td>388 11%</td>
<td>50 13%</td>
<td>£121,229 13%</td>
<td>£14,697 5%</td>
</tr>
</tbody>
</table>
### Section three

<table>
<thead>
<tr>
<th>Age</th>
<th>Number of applications and application rate</th>
<th>Number of awards and application success rate</th>
<th>Requested amount (£000) and % of requested total</th>
<th>Awarded amount (£000) and % of awarded total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-24</td>
<td>2,066</td>
<td>352</td>
<td>£1,293,886 60%</td>
<td>£119,072 34%</td>
</tr>
<tr>
<td>25-64</td>
<td>1,026</td>
<td>218</td>
<td>£299,907 14%</td>
<td>£60,702 17%</td>
</tr>
<tr>
<td>65+</td>
<td>399</td>
<td>48</td>
<td>£101,801 5%</td>
<td>£14,454 4%</td>
</tr>
<tr>
<td>No specific age</td>
<td>1,523</td>
<td>554</td>
<td>£781,965 36%</td>
<td>£208,799 60%</td>
</tr>
<tr>
<td>Not specified</td>
<td>92</td>
<td>12</td>
<td>£24,425 1%</td>
<td>£2,759 &lt;1%</td>
</tr>
</tbody>
</table>

#### Gender (applicants are asked if their project is directed at or of particular relevance, to people from a specific gender)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Requested amount (£000) and % of requested total</th>
<th>Awarded amount (£000) and % of awarded total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>£151,707 7%</td>
<td>£15,570 5%</td>
</tr>
<tr>
<td>Male</td>
<td>£9,497 &lt;1%</td>
<td>£2,301 &lt;1%</td>
</tr>
<tr>
<td>No specific gender</td>
<td>£2,003,709 93%</td>
<td>£329,981 95%</td>
</tr>
</tbody>
</table>

#### Community background (applicants applying to programmes operating in Northern Ireland are asked to indicate which community those benefiting from their project mainly belong to)

<table>
<thead>
<tr>
<th>Community background</th>
<th>Requested amount (£000) and % of requested total</th>
<th>Awarded amount (£000) and % of awarded total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainly Catholic</td>
<td>£17,324 16%</td>
<td>£3,634 15%</td>
</tr>
<tr>
<td>Mainly Protestant</td>
<td>£136,637 13%</td>
<td>£2,786 11%</td>
</tr>
<tr>
<td>Both</td>
<td>£66,995 63%</td>
<td>£16,777 68%</td>
</tr>
<tr>
<td>Neither</td>
<td>£8,543 8%</td>
<td>£1,459 6%</td>
</tr>
<tr>
<td>Faith (applicants are asked if their project is of particular relevance to people of a particular faith. They can select more than one faith therefore responses may incorporate multiple counting)</td>
<td>Number of applications and application rate</td>
<td>Number of awards and application success rate</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Christian</td>
<td>3</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Buddhist</td>
<td>1</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Hindu</td>
<td>2</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Jewish</td>
<td>7</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Muslim</td>
<td>24</td>
<td>1%</td>
</tr>
<tr>
<td>Sikh</td>
<td>2</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Other faith</td>
<td>3</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>No specific faith</td>
<td>3,508</td>
<td>97%</td>
</tr>
<tr>
<td>Not specified</td>
<td>153</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disability (applicants are asked if their project is of particular relevance to disabled people)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Disabled</td>
<td>623</td>
<td>16%</td>
<td>166</td>
</tr>
<tr>
<td>Not disabled</td>
<td>3,236</td>
<td>84%</td>
<td>804</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sexual orientation (applicants are asked if their project is of particular relevance to lesbian, gay or bisexual people)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gay/lesbian/bisexual</td>
<td>24</td>
<td>&lt;1%</td>
<td>7</td>
</tr>
<tr>
<td>Not specific to gay/lesbian/bisexual</td>
<td>3,644</td>
<td>99%</td>
<td>838</td>
</tr>
</tbody>
</table>
Welsh Language Scheme
The Welsh Language Scheme we used during 2008/09 was introduced before BIG was set up. The scheme has been reviewed to ensure it reflects the requirements of the Welsh Language Act 1993, as they affect public bodies. Our new Welsh Language Scheme was launched at the end of May 2009.

Staff in our offices in Wales are responsible for monitoring the implementation of the Welsh Language Scheme and meetings are held quarterly between BIG’s Welsh Language Officer and the Welsh Language Board to ensure we are meeting our commitments and to discuss any issues arising. We also contribute to the implementation of Iaith Pawb – The National Action Plan for a bilingual Wales.

Section 75, Northern Ireland Act 1998
In accordance with our statutory duties under Section 75 of the Northern Ireland Act 1998 we submitted our equality annual report to the Equality Commission for Northern Ireland in September 2008. The report provided an update on legislative developments and progress on equality work within BIG NI between April 2007 and March 2008.

The Northern Ireland Equality Scheme was approved by the Equality Commission and published in May 2008.

Our fourth screening report was published in September 2008, detailing all policies, programmes and functions equality assured and/or reviewed between April 2004 and June 2008.

Following the publication of our Disability Action Plan in June 2007, an informal review was carried out in August 2008. A progress report was published and some actions were amended.

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

We have calculated our carbon footprint for 2007/08, 2,463 tonnes, and are currently working on calculating our footprint for 2008/09. We will be comparing the results and looking at measures that we can introduce to cut our carbon emissions further.

Our payment policy and practice
We aim to pay all our creditors within 30 days of receiving an invoice, unless other terms and conditions have been negotiated. This is in accordance with the Better Payment Practice Guide. In the year under review 91 per cent (2007/08 89 per cent) of all creditors were paid within 30 days of receipt of an invoice.
Section four
Our financial performance

Our financial results for the year to 31 March 2009 are set out in the annual accounts starting on page 56. These accounts have been prepared in the form directed by the Secretary of State for Culture, Media and Sport and generally follow the principles set out in the Government Financial Reporting Manual.

Income
During 2008/09 we received £625 million (2007/08 £601 million) in Lottery income directly from ticket sales.

BIG normally receives half of the money raised for the good causes by the National Lottery. Parliament has agreed that between 2009 and 2012 £638 million should be transferred from our income to the Olympic Lottery Distribution Fund (OLDF). On 1 February 2009 the first transfer of £43 million was made.

<table>
<thead>
<tr>
<th>Years ended 31 March £ million</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of funds to OLD</td>
<td>43</td>
<td>172</td>
<td>172</td>
<td>172</td>
<td>80</td>
<td>638</td>
</tr>
</tbody>
</table>

In addition, the OLDF will receive £750 million directly from special Olympic Lottery games. It is uncertain how much of this will be raised by additional ticket sales, and how much by diversion from ticket sales that would have been received by the main Lottery.

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

Income generated from the National Lottery is held, and invested, on our behalf in the National Lottery Distribution Fund (NLDF) generating a further £31 million (2007/08 £50 million) in investment income during the year. This decline came mainly in the second half of the financial year and is due to a reduction in NLDF balances and the changed financial climate arising from the credit crunch. 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.

Delivering funding to good causes
During 2008/09 we made new commitments totalling £526 million (2007/08 £1,118 million). £83 million (2007/08 £124 million) additional awards are not yet commitments as we are still waiting for the grant recipient to accept them. This decrease year on year in awards is the planned result of the roll out of our 2005–2009 strategy and programmes. In 2007/08 we made a number of substantial awards to our award partners on Changing Spaces and Well-being and also made the large awards through Living Landmarks. In 2008/09 we made the final awards on many programmes. We have £180 million of remaining funding from the 2005–2009 strategy which will be awarded in 2009/10 as well as funding of £190 million from our 2009–2015 strategy.

A total of £558 million (2007/08 £600 million) was paid to grant holders during 2008/09.

At 31 March 2009 commitments still to be paid were £1,307 million.
How we decide how much to spend

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

In response to what the voluntary sector has asked of us, we now make grants for longer periods – grants that run for five years are now common. And of course we fund capital works that take several years to build. The fact that many of our grants will be paid out several years after they are committed means we can make commitments from money that we don’t yet have. At 31 March 2009 we had £1,307 million of outstanding commitments, but only had £545 million with which to meet them: excess commitments of £762 million equivalent to 15 months of future income.

Funding our outstanding commitments

<table>
<thead>
<tr>
<th>£ million</th>
<th>Outstanding awards</th>
<th>Future income</th>
<th>NLDF balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1,307</td>
<td></td>
<td>£762</td>
<td>£545</td>
</tr>
</tbody>
</table>

But our future income is uncertain – no one knows how much Lottery income there will be. So we have to be prudent. DCMS produces projections of future income based on the assumption that Lottery ticket sales will remain broadly at their current level into the future – we call this the ‘central case’ and use it for our long-term planning of likely future spending. The chart below shows how things are expected to work out on the central case.

These figures include our planned programme spend for 2009/10 but do not include new programmes beyond 2010, so we expect grant payments in 2010/11 and 2011/12 will be higher and the NLDF balance to be lower than shown.
Section four

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

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

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

The NLDF balances shown in the table below represent funding available for additional grant payments in 2011 and 2012. As described above these figures exclude new programmes beyond 2010. We will plan for these programmes to reduce NLDF balances in the 5 per cent case to nil at their lowest point.

![5% case projection](image)

**NLDF balances**

Our NLDF balance is **£545 million** at 31 March 2009.

The reason we have an NLDF balance is that, in most years, income is in fact higher than our prudent assumptions, and we therefore have some additional funds. We monitor this constantly, and carry out a full review every six months. Our Board then adjusts our grant budget plans to ensure that we are making all the commitments we safely can. It is as a result of this regular review that we have been able to identify additional money to boost recession related activities as announced in June 2009.
During 2008/09 we have identified the expected funding available for distribution through the Funding Framework 2009-15 taking into consideration current Lottery ticket sales and the Olympic transfer. We have balanced the requirement to maximise our grant commitments with a desire to provide relatively stable annual grant budgets during the early part of this plan. What this means is that for this and the next few years our NLDF balances will not fall as rapidly as in previous years as we plan to spread the availability of funding over the period to 2012.

<table>
<thead>
<tr>
<th>Years ended 31 March</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards from existing funding (2005-09 plan)</td>
<td>180</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated maximum awards from new funding (2009-15 plan)</td>
<td>190</td>
<td>340</td>
<td>400</td>
<td>650</td>
<td>650</td>
<td>650</td>
</tr>
</tbody>
</table>

BIG does not set a target for its NLDF balances. As we do not control Lottery income, it is impossible for us to manage the balance in the short-term. We publish plans based on the central case, and explain the variations each year.

Our balances have fallen rapidly over time as our programmes have matured. Balances have fallen by over a half since 2004 and our forward planning as described above shows how we will continue to manage our NLDF balances.

We currently forecast that our NLDF balances over the next two years will be as follows:

- At 31 March 2010 – £480 million
- At 31 March 2011 – £305 million

These forecasts use income projections provided by DCMS and allow for the impact of the Olympic Lottery and the transfer of announced funding to contribute to the London 2012 Olympics. They also reflect expenditure on current and announced programmes and our early estimates of expenditure on new programmes that we will consult on before launching in 2009/10 and beyond. Beyond 2011 our plans are still being developed but we do not expect NLDF balances to materially increase.
Last year our NLDF balance stood at £578 million. We forecast that at 31 March 2009 it would be £418 million. The final balance was £545 million. We have benefited from receiving more income from the NLDF than projected at the start of the year however grant payments continue to be slower than anticipated. This is particularly on programmes with significant levels of new awards where start up has been slower than expected and on capital programmes which are dependent on grant recipients claiming their money.

**Our operating costs – How BIG is spending more efficiently**

Our operating costs, excluding the structural review project and costs recharged to other organisations, were **£57 million** (2007/08 £60 million).

