



**Putting  
Communities  
First**

**Annual Report and  
Accounts 2021-22**

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## OGL

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# Big Lottery Fund\*

## Annual Report and Accounts 2021-2022

For the period 1 April 2021 to 31 March 2022

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# A message from the Chair



“Thanks to National Lottery players throughout the country, the Fund awarded £4.5 million to 91 projects across the UK through our Platinum Jubilee Fund, providing opportunities for people to come together, with many creating lasting legacies for communities.”

**Blondel Cluff**  
CBE, Chair

Last year was again defined by COVID-19 and the ongoing impact on communities and people’s lives. Communities continued to face headwinds, albeit bolstered by the strong sense of community that had come to signify the pandemic across the UK. However there has been a subtle but important shift in a focus on the future and on building back, recovering and growing.

People and communities are adjusting to the ‘new normal’ to which the Fund must stay attuned in responding to a fast-changing landscape, where the economic consequences of the pandemic have become the priority for many.

Over the year we listened to communities, leaders and policymakers and learned 2022 was about three key things: firstly, capturing and building upon the powerful sense of community spirit unleashed by the hardships of the pandemic; secondly, bringing people and communities together again in service of their health and wellbeing; and thirdly, supporting communities to recover and grow in order to generate sustainable prosperity.

This insight proved invaluable and a powerful motivation for our staff that has impacted positively on our funding. This I have seen first-hand, having visited all four nations of the UK, the work of our staff and the communities they serve has been both uplifting and humbling. It has also been a personal privilege to spearhead our support for Her Majesty The Queen’s Platinum Jubilee and the Birmingham Commonwealth Games.

Thanks to National Lottery players throughout the country, the Fund awarded £4.5 million to 91 projects across the UK through our Platinum Jubilee Fund, providing opportunities for people to come together, with many creating lasting legacies for communities.

We also invested £2.3 million in The Big Jubilee Lunch: driving public awareness and participation in local celebration events across the Platinum Jubilee weekend, bringing thousands of communities together and building on the community cohesion that is key to our recovery from the pandemic.

The legacy of our funding has become a particular area of interest. Collectively, The National Lottery invested over £40 million to support the Birmingham 2022 Commonwealth Games and its legacy. This included investing in infrastructure, home nation teams and grassroots sport programmes, through to employment, training and volunteering opportunities, as well as the Birmingham 2022 Festival.

I visited the West Midlands Combined Authority’s Commonwealth Jobs and Skills Academy to see the huge difference National Lottery funding is making to young people – particularly those who are unemployed or at risk of unemployment. This support will help deliver volunteering and employment opportunities generated by the Games, building their skills and confidence so they can go on to secure jobs in the future. This is the embodiment of our purpose, which is to support people and communities to prosper and thrive sustainably.

While this past year has been one of the most difficult I have encountered in over 25 years of public service, I am proud of the Fund’s achievements, not only in respect of the 14,000 grants through which nearly £600 million was awarded to the UK’s communities, but also in respect of the immense effort made by staff to adjust and respond to the ever-changing environment faced by the UK’s communities. Despite this unenviable backdrop, the Fund has attained new

heights, with over £97.5 million granted to the UK’s ethnic minority communities, the highest amount in six years, £19.1 million to the UK’s LGBT communities and £61 million for projects which involved disadvantage for children and young people.

I am all too aware of the Fund’s considerable strengths, and of where it needs to improve if it is to remain fit for purpose in this fast-changing environment. The independent report last year into our culture identified areas where the Fund should and must do better. As such, I hope the adoption of the recommendations will mark a step change from the past. As Chair I continue to work with the Chief Executive, the Board that is being refreshed with a wide range of skills, together with our stakeholders from whom the Fund hope to secure positive and constructive contributions to our work on behalf of the UK’s communities during this seminal moment. Through this mutual endeavour, I sincerely hope the Fund will continue to fulfil its ambitions as the largest community funder in the UK whose work continues to save lives and livelihoods with every passing day.

It is important to achieve this, as the Fund and those that support it, must not only be seen to adopt values, but to live by them. As a public body, the custodian of National Lottery good cause money and a champion of the UK’s dynamic and diverse communities, The National Lottery Community Fund must strive to be the best it can be, adhering to the highest ethical standards in all that it does.

**Blondel Cluff CBE**  
Chair

**The National Lottery Community Fund**

# A message from the Chief Executive



**“It has been an immense privilege to travel across the UK, to England, Northern Ireland, Scotland and Wales. I’ve been able to visit a wide range of projects and see first-hand how our funding changes people’s lives.”**

**David Knott,  
Chief Executive**

**Over the last 12 months we have once again witnessed the resilience and strength that lies in the hearts of UK communities.**

As the year closes, across the country we are beginning a new chapter, rediscovering ourselves, our communities, what is important to us and understanding how we adapt to the changes and challenges brought about by the pandemic.

As communities recover, rebuild and grow we know that our funding is key in bringing much needed support. We see communities continue to do extraordinary things to improve lives as over the last 12 months we have awarded nearly £600 million to 14,000 grants as the largest funder of community activity across the UK.

In October I was honoured to be appointed as Chief Executive here at the National Lottery Community Fund. On my first day we published Our Commitment to Communities, affirming what the communities we serve and partners we work with can expect of us. We are committed to fairness and inclusion, as a funder and organisation. In November, following the findings of the cultural inquiry, we set out the actions we will take to address past experience and recently published our six-month progress report.

Our mission – helping people and communities to thrive and prosper – is needed more than ever before. This moment in time presents a watershed moment for us to learn lessons from the past few years and value and foster community spirit beyond the pandemic and as we face ongoing challenges like climate change.

As lockdown ended it was heartening to see a reinvigorated discussion about how we can best tackle geographical inequality. As the Government’s Levelling Up White Paper set out, extending opportunity is vital.

The National Lottery Community Fund’s Impact Report set out our longstanding record of supporting people to build social capital and social infrastructure in those places where it is most needed. We put pride in place and wellbeing at the heart of our work. I recently launched our Strategy Renewal process at Middleport Matters, a community project in Stoke-on-Trent, which is using National Lottery funding to help improve quality of life and life opportunities for residents. Just one of the thousands of projects we fund that are helping communities develop capacity and lead the regeneration of their areas.

Through all the ups and downs of the last year, our staff have remained steadfast in their dedication to communities. Whether through microgrants or large-scale, multimillion-pound investments, we are ensuring our funding is distributed to a vast array of community groups and projects, enabling people and communities to bring their ambitions to life.

I am particularly proud that this year we published our first ever comprehensive Impact Report, Putting Communities First, demonstrating the extraordinary impact our funding has had over the last five years. This gave us the bigger picture of how our funding and support has reached communities in every part of the country, helping them address the key social issues where they live. In the Spring we launched our Strategy Renewal. With solid foundations we will build on the best that’s been with the best that’s yet to come. From the passion and expertise of our people and the insight from the Impact Report and elsewhere, we will look at how we can make the most difference we can in the years ahead to 2030. It will enable us to



TWOCO-Women of Justice Arise

be relevant, responsive, value-adding, impactful, purposeful and influential where it matters.

As conditions have allowed, it has been an immense privilege to travel across the UK, to England, Northern Ireland, Scotland and Wales. I’ve been able to visit a wide range of projects and see first-hand how our funding changes people’s lives.

As we, like the communities we serve, turn a new chapter we look forward to engaging with communities right across the country, listening to their priorities and aspirations and drawing on their knowledge and experience. I look forward to the ideas, aspirations, insights and experiences, that will inform what we can learn, improve and change as we look ahead.

Through this process, we aim to set a new direction for the years ahead and ensure that in all that we do, we will be Putting Communities First.

**David Knott  
Chief Executive**

**The National Lottery Community Fund**

# Our purpose

We support people and communities to thrive and prosper



# Our principles

What we do and how we act as an organisation is based on our principles

**For everyone:**

Our funding is open to all communities whatever their starting point and we understand that some will need extra support.

**The strengths people bring:**

We start with what people can contribute, and the potential in their idea.

**A catalyst for others:**

We listen to, learn from, act on and facilitate the things that matter to people, communities and our partners.

**Shared direction, diverse approaches:**

We value the diversity of communities we work with across the UK, are consistent in the quality of opportunities we offer, and support people to tackle inequalities.

**Confidence, not control:**

We trust in people's ability to make great things happen, believing that our funding should enable rather than control.

**Simple processes, good judgements:**

We use simple, proportionate processes which enable us to make good judgements.

**Using resources well:**

We make informed choices about the resources given to us by National Lottery players: with knowledge, with people and with money, and in an environmentally sustainable way.



## Strategic framework

The National Lottery Community Fund is the largest funder of community activity in the UK – we support people and communities to thrive and prosper.

We are for everyone and our funding is open to all communities, whatever their starting point.

People understand what's needed in their communities better than anyone.

We start with what people can contribute, and the potential in their idea.

We listen, collaborate and fund the things that are important to communities.

That's why we're proud to award money raised by National Lottery players across the UK.



# Money awarded in 2021-22

In total  
**£579.8m**

14,611 grants

Scotland  
**£55.5m**

1,554 grants

England  
**£421.2m**

10,616 grants

Northern Ireland  
**£30.2m**

731 grants

Wales  
**£34.5m**

750 grants

All figures reflect  
National Lottery and non-  
National Lottery funding.

UK Portfolio  
**£38.3m**

960 grants



Artizan Café

## Targeting areas of greatest need

Around half of our funding goes to the areas identified as highest priority for those areas of greatest need.

