

Corporate Plan 2012/13



Corporate plan 2012/13

Further copies available from:

Email general.enquiries@biglotteryfund.org.uk
Phone 0845 4 10 20 30
Textphone 0845 6 02 16 59 (this is for those with a hearing impairment)
Our website www.biglotteryfund.org.uk

Accessibility

Please contact us to discuss any particular communications needs you may 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 Fund 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 three values that underpin our work: being supportive and helpful, making best use of Lottery money and using knowledge and evidence.

You can find out more about us, our values and the funding programmes we run by visiting our website www.biglotteryfund.org.uk

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

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1. Introduction by the Chair and Chief Executive

The Big Lottery Fund has recently published its refreshed strategic plan “Fresh Thinking: The Next Chapter” which sets out where we want to be by 2015. It builds on a review we undertook of the Strategic Plan, published in 2009 following a comprehensive consultation with stakeholders, and it reflects the changing world in which we fund. Our new sponsor department, the Cabinet Office, set us new Policy Directions which will help us on this journey.

While Fresh Thinking and our new Policy Directions describe the strategic context, our Corporate Plan sets out our specific budget and the objectives and targets for the year ahead.

We continue to be the largest Lottery Distributor, with up to £770 million to commit to good causes this year. Since 2006 we have invested more than £4.4 billion in projects that have improved lives, transformed communities and created thousands of jobs and volunteering opportunities. Fresh Thinking does not alter our mission: we are an outcomes funder committed to making real improvements to communities and the lives of people in need. Funding to the voluntary and community sector remains an absolute core commitment. We are determined not only to distribute cash to good causes but to make a contribution to the quality of life in communities throughout the UK that is both distinct and additional to Government. We will help many groups get involved in local issues which matter the most to them. And we will support services that we hope will not only benefit those fortunate enough to be touched by them but ones that will influence mainstream practice well beyond the cash at the disposal of the Big Lottery Fund alone.

We understand the resource pressures people are under and are doing all we can to develop processes that are better, faster and cheaper to the benefit of the organisations we fund and the communities we support.

We were delighted to secure a Customer Service Excellence Award last year and will continue to do what we can to make engagement with the Big Lottery Fund a transparent and informative experience, whether or not people are successful in securing funds from us.

Our plan demonstrates three values that are important to the way we work: being supportive and helpful; using knowledge and evidence; and making the best use of Lottery money. These grew out of extensive discussions inside and outside the organisation about what the Big Lottery Fund should stand for.

Our achievements, our people and the strong relationships we enjoy with partners and customers stand us in good stead for the period ahead. We will continue to work closely with them to improve the way we do things and share our research, learning and evaluation of what we fund. Where appropriate we will put our systems and skills at the disposal of others and undertake work for third parties, while ensuring this does not jeopardise in any way our ability to deliver excellent outcomes from National Lottery good cause cash.

Peter Wanless
Chief Executive

Peter Ainsworth
Chair

2. About us

The Big Lottery Fund is the largest of the Lottery distributors and was established when the National Lottery Act 2006 came into effect. Our mission is to bring real improvements to communities and the lives of people most in need.

Corporate governance:

As a non-departmental public body the Big Lottery Fund is sponsored by the Cabinet Office. We can be required to give evidence to Parliamentary committees and the devolved administrations.

Our governance framework is provided by both the Cabinet Office and DCMS in consultation with the devolved administrations for Scotland, Wales and Northern Ireland. It includes:

- Policy Directions issued by the Cabinet Office or devolved administrations. These set out the matters that we should take into account in deciding how to spend Lottery money in each UK Country;
- Financial Directions and the Statement of Financial Requirements, which set out how we should manage Lottery money, issued by DCMS; and
- Accounts Directions, issued by DCMS, which set out how we account for our use of Lottery money.

The Management Statement defines the relationship between the Big Lottery Fund, the Cabinet Office and DCMS and is drawn up by joint agreement and sets out the broad framework within which we operate. We also take account of guidance issued by Treasury and DCMS, Cabinet Office and the Office for Civil Society that sits within the Cabinet Office. All these directions are put into effect through 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 can also distribute non-Lottery funding on behalf of other organisations.