Note 5 to the annual accounts reports the financial performance indicator. Operating costs, excluding structural review and costs recharged to other organisations are **8.6 per cent** of Lottery income received in the financial year (2007/08 9.1 per cent).

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

Significant parts of our operating costs are not just ‘administration’. Consulting our stakeholders, supporting grant applicants and holders in their work and conducting evaluation and research are vital to delivering outcomes effectively. So we are not aiming to minimise these costs, rather to ensure that they offer value for money.

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

Overall, we are aiming to keep our Lottery distribution costs down to below nine per cent of our Lottery income over the longer term. Costs fluctuate over the programme cycle, and therefore from year to year, and Lottery income also fluctuates outside our control, so the percentage will inevitably rise and fall in the short term.

The chart below shows how BIG’s distribution costs have fallen since 2004/05 compared with what would have happened if they had simply risen in line with inflation.
The table below shows how our costs have changed over time. 2005/06 was the year of merger and we had a recruitment and investment freeze. In 2006/07 we incurred some duplicate costs while relocating posts from London to Birmingham and Newcastle. In the past three years we have delivered continued reductions in the costs of delivering Lottery grants. We have achieved this whilst absorbing all pay and other cost inflation. Extra costs were incurred in the last few years as investment to achieve future savings – these benefits are now coming through as our merger and relocation programme approaches its end.

The NAO published a value for money report ‘Making grants efficiently in the culture, media and sport sector’ in May 2008, reviewing the costs of four funders including BIG, and also comparing them with two voluntary sector funders. This showed that our costs compared favourably with the public sector funders, and were comparable to the voluntary sector funders.

Financial position
We have made a surplus for the year of £41 million (2007/08 a deficit of £490 million). This change in financial position reflects where we are in the life cycle of our programmes, as described earlier. In 2008/09 we are in the final year of the 2005–09 portfolio of grant programmes.

This surplus reduces our cumulative deficit from previous years and we now have a deficit on retained reserves of £734 million. This financial position was approved by our Board and endorsed by the Department for Culture, Media and Sport after taking into consideration the cash flow requirement of grant awards, a number of which are to fund three–to–five year projects.
Section four
Statutory disclosure items

Fixed assets
The movements in fixed assets during the year are set out in Note 9 to the accounts. During the year we invested £2.1 million in capital expenditure which substantially relates to the initial investment in our new funding system.

Loss of data
During 2008/09 there have been no reportable losses of personal data.

Post balance sheet events
On 1 April 2009 we received £32 million in refunds plus interest from three grant holders who had received grants through the New Opportunities Fund Renewable Energy programme. In March 2009 Parliament passed the Renewables Obligation Order 2009, which provides for favourable capital allowance incentives for investment in renewable energy schemes. As a result the recipients of the three large grants made through our Renewable Energy programme notified us of their intention to repay their grants in full plus interest. We account for refunds on a received basis and therefore have not adjusted the accounts for these transactions.

There have been no other significant events having a financial impact on these annual accounts between the 31 March 2009 and the date the accounts were authorised for issue, 13 July 2009.

Auditors
Under the National Lottery Act 2006, the Big Lottery Fund must have its annual accounts examined and certified by the Comptroller and Auditor General. The National Audit Office undertakes the external audit of BIG.
Section five
Our governance framework and how we work

Our history and statutory framework
BIG came into being as an administrative body on 1 June 2004 and was established formally on 1 December 2006, through the legal merger of the Community Fund and New Opportunities Fund, and the transfer of residual activities and assets from the Millennium Commission. Our work is governed by the National Lottery etc Act 1993, as amended by the National Lottery Acts 1998 and 2006.

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

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

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

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

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

The Board meets every two months and members of the Senior Management Team attend meetings.

The Audit and Risk Committee meets four times a year. It approves the internal audit programme, endorses the risk register and scrutinises the outcome of internal and external reports. The Committee's terms of reference allow for two external members. Hilary Gay has served all year, Brian Toft resigned in July 2008 and Angela Marshall was appointed through open competition. These external members bring additional expertise to the Committee.

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

The Remuneration Committee meets at least once a year and is responsible for overseeing the performance and salaries of the Chief Executive and the Senior Management Team.

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

The Board is made up of 12 members: the Chair, four Country Committee Chairs and seven general Board members including the vice-Chair, appointed by the Board itself. The full list of Board members and their responsibilities is set out on the following page.
The Board members and their responsibilities for chairing corporate committees of the Board are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir Clive Booth</td>
<td>Chair, Remuneration committee</td>
</tr>
<tr>
<td>Anna Southall</td>
<td>General member and vice-Chair, Legacy Trust member</td>
</tr>
<tr>
<td>Sanjay Dighe</td>
<td>Chair, England Country Committee</td>
</tr>
<tr>
<td>Judith Donovan CBE</td>
<td>General member, Chair, Resources Committee, Legacy Trust member</td>
</tr>
<tr>
<td>Roland Doven MBE</td>
<td>General member, Chair, Audit and Risk Committee</td>
</tr>
<tr>
<td>Breidge Gadd CBE</td>
<td>Chair, Northern Ireland Country Committee</td>
</tr>
<tr>
<td>John Gartside OBE</td>
<td>General member</td>
</tr>
<tr>
<td>Alison Magee</td>
<td>Chair, Scotland Country Committee</td>
</tr>
<tr>
<td>Rajay Naik</td>
<td>General Member (from February 2009)</td>
</tr>
<tr>
<td>Esther O’Callaghan OBE</td>
<td>(resigned May 2008) General member</td>
</tr>
<tr>
<td>Huw Vaughan Thomas</td>
<td>Chair, Wales Country Committee</td>
</tr>
<tr>
<td>Albert Tucker</td>
<td>General member</td>
</tr>
<tr>
<td>Diana Whitworth</td>
<td>General member</td>
</tr>
</tbody>
</table>
Since 1 December 2006 matters relating to grant funding have been devolved to four country committees, one each for England, Northern Ireland, Scotland and Wales. These committees are responsible for advising on the strategic policy of BIG and making grant funding decisions within their respective countries. Members of country committees are openly recruited and appointed by the Board with the consent of the Secretary of State for Culture, Media and Sport in England or Ministers in the devolved administrations in Scotland, Wales and Northern Ireland.

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

The **Wales country committee** has seven members.

Huw Vaughan Thomas, Chair  
Graham Benfield OBE  
Fran Targett OBE (from June 2008)  
Gareth Newton  
Janet Reed OBE  
Mike Theodoulou  
Barbara Wilding CBE, QPM, CCMI

The **Northern Ireland country committee** has six members.

Breidge Gadd CBE, Chair  
Geraldine Campbell (from October 2008)  
Paul Cavanagh  
Siobhan Craig (resigned September 2008)  
Julie Harrison (from July 2008)  
Claire Keatinge  
Peter Osborne

The **England country committee** has 10 members.

Sanjay Dighe, Chair  
Dr Mohammed Amran FRSA  
Dr Alan Billings  
Sue Charteris  
John Gartside OBE  
Margaret Hyde OBE  
Lydia Thomas FRSA (resigned March 2009)  
Albert Tucker  
Nalini Varma  
Geoffrey Wilkinson

The **Scotland country committee** has 10 members.

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

The **Senior Management Team**

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

The Senior Management Team considers policy and key strategic and operational matters, which require the approval of the Board and its main committees. The Senior Management Team also maintains an overview of the day-to-day operations of the organisation.
The Senior Management Team comprises the Chief Executive and seven directors. Each director’s responsibilities during 2008/09 were:

- **Chief Executive**
  - Peter Wanless

- **Director, Finance and Corporate Services**
  - Mark Cooke

- **Director, Policy and Partnerships**
  - Gerald Oppenheim

- **Director, Communications and Marketing**
  - Linda Quinn

- **Director, Operations**
  - Adriëne Kelbie

- **Director, Wales**
  - Ceri Doyle

- **Director, Scotland**
  - Dharmendra Kanani

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

<table>
<thead>
<tr>
<th>Board or Committee member</th>
<th>Nature of relationship</th>
<th>Summary of disclosable awards</th>
<th>Awarded in 2008/09</th>
<th>Paid in 2008/09</th>
<th>Outstanding balance at 31 March 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siobhan Craig</td>
<td>Member Management Committee, Include Youth</td>
<td>1 award of £39,825</td>
<td>£-</td>
<td>£39,825</td>
<td>£-</td>
</tr>
<tr>
<td>Breidge Gadd</td>
<td>Board Member, Bytes Belfast</td>
<td>1 award of £453,659</td>
<td>1 award of £453,659</td>
<td>£4,240</td>
<td>£460,183</td>
</tr>
<tr>
<td>John Gartside</td>
<td>Trustee and Company Secretary, The Tim Parry Jonathan Ball Trust</td>
<td>1 award of £499,186</td>
<td>£-</td>
<td>£440,677</td>
<td>£54,409</td>
</tr>
<tr>
<td>Alison Magee</td>
<td>Past Convenor of the Highland Council, Past Director of the Sutherland Partnership</td>
<td>1 award of £7,544</td>
<td>1 award of £375,900</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>Lucy McTeman</td>
<td>Director, Scottish Council for Voluntary Organisations</td>
<td>1 award of £8,508,040</td>
<td>£-</td>
<td>£957,549</td>
<td>£7,265,766</td>
</tr>
<tr>
<td>Albert Tucker</td>
<td>Places for People Board Member</td>
<td>1 award of £15,669,999</td>
<td>£-</td>
<td>£882,067</td>
<td>£14,340,669</td>
</tr>
<tr>
<td>Huw Vaughan Thomas</td>
<td>Trustee for Wales, Royal National Institute for the Deaf</td>
<td>11 awards totalling £2,043,010</td>
<td>1 award of £279,813</td>
<td>£408,881</td>
<td>£928,780</td>
</tr>
<tr>
<td>Diana Whitworth</td>
<td>Joint Chief Executive of Grandparents Plus (to October 2007)</td>
<td>1 award of £167,918</td>
<td>£-</td>
<td>£54,988</td>
<td>£112,930</td>
</tr>
<tr>
<td>Geoffrey Wilkinson</td>
<td>Non Executive Director, Eden Project</td>
<td>1 award of £249,015</td>
<td>£-</td>
<td>£114,626</td>
<td>£114,648</td>
</tr>
</tbody>
</table>
This report sets out BIG’s policy for the remuneration of its Directors and Board members. Only the section of the remuneration report dealing with remuneration received is subject to audit.

Remuneration Committee
The Remuneration Committee, a committee of the Board, sets the remuneration policy for BIG’s Senior Management Team. This committee comprises the Chair of the Board, Sir Clive Booth, the Vice Chair, Anna Southall, the Chair of the Resources Committee, Judith Donovan, and one other Board member, John Gartside. At the request of the Chair of the Committee the Chief Executive, the Deputy Director, Human Resources or other Officers may be in attendance at meetings or for selected agenda items.

The Committee’s responsibilities are to

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

The Committee meets as required.

Senior staff remuneration policies

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

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

Remuneration of the senior management team

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

Peter Wanless was appointed Chief Executive in January 2008. His employment contract allows for a six month notice period and for a progression payment dependent on performance for the first two years of appointment. This payment is consolidated for pension purposes. An additional unconsolidated performance bonus that, taken with the progression payment, is within 20 per cent of annual salary can also be awarded. Beyond the first two years the Chief Executive’s contract allows for a performance bonus up to 20 per cent of annual salary. Up to two per cent of this bonus is consolidated for pension purposes and the balance of any award is paid as a non consolidated bonus, in compliance with recent guidance from HM Treasury relating to the appointment of Chief Executives.
Directors receive a consolidated annual pay award at the same level as negotiated for BIG’s staff and a non consolidated performance bonus of up to eight per cent of their annual salary.