In 2021-22, we provided the following percentages of funding to the 30% of local areas in the UK with the highest levels of deprivation.<sup>1</sup>

- England – 54%
- Northern Ireland – 65%
- Wales – 42%
- Scotland 44%

<sup>1</sup> UK Indices of Multiple Deprivation

## In a year...

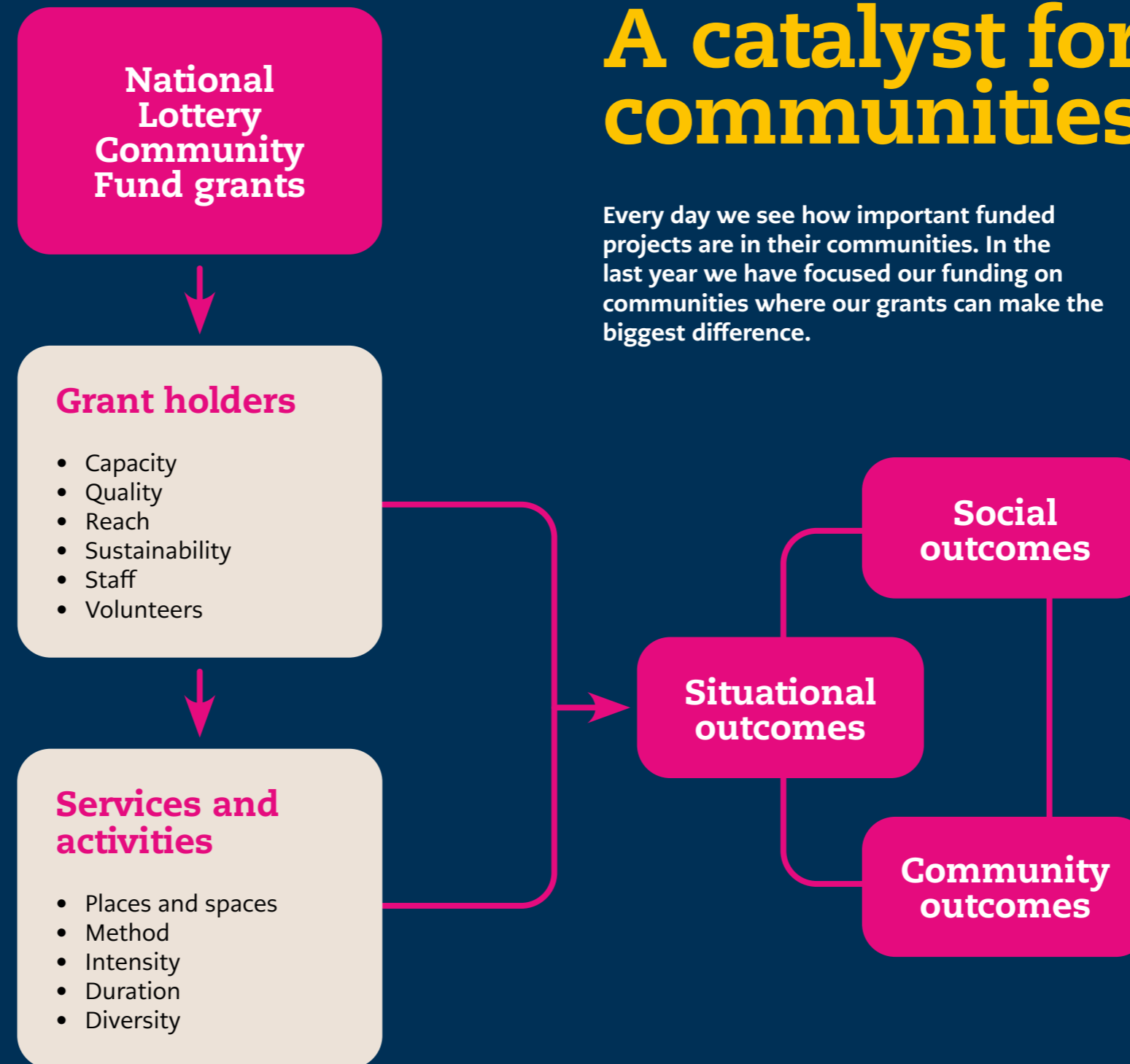
In April 2021, to help us understand the reach and impact of our responsive funding, we commissioned independent research from IFF Research.

Our grant holders told us that our support means that:

- Over 7,600 organisations can increase their capacity or reach more beneficiaries.
- Over 5,500 can be more resilient, and
- 3,000 can improve the quality of their work.
- Over 6,000 organisations reach new beneficiaries, around 5,300 improve their local places and spaces, and 4,300 support more volunteers.

Through the activities delivered using our funding, each grant holder directly supports an average of

- **455 unique beneficiaries across the lifetime of their grant**
- **5.2 million people in a ‘typical’ year.**



# A catalyst for communities

Every day we see how important funded projects are in their communities. In the last year we have focused our funding on communities where our grants can make the biggest difference.

## National Lottery funding is for everyone

Last year we prioritised building the capacity of organisations so they would be in a stronger position to address inequalities after the pandemic. We have increased the value of awards in each case since the last financial year.

- The value of grants focusing on supporting ethnic minority groups was 1,869 awards, £97.5 million.
- The value of grants focusing on supporting lesbian, gay, bisexual and transgender (LGBT+) people was 424 awards, £19.1 million.
- The value of grants focusing on supporting disabled people was 2,547 awards, £103 million.

## Small grants – large impact

This year 84% of all grants we distributed were for small amounts of up to £10,000.

This crucial funding makes up just under a fifth (18%) of our total funding by value, worth £101 million.



## Supporting children and young people

Many projects offer targeted support to help young people stay safe and navigate the move towards adulthood. This can include coping with challenges like drug or alcohol use, developing new skills to manage relationships and behaviour, and dedicated support for those most at risk from harm, for example from gangs or sexual exploitation.



## Supporting people into employment and employability

Much of our funding supports work involving specific groups of people who may face challenges to finding work – like lone parents, carers or people on low income.



## Supporting people with multiple and complex needs

Multiple and complex needs have been defined as a combination of mental ill health, homelessness, drug and alcohol issues, or a history of offending. Men and women may experience these disadvantages differently, with men more likely to live with three or more needs concurrently, and women more likely to experience disadvantage throughout their lives.

The exact costs to society and individuals are hard to calculate because needs and use of services varies widely. Average UK public expenditure per adult is £4,600, with estimated costs of £16,000 a year for a rough sleeper and £21,180 a year for an average client with three forms of disadvantage.\*

Overall, it is estimated that the cumulative annual cost of providing services to people with multiple and complex needs, in England alone, is between £1.1 and £2.1 billion.

### What we fund

Many of our projects address a combination of multiple and complex needs offering a range of support and services to meet an individual's requirements.



\* Bramley, G; et al. Lankelly Chase Foundation. (2015).

\* Department for Communities and Local Government. (2015). Addressing complex needs: Improving services for vulnerable homeless people, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/417230/150325\\_Addressing\\_Complex\\_Needs\\_-\\_final\\_publication\\_amended.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/417230/150325_Addressing_Complex_Needs_-_final_publication_amended.pdf)

Over the last 12 months, we have awarded £580 million in over 14,000 grants across the UK. We have reached communities in every part of the country.

# Putting communities first

Last year we delivered the first comprehensive survey of our funding’s impact. It showed over the last five years how our funding has helped 10,000 community spaces be built or improved and how each year grant holders benefit over 5 million people – rising to 11 million during the Covid-19 pandemic – while mobilising 290,000 volunteers.

By looking hard at outcomes across a range of social priorities, from climate to employment to opportunities for young people, it provides strong foundations for our strategy renewal. In our Commitment to Communities we set out

what communities can expect from us as the UK adapts to changes and challenges brought about by the pandemic.

Alongside our commitment to make a difference and our focus on key social issues, we’ve reaffirmed our constant commitment to people and communities, being open to all, committed to fairness and inclusion and being here as communities recover, rebuild and grow. We will support ideas from communities and ensure funding is informed by lived, learned and practiced experience, and insight and knowledge from others.

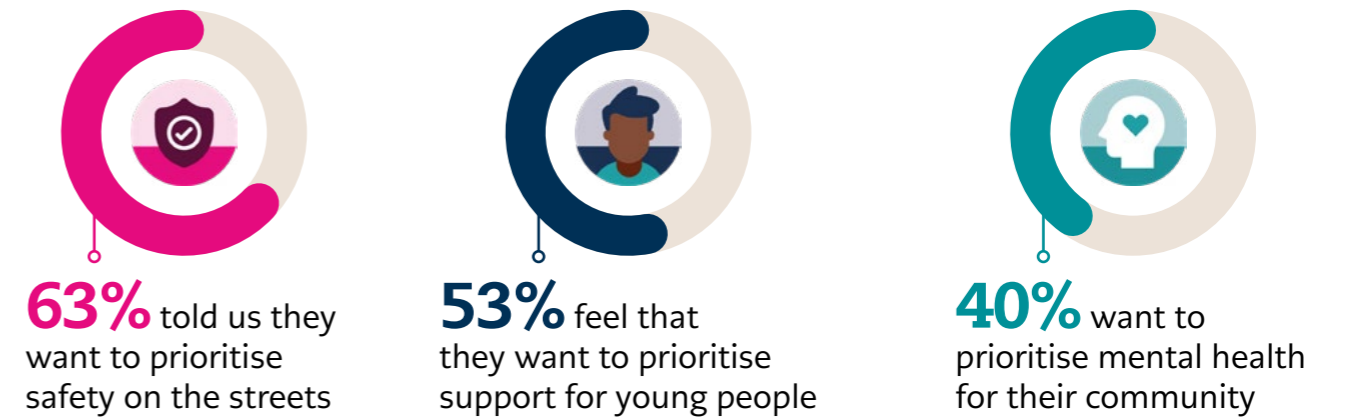
## Community matters



Our funding is helping people and communities to tackle the big challenges they face wherever they live. Together we play a pivotal role in addressing key social issues facing UK communities. In the last year we have redoubled our efforts to measure, understand and share what works, why and where.

As part of our commitment to ensure we are meeting the needs of communities and listening to them, we undertook our second annual Community Research Index (CRI), an independent survey, with over 8,000 members of the public representing the population across the UK.

### Community priorities, rebuilding post-pandemic



### Climate change concerns are spurring action

With the unique moment that came from the 26th UN Climate Change Conference (COP26) and our continued funding commitment to the environment, we are contributing to the UK’s aspirations towards a net zero target. An extra focus on young people and supporting people with multiple and complex needs also formed part of our funding offer as we partnered with a number of organisations to make the biggest difference possible, as the country continues to emerge from the pandemic and all that this brings.

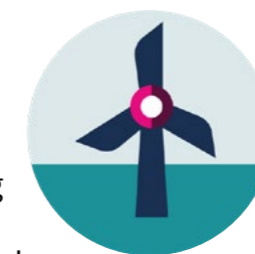
**Getting involved:** More than half (55%) of UK adults say they are either currently taking part in community-led climate action or they plan to, or will consider doing so, in the future



54% told us they are worried about how climate change will affect their local community



**Responsibility:** While almost 9 in ten (88%) say the UK Government is responsible for tackling climate change, people recognise that individuals (82%) and communities (79%) have a key role too



44% say COVID-19 has increased the importance of addressing climate change on a personal level



Middleport Matters

**“This project has given me a purpose in life. It’s definitely made me feel happier and brighter. Middleport Matters offers such a variety of support. It means the world to everyone. It’s a really nice, safe, comfortable place for all the community.”**

**Abigail Scott from Middleport Matters, Stoke-on-Trent**

## Commitment to communities

In October 2021, we published our five-point Commitment to Communities to set out clearly what communities can expect from The National Lottery Community Fund:

1. We pledged our funding would continue to support people and communities to thrive and prosper as they recover, rebuild and grow.
2. Our funding is for everyone, and we are committed to taking steps to ensure we are being fair and inclusive.
3. Being responsive now to what communities need is at the heart of this commitment.
4. We are committed to drawing on our knowledge, insight and foresight – and that of the partners around us – to make sure we’re anticipating future opportunities too.
5. We committed to target our funding to where it is needed most and where it adds the most value.