Organisation

The Big Lottery Fund is headed by Chief Executive Peter Wanless. He is the Accounting Officer and chairs the Senior Management Team, which maintains an overview of the day-to-day operations of the organisation and ensures Board decisions are implemented. The Senior Management Team considers policy and key strategic and operational matters ahead of any changes that the Board might approve. It is also responsible for identifying and managing corporate risk. The organisation has offices in England, Northern Ireland, Scotland and Wales. The directors who are members of the SMT and their responsibilities for 2012/13 are shown in an organisation chart at Annex A.

Internal governance

The Big Lottery Fund Board ensures that the organisation complies with legislation and any Directions, approves overall strategy and policy, and agrees and oversees the operational budget and budgets for funding programmes. The Board decides on and oversees, at a strategic level, how all our grant-making programmes will be run. It is responsible for overseeing the administration of the organisation, including the appointment of the Chief Executive.

The Board currently comprises a Chair, four members who chair the four country committees and five general members. All are non-executive posts appointed by the Minister for the Cabinet Office, who will consult the devolved administrations about appointing the Country Chairs. The Board has decided to have a Vice-Chair, currently one of the general Board members. Board powers are delegated as appropriate to the committees that we describe below. Each committee is chaired by a Board member.

The country committees for England, Northern Ireland, Scotland and Wales are provided for in legislation. They are responsible for four country-based funding portfolios and associated policies as well as decisions about awards within the common policy framework agreed by the UK Board. Committee members are appointed by the Board subject to consent, as appropriate, from the Minister for the Cabinet Office or the lead Minister in the relevant

devolved administrations. During 2011 new powers were delegated to country committees to flex programme budgets within overall totals and indicative programme budgets approved by the Board.

The Board has also established a UK funding committee, including representatives from each country to oversee the governance of grant programmes that operate at UK level.

The Audit and Risk Committee approves the internal audit programme, endorses the risk register and scrutinises the outcome of internal and external audit reports. It currently has two externally appointed members to supplement Board level input.

The Remuneration Committee considers the performance and remuneration of the Chief Executive and directors.

All Board and Committee members must declare any relevant interests under our Code of Conduct. The declarations are made in writing and are held on file by the Board Secretariat. The public may inspect them by writing to the Chief Executive. Board members' declarations are also published on the Big Lottery Fund website.

A list of Board and Committee members can be found at Annex B.



3. About this plan

The Cabinet Office issued new UK and England Policy Directions to the Big Lottery Fund on 26 March 2012. These are available on the Cabinet Office website: <http://www.cabinetoffice.gov.uk/resource-library/new-policy-directions-big-lottery-fund>. We have used them as the basis for identifying our priorities and our targets for 2012/13 and for setting a longer-term course to 2015.

Fresh Thinking, our updated strategic plan published in April 2012, should be read in conjunction with this annual plan as it sets the context for the yearly budget and targets described in the following pages. It can be downloaded from our website at http://www.biglotteryfund.org.uk/index/about-uk/fresh_thinking.htm

Our mission and the fundamental principles of our strategic plan remain unchanged and will continue to flow through everything we do. They are about what BIG stands for and what our stakeholders can expect from us as a funder. We have added some new priorities for funding, to take account of our new Policy Directions and developments in the external environment in which we operate, and now have seven priority areas. The principles and funding priorities are summarised on the next page.

Fresh Thinking flows through our corporate plan



BIG's fundamental principles have not changed

- ▶ Our mission remains the same – we will continue to focus on supporting communities and people most in need.
- ▶ We are a committed outcomes funder.
- ▶ We will continue to have a mixed funding portfolio, meaning we will use a range of techniques to get money to where it will have best impact.
- ▶ We will always promote equalities.
- ▶ We will distribute the majority of our funding to the Voluntary and Community Sector (VCS).
- ▶ We continue to value learning which contributes to the sharing and sustaining of good practice.
- ▶ We will continue to develop programmes and fund projects that are additional to Government expenditure.
- ▶ We will continue to support people undergoing difficult transitions in their lives or experiencing isolation.

Big Thinking funding priorities, now until 2015

Fresh Thinking added some further areas of specific attention for the period ahead:

- ▶ Focusing on those most in need.
- ▶ Building partnerships and facilitating collaboration.
- ▶ Involving people and communities.
- ▶ Building stronger organisations.
- ▶ Supporting the development of social investment.
- ▶ Delivering outcomes with others.
- ▶ Increasing engagement with the private sector.