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

<table>
<thead>
<tr>
<th>Name and Position</th>
<th>Salary, including performance bonus for the 12 months ending 31 March 2009 £'000</th>
<th>Real increase in pension at 60</th>
<th>Total accrued pension at 60 as at 31 March 2008 £'000</th>
<th>Cash equivalent transfer value (CETV)* £'000</th>
<th>Real increase in CETV payable by employer £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Wanless (Chief Executive) from 1 February 2008</td>
<td>135-140 (20 - 25)</td>
<td>2.5 - 5.0 plus 7.5 - 10 lump sum</td>
<td>35 - 40 plus 105 - 110 lump sum</td>
<td>526 (443)</td>
<td>42</td>
</tr>
<tr>
<td>Mark Cooke (Director, Finance and Corporate Services)</td>
<td>100 - 105 (100 - 105)</td>
<td>0 - 2.5</td>
<td>5 - 10</td>
<td>118 (89)</td>
<td>18</td>
</tr>
<tr>
<td>Ceri Doyle (Director, Wales)</td>
<td>85 - 90 (85 - 90)</td>
<td>0 - 2.5</td>
<td>15 - 20</td>
<td>194 (169)</td>
<td>7</td>
</tr>
<tr>
<td>Dharmendra Kanani (Director, Scotland)</td>
<td>85 - 90 (85 - 90)</td>
<td>0 - 2.5 plus 0 - 2.5 lump sum</td>
<td>5 - 10 plus 25 - 30 lump sum</td>
<td>138 (118)</td>
<td>9</td>
</tr>
<tr>
<td>Adriënné Kelbie (Director of Operations)</td>
<td>105 - 110 (100 - 105)</td>
<td>0 - 2.5 plus 0 - 2.5 lump sum</td>
<td>15 - 20 plus 50 - 55 lump sum</td>
<td>209 (183)</td>
<td>8</td>
</tr>
<tr>
<td>Gerald Oppenheim (Director Policy and Partnerships)</td>
<td>100 - 105 (100 - 105)</td>
<td>0 - 2.5 plus 0 - 2.5 lump sum</td>
<td>40 - 45 plus 120 - 125 lump sum</td>
<td>924 (855)</td>
<td>0</td>
</tr>
<tr>
<td>Linda Quinn (Director Communications and Marketing)</td>
<td>80 - 85 (75 - 80)</td>
<td>0 - 2.5 plus 0 - 2.5 lump sum</td>
<td>20 - 25 plus 60 - 65 lump sum</td>
<td>468 (425)</td>
<td>8</td>
</tr>
<tr>
<td>Walter Rader (Director, Northern Ireland)</td>
<td>85 - 90 (80 - 85)</td>
<td>0 - 2.5 plus 2.5 - 5 lump sum</td>
<td>10 - 15 plus 35 - 40 lump sum</td>
<td>293 (251)</td>
<td>17</td>
</tr>
</tbody>
</table>

*The figure for CETV may be different from the closing figure in last year’s accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) regulations 2008
Pension benefits are provided through the Principal Civil Service Pension Scheme. Further pension disclosures are made in note 20.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. Column 5 of the table on page 53 shows the member’s cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. Column 6 reflects the increase in CETV effectively funded by BIG as it excludes increases due to inflation and contributions paid by the employee.

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

Board members remuneration policy

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Year ended 31 March 2009</th>
<th>Year ended 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir Clive Booth, Chair of the UK Board</td>
<td>39,141</td>
<td>38,001</td>
</tr>
<tr>
<td>Sanjay Dighe, Chair of the England Committee and UK Board member</td>
<td>24,883</td>
<td>24,158</td>
</tr>
<tr>
<td>Breidge Gadd, Chair of the Northern Ireland Committee and UK Board member</td>
<td>24,883</td>
<td>24,158</td>
</tr>
<tr>
<td>Alison Magee, Chair of the Scotland Committee and UK Board member</td>
<td>24,883</td>
<td>24,158</td>
</tr>
<tr>
<td>Huw Vaughan Thomas Board, Chair of the Wales Committee and UK Board member</td>
<td>24,883</td>
<td>24,158</td>
</tr>
</tbody>
</table>

All Board members of BIG are appointed by the Secretary of State for a fixed period. Board members are entitled to receive remuneration for their time spent on the activities of BIG. These activities, for which Board members can claim a daily rate fee of £215 (2007/08 £209), mainly consist of meetings in BIG’s offices. The daily rate is as advised by DCMS each year. No Board member received contributions to pension.

Country Committee members and external members of the Audit Committee are also entitled to remuneration at this daily rate.

Total emoluments paid to Board and Committee members to 31 March 2009 were £253,500 (2007/08 £211,800), as set out on page 55.
UK Board

Judith Donovan 10.4 9.7
Roland Doven 11.3 12.3
Rajay Naik (from February 2009) - -
Esther O’Callaghan (until May 2008) - 3.8
Anna Southall (Vice Chair) 15.4 16.7
Diana Whitworth 10.1 10.5

England Committee

John Gartside (Also a member of the UK Board) 17.6 23.1
Albert Tucker (Also a member of the UK Board) 16.4 11.5
The Rev’d Dr Alan Billings 14.5 11.7
Lydia Thomas (Until March 2009) 4.9 2.9
Dr Mohammed Amran 11.9 11.2
Geoffrey Wilkinson 9.3 6.9
Margaret Hyde 10.4 4.9
Nalini Varma 12.3 10.1
Sue Charteris 6.2 4.8

Scotland Committee

Alistair Grimes 5.6 5.9
David Green 7.5 5.5
Elizabeth Cameron 4.2 4.2
Helen Forsyth 6.3 5.0
Kristofer McGhee (from December 2007) 6.9 2.2
Lucy McTernan 3.1 4.6
Maureen McGinn 4.1 4.8
Tim Allen 3.8 2.0
Shirley Young (from December 2007) 5.2 1.2

Wales Committee

Janet Reed 5.9 5.1
Barbara Wilding 2.4 1.9
Graham Benfield 3.8 0.9
Mike Theodoulou 5.3 4.7
Tom Davies (until November 2007) - -
Gareth Newton (from February 2008) 6.5 -
Fran Targett OBE (from June 2008) 2.0 -

Northern Ireland Committee

Paul Cavanagh 10.1 11.5
Peter Osbourne 5.8 5.7
Siobhan Craig (Until September 2008) 3.7 1.8
Claire Keatinge 4.8 4.7
Julie Harrison (from June 2008) 3.8 -
Geraldine Campbell (from October 2008) 2.0 -

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

Peter Wanless
Chief Executive and Accounting Officer
7 July 2009
This section contains the Statement of Accounting Officer’s responsibilities; the statement of internal control; the audit certificate; and the financial statements.

**Statement of Accounting Officer’s Responsibilities**

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

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

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

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

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

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

**Delegated responsibilities**

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

BIG has the following framework agreement in place:

- Between BIG and the Department for Children, Schools and Families with regard to the Building Neighbourhood Nurseries programme in England, which sets out the areas that the Accounting Officer of the Department for Children, Schools and Families is accountable for, namely:
  - the Early Years Development and Childcare Partnerships’ endorsement of applications for funding, including viability of approved bodies, provided to BIG
  - the opinion of sustainability on bids which are assessed centrally by the Department for Education and Skills.
BIG has entered into joint schemes, as defined in the National Lottery Act 1998, to provide funding alongside other bodies to achieve the outcomes defined by the relevant Joint Scheme Order. In these schemes, BIG’s Accounting Officer is responsible for ensuring that Lottery funds allocated by BIG are applied in accordance with BIG’s legal powers; the economic, efficient and effective use of Lottery funding allocated by BIG to the programme; satisfying himself that the systems used for operating the programme are robust and fit for purpose; and agreeing the mechanism for allocating the administrative costs of the programme between the participating Lottery Distributors. In addition for the Awards for All England programme, as BIG administer the programme BIG’s Accounting Officer is also responsible for the delivery of the systems used for operating the programme.

During 2008/09 BIG has participated in the following joint schemes:

- **Awards for All, England**: a scheme administered by BIG on behalf of Arts Council England, Heritage Lottery Fund, BIG and Sport England.
- **Spaces for Sports and Arts**: part of the PE and Sport in Schools programme; a scheme administered by Sport England on behalf of Sport England, Arts Council England, Department of Culture, Media and Sport, Department for Children, Schools and Families and BIG.
- **Active England**: part of the PE and Sport in Schools programme; a scheme administered by Sport England on behalf of Sport England and BIG.
- **Parks for People**: a scheme administered by the Heritage Lottery Fund on behalf of the Heritage Lottery Fund and BIG.

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

As part of the new opportunities for health programmes:

- **British Heart Foundation** – Heart Failure Support Networks.

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

- **The Sports Council for Northern Ireland** – Community Sport.

As part of the Young People’s Fund:

- **UnLtd** – Big Boost.
- **Youthnet** – BIG Deal.

As part of the Countryside Communities programme:

- **Carnegie Institute**.

As part of the Changing Spaces programme:

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

**Peter Wanless**
Chief Executive and Accounting Officer
7 July 2009
Section six
Statement on Internal Control

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

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of BIG’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place throughout the year ended 31 March 2009 and up to the date of the approval of the annual report and accounts. It accords with Treasury guidance.

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

Control environment
► The Department of Culture, Media and Sport has designated me, the Chief Executive of the Big Lottery Fund, as Accounting Officer. I hold a separate letter of engagement to this effect that clearly sets out my responsibility and accountability for maintaining a sound system of internal control within the Fund.

► A senior management team, with clear terms of reference and defined membership, which meets at least every month to consider the plans and operations of BIG and compliance with the Management Statement.

► A Board which meets every two months to consider the strategic direction of BIG. The Board comprises a Chair and non executive members and is attended by members of the senior management team.

► The Audit and Risk Committee, whose terms of reference require the Committee to approve the internal audit programme, to endorse the risk register and to scrutinise the outcome of reports by internal and external audit. The Audit Committee also has two external members. The Chair of the Committee reports to the Board on the matters discussed by the Committee.

► The Remuneration Committee, whose terms of reference provide for oversight and approval of remuneration and performance for senior staff members including myself.

► The Resources Committee, whose terms of reference require the Committee to approve the annual budget and to receive regular financial reports to challenge and oversee expenditure.

► A published corporate plan that sets out our objectives and performance measures.
Quarterly performance management reports to the senior management team reporting progress in achieving corporate objectives, performance and service delivery targets. We have made good progress towards achieving these targets as detailed in Section three of the Annual Report. Where targets have not been met, action is identified to improve efficiency and effectiveness.

Monthly financial summary reports to the senior management team and quarterly reports to the Resources Committee, reporting progress against financial targets, including grant commitment budgets, NLDF balance targets and operating cost budgets.

A fraud policy, whereby suspected frauds are reported to DCMS 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 which includes 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 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 information security process. Using the Cabinet Office’s guidance we have completed a self assessment of our processes. This has been considered by Internal Audit and an action plan is in place to address the matters identified.

An Internal Audit Unit that operates to standards defined in the Government Internal Audit manual. The work of internal audit is informed by the corporate risk register and an assessment of the assurance requirements and most significant risks facing BIG and gives emphasis to the key day to day processes and systems in place within BIG. The annual internal audit plan is based on this analysis; it is approved by me and endorsed by the Audit and Risk Committee. The Head of Internal Audit meets with me on a regular basis and provides me with periodic progress reports including the findings of follow up reviews building to an annual report on internal audit activity. This annual report includes his opinion on the adequacy and effectiveness of the systems that internal audit have reviewed.

The Head of Internal Audit also regularly meets with the Audit and Risk Committee with no officers present. The Audit and Risk Committee review the periodic progress reports and the annual assurance report.
Risk management

Capacity to handle risk

At the start of the year and during 2008/09, the senior management team formally considered and updated their documentation of the risks faced by the organisation. The outcome of these reviews were discussed with the Audit and Risk Committee to seek their agreement on the corporate risk register and the revised risk assessment definitions and risk appetite. These reviews ensure that the risk register and our responses are relevant.