In November 2021, we published Putting Communities First, our first impact report. It collated our achievements from 2016/17 to 2020/21 helping us to understand and learn from the difference we make.

It demonstrated what our funding enables people and communities to do. It also told a powerful story of the reach, scale and contribution of the £3.4 billion we awarded between 2016/17 and 2020/21. The report demonstrates how over 72,000 grants supported over 47,500 charities and community organisations across the UK in truly innovative and inclusive ways.

The report explored some of our priority funding areas:

- Prosperous and thriving communities
- Young people
- Employment and employability
- Multiple and complex needs
- Net zero
- Coronavirus crisis funding.

We know in any one year, grant holders collectively support around 5.2 million people. Our funding is making a difference – 97% of grant holders reported positive benefits for people, like improved wellbeing, more social contact, and better confidence and self-esteem. Thanks

to our funding, 92% reported community benefits, like better connected services, opportunities to mix with others, and more local events and activities.

As our [Chief Executive set out](#), it provides important prompts as we enter a period of strategy renewal, including the vital role of grassroots community funding, the role of partnerships with purpose and in places we serve, and the part we can play in the data revolution to come, driving our funding, strategy and engagement and used for public good.



**Thanks to our funding, 92% reported community benefits, like better connected services, opportunities to mix with others and more local events and activities.**



Over **56%** of awards go to organisations with turnovers of less than £100,000



Over **84%** of all our grants are £10k and under

### Reaching left-behind communities

Last year saw the continued impact of the pandemic combined with fresh challenges for those we seek to serve. Supporting communities up and down the UK to access our funding and providing stability for the services that people value is needed now more than ever.

Our devolved funding model means our funding teams can focus on and offer the greatest reach into typically under-served areas. With regional teams in England, Northern Ireland, Scotland and Wales, our well-established networks and relationships in communities in every constituency of the UK mean we can act quickly to get funding into those areas, where social capital might be low and where extra support is needed.

Research by 360Giving and the National Council for Voluntary Organisations (NCVO) showed The National Lottery Community Fund is the leading funder of grassroots groups, and the ‘hidden’ voluntary and community sector of small, unregistered organisations.

Over 84% of all our grants are £10k and under and over 56% of awards go to organisations with turnovers of less than £100,000. Last year, over 5,000 awards were made to organisations accessing funding distributed by the Fund for the first time.

### Fusion Health and Wellbeing in

Grimsby began their funding journey as a youth boxing project seven years ago. It has grown from a small start into a vibrant community anchor organisation meeting the needs of the local community, which includes some of the most deprived postcodes in England. With over 250 people ranging from 4 to 64 coming through their doors each week, they are a locally rooted success. This year they were awarded a grant of £190,648 to expand their provision.

Manager Wayne Bloy says: “We are much more than simply a fitness project now. We have parent and

toddler sessions, adult education and youth-led activities. We are about to start sessions for isolated older people as well as addressing digital literacy. We have been busy listening to what local people have told us they need and together we are delivering it.”



Fusion Health and Wellbeing

### Helping everyone join in national moments

We have provided vital support for big projects designed to inspire community participation and provide opportunities that will last long into the future. The Fund led the way for the National Lottery family to make a sizeable contribution to the Platinum Jubilee, with a minimum commitment of £22 million across the Lottery Distributors to mark this momentous occasion. Thanks to National Lottery Players, here at The National Lottery Community Fund we were able to award £4.5 million to 91 two-year long projects across the UK in March 2022, as well as over £2.3 million in grants of under £10,000 to almost 400 projects through National Lottery Awards for All, with awards continuing into 2022-23.

With over £1.7 million of our funding, Coventry UK City of Culture 2021 expanded the Love Coventry programme to deliver spirit-boosting projects and events celebrating the city and its people. The West Midlands secured further investment with a grant of over £700,000, providing new volunteering and employment opportunities for young people ahead of The Birmingham 2022 Commonwealth Games.

This important award to the West Midlands Combined Authority (WMCA) gives personal support to more than 800 disadvantaged young people. Not only does it help them to access roles created by the event; crucially, it also supports participants to build on their experience to secure long-term employment opportunities.

### Young people

Young people continue to face a breadth of challenges, many of which are the legacy of a difficult couple of years of global change. The pandemic, disruption to education and uncertain employment conditions are adversely impacting young people’s mental health, in addition to the usual challenges they face as they grow. Last year, we supported the youth sector with 2,970 grants totalling £146.8 million, funding a vast array of projects.

Across England, the #iWill Fund continues to support the #iWill Movement’s campaign goal of social action, becoming the norm for young people between 10 and 20. With £2.9 million of investment this year, we’ve worked in partnership with other funders to enable more young people, particularly from less affluent communities, to take part in high-quality social action that builds a habit for life. This year, coinciding with International Youth Day, we announced extra funding – £2 million from the Department for Digital, Culture, Media and Sport (DCMS) and £2 million from The Fund, for the #iwill Fund to create thousands of new youth social action opportunities.

We recruited 10 dynamic young people from across the projects we funded to work closely with our Head of Youth Voice and partner with us throughout 2020-2021. The aim of the Youth Advisory Panel was to meet the issues young people and their communities were facing head-on, with the aim of steering significant and positive change in communities and encouraging others to embed youth voice within their own work.

During their time on the panel, these extraordinary young people hosted and spoke at 20 national conferences, reaching over 3,000 stakeholders across Government and the third sector. They created toolkits for staff on how to embed youth voice and what the priorities of young people from our communities are. They also gained positions of influence on our Board, England Committee and as employed staff within the Fund.

Following the success of the Youth Advisory Panel, we are widening this approach by welcoming new Youth Voice Teams for each country across the UK, including 10 new young people to The National Lottery Community Fund in England to help us further embed youth voice.

### Adding our value

Last year, alongside the Ministry of Housing, Communities & Local Government – now known as The Department for Levelling Up, Housing and Communities (DLUHC) – we committed £18 million to support the expansion of the Government’s £64 million **Changing Futures** programme. The expanded programme will help more adults facing multiple issues such as homelessness, substance misuse and domestic abuse.

Additional funding will extend the length of the programme to help local partnerships develop longer-term and more effective support for those in need. Twenty one areas are shortlisted for the programme and they will submit

### Changing lives: The Life Changes Trust

March 2022 saw the planned conclusion of The Life Changes Trust, established in 2013 with a £50 million endowment from The National Lottery Community Fund in Scotland. It had a threefold aim – to transform the lives of young people with care experience, people affected by dementia and the unpaid carers of those with dementia.

The Trust is leaving a strong legacy of partnerships and lived experience projects with life-changing stories at their heart.

An independent evaluation of the Trust and its work to create transformational and sustainable change was led by the University of Stirling, alongside a team of community researchers. This included

people living with dementia, their unpaid carers and young people with care experience.

The importance of lived experience was recognised in the evaluation, as was the Trust’s focus on voice, empowerment and participation which was reflected in the projects funded. The evaluation also highlighted the importance of keeping alive the legacy of this significant long-term investment of National Lottery funding.

Over eight years this work reached 13,274 young people with care experience, 21,292 people living with dementia and 11,193 unpaid carers. It also trained and engaged over 200,000 practitioners to make this valuable work possible.

Read the [Executive summary report](#) here for further detail.

London-based charity, **Just Like Us**, empowers young people aged between 18 and 25 to deliver talks and workshops in schools championing LGBT+ equality and inclusion. Thanks to a grant of £30,000, they have expanded the reach of their Ambassador Programme, providing young people in the capital with access to a fully supported volunteering programme, helping make schools in the city more inclusive.

Pippa Sterk, one of over 300 skilled LGBT+ Ambassadors, shared her experience: “I became an Ambassador during the pandemic and the online school talks have been really great – the young people have been so engaged in our talks even when we can’t see them face to face.

“It really sparks a discussion that they take into very nuanced depths that is amazing to see. You feel like you’re part of a community, not just an LGBT+ community but people who care about education and making sure other people grow up having an easier time than we perhaps did.”

**“I became an Ambassador during the pandemic and the online school talks have been really great – the young people have been so engaged.”**

**Pippa Sterk, Ambassador**

full plans. The funding builds on our **Fulfilling Lives** programme – a £112 million investment over eight years that focuses on improving support for vulnerable people, with multiple and complex needs, by giving them a greater voice in the design and delivery of services. The impact of hearing their views cannot be underestimated.

The **Local Connections Fund** was a joint £4 million programme between The National Lottery Community Fund and DCMS to support grassroots charities and community groups tackling loneliness in England. More than 1,700 grants, worth £3.6 million, were made

through the Local Connections Fund, which was split into two funding rounds in the second half of 2021. Grants awarded were between £300 – £2,500, focusing on encouraging people to access local activities and services, as well as supporting community projects to create opportunities to build lasting connections. From covering costs of technology and equipment, to bringing people together in safe and secure environments, the funding was designed to support small community groups with an income of less than £50,000 to tackle loneliness and isolation. The aim was to help people feel more involved in their communities.

## Playing our part in delivering net zero

Our Climate Action Fund – which will see £100 million committed over 10 years for climate action – is central to our Environment Strategy. It invests in projects to strengthen the lives of people and communities alongside enhancing the environment.

In addition to the £5.98 million awarded through the Climate Action Fund in 2021-2022, this year, we have also worked hard to embed environment and climate action throughout our funding portfolios and wider organisation. In total our funding for environment-based activity was £100 million.

In November 2021, COP 26 provided a landmark moment to highlight how our National Lottery funding supports UK communities to take climate action locally.

To leverage the momentum given by the global focus on the UK’s presidency of COP26, we launched Together for Our

Planet, a UK wide grants programme, aligned with the Government’s public engagement initiative on climate action.

Together for Our Planet made funding awards of between £1,000 and £10,000 and supported the Government’s initiative to inspire positive climate action. We awarded £3.9 million to 446 grants through our UK Portfolio and £811,000 to 92 grants through our Scotland portfolio, with a focus on funding community groups beginning to consider how they could take climate change action locally.

In the last year, we have both challenged and supported our grant holders to improve their environmental performance, by championing their stories and sharing their learning. We’ve acted on the climate as an organisation too. Through our core teams and our network of Green Champions, we have increased the focus on environment in everything we do.

With a £9,550 grant, **Civil Society Consulting** in England will set up a Community Leaders Network. This will provide training and mentoring to civil society and faith leaders from ethnically diverse backgrounds to encourage local community initiatives inspired by climate action.

Mark Ereira-Guyer, Founder Director at Civil Society Consulting CIC, said: “The time is now to see what we can all do as climate action organisers and leaders in the communities in which we live – to generate an emboldened eco-centric heart to our faith and community activities, services and projects.”