4. Corporate objectives for 2012/13

The Big Lottery Fund has three corporate objectives:

Corporate objective 1: Efficiency

We are managing public funds efficiently.

Corporate objective 2: Customer focus

Those who enquired about, applied for or received our funding said we provide an excellent service to them. We have strong, positive relationships with key stakeholders, and with the public at large.

Corporate objective 3: Effectiveness

Our funding programmes bring real improvements to the lives of our beneficiaries.

Our successful delivery of the long term vision of Fresh Thinking requires setting clear annual plans and targets. So underneath each objective we set out on the following pages a summary of activities and a set of performance measures.



Corporate objectives for 2012/13

Corporate objective 1:

We are managing public funds efficiently

We will measure our success against this objective by continuously monitoring expenditure against budgets and financial targets.

Key performance indicators:

- total funds awarded
- value of awards made to the third sector
- actual grant payments by year-end, compared to forecast payments
- operating costs as a percentage of Lottery income
- the running cost of the programmes in our funding portfolio.

Grant budgets

Our policy is to make as many grant awards as we can while managing the risk in uncertain economic times that we will not have the money to meet those commitments.

In May 2010 the Secretary of State for Culture, Olympics, Media and Sport announced proposals to change the Big Lottery Fund's share of income. We used to have a 50 per cent share of National Lottery income; this reduced to 46 per cent from 1 April 2011 and fell again to 40 per cent from 1 April 2012. This reduction in income required us to review thoroughly our existing and future plans.

During last year the Board approved a new grant funding strategy. One of the aims of this strategy is to smooth out the level of awards and payments over a five year period. As part of this the four country committees have been delegated new powers to flex budgets between programmes within the overall ceiling approved by the Board.

This will lead to a more consistent use of resources, enabling the organisations we fund to be clearer about the likely cash available from us, so they can plan, and benefit themselves from sustained support, rather than react to rapid, unexpected swings in income. Our current plan based on income projections is to distribute £770 million per year for each of the next five years.

The Board, on the advice of the four country committees, and the UK Funding Committee, has completed its budget review for 2012/13. It approved grant budgets for the period to 31 March 2013 for new and existing funding programmes, and these are shown in the table below (note that 'working titles' are used in some cases and the names will be revised when we complete the build of these programmes). The table overleaf includes budgets for grant programmes that will be designed during the year, and once these programmes receive Board approval we will announce them through our website.

In addition, due to additional Lottery income a further £14 million was made available by the Board for grants in 2012/13, and is reflected in the amounts for development of further programmes in the table on page 11.

Corporate objectives for 2012/13

Approved Budget 12/13 £m	
UK programmes	
Heroes Return 2	0.81
International Communities	18.88
Replication and Innovation-Learning strand	0.52
Village SOS Active	4.00
Research for impact	0.10
Millennium Now	10.00
Budget for development of further programmes	30.01
UK Total	64.32

England programmes	
Awards for All	57.00
Silver Dreams	8.75
Business Connectors	5.00
Communities Living Sustainably	9.81
Improving Financial Confidence	35.00
Next steps (social investment)	3.00
Parks for People	6.92
Reaching Communities	150.00
Reaching Communities Capital	13.73
Flexible Investment (including social investment)	10.00
Strategic Investment 1: Youth Unemployment	100.00
Strategic Investment 2: Complex Needs	100.00
Budget for development of further programmes	-
England Total	499.20

Scotland programmes	
2014 Communities	0.87
2014 Legacy	1.60
Awards for All 12/15	8.50
Community Spaces	4.50
Growing Community Assets	0.64
Investing in Communities-Direct high volume	0.50
Investing in Communities-Direct high impact	0.50
Investing in Communities 2 11/15	48.50
Joining a new community	2.00
Survive and thrive	0.50
Survive and thrive small grants	0.75

Corporate objectives for 2012/13

Investing in ideas	1.20
Our Place	6.19
Our Place Arrangement	0.11
Family and Communities Fund	0.38
Budget for development of further programmes	22.13
Scotland Total	98.87

Wales programmes	
Awards for All 2011 Wales	3.03
BIG Innovation	1.77
Community Asset Transfer	1.84
Citizens Voice	11.69
Futures Fund	2.00
People and Places	19.80
Budget for development of further programmes	4.93
Wales Total	45.06