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

Each Director is responsible for conducting regular reviews of risks within their Directorate. These reviews are considered by the senior management team focusing on areas where urgent action is required.

During 2008/09 we have continued developing our risk management capacity. We have developed and are in the process of rolling out focused training across the organisation.

Risk and control framework

The risk register agreed by the Audit and Risk Committee in March 2008 highlighted 14 corporate risks. During the year to date a further three corporate risks were identified. The potential impact of each risk and the likelihood of it being realised have been assessed, our appetite for each risk identified and appropriate controls to mitigate these risks have been determined. These actions have been recorded in the corporate risk register. As detailed above, this is reviewed and updated quarterly.

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

- The 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 relevant country programme board.
- A similar process is followed with regard to business development projects.
- Grant assessment and grant management procedures set out the requirement for each grant to be allocated a risk rating, which informs the level of intervention during grant management.

During the period to date the risk priorities have included:

- Governance risk, recognising the settling down period of the new governance structures and devolved arrangements.
- Political risk, and in particular a failure to respond to a changing political map.
- Communications risks, around failure to communicate our context and constraints effectively and failure to manage demand for funding.
- Grant-making risk, including failure to deliver outcomes, manage demand or achieve targets through a) inadequate organisational capacity to deliver; b) poor programme design and c) failure to respond to evaluation and research and d) projects losing partnership funding due to the economic downturn.
- Systems development risks, including the failure of the business process re-engineering project to deliver the expected benefits to the business.
- Legal and regulatory risk, including compliance with our new legislation and general compliance with existing legislation.
Non-Lottery funding risks, including failure to deliver a corporate approach.

Reputational risk, including the risks associated with Ministerial and public perceptions about our funding decisions.

Unforeseen risks, including systems failure and disruption to business.

Financial risk, fall in Lottery income leading to cuts in grant budgets or failure to meet all grant commitments.

Fraud risk, including loss of confidence in our systems.

Information risk, including an internal audit review of our information security and handling policies and practices including a review of the Cabinet Office’s guidelines on this area.

Review of effectiveness of internal control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by i) the work of the internal auditors including the annual assurance report, interim progress reports and the reviews of outstanding audit recommendations, ii) the executive managers within BIG who have responsibility for the development and maintenance of the internal control framework, and iii) comments made by the external auditors in their 2007/08 management letter and other reports.

The written assurance report on internal controls that I received from the Head of Internal Audit provided moderate assurance on the design, adequacy and effectiveness of the system of internal control. Weaknesses have been found in the design and/or operation of internal controls across several systems and one was considered significant enough to impact upon the achievement of organisational objectives. This was in relation to assurance over processes within one of our award partners. Remedial action has been agreed and an interim statement of fitness has been requested from the award partner. No internal audit reports in the year have identified inadequate internal controls. In addition, the Head of Internal Audit has reported that where significant control weaknesses have been identified he is satisfied that they are being resolved in an appropriate manner.

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

Compliance

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

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

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

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

Peter Wanless
Chief Executive and Accounting Officer

7 July 2009
Section six

I certify that I have audited the financial statements of the Big Lottery Fund for the year ended 31 March 2009 under the National Lottery Act 1993 (as amended). These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Chief Executive and auditor
The Board and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes 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 Accounting Officer’s Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited 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 report to you whether, in my opinion, the information, which comprises the Sections 1, 3, 4 and 5, included in the Annual Report is consistent with the financial statements. 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.

In addition, I report to you if the Big Lottery 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 HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Big Lottery Fund’s compliance with HM Treasury’s guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Big Lottery 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 Section 2 and 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.
Basis of audit opinions
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 Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Big Lottery 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.

Opinions
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 Big Lottery Fund’s affairs as at 31 March 2009 and of its surplus, recognised gains and losses and cash flows 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 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury; and
• information, which comprises Sections 1, 3, 4 and 5, included within the Annual Report, is consistent with the financial statements.

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

Report
I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London SWIW 9SS
13 July 2009
### Income and expenditure account for the year ended 31 March 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Income from the National Lottery</th>
<th>Year ended 31 March 2009 £’000</th>
<th>Year ended 31 March 2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proceeds from the National Lottery</td>
<td>624,587</td>
<td>601,181</td>
</tr>
<tr>
<td></td>
<td>Investment income from the National Lottery Distribution Fund</td>
<td>30,632</td>
<td>48,661</td>
</tr>
<tr>
<td></td>
<td>Increase on revaluation of investment</td>
<td>662</td>
<td>1,271</td>
</tr>
<tr>
<td></td>
<td>Bank interest receivable</td>
<td>895</td>
<td>1,355</td>
</tr>
<tr>
<td></td>
<td>Recoveries of grant</td>
<td>5,022</td>
<td>7,862</td>
</tr>
<tr>
<td></td>
<td><strong>Total Income</strong></td>
<td><strong>668,671</strong></td>
<td><strong>664,975</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Income from other sources</th>
<th>Year ended 31 March 2009 £’000</th>
<th>Year ended 31 March 2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other income</td>
<td>6,873</td>
<td>4,645</td>
</tr>
<tr>
<td></td>
<td><strong>Total Income</strong></td>
<td><strong>661,798</strong></td>
<td><strong>660,330</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Expenditure</th>
<th>Year ended 31 March 2009 £’000</th>
<th>Year ended 31 March 2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Programme expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grant commitments made</td>
<td>526,499</td>
<td>1,111,777</td>
</tr>
<tr>
<td></td>
<td>Less lapsed or revoked commitments</td>
<td>(27,656)</td>
<td>(41,402)</td>
</tr>
<tr>
<td></td>
<td><strong>Total Programme expenditure</strong></td>
<td>498,843</td>
<td>1,070,375</td>
</tr>
<tr>
<td></td>
<td>National Endowment for Science, Technology &amp; the Arts</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td>Olympic transfer</td>
<td>42,932</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Direct expenditure in support of programmes</td>
<td>3,923</td>
<td>4,978</td>
</tr>
<tr>
<td></td>
<td><strong>Total operating costs</strong></td>
<td><strong>560,698</strong></td>
<td><strong>1,090,353</strong></td>
</tr>
<tr>
<td></td>
<td>Operating costs for distributing Lottery income</td>
<td>56,840</td>
<td>59,994</td>
</tr>
<tr>
<td></td>
<td>Operating costs for distributing non-Lottery income</td>
<td>6,873</td>
<td>4,645</td>
</tr>
<tr>
<td></td>
<td>Structural review costs</td>
<td>3,248</td>
<td>(722)</td>
</tr>
<tr>
<td></td>
<td><strong>Total operating costs</strong></td>
<td><strong>66,961</strong></td>
<td><strong>63,917</strong></td>
</tr>
</tbody>
</table>

BIG 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 67 to 80 form part of these accounts.

64 BIG Annual Report and Accounts
**Balance sheet as at 31 March 2009**

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March 2009 £'000</th>
<th>Year ended 31 March 2008 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>9</td>
<td>6,030</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td>10</td>
<td>8,949</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>30,003</td>
<td>15,016</td>
</tr>
<tr>
<td>Investment balance in National Lottery Distribution Fund</td>
<td>11</td>
<td>545,119</td>
</tr>
<tr>
<td></td>
<td></td>
<td>584,071</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>12 (7,929)</td>
<td>(8,305)</td>
</tr>
<tr>
<td>Grants committed for payment</td>
<td>14 (625,113)</td>
<td>(640,926)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(633,042)</td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td></td>
<td>(48,971)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td>(42,941)</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due after one year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>12 (805)</td>
<td>(907)</td>
</tr>
<tr>
<td>Grants committed for payment</td>
<td>14 (681,601)</td>
<td>(724,468)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(682,406)</td>
</tr>
<tr>
<td><strong>Provisions for liabilities and charges</strong></td>
<td></td>
<td>(8,269)</td>
</tr>
<tr>
<td><strong>Total net liabilities</strong></td>
<td></td>
<td>(733,616)</td>
</tr>
<tr>
<td><strong>Represented by:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained deficit</td>
<td></td>
<td>(733,616)</td>
</tr>
</tbody>
</table>

Signed on behalf of the Big Lottery Fund Board on 7 July 2009

**Peter Wanless**  
Chief Executive and Accounting Officer

**Sir Clive Booth**  
Chair

The notes on pages 67 to 80 form part of these accounts.
## Cash flow statement to 31 March 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Operating activities</th>
<th>Year ended 31 March 2009 £’000</th>
<th>Year ended 31 March 2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funds drawn down from the National Lottery Distribution Fund</td>
<td>11 688,638</td>
<td>670,286</td>
</tr>
<tr>
<td></td>
<td>Recoveries of grant and cash from other sources</td>
<td>5,022</td>
<td>8,195</td>
</tr>
<tr>
<td></td>
<td>Other income</td>
<td>7,707</td>
<td>2,491</td>
</tr>
<tr>
<td></td>
<td>Payments to suppliers</td>
<td>(26,337)</td>
<td>(28,990)</td>
</tr>
<tr>
<td></td>
<td>Payments to and on behalf of employees</td>
<td>(37,051)</td>
<td>(37,514)</td>
</tr>
<tr>
<td></td>
<td>Payments to grant recipients</td>
<td>(563,405)</td>
<td>(604,869)</td>
</tr>
<tr>
<td></td>
<td>Payment to NESTA</td>
<td>(15,000)</td>
<td>(15,000)</td>
</tr>
<tr>
<td></td>
<td>Payment to OLDF</td>
<td>(42,932)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Cash paid and held by third parties</td>
<td>(77)</td>
<td>9,133</td>
</tr>
<tr>
<td></td>
<td><strong>Net cashflow from operating activities</strong></td>
<td>17 16,565</td>
<td>3,732</td>
</tr>
</tbody>
</table>

### Returns on investments and servicing of finance

- Bank interest received 899 1,391

### Capital expenditure

- Payments to acquire tangible fixed assets (2,138) (666)

### Taxation

- Tax paid on interest received (339) (326)

### Increase in cash

- 14,987 4,131

### Change in funds resulting from cashflow

- Cash balances carried forward at 31 March 2009 30,003 15,016
- Less cash balances brought forward at 1 April 2008 (15,016) (10,885)
- **Movement** 14,987 4,131

The notes on pages 67 to 80 form part of these 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 43D(2) of the National Lottery etc Act 1993 (as amended by the National Lottery Acts 1998 and 2006).*

BIG’s Accounts Directions require Fixed Assets to be included at their value to the business by reference to current costs. For 2008/09 BIG does not believe that these values are materially different to the historic cost 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 where appropriate.

1.2 Going concern
The annual accounts have been prepared on a going concern basis. The grant commitments for future years have been entered into after consideration of the cash requirements of grant recipients (these can extend over three to five years) and after taking account of income forecasts provided by the Department of Culture Media and Sport including the transfer of funds to the Olympic Lottery Distributor. In taking this view of future income the Board assume as a matter of public policy the continued operation of the Lottery. They also assume the maintenance of BIG’s percentage of the National Lottery Distribution Fund as set out in the National Lottery etc Act 1993 (as ammended).

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 BIG 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 BIG in respect of current and future commitments.

1.4 Fixed assets
Fixed assets are capitalised in the Balance Sheet at cost except for items costing less than £2,000, which are written off to the Income and Expenditure Account in the year of purchase.

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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>Over the life of the lease</td>
</tr>
<tr>
<td>Office equipment, furniture and fittings</td>
<td>3 years</td>
</tr>
<tr>
<td>IT equipment</td>
<td>3 years</td>
</tr>
<tr>
<td>Funding system under development</td>
<td>No depreciation until the asset is commissioned</td>
</tr>
</tbody>
</table>

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. Pension benefits are paid by the PCSPS. BIG’s liabilities are limited to a charge, which is set by the Government Actuary, related to salaries paid in each year.