**“The time is now to see what we can all do as climate action organisers and leaders.”**

**Mark Ereira-Guyer, Founder Director at Civil Society Consulting CIC**

## Great Big Green Week

The **Climate Coalition** received £100,000 to support the co-ordination of the UK’s first **Great Big Green Week** – a national week of events where communities across the country celebrated action on climate change and nature. The project reflected the diversity and creativity of the climate movement, with many National Lottery funded projects also getting involved.

Fiona Dear, Head of Campaigns at The Climate Coalition, said: “Results from our survey, which we ran thanks to National Lottery funding, shows that 88% of activity organisers feel more connected to other groups locally and, excitingly, 94% of organisers plan to continue working with partners that they met through Great Big Green Week. A clear message from local event organisers was they valued the overarching sense of purpose that being part of a national week provided.”



Wild Youth

In Northern Ireland, **Wild Youth** is a four-year project to improve the mental health, wellbeing and employability of young people through environmental activities. Awarded £499,802 through the Empowering Young People programme, it is being delivered by Belfast Hills Partnership and Ulster Wildlife.

Alanna McDonnell, from Belfast, became involved with environmental work after leaving school and is now leading the new volunteers in Wild Youth.

“This is such important work. With everyone stuck in their homes, people are starting to appreciate nature more and realise how it can improve your mental health. Schemes like this also make everyone more aware of wider global issues. The more people who become involved in adding a bird feeder or a greener space in their back garden, the greater the difference we can make.”



Great Big Green Week



Generation 22 (Canal River Trust)

**“Gen22 has been co-designed with young people. Their ideas for social action in the places they live get right to the heart of what’s needed.”**

Nicola Turner MBE, Director of Legacy at Birmingham 2022

# Putting communities first in England

**10,616 grants valued at £421.2 million**

Across England, we have seen communities over the past year start to reimagine their future. Many communities continue to navigate uncertainty with the ongoing impact of the pandemic and a tighter squeeze on living costs.

In response, we have continued to be flexible and adaptable to the needs of people and communities. We have seen very high demand for our funding this year and, as a result, exceeded our grant-making budget.

Our regional teams have started going back out into communities again, supporting them to evolve and adapt. Despite the restrictions over the past few years, our locally held relationships across the regions have remained strong and one of our greatest assets in supporting communities to thrive.

We have seen a return to funding applications for face-to-face activities and events focusing on bringing communities together after many months of adversity. Through National Lottery Awards For All we were delighted to award over **300 awards in England to projects celebrating Her Majesty the Queen’s Platinum Jubilee with a value of £1.8 million**, with awards continuing into April and May 2022. Across the board, wider National Lottery Awards for All funding totalled **£74.8 million across 8,335 awards** and our customer satisfaction rates increased to 86%.

**83%** of awards to organisations with an income less than £1m

**56%** of awards to micro/small organisations with an income less than £100k

**28%** of standard awards received under £100k

**EPIC Dad** is a Community Interest Company in Suffolk for dads, bringing them together, giving them a place to socialise, build connections and receive parenting advice. It provides dads a space to be honest about their struggles and improves their confidence. The project was awarded funding through round 2 of the Local Connections Fund.

Andy, a father of two who found it hard to juggle his work life balance at the beginning of the pandemic, said: “Before joining the EPIC Dad project, I was really starting to struggle with the burden of life – everyone sees me as a really positive, confident person and so I didn’t feel able to talk to anyone about how I was feeling.



Andy, EPIC Dad

“The Dads Matter course really helped – it gave me practical tips which can help me in my interactions with my kids and I’ve already been able to see myself implementing them, which has really made a difference.”

## ADAB

The ADAB (Asian Development Association of Bury) was awarded £274,391, working in one of the most deprived areas of Bury.

Their work improves the health and wellbeing of people from ethnic minority groups, including asylum seekers and refugees. ADAB, like many community organisations has had to adapt hugely over the past 12 months. Between 120 and 160 people are supported each week, through online services, signposting to other support, or providing basic needs such as food parcels. They have also reopened their centre offering individual face-to-face meetings for advice and information.

Tan Ahmed at ADAB said: “People wanted to see someone in person and speak to them in their language to get the practical assistance they needed. We’ve connected with more people from diverse communities; supported more vulnerable people of all ages and health matters; enabled more people to get a job or education; had more fun and more laughter and we’ve brought more people together!”



Crossgates Lunch Club

### Making an extraordinary impact

Our Reaching Communities programme has awarded £257 million through 1,309 grants to 1,287 organisations, making a long-term commitment to communities, supporting social infrastructure and addressing inequalities across England.

Over the past year across our England funding, we have made progress ensuring our funding is for everyone. Our funding decisions have been reflective of the population in England, with 15.2% of awards going to projects that focused on supporting ethnic minority groups, 3.3% supporting LGBTQ+ communities, and 19.5% to targeted support for people with disabilities.

During 2021, we extended our funding for our Headstart, Ageing Better and Building Better Opportunities programmes to ensure vital provision for young people, older people and people with multiple and complex needs.

Since 2016, Headstart has supported over 220,000 young people with mental health and wellbeing in nearly 650 schools. As the programme draws to a close, its principles will continue through the #BeeWell programme, co-created with young people, which will survey the wellbeing of pupils in secondary schools across Greater Manchester.

Our seven-year Ageing Better programme supported almost 150,000 people and made measurable improvements in participants’ social contact and wellbeing. The diversity of approaches meant the programme had considerable reach to vulnerable communities and those at particular risk of loneliness, social isolation and low wellbeing, including those from ethnic minority groups, LGBTQ+ groups and socially isolated backgrounds. This programme closed in March 2022.



YMCA

## The LGBTQ+ Futures: Equity Fund

In February 2022, we launched the LGBTQ+ Futures: Equity Fund – a two-year partnership with Consortium helping community-led and grassroots LGBTQ+ groups overcome the barriers they face accessing funding and support.

£465,000 will be distributed over two years in small grants to grassroots and community-led groups.

Consortium has been working with the affected communities from the outset of this project and has been led by their experience and expertise. This participatory way of working ensures the right voices are heard in all decision-making. Participants bring a wide range of skills and are passionate about the Equity Fund and its potential to transform the lives of marginalised LGBTQ+ communities.





Sol Cafe (Birmingham)

### Working together

We also extended our reach to under-represented communities and influenced other funders’ practices through our funding of specialist partners.

Over the year, we have worked in collaboration with others to support landmark events, including the UK City of Culture in Coventry. This brought together neighbourhoods and communities to ignite social activism, connect communities, grow social connections and learn new skills.

We will continue to work with others to help deliver important events for communities in 2022, including ensuring the social legacy of the Birmingham 2022 Commonwealth Games.

### The big challenges

Young people have been one of the hardest hit groups by the pandemic. Over the last financial year, 27% of our funding has gone to projects targeted at children and young people. This year we commissioned research led by The Young Foundation as part of the #iwill Fund, enabling young people across England to lead and conduct research into the experiences of their peers.

This important research has helped to amplify young people’s voices and inform the decisions and actions of funders, delivery organisations and youth organisations. It has enabled us to understand the immediate and long-term impact of COVID-19 and highlight young people’s priorities for their region going forward.



Generation 22

We awarded £750,000 to **Generation 22**, a legacy project created and run by Birmingham 2022 to support hundreds of young people across the West Midlands gain access to new volunteering and employability boosting opportunities.

Nicola Turner MBE, Director of Legacy at Birmingham 2022, said: “I love that Gen22 has been co-designed with young people. Their ideas for social action in the places they live get right to the heart of what’s needed, they will pay forward an amazing 30,000 hours of community support.

“While the immediate result is a thousand individual legacies for young people, the collective impact goes so much further – it’s a true Games for Everyone legacy.”

Given the economic impact of the pandemic, we have supported employment and enterprise through our funding. In the last financial year, 36% of the total funding distributed in England involved an element of employment and enterprise.

During the year, we extended our Building Better Opportunities (BBO) programme, providing almost £48 million to 104 partnerships. The programme hit a milestone of 150,000 people engaged and supported by BBO projects across England. The range of different funded activities not only boosts employability but also focuses on social inclusion as well as sustainable development.



Inchgarth Community Centre

**“We brought back 70% of our pre-Covid programme and created new opportunities which were based on the needs of our community.”**

Paul O’Connor MBE, Inchgarth Community Centre Manager

# Putting communities first in Scotland

**1,554 grants valued at £55.5 million**

Throughout the year, our teams listened and learned from local groups, helping them to secure funding for new activities, redesign existing services and focus on their recovery, post-pandemic.

Deepening local relationships through our place-based working helped us to understand what groups need to help their community thrive.

As part of this commitment to building capacity amongst small community groups, 68% of our awards this year, totalling £7.8m, were distributed through our small grants scheme, National Lottery Awards for All Scotland.

We also maintained our journey towards supporting organisations with incomes of less than £150,000 a year, with 57% of all grants, worth £20.5m, being granted to these often locally-based organisations.

**81%** of awards to organisations with an income less than £1m

**50%** of awards to micro/small organisations with an income less than £100k

**51%** of standard awards received under £100k

## Post-pandemic recovery

In Aberdeen, **Inchgarth Community Centre** was able to re-open its doors to local people and volunteers, thanks to an award of £165,000.

Centre Manager, Paul O’Connor MBE, said: “Our National Lottery funding

played a vital role in our sustainability, and the recovery of our 170 community activities. We brought back 70% of our pre-COVID-19 programme and created new opportunities which were based on the needs of our community.”

We piloted new approaches to participatory grant making, including a micro-grants scheme in partnership with the Fife Centre for Equalities, with decisions made by people with lived experience.

Nina Munday of Fife Centre for Equalities said: “We couldn’t have envisaged such diversity and richness of the projects we funded. From cleaning a beach to painting a community hall, every project was made possible thanks to an application process that was accessible for groups with limited experience of applying for funding.”



Wild Fife Babies & Bairns

### Making an extraordinary impact

Equity, Diversity and Inclusion lie at the heart of our grant making. Through Equity, Diversity and Inclusion plans, our funding teams focused on building stronger connections with people from diverse backgrounds, provided more intensive, tailored support to groups and prioritised Equity, Diversity and Inclusion applications during decision-making.

### Working together

We listened to what groups needed for learning, training, and capacity building to create a new package of support for applicants and our grant holders. With third sector resources and a list

of approved external consultants, we helped grant holders build skills in areas such as evaluation methods and strategic planning.

The Befriending Association in Glasgow reached out to CEIS, a social enterprise support agency using this resource.

Sheila McPherson, Managing Director, said: “We really appreciated our funding officer signposting us to this source of support. It will help with our business planning and allow us to consider options for diversifying our income.”