Northern Ireland programmes	
Advice Services	0.08
Awards for All 2011 Northern Ireland	4.00
Energy Efficient Venues (small grants)	0.50
Energy Efficient Venues (large grants)	1.69
Impact of Alcohol	0.24
Reaching Out-Connecting Older People	13.69
Reaching Out-Empowering Younger People	12.27
Space and Place	15.00
City of Culture	0.15
Awards for All development and support contract	0.20
Impact of Alcohol development and support contract	0.30
Budget for development of further programmes	-
Northern Ireland Total	48.11

TOTAL BUDGET ALLOCATED	698.49
TOTAL BUDGET STILL TO ALLOCATE TO PROGRAMMES	71.51
TOTAL BUDGET	770.00

Because this budget breakdown is produced before the end of the financial year the above figures are subject to further adjustment, with Board approval, to carry forward any under spend that the accounts identify in the 2011/12 grant budget. The grant budget for Scotland, as shown above, will significantly increase because the Life Changes Trust with a budget of £50 million agreed last year has been deferred to 2012/13.

Corporate objectives for 2012/13

Operating cost budget

BIG aims to control its operating costs tightly and has been asked by Government to reduce operating costs to 5 per cent of lottery income received by 2014/15. In addition to this we are allowed to spend up to 3 per cent of our costs on specific front line costs which are principally aimed at assisting the grant recipient and helping to ensure that Lottery money goes into the most deserving areas where maximum benefits will be derived. In 2011 our Board set out a medium term plan to achieve savings and we will continue to implement this plan during the year ahead.

Achieving the five per cent core cost ceiling will be a considerable challenge especially with the uncertainty about the level of future Lottery income; the amount of income we will gain from third party programmes; and the timing and the extent of the financial benefits from a new funding management system we are in the process of introducing.

In all areas of managing our business we regularly review our structures and processes to see if they can be made more effective. It is standard practice

for us to seek to learn from other organisations in the public and private sectors. Our grant processes are regularly reviewed but we always ensure that we fund accessibly and fairly, manage the risks of fraudulent applications, provide a good customer service and, most importantly, ensure that our programmes achieve positive impact. Independent assessments of the Big Lottery Fund, including Investors In People, the European Foundation of Quality Management (EFQM) Excellence Model, and the Government's Customer Service Excellence Assessment, encourage continuous improvement and tell us how well we perform compared to other organisations. We currently hold an EFQM 4-star rating.

The 2012/13 operating cost budget approved by the Board in March 2012 is £52.3 million. This excludes the budget BIG has set aside to invest in a new funding management system. We intend this investment to deliver against its agreed business case: to bring about greater efficiency and customer service improvements by supporting the range of ways in which we will award money in the future.

Annual target:

The VCS receives at least 80 per cent of our funding.

Annual target:

More than 80 per cent of the total agreed grant budget for 2012/13 is committed.

Annual target:

Total operating costs (core and frontline costs) are less than 7.1 per cent of Lottery income.

Annual target:

Core operating costs are less than 5.2 per cent of Lottery income.

Annual target:

The funding portfolio has an operating cost of less than 5 per cent of the grant budget.

Annual target:

By year end the grant paid out to all our funded projects is within 20 per cent of the payments total we forecast.

Corporate objectives for 2012/13

Corporate objective 2:

Those who enquired about, applied for or received our funding said we provide an excellent service to them. We have strong, positive relationships with key stakeholders, and with the public at large.

We will measure our success against this corporate objective through regular customer satisfaction surveys across the UK carried out for us by IPSOS MORI. Samples will be drawn from pre-application enquirers, successful applicants, unsuccessful applicants and grant holders. We know that it is important there is confidence in our ability to operate effectively, and we will therefore commission a VCS Survey and a detailed MP Survey, and monitor media coverage over the

year. The results of the first VCS Survey this year will act as a baseline for measuring future trends.

Key performance indicators:

- customer satisfaction
- customer service excellence
- relationships with the voluntary and community sector (VCS)
- a strong positive public reputation.

Every year we give advice to many thousands of enquirers, applicants and grant holders. This support will come from our own employees and also the staff of many agencies that work with us.

In the year to March 2012 our staff across the UK had contact with more than 90,000 people who enquired about a grant from BIG. Staff in our operational centres responded to 6,000 outline proposals and nearly 24,500 applications for grants, and supported more than 18,500 organisations that hold a grant from BIG. We secured a Customer Service Excellence Award last year.