* A copy of the Accounts Directions issued by the Department for Culture, Media and Sport on 10 April 2007 are available on written request to BIG, 1 Plough Place, London EC4A 1DE
Notes to the Accounts

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

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

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

Hard commitments are defined as the grant sum payable over the life of a scheme on which BIG has a written contractual agreement with the applicant. Hard commitments are charged to the income 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 BIG 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
BIG’s conditions of grant permit the recovery and repayment of grants paid. This can arise when the grant holder fails to comply with the terms and conditions or where the actual expenditure by a recipient falls below the grant that has been paid based on estimated costs. Recoveries of grants are recognised as income on receipt of the repayment.

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

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

Joint schemes
Where BIG has entered into a joint scheme, as defined in the National Lottery Act 1998, hard commitments made through the joint scheme are accounted for on the basis of BIG’s share in the scheme. Funds advanced to the joint scheme for the purpose of payment of hard commitments are recorded as a debtor until BIG receives confirmation that the grant commitments have been met. Administration costs are included in the Income and Expenditure Account at the amount charged to BIG.

1.9 Third party assets
BIG holds as custodian certain assets belonging to third parties. These are not recognised in the accounts since BIG has no direct beneficial interest in them.
### 2. Other income

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March</td>
<td>31 March</td>
</tr>
<tr>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income recovered from delivering non-lottery funding</td>
<td>3,933</td>
<td>1,055</td>
</tr>
<tr>
<td>Income from delivering Lottery funding on behalf of other distributors</td>
<td>1,291</td>
<td>1,497</td>
</tr>
<tr>
<td>Rental income</td>
<td>1,456</td>
<td>1,624</td>
</tr>
<tr>
<td>Other</td>
<td>193</td>
<td>469</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,873</strong></td>
<td><strong>4,645</strong></td>
</tr>
</tbody>
</table>

### 3. Direct expenditure in support of programmes

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

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March</td>
<td>31 March</td>
</tr>
<tr>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultancy support provided directly to grant applicants and recipients</td>
<td>3,891</td>
<td>3,759</td>
</tr>
<tr>
<td>People’s Millions award</td>
<td>32</td>
<td>1,028</td>
</tr>
<tr>
<td>Scottish Youth Football award</td>
<td>-</td>
<td>191</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,923</strong></td>
<td><strong>4,978</strong></td>
</tr>
</tbody>
</table>
4. Operating costs

<table>
<thead>
<tr>
<th>Cost incurred in distributing Lottery income £'000</th>
<th>Costs for distributing non Lottery income £'000</th>
<th>Total operating costs £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee remuneration (note 6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel and expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board and committee members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease payments (property)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT infrastructure costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non operating lease accommodation costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Externally provided support for grant programmes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff recruitment and training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme evaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business process re-engineering project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors remuneration for audit work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors remuneration IFRS review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write down of fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended 31 March 2009</th>
<th>Year ended 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>56,840</td>
<td>63,713</td>
</tr>
<tr>
<td>6,873</td>
<td></td>
</tr>
<tr>
<td>64,713</td>
<td>64,639</td>
</tr>
</tbody>
</table>

5. Financial performance indicator

BIG measures its operating costs as a percentage of Lottery income received. This indicator is calculated on a net basis, that is excluding income and costs relating to activities recharged to other distributors. Operating costs excluding one off structural review costs are 8.6 per cent of income (2007/08 9.1 per cent).
6. Staff numbers and cost

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

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March 2009</th>
<th>Year ended 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>27,395</td>
<td>26,508</td>
</tr>
<tr>
<td>Social security costs</td>
<td>2,184</td>
<td>2,165</td>
</tr>
<tr>
<td>Pension costs</td>
<td>4,889</td>
<td>4,783</td>
</tr>
<tr>
<td>Agency staff</td>
<td>1,454</td>
<td>9,929</td>
</tr>
<tr>
<td></td>
<td><strong>35,922</strong></td>
<td><strong>35,385</strong></td>
</tr>
</tbody>
</table>

These costs include £208,000 for staff seconded out to other organisations. Recoveries of £160,000 are included in other income.

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

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

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March 2009</th>
<th>Year ended 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average no. of temporary staff (FTE’s)</td>
<td>Average no. of employees (FTE’s)</td>
</tr>
<tr>
<td>Grant-making</td>
<td>59</td>
<td>575</td>
</tr>
<tr>
<td>Support to customers and stakeholders</td>
<td>8</td>
<td>186</td>
</tr>
<tr>
<td>Governance and administration</td>
<td>19</td>
<td>199</td>
</tr>
<tr>
<td></td>
<td><strong>86</strong></td>
<td><strong>960</strong></td>
</tr>
</tbody>
</table>

At 31 March 2009 BIG employed 969 full time equivalent employees (2008 909).
7. Structural review/merger

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 2008/09:

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 £'000</td>
<td>2008 £'000</td>
</tr>
<tr>
<td>Termination payments</td>
<td>1,937</td>
</tr>
<tr>
<td>Property rationalisation</td>
<td>1,311</td>
</tr>
<tr>
<td>Release of property provision no longer required</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,248</td>
</tr>
</tbody>
</table>

8. Corporation tax

BIG pays corporation tax on bank interest received. The tax payable is £241,164 (2007/08 £410,914). Investment income generated on balances held and invested by the National Lottery Distribution Fund on BIG’s behalf are not taxable.
### 9. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Leasehold improvement</th>
<th>IT</th>
<th>Office equipment and fittings</th>
<th>Funding system under development</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2008</td>
<td>6,273</td>
<td>2,034</td>
<td>185</td>
<td>-</td>
<td>8,492</td>
</tr>
<tr>
<td>Additions</td>
<td>264</td>
<td>245</td>
<td>43</td>
<td>1,586</td>
<td>2,138</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2009</td>
<td>6,537</td>
<td>2,279</td>
<td>228</td>
<td>1,586</td>
<td>10,630</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2008</td>
<td>2,261</td>
<td>1,358</td>
<td>133</td>
<td>-</td>
<td>3,752</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>435</td>
<td>364</td>
<td>49</td>
<td>-</td>
<td>848</td>
</tr>
<tr>
<td>Disposal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2009</td>
<td>2,696</td>
<td>1,722</td>
<td>182</td>
<td>-</td>
<td>4,600</td>
</tr>
<tr>
<td><strong>Net cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2009</td>
<td>3,841</td>
<td>557</td>
<td>46</td>
<td>1,586</td>
<td>6,030</td>
</tr>
<tr>
<td>At 31 March 2008</td>
<td>4,012</td>
<td>676</td>
<td>52</td>
<td>-</td>
<td>4,740</td>
</tr>
</tbody>
</table>

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

### 10. Debtors and prepayments

<table>
<thead>
<tr>
<th></th>
<th>At 31 March 2009 £’000</th>
<th>At 31 March 2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held by delegated partners for payment of grant commitments</td>
<td>2,633</td>
<td>600</td>
</tr>
<tr>
<td>Other debtors</td>
<td>2,650</td>
<td>4,284</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>3,666</td>
<td>3,747</td>
</tr>
<tr>
<td></td>
<td><strong>8,949</strong></td>
<td><strong>8,631</strong></td>
</tr>
</tbody>
</table>

Included in the amounts above are the following:
£52,561 owed by 86 members of staff for season ticket loans. No loan exceeds £5,000. All loans are for 12 months and are repayable through deduction from salary.
### Notes to the Accounts

Balances payable by other Government bodies are as follows:

<table>
<thead>
<tr>
<th>Amounts due from other Government bodies</th>
<th>£’000</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,737</td>
<td>4,612</td>
</tr>
<tr>
<td>2008</td>
<td>997</td>
<td>304</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>£’000</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1 April 2008</td>
<td>577,876</td>
<td></td>
</tr>
<tr>
<td>Income received from the National Lottery</td>
<td>624,587</td>
<td></td>
</tr>
<tr>
<td>Investment income earned</td>
<td>30,632</td>
<td></td>
</tr>
<tr>
<td>Cash drawn down</td>
<td>(688,638)</td>
<td></td>
</tr>
<tr>
<td>Net decrease in balance</td>
<td>(33,419)</td>
<td></td>
</tr>
<tr>
<td>Cost as at 31 March 2009</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unrealised gain on investment | 662   |

Market value at 31 March 2009 | 545,119 |

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

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

<table>
<thead>
<tr>
<th></th>
<th>At 31 March 2009</th>
<th>At 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>103</td>
<td>10</td>
</tr>
<tr>
<td>Other creditors</td>
<td>2,003</td>
<td>1,478</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>5,582</td>
<td>6,478</td>
</tr>
<tr>
<td>Corporation Tax</td>
<td>241</td>
<td>339</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,929</strong></td>
<td><strong>8,305</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Amounts due from other Government bodies</th>
<th>£’000</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,677</td>
<td>3,023</td>
</tr>
<tr>
<td>2008</td>
<td>103</td>
<td>9</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>At 31 March 2009</th>
<th>At 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors</td>
<td>805</td>
<td>907</td>
</tr>
</tbody>
</table>
13. Provisions for liabilities and charges

<table>
<thead>
<tr>
<th></th>
<th>Unavoidable lease payments £’000</th>
<th>Early retirement contributions £’000</th>
<th>Redundancy provisions £’000</th>
<th>Redundancy support £’000</th>
<th>Total provisions £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brought forward at 1 April 2008</td>
<td>2,826</td>
<td>2,089</td>
<td>990</td>
<td>139</td>
<td>6,044</td>
</tr>
<tr>
<td>Net charged to expenditure in the year</td>
<td>1,502</td>
<td>68</td>
<td>1,832</td>
<td>34</td>
<td>3,436</td>
</tr>
<tr>
<td>Payments made</td>
<td>(301)</td>
<td>(268)</td>
<td>(611)</td>
<td>(31)</td>
<td>(1,211)</td>
</tr>
<tr>
<td>Carried forward at 31 March 2009</td>
<td>4,027</td>
<td>1,889</td>
<td>2,211</td>
<td>142</td>
<td>8,269</td>
</tr>
</tbody>
</table>

BIG has sub-let part of its Plough Place, London premises to two tenants. The provision represents the difference between the rent charged to BIG’s tenants and that which the Fund is contracted to pay to its landlords. The provision for the difference in market rent is calculated using an assumed inflation rate of 3 per cent which means that the provision will be realised over 15 years. This provision will be reviewed at each break point of the lease. That element of the brought forward provision related to rent free commitments has been released in the year. During 2008/09 the decision was taken to market a further floor in Plough Place – provision has been made for loss on this transaction based on assumptions on current market conditions.

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

- Where eligible staff take early retirement BIG is contracted to meet certain pension contributions until these staff reach statutory retirement date. An estimate of these future contributions is provided. Payments against this provision will continue to be made for up to ten years.