We collaborated with other funders on a series of conversations around children and young people’s mental health and wellbeing, which deepened our



**“It’s great to see so many voices and organisations represented. So much activity to inspire positive collective climate action.”**

A participant, Edinburgh Climate Festival.

In the Western Isles, **Deepness Ltd**, run for and by people with dementia, moved from their first small grant at the height of the pandemic to a larger award from our Improving Lives fund. One of its directors, Michael Cheung, 72, says: “I was diagnosed with Alzheimer’s four years ago. Since joining the board,



Michael Cheung, Deepness Ltd

I have finished peer support training and have contributed a Chinese cookery book to our education programme for people with dementia. It keeps me active and gives me a purpose.”

Across Scotland, we made 215 awards totalling £14.6 million to projects which had an element of supporting people with their mental health and wellbeing.

**Man On! Inverclyde**, a suicide prevention peer support service for men, received £199,480 to build its capacity and expand its mental health wellbeing support.

Founder, Chris Paul, said: “Getting the funding from The National Lottery has completely catapulted us and allowed us to keep our work going. It also allows us to build upon the amazing team and services we have to create more avenues of support.”

understanding of the ongoing impact in this area caused by COVID-19.

We also ran pilot peer sessions which brought together leaders from a range of organisations. These explored ideas and tools to support the wellbeing of leaders and their staff in the face of huge pressures from the pandemic.

We jointly convened the Scotland Funders’ Forum, building connections between independent and public funders, and promoting shared learning and action on common areas of interest including Equity, Diversity and Inclusion and climate change.

And we continued to work with the Scottish Government with the COVID-19 response, delivering over £1.9 million

of government funds through the Communities Recovery Fund to enable communities to respond to the challenges presented by the pandemic.

### The big challenges

As Glasgow welcomed delegates for COP26, we built on the momentum for community climate action by funding projects supporting Scotland’s 2045 net zero ambition.

Through our Scotland and UK-wide programmes, we supported projects like the **Edinburgh Climate Festival** which brought together 3,000 people from diverse local communities, as well as 55 organisations for activities and workshops on transport, energy, upcycling, nature and climate justice.

The pandemic highlighted the levels of pre-existing inequalities within Scottish communities. Through our Improving Lives funding, we supported projects like **Lucky Ewe** with an award of £85,121, giving those with additional support needs new skills through farming, animal husbandry and food production.

Teenager Jay Carr, said: “I like being outside, learning new skills. It’s a very forgiving workplace – people here take the pressure off. It is incredibly satisfying seeing the lambs born, knowing I had helped bring something good into the world.”



Lucky Ewe



Shelter Scotland

“As a peer mentor I am helping to change things for other people and giving something back to my community.”

Our funding has also supported people with multiple and complex needs. **Shelter Scotland** received £137,580 to support homeless people in Dundee through lived experience peer mentors.

Div, who lived in a hostel on release from prison, said: “I struggled with homelessness and poor mental health for the best part of 20 years. Now as a peer mentor I am helping to change things for other people and giving something back to my community.”



ISARO Community Initiative

**Young Start – delivering dormant accounts funding in Scotland**

Through our Young Start fund, we awarded £5.3 million in dormant accounts funding to 69 groups led by and for young people, including those helping young people to explore their creative talents and gain new skills for future employment.

One of those groups is the **ISARO Community Initiative** in Clydebank. It delivers sports, training and volunteering opportunities, so young people from ethnic minority groups can achieve their full potential.

Roua, originally from Syria, joined ISARO when her family came to Scotland. She says: “I always look forward to attending group activities because it is a great opportunity to socialise with other young people and make friends. I have learned a lot about different cultures, climate change, cycling, communication skills and much more.

“When I joined, I was very shy, especially because my English level was very low. My confidence and self-esteem have now increased. I am now a volunteer for ISARO where I help to organise community events and a swap shop.”



North East Wales Chinese Women's Association

# Putting communities first in Wales

750 grants valued at £34.5 million

We continued to support communities across Wales with a mix of responsive and thematic funding in areas supporting the environment, homelessness, mental health and young people.

In 2021, we also launched the first stage of our Wales Portfolio Review. We invited communities across Wales and stakeholders to help us identify the next priorities for National Lottery funding in Wales.

Through a comprehensive survey, public focus groups, round table conversations and meetings, we built a detailed picture of needs across Wales. We found that communities needs are many and varied, and uncertainty as we emerge from the COVID-19 pandemic made it hard to identify specific actions the Fund should take, making flexibility over the coming 12 months important.

As we look to the future, we will align the findings of our Wales Portfolio Review with our UK-wide Strategic Review, which takes place in 2022, to enable us to understand where we can make the biggest difference going forward.

**78%** of awards to organisations with an income less than £1m

**55%** of awards to micro/small organisations with an income less than £100k

**42%** of standard awards received under £100k



Our Chair Blondel Cluff CBE, visiting the new multi-use games area at Treowen Community Hall, Newtown

## Making an extraordinary impact

Throughout the challenges and uncertainty of the pandemic, we have continued to be responsive and adaptable to enable communities across Wales to be supported and thrive. Our core grant-making programmes – National Lottery Awards for All, and People and Places – have remained open, with 100% of applications being assessed within advertised timescales. We distributed £5.5 million to 643 grants through National Lottery Awards for All, and £20.3 million to 100 grants through People and Places.

With the continuing pressure on communities, demand for both programmes in Wales have been high,

and we anticipate this demand will continue. We distributed £8.3 million to three projects through our Helping End Homelessness programme to redesign services to make homelessness rare, brief and non-recurrent. Each project includes multiple partners, including the local authority, to help reduce duplication and gaps in services and to ensure person-centred support for people experiencing homelessness.

If there was ever proof of the need for a multi-faceted approach, the three projects awarded through Helping End Homelessness will involve 18 funded direct partners and a further 36 non-funded partners.

**The Wallich** is the lead partner for a £2 million partnership of 24 third sector and public sector organisations, and educational institutions across Swansea and Neath Port Talbot. The partnership provides early intervention to reduce the likelihood that people with complex needs experience crisis and homelessness. The funding supports it to deliver this by connecting support services more effectively, changing systems to make sure people receive support when and how they need it, helping to ensure support is joined up, and takes account of the individual's circumstances and past trauma.



The Wallich

**“Every day, we see how unresolved trauma affects a person’s ability to manage their relationships and maintain stable employment or threaten their home. Without help, their trauma can result in repeat homelessness. This project is a real opportunity to address that.”**

**Debbie Motely, Area Manager for Swansea and Neath Port Talbot at The Wallich**

With a £9,600 grant, the **Jac Lewis Foundation**, based in Ammanford, is providing a Wales-wide counselling, information and group support service to help those who are bereaved through suicide. The trustees of the charity are all community members who have lost someone close to them through suicide. All of the people they have supported have expressed that the service has been beneficial to them, with 70% saying that they wouldn't have known what to do without the service.

**“Suicide numbers in Wales increased during the COVID-19 pandemic, therefore this funding has been instrumental in developing this new service to support families losing a loved one through suicide at this very difficult time.**

**“We would like to say a big thank you to The National Lottery Community Fund for their continued support with the Wales Bereavement through Suicide Project. The grant application process was easy and accessible, and the Funding Officer was very helpful. I would definitely encourage people to put an application in.”**

**Liz Thomas-Evans, Director of Services at the Jac Lewis Foundation**

These projects will predominantly serve urban areas in Wales. In Spring 2022, we launched a second round of funding worth £3 million to help tackle homelessness in rural areas of Wales.

## Working together

Our Youth Voice Team Wales, made up of young people from across Wales, has supported us throughout the design

of Mind our Future, a £10 million grant programme to support young people to imagine and create a more resilient and mentally healthy future for themselves. Involvement and co-production didn't stop with designing the programme, however. These inspirational young people have worked with us to assess the 28 second-stage applications received, providing insights to help inform our final decisions.



Platform

### Climate top-ups

Six community organisations have reduced their transport emissions either by switching to electric vehicles or reducing travel. Over 12 months, **Partenriaeth Ogwen** have saved 3 tonnes of CO<sub>2</sub>e, compared to an average petrol car.

**“The electric cars have raised awareness of climate change significantly in the area. The vehicle in Bethesda has been named ‘Carnedd’ by the children of Ysgol Llanllechid. Since October 2021 Carnedd has travelled 1,800 miles on electricity created by the Community Library’s solar panels.”**

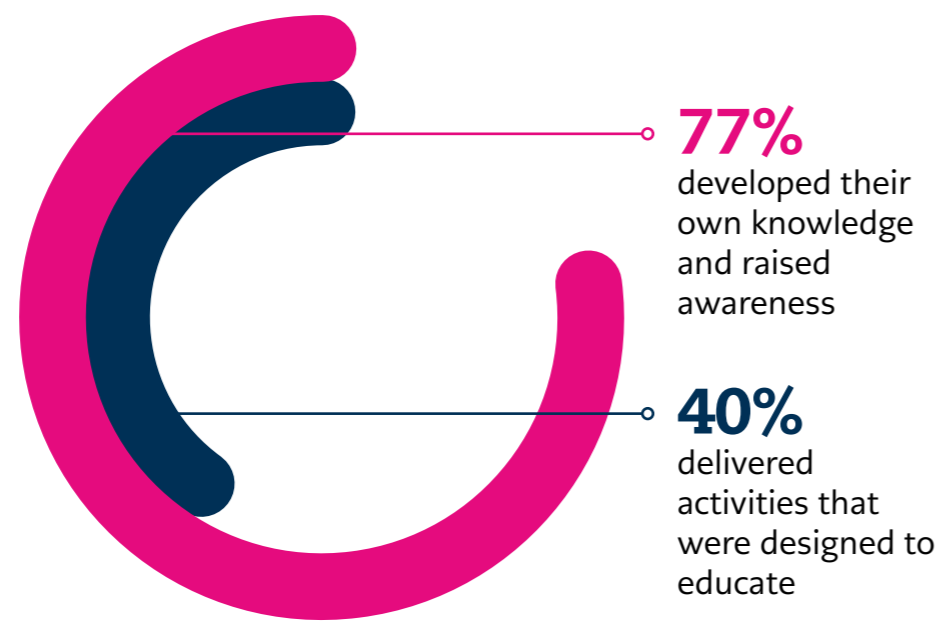
**Huw Davies, Partenriaeth Ogwen**

In addition, the panel has worked with our Wales Committee, bringing learning and perspectives from the diverse communities they represent. Each young person has partnered with a member of the Wales Committee, providing opportunities for knowledge-sharing and upskilling.

We are also supporting the Welsh Government’s goal of one million Welsh speakers by 2050, by providing support and funding to projects empowering people to learn and use the language. We held targeted events to raise awareness of our funding among Welsh language organisations, attended by 145 people. We also worked with the Welsh Language Commission to provide support on delivering a bilingual project to grant holders.