This year we expect to complete the build of a new system for processing grant information, and to enter a phase of detailed testing, staff training and preparation of user guides. This new system is expected to make us more efficient and effective as a business over the next few years, increasing the amount of online communication we have with our customers and speeding up our processes. We have carefully consulted other businesses that have moved online, to learn from their experiences. During the year ahead we shall be promoting dialogue about the planned changes with customers and stakeholders and via press articles and social media.

We will continue with a popular feature on our website called Ask BIG, which was used by over 3,000 customers a month in the first quarter of 2012. It stores and organises questions customers have asked by popularity, region and topic and gives the answers so that anyone can access this information on the website before deciding whether they need to phone us. During the year ahead we will have completed a total redesign of the Big Lottery Fund website to make our funding information even more accessible and to enable more collaborative working between our customers.

We will be ensuring that our customers, largely charities and individuals and communities at greatest disadvantage, can equip themselves for the change. It matters to us that their problems are not compounded by a lack of access or understanding as to what is possible via the internet.



Annual target:
More than 77 per cent of customers are satisfied with our service.

Annual target:
More than 36 per cent of customers say they receive excellent customer service.

Annual target:
More than 58 per cent of customers consider BIG's service to be better than other funders' services.

Annual target:
The percentage of MPs who perceive BIG as effective is at least 10 percentage points above any other organisations measured in the same survey.

Annual target:
More than 75 per cent of media coverage is favourable.

The results from our VCS Survey will be used to determine a baseline value against which future targets can be set.

Corporate objectives for 2012/13

Corporate objective 3:

Our funding programmes bring real improvements to the lives of our beneficiaries

Key performance indicator:

Programme effectiveness: We will carry out an annual review of grant programmes to assess their effectiveness across three key areas: programme management, learning and impact. For each programme there will be an in-house annual review beginning one year after launch. From this we can determine where the programme has made a difference and capture learning. These reviews will include a peer review element and draw on available research, including evaluation findings.

Research and evaluation reports are published externally and can be found on our website at www.biglotteryfund.org.uk/evaluationandresearch-uk.

Annual target:

90 per cent of grant programmes achieve their agreed effectiveness rating.

Our guiding principle is that to be a highly effective funder our funding must enable positive social change and make a real difference for communities and individuals in need. In addition to the outcomes achieved through our projects and programmes, we aim to be a distributor of *know-how* as well as a distributor of funding. It is one of our fundamental principles that we create opportunities for exchanging knowledge, learning and ideas between the projects we fund, and this is strongly reflected in the activities we will undertake in the year ahead.

Our new website will give BIG-funded projects better access to support, information, ideas and voluntary and community sector research. A key theme this year is to encourage groups to tell their own stories through social media. We will continue to strengthen the way we fund projects to promote a focus on learning. For example the projects we have recently funded under Realising Ambition will use a new online monitoring process to capture and report 'real time' learning rather than 'after the event' reports, and we

will engage relevant experts as we go so that lessons inform practice well beyond the projects we have funded. We will facilitate peer to peer learning, better use of research evidence and better measurement of impact, and will require customers to show their commitment to learning within their projects. The net result should be stronger VCS organisations competing successfully for finite resources in difficult economic times.

During 2012/13 we will begin our Open Data initiative. The aim of this is to be more transparent about the research we use at BIG, giving greater public access to the information we use in developing programmes and the data we collect across the diversity of our funding. In parallel, we continue to develop new ways to harness and apply internal learning at BIG so that we continuously improve our own work and the way that we fund.

Corporate objectives for 2012/13

A Mixed and Varied Portfolio of Programmes

The BIG Lottery Fund is the largest general grant maker in the UK. We have so far made £4.4 billion of awards to good causes, and our Board has approved a £770 million grant budget for 2012/13. Almost £72 million of this is still at a very early stage where BIG needs to conduct external consultation about how to focus the funding. As can be seen from the allocated budgets on pages 11 to 12 we have a number of new programmes in the pipeline, still subject to country committee decisions which will need to be resourced, fully designed, and built during the year before they can be launched publicly. Some of the listed funding will be about continuing to make awards on existing programmes. Just a few examples of the areas being developed and managed are given below. It is key to delivering our strategy to maintain a mixed and varied portfolio of programmes that deliver on the funding priorities of Fresh Thinking. This year the mix of funding will consist of:

- ▶ Open programmes that respond to the needs of communities that they themselves identify. This

includes support for easily accessible small grants through programmes like Awards for All, Investing in Ideas, and 2014 Communities. Our flagship programmes Reaching Communities in England and Reaching Out in Northern Ireland, People and Places in Wales and Investing in Communities in Scotland, are open programmes. Through these programmes we encourage collaboration and partnership working across the VCS, the public sector and the private sector, and encourage projects to embrace communications technology as one way of achieving this. Our International Communities programme is open to applications until 2014 and provides funding for UK-based organisations that run projects in disadvantaged communities overseas by working with local partners.