- A provision has been made for the estimated redundancy costs of those staff which BIG has entered into consultation with prior to 31 March 2009 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. It is expected that the majority of this provision will be realised during 2009/10.
Notes to the Accounts

14. Hard commitments

<table>
<thead>
<tr>
<th></th>
<th>£’000</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brought forward at 1 April 2008</td>
<td>1,365,394</td>
<td></td>
</tr>
<tr>
<td>Hard commitments made</td>
<td>526,499</td>
<td></td>
</tr>
<tr>
<td>Lapsed and revoked hard commitments</td>
<td>(27,656)</td>
<td></td>
</tr>
<tr>
<td>Hard commitments met</td>
<td>(557,523)</td>
<td></td>
</tr>
<tr>
<td>Net movement in hard commitments</td>
<td>(58,860)</td>
<td></td>
</tr>
<tr>
<td>Carried forward at 31 March 2009</td>
<td>1,306,714</td>
<td></td>
</tr>
</tbody>
</table>

Ageing of hard commitments

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

<table>
<thead>
<tr>
<th></th>
<th>At 31 March 2009</th>
<th>At 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants committed for payment within one year</td>
<td>625,113</td>
<td>640,926</td>
</tr>
<tr>
<td>Grants committed for payment in more than one year</td>
<td>681,601</td>
<td>724,468</td>
</tr>
<tr>
<td>Total</td>
<td>1,306,714</td>
<td>1,365,394</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>At 31 March 2009</th>
<th>At 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants committed for payment to other Government bodies</td>
<td>25,735</td>
<td>35,836</td>
</tr>
<tr>
<td>Grants committed for payment to local authority bodies</td>
<td>280,411</td>
<td>424,678</td>
</tr>
<tr>
<td>Grants committed for payment to the national health service organizations</td>
<td>73,059</td>
<td>85,125</td>
</tr>
</tbody>
</table>

15. Soft commitments

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

<table>
<thead>
<tr>
<th></th>
<th>£’000</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brought forward at 1 April 2008</td>
<td>123,502</td>
<td></td>
</tr>
<tr>
<td>Soft commitments made</td>
<td>487,321</td>
<td></td>
</tr>
<tr>
<td>Lapsed and revoked soft commitments</td>
<td>(1,006)</td>
<td></td>
</tr>
<tr>
<td>Soft commitments transferred to hard commitments</td>
<td>(526,499)</td>
<td></td>
</tr>
<tr>
<td>Net movement in soft commitments</td>
<td>(40,184)</td>
<td></td>
</tr>
<tr>
<td>Carried forward at 31 March 2009</td>
<td>83,318</td>
<td></td>
</tr>
</tbody>
</table>

16. Joint schemes

No new grant commitments have been made. £2.7 million (2007/08 £1.8 million) of grant commitments carried forward at 31 March representing BIG’s contribution to grants made as part of the Active England joint scheme. BIG will contribute £77.5 million to the total funding of £107 million. This scheme is administered by Sport England on behalf of all parties to the agreement.

Included within hard commitments are £36.9 million (2007/08 £38.3 million) of new grant commitments and £2.2 million (2007/08 £2.2 million) of grant commitments carried forward at 31 March representing BIG’s contribution to the Awards for All, England joint scheme. During 2008/09 BIG contributed £35 million to the total funding of £49.6 million. This scheme is administered by BIG on behalf of all parties to the agreement. Memorandum accounts for the Awards for All, England joint scheme are attached to these accounts.
Included within hard commitments are £25.9 million (2008/09 £4.4 million) of new grant commitments and £27.1 million (2008/09 £4.5 million) of grant commitments carried forward at 31 March representing BIG’s contribution to the Parks for People joint scheme. BIG will contribute up to £80 million to the total expected funding of £140 million. This scheme is administered by the Heritage Lottery Fund on behalf of all parties to the agreement.

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

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>(Surplus/deficit) before tax</td>
<td>41,012</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>848</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>(895)</td>
</tr>
<tr>
<td>Surplus/(deficit) before tax adjusted for non cash and financing transactions</td>
<td>40,965</td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>(322)</td>
</tr>
<tr>
<td>Decrease in NLDF balance</td>
<td>32,756</td>
</tr>
<tr>
<td>(Decrease)/increase in creditors</td>
<td>(380)</td>
</tr>
<tr>
<td>Increase/(decrease) in provisions</td>
<td>2,225</td>
</tr>
<tr>
<td>(Decrease)/increase in provision for grant commitments</td>
<td>(58,679)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td><strong>16,565</strong></td>
</tr>
</tbody>
</table>

18. Financial risks

Liquidity risks
In the year ended 31 March 2009, £625 million (93 per cent) of BIG’s income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the NLDF £31 million (5 per cent) and from bank interest and other income £12 million (2 per cent).

At 31 March 2009 BIG had net liabilities of £734 million and soft commitments of £83 million. Although BIG has a net liability the Board does not consider that BIG is exposed to significant liquidity risks as many of its commitments will not be paid until after the next financial year end. Grant holders can only draw down monies once they have proved their need to receive the next tranche of grant funding allocated to them. Due to these timing differences between the date the grant holder accepts the grant offer and the dates that they draw down these monies, BIG is encouraged by the Department for Culture, Media and Sport to over-commit the available funds.

<table>
<thead>
<tr>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid assets at 31 March 2009</td>
</tr>
<tr>
<td>Market value of NLDF investments</td>
</tr>
<tr>
<td>Cash</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Forecast cashflows during 2009/10
Income from the National Lottery | 703,000 |
Less transfer to the London 2012 Olympics | (172,000) |
Other income | 62,000 |
Operating cost payments | (66,000) |
Payment to NESTA | (15,000) |
Grant payments | (578,000) |
Net forecast outgoings | (66,000) |

Forecast liquid assets at 31 March 2010 | 509,000 |
The income forecasts are based on projections provided by the Department for Culture, Media and Sport. The forecast grant payments are based on expected drawdown profiles as compiled at 30 April 2009.

**Interest rate risks**
Cash balances are invested in the NLDF. As set out in Note 1.3 the Board has no control over the investment of funds in the NLDF, this is managed by the National Debt Commissioners on behalf of the Secretary of State for Culture Media and Sport. The market value of investment in the NLDF at the year-end was £545 million. In the year the average return on these investments was 3.7 per cent.

Cash balances which are drawn down from the NLDF to pay grant commitments and operating costs are held in instant access variable rate bank accounts which on average carried an interest rate of 3.13 per cent in the year. The cash balance at the year-end was £30 million. The Board considers that BIG is not exposed to significant interest rate risks.

**Foreign currency risk**
BIG is not exposed to material foreign exchange risks.

**Credit risk**
BIG is not exposed to significant credit risk.

19. Financial commitments

**National Endowment for Science Technology and the Arts (NESTA)**
In 2005/06 Parliament agreed to provide additional funding to NESTA. A sum of £15 million is diverted from NLDF income allocated to the Big Lottery Fund each year for a period of 5 years starting 31 March 2006. The final payment will be 31 March 2010.

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

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).

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.

**Commitments under operating leases**
At 31 March 2009, BIG had the following annual commitments under operating leases for land and buildings.

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2009</th>
<th>As at 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expiring in less than 1 year</td>
<td>95</td>
<td>86</td>
</tr>
<tr>
<td>Expiring within 2-5 years</td>
<td>464</td>
<td>421</td>
</tr>
<tr>
<td>Expiring in more than 5 years</td>
<td>5,984</td>
<td>5,535</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,543</strong></td>
<td><strong>6,042</strong></td>
</tr>
</tbody>
</table>
The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 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 3 per cent of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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

For 2008/09, employers’ contributions of £4,829,000 were payable to the PCSPS (2008/09 £4,783,000) at one of four rates in the range 17.1 - 25.5 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. The latest valuation, carried out by Hewitt Associates, was on 31 March 2008. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Rates in 2009/010 have been increased based on recommendations from the Actuary.

<table>
<thead>
<tr>
<th>Bands</th>
<th>Year ended 31 March 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>£19,000 and under</td>
<td>17.1%</td>
</tr>
<tr>
<td>£19,001 - £39,000</td>
<td>19.5%</td>
</tr>
<tr>
<td>£39,001 - £65,500</td>
<td>23.2%</td>
</tr>
<tr>
<td>£66,501 and over</td>
<td>25.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bands</th>
<th>Year ended 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>£18,500 and under</td>
<td>17.1%</td>
</tr>
<tr>
<td>£18,501 - £38,000</td>
<td>19.5%</td>
</tr>
<tr>
<td>£38,001 - £65,000</td>
<td>23.2%</td>
</tr>
<tr>
<td>£66,001 and over</td>
<td>25.5%</td>
</tr>
</tbody>
</table>

21. Losses and special payments

Losses occur where there is no evidence that the project’s objectives were met. In the financial year to 31 March 2009 we have written off losses of £1,362,428 representing 89 awards (2007/08 £2,579,978). There was one write off that exceeded £100,000 as detailed below.

Firewalker Midlands Ltd £116,437

Special payments arise where:

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

In the financial year to 31 March 2009 nine special payments of £52,536 were made in relation to grants. (2007/08 £19,666).

22. Related party transactions

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

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

Transactions with DCMS reflect income received through the NLDF and the inward secondment of staff. Transactions with the other Lottery distributors include income received for management of Awards for All and rental of office space. Payments are made to HLF and Sport England for their services in running joint grant programmes (Note 16).
In addition, BIG has a number of material transactions with Government Departments and bodies that regard other Government departments as their sponsor department:

- Natural England sponsored by Department for Environment, Food and Rural Affairs is a recipient of a grant award
- Highlands and Islands Enterprise sponsored by the Scottish Executive who deliver a grant programme on our behalf
- HM Revenue and Customs relating to PAYE and NI transactions.

**Board members**

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

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

A number of Board members have declared interests with public, voluntary and charitable bodies with which BIG has non-material business interests. These are disclosed in Section five of the Annual Report.

### 23. Third party assets

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

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

Department for Children Schools and Families; the *myplace* programme £958,314
Office for the Third sector; the Community Assets programme £10,078
Arts Council England; Awards for All England and West Midlands Community Buildings programme £634,020
Heritage Lottery Fund; Awards for All, England, Scotland, Northern Ireland £437,895
Sport England; West Midlands Community Buildings programme £38,215
Arts Council Scotland; Awards for All £83,691
SportsScotland; Awards for All £102,057
Sports Council Northern Ireland £29,798
Olympic Lottery Distributor £17,330
National Lottery Promotions Unit £1,165,897
**Memorandum accounts – Awards for All England**

### Income and Expenditure for the year ended 31 March 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Year ended 31 March 2009 £’000</th>
<th>Year ended 31 March 2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions from partners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts Council England</td>
<td>5,043</td>
<td>6,243</td>
</tr>
<tr>
<td>BIG</td>
<td>38,803</td>
<td>40,207</td>
</tr>
<tr>
<td>Heritage Lottery Fund</td>
<td>4,390</td>
<td>3,961</td>
</tr>
<tr>
<td>Sport England</td>
<td>6,561</td>
<td>5,948</td>
</tr>
<tr>
<td>Notional tax</td>
<td>21</td>
<td>54,818</td>
</tr>
<tr>
<td>Interest received</td>
<td>150</td>
<td>108</td>
</tr>
<tr>
<td>Grant refunds</td>
<td>1,284</td>
<td>1,719</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>56,252</td>
<td>58,208</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant commitments made in the year</td>
<td>5</td>
<td>52,255</td>
</tr>
<tr>
<td>Less lapsed or revoked commitments</td>
<td>5</td>
<td>(58)</td>
</tr>
<tr>
<td>Staff costs</td>
<td>2</td>
<td>1,987</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>3</td>
<td>2,047</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>56,231</td>
<td>58,186</td>
</tr>
<tr>
<td><strong>Surplus before tax</strong></td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Notional Tax</td>
<td>4</td>
<td>(21)</td>
</tr>
<tr>
<td><strong>Surplus/deficit for the period</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Retained surplus/deficit**

- Brought forward at 1 April 2008 |
- Deficit for the period |
- Retained deficit at 31 March 2009 |