### The big challenges

Our Climate Action Boost scheme enabled non-environmental groups to receive up to £15,000 in funding to reduce their impact on the environment, with additional support in this work from Renew Wales and Sustainable Communities Wales. This approach was a pilot project to inform our work about how we support non-environmental groups to take environmental action. The 35 participating groups focused on reducing energy or moving to renewable energy; reducing or using less impactful travel; local food and/or reducing consumption.



To date, 34 of the groups have completed the initiative and 24 (69%) have confirmed their intentions to do more. 27 groups (77%) have developed their own knowledge and raised awareness among colleagues and 14 (40%) delivered activities that were designed to educate, reaching over 935 people.



**Manage Money Wales CIC** focused on raising awareness of the importance of recycling and combating the stigma of pre-loved items, and saw a 30 per cent increase in donations. Over six months 708 kilograms of textiles were diverted from landfill. It is also mentoring community groups, organisations, and businesses to run their own sharing project, and created an online resource pack.



### 12 groups

made energy efficiency improvements to their buildings, resulting in a reduction of between 25% and 73% in running costs or energy usage. **Paul Sartori Foundation** installed a new solar panel system which will typically generate 7,871kWh per year. This potentially equates to an annual electricity bill reduction of between £1,250 and £1,600 (as of January 2022), and an estimated saving of 1.82 tonnes of CO<sub>2</sub>.



The Cabbage Patchers

# Putting communities first in Northern Ireland

731 grants valued at £30.2 million

Over the past year, we were proud to work with groups across Northern Ireland, providing flexibility and support to communities as they recover and rebuild from COVID-19.

We have been listening to and learning from our stakeholders and grant holders, responding to the need for stability during this time of transition and keeping our current grant programmes open until April 2023.

Our grant holders have been affected by COVID-19 in different ways, and we have been there as a constant for groups as they responded to changes. We are offering the groups we work with reassurance by being flexible around their funding and activities.

Behind all our funded projects are people who are improving their local areas, building new skills and taking part in activities to connect or re-connect their communities as recovery from COVID-19 continues.

We have also been delighted to work with groups to share their stories with media outlets such as the BBC, bringing to life the difference National Lottery funding is making to people's lives in so many ways.

85% of awards to organisations with an income less than £1m

54% of awards to micro/small organisations with an income less than £100k

57% of standard awards received under £100k

incredABLE are supporting young people aged 18-25 with a learning disability and/or autism to reach their full potential upon leaving school. A five-year grant of £560,857 has made it possible for young people like James to grow in confidence and develop new skills (for life and work) in a real social enterprise environment.

Allison Harrison, James's mother, said: "When they offered James a place on the incredABLE Me programme, it was like me winning the lottery – for someone who didn't want to go out to now actively wanting to go out, that's huge.

"It was a really nice group of people who had the same goals as us and you just don't usually get that. People need to know about this project."



James, incredABLE



## Making an extraordinary impact

We are continuing to embed and advance fairness and inclusion in everything we do, such as identifying opportunities to bring new voices and lived experience into our work.

We were delighted with the response to our Black Asian and Minority Ethnic Communities pilot fund, which is helping

us identify potential barriers these organisations face when applying to us.

We recruited three people with lived experience onto the decision-making panel and funded 18 projects to the value of £587,358. As part of the pilot, we have developed good relationships with people and organisations from ethnic minority groups and collating learning to inform our future grant-making.

Small grants can make a big difference, such as a £750 grant from National Lottery Awards for All, which enabled **Glenravel Social Committee** to bring people together to reconnect and take part in a group video which they felt proud of.

Mairead Higgins, Secretary of Glenravel Social Committee, explained: “The people who took part in the video absolutely loved being part of it. Singing and dancing together and, for some, just meeting up with friends. It’s been a difficult couple of years and for some people they found taking part in the project a reason to get out of the house and meet people again.”



**L’Arche Belfast** is running a four-year project thanks to a £499,987 grant through our People and Communities programme. L’Arche provides personal development activities for people with learning disabilities and marginalised groups, such as isolated older people, people seeking asylum and ex-prisoners, to improve community mental wellbeing.

Brian Burns from L’Arche Belfast said: “We hope to equip a diverse group of people with an array of beneficial personal development skills. Some of these skills will be transferable and may even aid participants in their professional development.

“L’Arche Village will also represent a space in which every person can come together and be supported and celebrated in their individual capacities. Participants will have opportunities



L’Arche Belfast

to connect with others, have their world view expanded, and develop a shared identity; in this way, the facility may help to combat loneliness and increased cohesiveness at a local level.”

## Working together

We are building on existing relationships and developing new ones with stakeholders and other funders at a strategic and local team level. We are listening and learning from what we are hearing, using these valuable conversations to shape the future of our Northern Ireland portfolio and our UK-wide strategy, along with our colleagues across the UK.

We jointly convened the Funders Forum for Northern Ireland, building connections between independent and public funders, promoting shared

learning and action on common areas of interest, including the future of the sector and the impact of climate change on communities.

We worked with the Northern Ireland Government’s Department for Infrastructure to deliver a small grants environment programme, Living Places and Spaces. We awarded funding to more than 100 projects across Northern Ireland, supporting a range of activities such as small-scale rewilding, developing community gardens, forest schools/school gardens, green roofs, vertical growing walls and tree planting.

The Cancer Connected Communities Programme brings together partners Action Cancer, Advice North West, Care For Cancer, Cancer Focus NI and SWELL in the Western Health and Social Care Trust area to integrate care for cancer patients. Funded with a £465,000 grant over four years and led by **Derry Well Women**, the project is connecting people affected by cancer to each other, to support in the community and to people who deliver cancer services so they can use their experiences to make improvements.



Derry Well Women

Patrice Doherty, 39, was diagnosed with breast cancer three years ago and has been supported by Derry Well Women for the past two years. She said: “Everyone’s cancer journey is different, so they need different support and information. Being able

to have a voice and use our varying experiences to improve services is brilliant. The support group at Derry Well Women has meant I’ve never felt alone – we’re a support system for each other. This project is going to make a big difference to people like me.”

### The big challenges

We were delighted to recruit eight young people from across Northern Ireland to sit on our new Youth Voice group.

Some of the young people have already been involved in our decision-making and the group want to bring their voice into conversations as we renew our Northern Ireland portfolio and UK-wide strategy. This will help us understand Northern Ireland communities better and explore and showcase the impact of our funding and our grant holders.

We are also supporting our grant holders to take environmental action, reducing our own environmental impact as an

employer and acting as a catalyst sharing our learning and practice.

We were also able to support some of our existing grant holders to mitigate increasing electricity costs of their community buildings through a combination of solar PV and/or battery energy storage systems, while making significant reductions to their carbon footprints.

We provided funding support to grassroots groups who are working closely with local communities to work together to improve their local environment and boost pride in where they live.

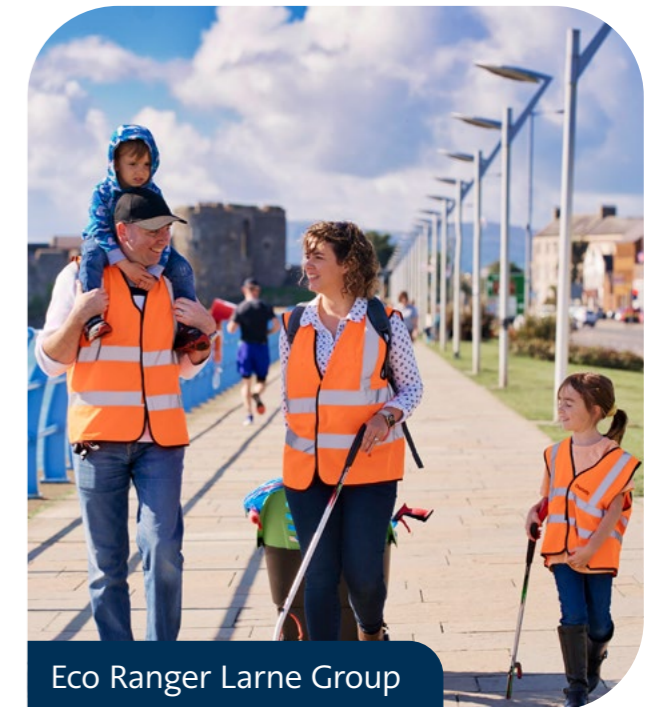
The **Eco Ranger Larne Group** is using a £10,000 grant from the National Lottery Awards for All programme to buy essential equipment for their community clean-up activities, such as litter picks.

Abe Agnew, founder of the Eco Rangers, said: “Eco Ranger volunteers proudly carry out daily litter picking and have removed thousands of bags of waste material from the local environment in the last year.

“Feedback has been overwhelmingly positive, and the public are playing their part by lowering the amount of litter being discarded. A palpable sense of pride is evident across the entire East Antrim area.”

### Dormant accounts

We are more than one year into delivering the Dormant Accounts Fund NI, supporting the long-term sustainability of the third sector. Demand is steady for this programme



Eco Ranger Larne Group

and we made 85 awards to a range of organisations in the past year.

This funding is helping organisations in the sector to look beyond day-to-day delivery and focus on the long-term sustainability of their organisations.



The Turnaround Project

**The Turnaround Project**, which supports people with experience of the justice system, received £99,953 to implement their business plan and become more sustainable.

Richard Good, Director, said: “This will allow us to focus resource on developing our internal processes, a crucial step that will enable us to scale the number of transitional employment opportunities we can offer to those leaving the justice system.”



Street Doctors

# Putting communities first across the UK

960 grants valued at £38.3 million

Throughout the pandemic, we have heard from our grant holders and wider partners to help address society’s most prevalent and emergent issues. Our UK Portfolio works across all four nations, enabling us to make a UK-wide contribution through our funding programmes, insights, policy and practice. We provide a range of funding programmes that tackle societal issues and explore new ways of doing things.

Over the past year, we heard that communities need resources, spaces and skills to develop new solutions to pressing challenges. In response to this, we launched and delivered the Emerging Futures Fund which has enabled our grant holders to rethink what good could look like for communities.

The **Platinum Jubilee Fund** was created to mark Her Majesty the Queen’s Platinum Jubilee. This funding will create a greater legacy for our places and spaces, support new opportunities and build better relationships with one another, across generations and with the natural world.

The funding reached some of the most left behind communities in the UK and our funding teams used evidence and data, combined with local knowledge to target outreach for the programme. We involved young people from our Youth Voice team in the decision-making process, where we collectively selected 91 projects, receiving a share of almost £4.5 million.

**Croydon Refugee Community** received a £50,000 grant to bring together all ages from ethnic minority groups to share and celebrate their heritage, cultural traditions and dishes, as a way of marking the Platinum Jubilee.