- ▶ Targeted, strategic interventions that focus on a particular issue or geographic area where research tells us we can make a difference. These are the areas that we highlighted as priorities in Fresh Thinking. Some examples of strategic interventions are described on the next page.



- ▶ Targeting funds to projects in areas of England worst affected by youth unemployment, to focus on the talents and skills of young people and engage employers including charitable enterprises. A second strand of funding will be for projects that support individuals with multiple and complex needs, looking at how services for these individuals can be reshaped to be more responsive, connected and sustainable. There will be a strong focus on learning.
- ▶ Silver Dreams will support projects that help vulnerable older people across England cope more effectively with life changing events such as becoming a carer or being cared for. It seeks out innovative projects to learn what works and why. This year BIG, in partnership with The Daily Mail newspaper, will select around 30 projects to receive grants and a further 5 projects will be selected in 2014.
- ▶ The Communities and Families Fund will fund small grass-roots work to help families and communities in Scotland to give children the best start in life, by supporting better parenting, community play, better nutrition, and other initiatives. This is a partnership programme between the Scottish Government and BIG.
- ▶ We will continue to work with partner organisations to develop a Life Changes Trust, which we aim to endow with £50 million to support young people leaving care, and people with dementia and their carers, across Scotland.
- ▶ Supporting Families will fund projects that help break a cycle of poverty for families in Northern Ireland. Having studied the evidence-base and the results from our Big Thinking consultation we will seek projects that focus on early intervention, and will be carrying out further consultation during 2012. Projects will work with families with children aged under twelve years, and will be encouraged to develop partnerships and collaborative working.
- ▶ BIG Innovation will make more awards in Wales this year to projects that tackle emerging and existing social problems and needs. It seeks out highly innovative projects that test ways of working not previously tried in the UK.
- ▶ Community Voice will fund projects that support communities across Wales to achieve greater influence over policies and decisions affecting them. Citizens will have greater capacity to engage in planning and running services and develop projects that meet the need of their community.
- ▶ Realising Ambition is a UK wide investment that will replicate effective, evidence based interventions that support young people to fulfil their potential and avoid the pathways into offending and anti-social behaviour. It has two key dimensions – the prevention of first time youth offending and the replication of effective VCS practice.

- ▶ Our new Policy Directions emphasise a commitment for Big to support the development and capacity of the emerging social investment market. Whilst traditional grant funding will always remain our primary role we are keen to explore how social investment can make a difference for communities and those most in need. We are already learning from pilot activity we have funded, such as the Peterborough Social Impact Bond (SIB) and a SIB marketplace development grant, alongside the Next Steps programme. In the year ahead we will be considering a range of new opportunities to develop the potential of the market further.
- ▶ The Big Lottery Fund also includes in its mix of funding many programmes that make applicants more IT- and media-savvy to promote their projects, and raise public awareness about good causes funding. Our new Policy Directions emphasise that we should involve the public

in making policy, setting priorities and making decisions on grants. In 2012/13 we will do more of this. There will be a further round of The People's Millions which encourages first-time Lottery applicants and engages the public in voting for projects to be funded. We will make awards under our Silver Dreams programme, which has gained high public awareness through extensive coverage in the Daily Mail. The decision-making panel for Silver Dreams awards will involve 3 members of the public recruited through the newspaper. This year BIG will provide funding to the Big Lunch over the Diamond Jubilee Weekend in June, at which thousands of communities can take part. We are funding a project led by young people to visit UK cities during the Olympics to run activities that promote peace and truce. And in August 2012 we will be launching a small grants programme in Northern Ireland around the UK City of Culture 2013.