---
## Memorandum accounts – Awards for All England

### Balance Sheet as at 31 March 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>As at 31 March 2009</th>
<th>As at 31 March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances due from partners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts Council England</td>
<td>-</td>
<td>932</td>
</tr>
<tr>
<td>BIG</td>
<td>483</td>
<td>-</td>
</tr>
<tr>
<td>Heritage Lottery Fund</td>
<td>-</td>
<td>591</td>
</tr>
<tr>
<td>Sport England</td>
<td>926</td>
<td>1,409</td>
</tr>
<tr>
<td>Cash</td>
<td>1,981</td>
<td>659</td>
</tr>
<tr>
<td></td>
<td>3,390</td>
<td>3,192</td>
</tr>
<tr>
<td><strong>Creditors falling due within 1 year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance due to partners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BIG</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td>Arts Council England</td>
<td>264</td>
<td></td>
</tr>
<tr>
<td>Heritage Lottery Fund</td>
<td>58</td>
<td>322</td>
</tr>
<tr>
<td>Grants committed for payments</td>
<td>5</td>
<td>3,047</td>
</tr>
<tr>
<td>Other creditors</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>3,390</td>
<td>3,192</td>
</tr>
<tr>
<td><strong>Total assets less liabilities</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Retained surplus</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Memorandum accounts – Awards for All England

Notes to the memorandum accounts as at 31 March 2009

1. Budget for grant awards
The Awards for All England programme is a jointly funded scheme between the Arts Council England, BIG, Heritage Lottery Fund and Sport England. The funding budget for the programme:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 £’000</td>
<td>2008 £’000</td>
</tr>
<tr>
<td>Arts Council England</td>
<td>4,600</td>
<td>6,300</td>
</tr>
<tr>
<td>BIG</td>
<td>35,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Heritage Lottery Fund</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Sport England</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td></td>
<td>49,600</td>
<td>56,300</td>
</tr>
</tbody>
</table>

2. Staff costs

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 £’000</td>
<td>2008 £’000</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>1,517</td>
<td>1,504</td>
</tr>
<tr>
<td>Social security costs</td>
<td>103</td>
<td>104</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>230</td>
<td>244</td>
</tr>
<tr>
<td>Agency staff</td>
<td>137</td>
<td>239</td>
</tr>
<tr>
<td></td>
<td>1,987</td>
<td>2,091</td>
</tr>
</tbody>
</table>

The average number of employees on a full time equivalent basis employed on the Awards for All England scheme were 75 (2007/08 74).

3. Other operating costs

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 £’000</td>
<td>2008 £’000</td>
</tr>
<tr>
<td>Travel and expenses</td>
<td>42</td>
<td>35</td>
</tr>
<tr>
<td>Accommodation</td>
<td>444</td>
<td>444</td>
</tr>
<tr>
<td>Communications</td>
<td>463</td>
<td>530</td>
</tr>
<tr>
<td>Administration costs</td>
<td>1,098</td>
<td>1,288</td>
</tr>
<tr>
<td></td>
<td>2,047</td>
<td>2,297</td>
</tr>
</tbody>
</table>

4. Notional tax
Corporation tax is due on bank interest received by each distributor. The notional calculation charged in these accounts assumes Awards for All England as a single entity. Tax is calculated at an effective rate of 14 per cent (2007/08 20 per cent)

5. Hard commitments

<table>
<thead>
<tr>
<th></th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brought forward at 1 April 2008</td>
<td>3,136</td>
</tr>
<tr>
<td>Hard commitments made in the year</td>
<td>52,255</td>
</tr>
<tr>
<td>Lapsed and revoked</td>
<td>(58)</td>
</tr>
<tr>
<td>Hard commitments met</td>
<td>52,286</td>
</tr>
<tr>
<td>Carried forward at 31 March 2009</td>
<td>(89)</td>
</tr>
<tr>
<td>All payments fall due within 1 year</td>
<td>3,047</td>
</tr>
</tbody>
</table>

There are no soft commitments, grant recipients confirm acceptance of the terms and conditions of grant as part of their application.
Section seven
Our statutory background

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

The Big Lottery Fund has complied with these Directions throughout the financial year 2008/09 in every material aspect.

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

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

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

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

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

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

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

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

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

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

(ii) where capital funding is sought:

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

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

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

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

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

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

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

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

Transformational Grants

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

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

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

(i) is distributed for the purposes of endowments or in the form of revenue grants where:

(a) such endowments or grants are associated with a capital project, in respect of which money has been or is proposed to be distributed; and

(b) such endowments or grants support the delivery of the project outcomes, increase accessibility, reduce barriers to entry and ensure that such projects are sustainable; or

(ii) is distributed for development funding to projects which have been assessed as suitable for such funding.

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

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

(i) involve consultation, voting systems or other suitable mechanisms;

(ii) are free from bias, corruption and manipulation; and

(iii) involve partnerships with broadcasting, electronic, print and other media.
Section seven

English And Isle Of Man Devolved Expenditure

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

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

B. The need to ensure that the Fund achieves over time the distribution of money reasonably equally between the expenditure on or connected with:
   (i) the promotion of community learning;
   (ii) the promotion of community safety and cohesion; and
   (iii) the promotion of physical and mental well being.

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

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

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

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

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

D. Healthier and more active people and communities.

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

A. Improving family skills.

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

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

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

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

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

G. Supporting the training needs of volunteers.

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

I. Strengthening volunteering and voluntary sector infrastructure.

J. Building capacity for community engagement.

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

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

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

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

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

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

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

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

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

F. The need:

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

(ii) where capital funding is sought:

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

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

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

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

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

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

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

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

Scottish Devolved Expenditure

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

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

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

(i) the promotion of community learning;

(ii) the promotion of community safety and cohesion; and

(iii) the promotion of physical and mental well being.

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

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

E. The need to operate within the distinctive policy context in Scotland, adding value where appropriate to Scottish Ministers’ strategies and activities and those of partners and stakeholders, including the voluntary and community sectors, other public bodies and the private sector.

In relation to Scottish devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to projects which are intended to achieve one or more of the following outcomes:
A. People having better chances in life.
B. Communities are safer, stronger and work together to tackle inequalities.
C. People have better and more sustainable services and environments.
D. People and communities are healthier.

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

A. Developing good quality, accessible childcare and play provision for children of all ages;
B. Improving the confidence and life skills of children and young people, including through cultural and sporting activities;
C. Increasing the chances of sustained employment;
D. Tackling financial exclusion and debt;
E. Providing lifelong learning opportunities;
F. Supporting community networks.
G. Strengthening voluntary and community action;
H. Building capacity for community involvement and development, including promoting the active participation of young people in their communities and in the decision-making affecting them and their communities;
I. Supporting communities to promote equality and diversity and deal with the impact of discrimination and harassment;
J. Creating opportunities to develop shared values and inclusive communities at a local level.
K. Ensuring safer, stronger communities, free from anti-social behaviour and crime;
L. Promoting and supporting sustainable development;
M. Supporting community-led regeneration;
N. Enhancing community environments, including historic environments, and green spaces;
O. Improving access to services in rural and urban communities;
P. Improving access to local environments through cycling, walking and sustainable motorised transport;
Q. Promoting community land ownership and use;
R. Promoting environment awareness and good practice;
S. Supporting and developing community based approaches to biodiversity, renewable energy, sustainable buildings and sustainable resource use including re-cycling schemes;
T. Supporting community based approaches to the production, consumption and celebration of healthy sustainable food;
U. Improving health and tackling health inequalities - in particular through improving opportunities for healthier eating, physical activity and addressing the health needs of young people;
V. Developing new approaches to improving mental health and well-being;
W. Identifying and supporting good practice in community based health promotion and improvement;
X. Supporting work that promotes the relationship between health and well-being and broader community regeneration.

Signed on behalf of Scottish Ministers
Patricia Ferguson,
Minister for Tourism, Culture and Sport
A member of the Scottish Executive
December 2006
Section seven

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

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

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

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

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

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

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

D. The need to promote and support the Welsh language and reflect the bilingual nature of Wales, including giving effect to the principle of equality between the English and Welsh languages. This should be achieved by including specific conditions on language in grants and monitoring and overseeing the performance of grant recipients with regard to those conditions.

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

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

G. The need:

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

(ii) where capital funding is sought:

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

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

(iii) in other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability wherever possible.
H. The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of its strategy.

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

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

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

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

M. The need to ensure an outcome focused approach, working closely with appropriate partners to achieve the best pattern of investment for the benefit of communities across Wales. Where appropriate the experiences of other organisations should be utilised to enhance development and delivery of funding mechanisms.

**Welsh Devolved Expenditure**

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

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

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

      (i) the promotion of community learning;

      (ii) the promotion of community safety and cohesion; and

      (iii) the promotion of physical and mental well being.

   C. The need to have regard to the interests of Wales as a whole, the interests of different parts of Wales, the relative population sizes and the scope for reducing economic and social deprivation in the different parts of Wales, and the need to encourage public service bodies, collaborating together, to deliver better service outcomes to citizens

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

   A. people of all ages equipped with the skills and learning to meet the challenges of a modern society;
Section seven

B. people working together for stronger communities, social justice and better rural and urban environments; and

C. healthier and more physically active people and communities.

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

A. tackling the barriers to community learning and effective life skills;

B. people working together for stronger communities, social justice and better rural and urban environments; and

C. empowering communities to develop and deliver local revitalisation programmes;

D. developing constructive community responses to disaffection, anti-social behaviour and crime;

E. enabling older people to live independent lives and to contribute to their community;

F. enabling communities to manage and enhance their local environment and amenities;

G. developing people’s ability to take responsibility for their own health and well-being in line with the principles underlying Health Challenge Wales, encouraging individuals and organisations to improve health in Wales;

H. promoting healthier eating and increasing physical activity across all age, gender and social groups;

I. developing new approaches to promoting community building and the countryside.

Northern Ireland

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

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

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

General Directions

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

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

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

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

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

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

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

(ii) where capital funding is sought:

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

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

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

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

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

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

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

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

Northern Ireland Devolved Expenditure

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

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

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

(i) the promotion of community learning;

(ii) the promotion of community safety and cohesion; and

(iii) the promotion of physical and mental well being.

C. The need to have regard to the interests of Northern Ireland as a whole, the interests of all the different parts of Northern Ireland and the relative population sizes of, and the scope for reducing economic and social deprivation in, the different parts of Northern Ireland.
5. In relation to Northern Ireland devolved expenditure
the Fund shall take into account the need to distribute
money under section 25(1) to projects which are
intended to achieve one or more of the following
outcomes:
A. People have the opportunity to achieve their full
potential
B. People can actively participate in their communities
to bring about positive change
C. Community ownership of better and safer rural and
urban environments
D. Improved physical and mental health for all people

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

**FINANCIAL DIRECTIONS**

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

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

► The Big Lottery Fund is the operating name of the
National Lottery Charities Board and the New
Opportunities Fund, working jointly together
pursuant to an administrative merger in June 2006.

► The Big Lottery Fund shall comply with the
requirements contained within the attached
Statement of Financial Requirements which have the
status of directions under section 26 of the national
Lottery etc Act 1993, as amended (“the Act”). The
Statement of Financial requirements coplements,
and should be read in conjunction with, the Big Lottery
Fund’s Management Statement, which deals with
corporate governance and management matters.

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

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

Signed on behalf by Secretary of State NI
Our large grants

During 2008/09 we were managing 39 grants that were £5 million or greater. In this appendix we summarise progress of each of these projects.

**The Living landmarks Programme**

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

The project aims to connect people to people and people to places by addressing the causes of ‘severance’ within communities, such as busy roads and railways, which make travelling from one place to another more difficult. 79 individual projects have been identified across the UK, each with a physical barrier to movement and an identified solution. This grant was awarded in 2007/08 and by 31 March 2009 we had paid £1,585,150 to the recipient. It is expected that this project will complete by 2013.

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

Located between Falkirk and Grangemouth, the project will create a new canal link, a ‘Kelpie’ boatlift, canal hub and a new ‘Helix’ park. This grant was awarded in 2007/08 and by 31 March 2009 we had paid £240,233 to the recipient. It is expected that this project will be completed in 2015.