**Youth Hostel Association** received a grant through our Emerging Futures Fund. Their Outside Voices project received £40,000 of funding, ensuring that the future design of outdoor spaces works for communities who are not often heard, seen or well represented within the outdoors sector.

Debbie, a participant in Outside Voices, said: “When we started, it was almost felt that there was a glass ceiling in regard to creating a countryside for all but because, by our nature, we were stubborn and loud and we were doing things to show that it is possible to have adventure in the hills, despite having a disability, we started shifting perceptions about accessibility.”

**87%** of awards to organisations with an income less than £1m

**62%** of awards to micro/small organisations with an income less than £100k

**68%** of standard awards received under £100k

## Making an extraordinary impact

Throughout the year, our funding has continued to make a vital difference to

communities across the UK. We also invested in collaborations such as the Together Partnership, the Big Jubilee Lunch and wider national moments to give a platform for the community spirit seen through the pandemic.



Our Chair, Blondel Cluff CBE, at WeMindTheGap

**WeMindTheGap** supports young people who are not in work or education to gain new skills and experiences that help them prepare and plan for their future. Across North Wales and Manchester, it runs a 12-month programme offering paid work placements for young people, with wraparound care to build skills and confidence. We awarded a five-year grant of almost £1.3 million to help them to expand their support from around 40 young people per year in 2019 to around 160 by 2023. Independent research suggested that **for every £1 invested, WeMindTheGap returns £3.60 in social value** within 18 months.

In addition we funded **The Innovation Unit** with £3.45 million to lead a project on expanding the Lambeth Living Well model and create new systems of community mental health in sites across the UK. So far the programme has supported some 2,500 people who might not otherwise have been helped and generated over £5 million of additional NHS investment across England and Scotland. The project continues to grow, with Greater Manchester and Derbyshire statutory services now working to support the transformation of community mental health across their counties to a Living Well model.



Nature's Living Room CIC

**Nature's Living Room CIC** works with bereaved families to support their grief through eco-therapy and peer support. The group is using their funding to

provide families with a safe space to talk and share memories of their loved ones and gain support for their mental wellbeing.

## Working together

Building on our desire to work more closely with the private sector, we collaborated with corporate partner IKEA in a first-of-its-kind grant programme that builds on the energy and creativity of communities coming together, demonstrated during the COVID-19 crisis, to inspire and enable activities to build connected, resilient and sustainable communities.

The £1.5 million funding for our IKEA – Places Called Home funding programme is made up of £1 million, thanks to National Lottery players and £500,000 from IKEA UK. Additionally, IKEA UK designated £200,000 to the creation of a virtual grant holder learning programme, led by Participatory City.

IKEA has also funded a research project through Middlesex University to understand how both grant funding and a community of support and knowledge sharing can help deliver meaningful and lasting impact.

## The big challenges

We delivered a range of funding programmes throughout the year, each aimed at a different challenge that society will continue to face long after the pandemic. Equity, Diversity and Inclusion continues to be a strong focus that runs throughout our programmes and approach.

We awarded over £8 million through Our Growing Great Ideas programme,

supporting longer-term projects with the potential to make significant positive change for communities.

The **Down to Earth project** received £1.49 million to deliver a transformational project tackling social inequality and environmental challenges by constructing buildings which are fit for the future in ecological terms, co-designed by their users, including hospital patients and school children.



Down to Earth



Energy Garden

Almost £6 million was awarded through our Bringing People Together programme, which supports projects that are building stronger connections across communities; strengthening these by exploring and developing the conditions needed to build better and longer-lasting ways of bringing people together.

Our commitment to the environment also runs throughout our programmes and approach. We continue to provide an advisory role to others across the wider

organisation, ensuring a consistency of approach to funding decisions and strategic programme development.

We also developed and launched the Climate Action Hub on the Fund's website, making clear our organisation's commitment to delivering dedicated funding to support climate action, supporting the wider community and voluntary sector to reduce its environmental impact, and reducing our own carbon impact.



CEO, David Knott, with a member of the Middleport Matters community group

# Part two Accountability report

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# Our corporate governance report

## Directors' report

### Our purpose and activities

The National Lottery Community Fund is the operating name of the Big Lottery Fund. The Big Lottery Fund is a statutory corporation established by the National Lottery Act 2006. The Fund adopted the new operating name in January 2019 in order to better reflect the source of our financial resources and the funding for good causes raised through the games of the National Lottery, together with our role in supporting communities in helping them achieve their ambitions.

The Fund is responsible for distributing 40% of the total good causes sums raised and we distribute this through grant awards to support projects with a community focus. In the last five years we have distributed over £3.4 billion in awards. We have a range of funding programmes, from small grants of up to £10,000 to large scale, multi-million pound strategic programmes.

In addition to our work distributing good causes money raised by the National Lottery, the Fund is responsible for the distribution of monies released from dormant bank accounts and related assets under the provisions of the Dormant Bank and Building Society Accounts Act 2008.

We also work with other organisations, principally public bodies, to manage

and distribute funding through grant programmes we run on their behalf. We distributed over £80 million through these programmes. Examples of this type of activity include our distribution of money in partnership with the Department for Digital, Culture, Media and Sport (DCMS) in respect of the #iwill Fund and the European Social Fund matched funding programme, Building Better Opportunities.

In delivering our programme of work we act within the relevant legislation, other public sector guidance and the requirements of DCMS as our sponsor department who provide us with a Management Agreement setting out our relationship with government. DCMS also issue Policy Directions which identify the priorities we must take into account in establishing our grant programmes for England and for the United Kingdom-wide grant portfolio. The respective departments in each of the devolved Nations issue Policy Directions for grant-making activity in Scotland, Wales and Northern Ireland. In following this guidance, the Fund's decisions on programmes and grants are independent of government. Our funding is required to follow the additionality principle – that is, our funding must be distinct from government – it can complement but must not substitute for government spending programmes.

We provide a balance of responsive and targeted funding programmes to meet

the needs of communities in a manner that is consistent with the principles set out in our Strategic Framework.

The Fund operates in the four countries of the United Kingdom, with funding programmes specific to each country. In addition, we operate a range of programmes which are United Kingdom-wide in scope. Each of the countries and the UK portfolio awards grants through a portfolio committee, the members of which are externally appointed. Their role is to set out and agree grant programmes within the Fund's Strategic Framework and consistent with the overall approach approved by the Board. Approval of most awards is delegated to officers of the Fund or to specific panels for the various programmes in each portfolio. Our grant awards budgets are apportioned between each country on the basis of agreed shares, determined largely on population and after deduction of a portion – up to 10% of the total – to be applied to the UK portfolio.

The Fund has adapted to the varying requirements brought about by the COVID-19 pandemic on our funding and our operations. We have continued to operate and meet the needs of our applicants and grant holders, albeit with some changes to process and how we engage with stakeholders.

### Key issues and risks

The majority of our income is dependent on the revenue generated through The National Lottery; a portion of the sales value for each game is allocated to good causes and passed to the National Lottery Distribution Fund (NLDF), from where it is made available to National Lottery distributors. We manage our grant awards, budgets and payment

profiles over a number of years in order to mitigate against the risks arising from potential variations in National Lottery revenue and to ensure we can meet our commitments as they fall due. Ticket sales, and therefore returns for good causes, actually increased during the first year of the pandemic and have remained high during 2021/22. However, as the current licence period is nearing the end we are actively managing the risk of uncertainty over future income through the period of the commencement of the next licence agreement. This is necessary to ensure we can fully meet our existing liabilities while maximising how much cash we can provide to continue to support the sector as it recovers from the pandemic.

We are also changing and adapting the way we work in order to better deliver our strategy. In October 2021, we published Our Commitment to Communities. We said we will use data and impact to inform strategy and redouble efforts to measure, understand and share what works, why and where the challenges and opportunities lie. We then published Putting Communities First: Our Impact Report as our first step on this commitment, which looked across all our funding and described its impact and what it enabled for our grant holders and the communities they work with.

During the year the findings of the Independent Culture Inquiry on the Fund were released. We responded with a commitment to act upon all the recommendations within the report in order to ensure a culture which is fair, inclusive and consistent for all. Progress against these commitments is being monitored and reported regularly by the Senior Management Team to the Board.

We face financial risks in relation to our exposure to potential fraud arising from our grant-making activities through fraudulent applications or misuse of grant. We have also had to carefully manage our engagement in European Social Fund matched-funding grant programmes in response to the changes brought about following the UK's departure from the European Union. Our programme of change requires careful planning to ensure new initiatives are successful. However, increasing reliance on digital services elevates our potential exposure to cyber risks and applicant data management breaches. Our programme of risk management provides us with the means of assessing our key risk exposures and establishing appropriate controls to mitigate these. A fuller assessment of our risk management is included in our governance statement.

### Performance summary

Each year we set out our corporate objectives and the key performance indicators (KPIs) through which we assess how we have met our operational aims. For 2021/22 we set out three goals with seven supporting KPIs. We met five out of the seven KPI targets set. The KPI's are listed in the 'Our key performance indicators' section later in this report. The Fund assesses its performance throughout the year using the KPIs along with other performance metrics including key operational measures, financial indicators, management accounting data and forecasting techniques to ensure that, where necessary, it is able to take corrective action at the earliest opportunity to achieve its aims and to minimise risk to its operations and goals.

We do not set any specific operating surplus or deficit as a key measure or target. We manage our financial performance in order to maximise our ability to make grants from the monies received and receivable from The National Lottery. We recognise grant awards in full when they are approved, irrespective of when the cash for those awards falls due for payment. Consequently, our financial outturn, measured by way of a surplus or deficit, can vary significantly year on year.

For the financial year we recorded a surplus of £123 million following a (restated) surplus of £224 million in 2020/21.

An assessment of our performance appears in greater detail in our performance analysis and in our financial statements.

The financial statements have been prepared on a going concern basis. Our statement of financial position records significant net liabilities. This is a result of our grant award recognition policy where the full value of awards is recorded at the point of approval and notification (except where there are specific performance criteria) although the cash payments may not arise for some time. We manage our liabilities based on our ability to meet cash demands from current cash resources and forecast future incomes (derived from Gambling Commission projections and approved by the Board). This assumes, as a matter of public policy, that the National Lottery will continue to operate. Our annual corporate plan sets out our budgets, goals and targets for the year.

# Our corporate goals

## Corporate goal one:

The National Lottery Community Fund supports ideas and projects that matter to people and communities

### What have we done?

Our grant making remains on course to achieve this goal despite the challenges of the pandemic. Between April 2020 and March 2022, grant commitments were over £1.1bn and our 2022/23 grant funding budget gives us confidence that we will achieve this goal.

## Corporate goal two:

Our funding is a catalyst for wider change to ensure that communities across the UK, and the organisations that support them, are thriving, diverse, and fit for the future.