Corporate objectives for 2012/13

Big Lottery Fund and other income

We now have substantial experience of funding on behalf of other organisations, and, as intended, the many projects that have received grants in this way are bringing about outcomes that fit well with our mission and values. In the year ahead we will continue to make available our systems and expertise to others who may wish to use them to achieve positive outcomes via their own funding programmes. We account for and promote such third party funding independently from Lottery funding. The effectiveness of the grants we make is judged against the objectives agreed with our clients. Our operating costs in relation to this are separate from our Lottery programmes, as are other key performance targets, but our objectives for high levels of efficiency, effectiveness and customer service will be applied as rigorously and will be monitored closely.

From summer 2012 BIG will be delivering a new Scottish Land Fund on behalf of the Scottish Government and in partnership with Highlands and Islands Enterprise. It will support projects that can provide expert help to rural communities to take ownership of local land and land assets. This year we are delivering a £23 million UK-wide Coastal Communities Fund on behalf of HM Treasury. It will support sustainable economic development in coastal areas, using funding from the Crown Estate's marine activities. We will invite at least a further two rounds of applications in the next two years.

There is a statutory requirement on the Big Lottery Fund to manage the distribution of funds to good causes from dormant bank and building society accounts, and this is an important factor in planning our resources for the year ahead. Since the original announcements in 2010 about the role of the Big Lottery Fund the bespoke structures and authorisations have been worked through to prepare for the receipt and distribution of the funds from 2011 onwards. Dormant accounts funds transfer to BIG from the Reclaim Fund Ltd (RFL) and are distributed between the four UK Countries for use as

directed under policy directions issued by respective ministers. The RFL receives dormant accounts money from the banks and building societies and is forecast to transfer further funds to BIG during 2012/13.

Summary of Policy Directions for Dormant Accounts

- ▶ Our policy directions from the Cabinet Office state that the whole of the England share should be distributed to the Big Society Trust for investment in Big Society Capital. Seven in-principle investments were made in 2011/12 by an interim Investment Committee.
- ▶ Our policy directions from the Welsh Government state that 80 per cent should be used to support children and young people to achieve their full potential, with the remainder to tackle climate change and promote sustainable development. In February we awarded funding to support Welsh communities to reduce carbon emissions and adapt to climate change. The balance of the funding for Wales will be used for a programme to support disengaged young people into employment and will be launched in September.
- ▶ Our policy directions from Scottish Ministers identify four themes: opportunities for children and young people; addressing health inequalities through increased activity; strengthening inter-generational activities; and creating community-based employment opportunities. Young Start will make its first awards this year.
- ▶ We are awaiting policy directions from the Northern Ireland Assembly.