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

The project will transform a 7.5 hectare brown field site in Pool, including 4.5 hectares of derelict wasteland and Robinson’s Shaft, a group of listed mine buildings to create a network of green spaces and multi use facilities. This grant was awarded in 2007/08 and by 31 March 2009 we had paid out £2,028,437. It is expected that this project will be completed in 2010.

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

Creation of a linear park through East Belfast following the course of the Connswater River and its tributaries, the Loop River and the Knock. This grant was awarded in 2007/08 and by 31 March 2009 we had paid out £178,149 to the recipient. It is expected that this project will complete in 2014.

**Advice Plus Programme**

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

The aim of the project is to develop a portfolio of support services for the independent advice sector. This will comprise eight related work strands, which over three years will improve the quality and delivery of advice, access to advice and awareness and evaluation of advice outcomes for the independent advice sector. This grant was awarded in 2007/08 and to 31 March 2009 £2,210,334 has been paid. It is expected that this project will complete by December 2010.

**BASIS**

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

This project will establish England-wide infrastructure support for the delivery of support and capacity building to Refugee Community Organisations (RCOs). 400 RCOs will benefit from advice on their development, sustainability, governance and management. This grant was awarded in 2007/08 and to 31 March 2009 £1,498,113 has been paid. It is expected that this project will complete by March 2012.
Changing Spaces programme
Organisation: Building Research Establishment Ltd
Grant scheme name: The Community Sustainable Energy Programme
Grant awarded: £10,161,838

Awarding grants to eligible not-for-profit community based organisations for the installation of micro-generation technologies, such as wind turbines and solar panels, along with energy saving measures. This grant was awarded in 2007/08 and to 31 March 2009 £1,060,044 has been paid. It is expected that this project will complete by March 2012.

Organisation: Groundwork
Grant scheme name: Community Spaces
Grant awarded: £50,000,000

Awarding grants to not-for-profit community groups to create better local environments and increase access to local spaces. Improving local green spaces and increasing the number of people actively involved in developing and running environmental projects. This grant was awarded in 2007/08 and to 31 March 2009 £3,256,238 has been paid. It is expected that this project will complete by March 2014.

Organisation: Natural England
Grant scheme name: Access to Nature
Grant awarded: £25,000,000

Awarding grants to voluntary, community and public sector organisations to work with people who have little knowledge or contact with nature. The projects encourage people to learn about the natural environment and also projects to create/improve wildlife spaces to meet the needs of local communities. This grant was awarded in 2007/08 and to 31 March 2009 £828,582 has been paid. It is expected that this project will complete by March 2013.

Organisation: Royal Society of Wildlife Trusts
Grant scheme name: Local Food
Grant awarded: £50,000,000

To make awards to not-for-profit community groups for projects that give people the opportunity to grow and buy food locally through, for example, allotments and box schemes. Projects aim to stimulate economic activity through the development of social enterprises related to local food and promote the link between food and healthy lifestyles. This grant was awarded in 2007/08 and to 31 March 2009 £2,115,706 has been paid. It is expected that this project will complete by December 2014.

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

Awarding grants to not-for-profit community groups for projects that integrate mental health service users into the community. The projects will deliver through environment projects conducive to good mental and physical health.

This grant was awarded in 2008/09 and to 31 March 2009 £397,189 has been paid. It is expected that this project will complete by September 2013.

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

Provides a range of environmental projects for young people at risk of anti-social behaviour or offending. The projects will involve young people improving their neighbourhoods, giving them a sense of pride in their community. This grant was awarded in 2007/08 and to 31 March 2009 £1,862,334 has been paid. It is expected that this project will complete by September 2012.
Organisation: Imperial College
Grant scheme name: Open Air Laboratories Network
Grant awarded: £11,760,783

The projects will work with people in their communities, alongside leading scientists to develop the skills and experience to explore, study, enjoy and protect their natural environment. The data collected will also provide a new educational resource which the communities can access. This grant was awarded in 2007/08 and to 31 March 2009 £3,438,932 has been paid. It is expected that this project will complete by November 2012.

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

The projects will work with local people to grow their own food and run their own shops and cooperatives. It aims to reconnect consumers to the land by increasing access to fresh, healthy local food. This grant was awarded in 2007/08 and to 31 March 2009 £3,139,165 has been paid. It is expected that this project will complete by September 2012.

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

To facilitate a range of projects to create and improve green spaces for people living in social housing, particularly on estates where anti-social behaviour is a problem. It will engage with local people to design areas to create children's play areas, community gardens and meeting places. This grant was awarded in 2007/08 and to 31 March 2009 £1,898,303 has been paid. It is expected that this project will complete by September 2012.

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

The aims of the Play England project are to design and build a regionally based, sustainable play support and development infrastructure for England. The structure will support local agencies in the public, voluntary, community and social enterprise sectors. This grant was awarded in 2005/06 and to 31 March 2009, £8,958,855 has been paid. It is expected that this project will complete by 31 March 2011.

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

A community family based treatment and prevention programme for overweight and obese children aged 7-13. This grant was awarded in 2007/08 and to 31 March 2009 £4,808,834 has been paid. It is expected that this project will complete by July 2011.

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

The Food for Life portfolio is a national programme establishing 20 flagship communities in each of the nine government regions. By using local schools as hubs the portfolio’s aim is for children and families to improve their skills, knowledge, and access to healthy and sustainable foods. Each of the 20 flagship schools will support a further 20 schools in their region through a beacon model approach, thereby enabling the programme to reach 3,600 communities. This grant was awarded in 2007/08 and to 31 March 2009 £7,368,474 has been paid. It is expected that this project will complete by March 2012.
A portfolio of 31 projects contributes to a reduction in regional obesity levels, improved mental health and greater participation in physical activity. This grant was awarded in 2007/08 and to 31 March 2009 £2,671,226 has been paid. It is expected that this project will complete by December 2010.

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

The aim of the portfolio is to achieve a positive impact on the food behaviour of school age children, their families and the wider community. The main project within the portfolio is the creation of ‘Let’s Get Cooking’ clubs. 3,000 new cooking clubs will be established in school and community settings to improve cooking skills, food knowledge and nutritional status of children, parents and communities. A further 2,000 existing school cooking clubs will also join the portfolio as associate members and will receive funding to extend their work to families and communities.

This grant was awarded in 2007/08 and to 31 March 2009 £4,468,887 has been paid. It is expected that this project will complete by September 2013.

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

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

This grant was awarded in 2007/08 and to 31 March 2009 £2,957,344 has been paid. It is expected that this project will complete by October 2012.

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

This five year portfolio spreads across the whole of the North West of England from Carlisle to East Cheshire. 27 projects will be delivering 48 project delivery elements. Example projects include ‘arts on prescription’ projects for those with mild to moderate mental health difficulties; ‘soup and salad’ cook and eat workshops; and ‘fit for life’ programmes to encourage families to participate in physical activities.

The portfolio will target 49,500 total beneficiaries from the most deprived and marginalised communities of the region. This grant was awarded in 2007/08 and to 31 March 2009 £1,397,313 has been paid. It is expected that this project will complete by September 2012.

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

The Altogether Better portfolio covers the Yorkshire and Humber region. It aims to help people to eat better, be more physically active and to improve their mental health. The portfolio comprises 16 local projects focusing on the most deprived people and communities in the region.

This grant was awarded in 2007/08 and to 31 March 2009 £1,240,868 has been paid. It is expected that this project will complete by December 2012.
Organisation: National Council on Ageing  
Grant scheme name: Fit as a Fiddle  
Grant awarded: £15,177,417

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

This grant was awarded in 2007/08 and to 31 March 2009 £3,291,242 has been paid. It is expected that this project will complete by October 2012.

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

Moving People is a national portfolio; it aims to stamp out stigma and discrimination by improving public understanding, raising people’s aspirations and encouraging them to stand up for their rights. Local projects will provide opportunities for people with a range of mental health difficulties to improve their mental and physical well-being through physical exercise programmes.

This grant was awarded in 2007/08 and to 31 March 2009 £5,136,060 has been paid. It is expected that this project will complete by December 2011.

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

The aim of this national portfolio is to enable individuals identified as currently inactive or insufficiently active to walk and cycle as part of their everyday lives, improving their physical and mental well-being. The portfolio will focus on the areas of: the school journey; the journey to work; getting people started and local journeys.

This grant was awarded in 2007/08 and to 31 March 2009 £5,364,240 has been paid. It is expected that this project will complete by July 2012.

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

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

This grant was awarded in 2007/08 and to 31 March 2008 £2,457,772 has been paid. It is expected that this project will complete by October 2012.

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

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

This grant was awarded in 2007/08 and to 31 March 2008 £1,819,649 has been paid. It is expected that this project will complete by December 2011.

Young People’s Fund – England
Organisation: UnLtd
Grant scheme name: The Big Boost
Grant awarded: £9,817,028

We have given £10 million to UnLtd (The Foundation for Social Entrepreneurs) and their partners to deliver this programme on our behalf. By 31 March 2008 we had paid out £9.8 million. The programme is now completed.
Appendix

Investing in Communities – Dynamic, Inclusive Communities
Organisation: Scottish Council for Voluntary Organisations (SCVO)
Grant scheme name: Supporting Voluntary Action
Grant awarded: £8,508,040

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

This grant was awarded in 2006/07 and to 31 March 2009 £1,242,274 has been paid. It is expected that this project will complete in 2012.

Building Change Trust (Northern Ireland)
Organisation: Building change Trust Ltd
Grant scheme name: Building Change Trust
Grant awarded: £10,000,000

The Building Change Trust will invest £10 million to help community groups and larger voluntary organisations adapt and develop new ways of working to ensure that the sector will be fit for purpose in the future. The funding will be invested over 10 years. The Trust will not make grants in a traditional way but will look at what resources already exist in communities and identify ways to support development and change.

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

Legacy programmes

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

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

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

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

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

This grant was awarded in 2007 and to 31 March 2009 £1,189,698 has been paid. It is expected that this project will complete in 2011.

New Opportunities for Health
Organisation: British Heart Foundation
Grant scheme name: Heart Failure Support Network
Grant awarded: £9,459,819

This grant was awarded in 2002/03. At 31 March 2009 £9,302,733 has been paid. It is expected that this project will complete in 2009.
**Renewable Energy**

Organisation: SempCorp Utilities Teeside Ltd
Grant scheme name: Wilton 10
Grant awarded: £11,900,000

The Wilton 10 project will use biomass instead of fossil fuels to produce energy to reduce carbon emissions. This grant was awarded in 2003/04. At 31 March 2009 £8,925,000 has been paid. This funding plus interest was returned to BIG on 1 April 2009.

Organisation: Seascape Energy Ltd
Grant scheme name: Burbo Offshore Wind Farm
Grant awarded: £10,000,000

The Burbo Offshore wind farm project will harness wind instead of fossil fuels to produce energy to reduce carbon emissions. This grant was awarded in 2003/04. At 31 March 2009 £8,700,000 has been paid. This funding plus interest was returned to BIG on 1 April 2009.

Organisation: E.ON UK plc
Grant scheme name: Lockerbie
Grant awarded: £18,000,000

The biomass scheme in Lockerbie will use biomass instead of fossil fuels to produce energy to reduce carbon emissions. This grant was awarded in 2004/05. At 31 March 2009 £14,400,000 has been paid. This funding plus interest was returned to BIG on 1 April 2009.

**Transforming waste**

Organisation: Royal Society of Wildlife Trusts
Grant scheme name: Community Recycling and Economic Development Programme (CRED)
Grant awarded: £36,534,038

This scheme made awards to a range of sustainable waste management projects in England, including: multi-material kerbside recycling; community composting; furniture; computer and electrical appliance reuse; innovation in dealing with waste. This grant was awarded in 2003/04. £36,017,348 has been paid. It is expected that this project will complete in 2009.

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

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

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

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

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

We care about the environment
The Big Lottery seeks to minimise its negative environmental impact and only uses proper sustainable resources.

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

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

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