Risks for 2012/13

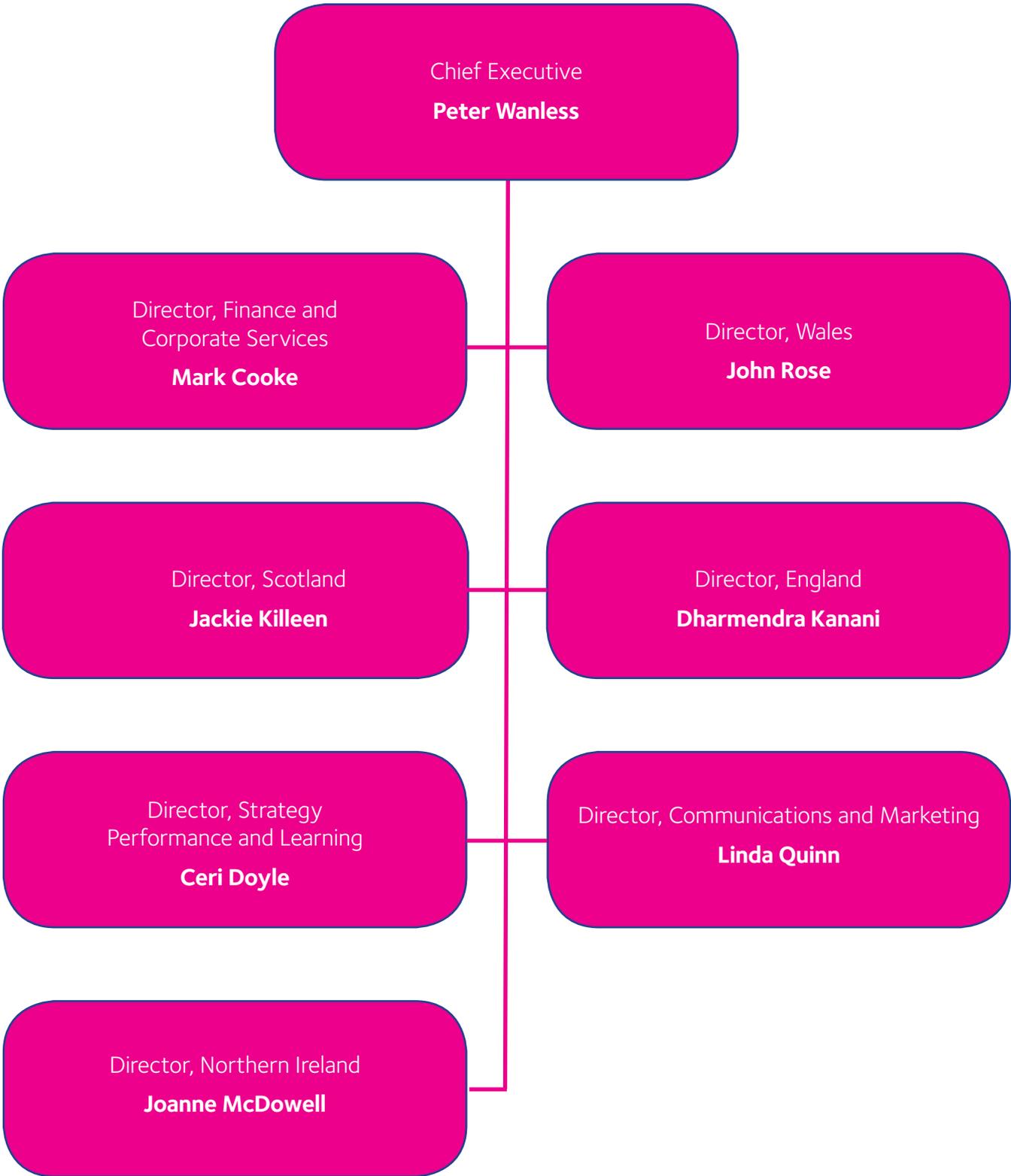
We face a range of risks to the delivery of our strategic objectives and other commitments. The most important of these are set out in our corporate risk register.

Our approach for risk identification and management is set out in our Risk Management Policy Statement. Identifying and managing corporate risks is the responsibility of the Senior Management Team. Where necessary we will audit the measures put in place to contain or reduce our exposure to risk. The areas that may require testing during the year are taken into account in our audit plan for 2012/13. The Audit and Risk Committee receives regular reports on our risk management and audit findings during the year.



6. ANNEX A

Organisation chart



7. ANNEX B

Board and committee members



Peter Ainsworth

Chair, Remuneration Committee



Roland Doven MBE

General Member
Chair, Audit and Risk Committee



Anna Southall

Vice Chair



John Gartside OBE

General Member
Member, England Committee



Nat Sloane

Chair, England Committee



Rajay Naik

General Member



Frank Hewitt

Chair, Northern Ireland
Committee



Albert Tucker

General Member
Member, England Committee



Maureen McGinn

Chair, Scotland Committee



Diana Whitworth

General Member



Sir Adrian Webb

Chair, Wales Committee

Country committees

England Committee–Nat Sloane (Chair)

The members are Alan Billings, Geeta Gopalan, Scott Greenhalgh, Steve Richards, Daniel Silverstone, Albert Tucker, Nalini Varma and Geoffrey Wilkinson.

Northern Ireland Committee–Frank Hewitt (Chair)

The members are Geraldine Campbell, Paul Cavanagh, Julie Harrison, Claire Keatinge and Peter Osbourne.

Scotland Committee–Maureen McGinn (Chair)

The members are Tim Allan, Elizabeth Cameron, Helen Forsyth, David Green, Alistair Grimes, Lucy McTernan and Shirley Young.

Wales Committee–Adrian Webb (Chair)

The members are Graham Benfield, Gareth Newton, Janet Reed, Fran Targett, Mike Theodoulou and Barbara Wilding.

UK Funding Committee–Peter Ainsworth (Chair)

The members are Frank Hewitt, Lucy McTernan, Rajay Naik, Steve Richards, Anna Southall, Mike Theodoulou, and Diana Whitworth.