### What have we done?

We worked across communities, policy makers, media and partners to ensure that those who are eligible for our funding can access a range of opportunities to make the biggest difference to people across the UK, thanks to National Lottery players. Using our engagement, insight and funding, we have been able to connect communities and raise awareness about the impact of funded work on a range of societal issues. This has been particularly important as the country emerges from the pandemic and makes the most of opportunities to come together in 2022.

## Corporate goal three:

The National Lottery Community Fund is valued, trusted and efficient.

### What have we done?

We have continued to improve customer experience through our grant management system (GMS), which has also enabled more efficient and effective operational performance, even in the context of all our staff working from home throughout the pandemic.

Our Engagement and Insight Strategy sets out how we reinforce the value of the National Lottery to communities through good causes, and harnesses intelligence gained from community groups across the UK to help ensure we continue to maximise impact.

During the financial year, the Fund has managed to control its operating costs to well below its cost threshold of 7.75%. During the year, we also started to review our property strategy in order to reduce the total office space within the portfolio to achieve optimal spaces for teams and stakeholders to operate efficiently and more flexibly. We had already reduced office space in our Wales office in 2020/21.



# Our key performance indicators

Alongside our goals, our KPIs help assess our performance in a number of areas supporting successful achievement of our plans. We have met five of the seven KPIs we set for the year. Our goals also form the basis of managing our risk where our capacity to achieve corporate and local goals and targets determines the risk appetite for the organisation. From this we set the extent to which controls, mitigations and actions are required to limit risk, while enabling us to remain ambitious in our approach and proportionate in our response. As such, progress on KPIs is a guide to both achieving objectives and guiding our approach to risk management.

## KPI 1: Customer Satisfaction will be at least over 80%.

<p><b>Key performance indicator met</b></p> <p>Customer Satisfaction came in at 86% of grant holders and applicants.</p>	<p><b>End of year report</b></p> <p>Customer Satisfaction remained above target in 2021/22 at 86% (2020/21: 83%). Satisfaction has significantly increased over the past 12 months. Customers continue to feel very positive about the Fund, telling us we are easy to work with, our processes are simple and our staff are extremely supportive.</p>
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## KPI 2: Operating costs will be in line with our agreed threshold of 7.75% of income over three years.

<p><b>Key performance indicator met</b></p> <p>Our actual operating costs for National Lottery activities were 6.3% of National Lottery income during 2021/22 and 6.2% over three years.</p>	<p><b>End of year report</b></p> <p>Cost savings were made mainly due to vacancies during the year and a reduction in travel and expenses as staff continued working from home during 2021/22.</p>
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## KPI 3: Grant awards to be within 5% of budget.

<p><b>Key performance indicator met</b></p> <p>Our total grant awards were £588.7m, which is 2.5% above the budget we set.</p>	<p><b>End of year report</b></p> <p>The Fund has managed to award grants within 5% of budget with coverage across all portfolios.</p> <p>Our target is based on actual awards made in the year and does not include any year-end adjustments for contingent liabilities where the recipient has not yet been notified of the award or adjustments in relation to conditional grants. This is why the £588.7m value reference on the left is different from the grant commitments shown in the accounts.</p>
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## KPI 4: Our employee engagement score will be at least 76%

<p><b>Key performance indicator not met</b></p> <p>Our employee engagement survey conducted during the fourth quarter of the year indicated that 61% of colleagues agreed that the Fund was a good place to work.</p>	<p><b>End of year report</b></p> <p>Our employee engagement survey conducted during the fourth quarter of the year indicated that 61% of colleagues were engaged. The drop from our previous score reflects some of our current organisational challenges following the recent DCMS-commissioned inquiry. We are working hard to improve the culture of the organisation, and while we are disappointed with the fall in the engagement score, we still benchmark favourably compared to external organisations.</p>
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**KPI 5: People who are aware that The National Lottery funds good causes is above 45%**

**Key performance indicator met**

Our most recent survey for this KPI indicated that 46% of people recognised The National Lottery as a funder of good causes.

**End of year report**

We continue to make progress in this area along with The National Lottery family. We have supported the National Lottery brand activity which highlights the funding going to good causes to communities across the UK.

All of our communications continue to highlight the role of National Lottery funding in communities.

**KPI 6: People who are aware of The National Lottery Community Fund's purpose is above 45%**

**Key performance indicator not met**

People who are aware of The National Lottery Community Fund's purpose was 43%.

**End of year report**

We have seen a slight decrease across our public perception KPI in recent months. This is due to a number of factors, including prioritising the One National Lottery Brand, third party programmes such as the proportion of funding from the Government's Coronavirus Community Support Fund (CCSF) and continued postponement of large-scale public engagement activity (due to COVID-19 restrictions).

While awareness of our purpose is higher in Northern Ireland, Scotland and Wales, there is further work to be done to raise this awareness in England.

**KPI 7: At least 80% of our grants will be awarded to charities and community organisations**

**Key performance indicator met**

For the full year, 95.32% of our awards by volume were to charities and community organisations while 94.06% of the value of awards met this criteria.

**End of year report**

A key focus over the last year has been putting communities first. As part of this commitment, we undertook to award at least 80% of our funding to organisations from the voluntary and community sector. This continued throughout 2021/22, with the volume and value of awards to these bodies being in excess of our target across the year.

In addition to the KPIs noted above, the Fund uses a number of other measures to assess progress towards our goals and the health of the organisation. These include financial measures – for example determining an appropriate range within which our balance in the National Lottery Distribution Fund should lie; Customer measures including detailed analysis of customer satisfaction with aspects of our processes across each of our portfolios; and People-related measures, for example monitoring absence levels with reasons. Other data related to certain of these measures appears elsewhere in this report including in the Remuneration and Staff Report.

# Our performance analysis: financial

Our key measure of financial efficiency is the proportion of our National Lottery income that we distribute through grants. We exclude from this measure costs that we recharge to other people, for example the costs of distributing non-National Lottery funds including in relation to the dormant accounts scheme. We also exclude certain other costs, for example one-off costs that are investments or restructures to achieve future efficiencies (see note 6 to the financial statements). Irrecoverable VAT costs are also excluded.

Government sets a target maximum for operating costs for all the Lottery distributors. For 2021/22 this was 7.75% of our National Lottery income. The measure is assessed over a three-year rolling period.

## What we achieved in 2021/22

During the year we successfully delivered against the 7.75% total operating cost target set by government. Total qualifying operating expenditure for National Lottery grant-making activities was £45.9 million, £7.9 million higher than in 2020/21. Our actual qualifying operating expenditure was 6.3% of National Lottery income during the year and 6.2% of Lottery income over the three-year period to March 2022. Our performance in each of the two preceding years was 5.1% and 7.1% respectively. On this basis, the Fund has incurred operating costs over the

three years to March 2022 that are £33.3 million lower than would be permitted by the efficiency measure. This surplus is made available for grant-making activities.

Staff costs form a significant proportion of our operating costs. Our staff numbers have decreased during 2021/22 with a full time equivalent (FTE) of 788 (2020/21: 815). As part of our response to the pandemic, we moved quickly to shift our immediate funding priorities to support communities and organisations who were most severely affected, providing a faster turnaround in assessing applications and making funding decisions. This approach in 2020/21 made it a necessity to temporarily increase our FTE within grant-making teams to enable delivery of this approach, with FTE levels reverting gradually throughout 2021/22.

## What we are planning to achieve in 2022/23

The budget has been based on developing activities in support of our corporate plan, continuing our programme of change and seeking efficiencies, enabling us to resource and deliver investment activities that will support delivery of the final year of the existing Strategic Framework. During 2022/23 we will undertake a wide-reaching and inclusive internal and external consultation process to help shape the direction of the Fund as we

embark on a strategy renewal to launch in 2023/24.

We have budgeted to deliver total operating costs within a 7.75% cost threshold in 2022/23, with capacity for some additional investment in the Fund's ambitious strategy renewal exercise and service improvements based on the three-year rolling measurement approach. The target is founded on budgeted National Lottery income of £720 million, derived from our forecast of revenues (based on Gambling Commission projections) for 2022/23 at the time of budget preparation and taking account of anticipated changes in operations during the year.

## Our surplus for the year

We recorded a surplus for the year 2021/22 of £123 million (Restated 2020/21: £224 million).

Our cumulative deficit at 31 March 2022 was £314 million (Restated 31 March 2021: £437 million).

Our accounting policy treats the full value of grant awards as expenditure as soon as their approval is communicated to the recipient (subject to certain specific criteria). As with all Lottery distributors, we manage our cash flow over the longer term based on grant cash commitments and projected incomes rather than seeking to achieve any particular annual surplus or deficit. Awards are paid over a number of years and we are confident that we will be able to meet our commitments from future income as they fall due.

We recorded a surplus for the year of £85 million from National Lottery operations (2020/21: £169 million).

Income for 2021/22 was £723.1m, lower than in 2020/21 (£725.5m) but above the budget we set. Our awards total for 2021/22 was £80 million higher than last year at £597 million (2020/21: £517 million) and was slightly higher than the budget we set.

We recorded a surplus for Dormant Assets of £39.7 million (Restated 2020/21 surplus £54 million). Income was £36 million lower, while distribution through awards and transfers to other organisations was lower at £14 million (Restated 2020/21: £36 million) due to further policy directions allocating money to designated distributors being received during the year.

## Our funding strategy

For our National Lottery funding programmes our strategy is to award the maximum amount of funding that we can safely commit to over a five-year period, considering our anticipated income, derived from Gambling Commission projections. Since many of our grants pay out over a number of years following the initial award, this strategy ensures that the projects and activities our awards support are able to deliver their benefits as early as possible while ensuring we remain protected from any unexpected changes in income.

At 31 March 2022, we had £863 million (2020/21: £865 million) of outstanding commitments with respect to awards made while we held £399 million (2020/21: £264 million) in the National Lottery Distribution Fund (NLDF) with which to meet them. This means we had made net commitments of £464 million (2020/21: £601 million) above our currently available resources. This is equivalent to approximately eight

## Our performance analysis: financial

months of future National Lottery income based on our current projections.

### Non-Lottery funding programmes

In addition to our core business of distributing National Lottery good causes income we are also responsible for the distribution of funding received from Reclaim Fund Ltd under the arrangements in the Dormant Bank and Building Society Accounts Act 2008. These activities are included within our consolidated financial statements. We also set out a short form set of accounts for this activity in note 35 to the accounts.

The Dormant Bank and Building Society Accounts Act 2008 enables banks and building societies to transfer money held in dormant accounts to a central fund for investment in the community. The scheme provides for the Fund to make grant awards in each of Scotland, Wales and Northern Ireland under policy directions set out by each of the devolved administrations. For England, the original policy directions required that funding was passed in its entirety to Big Society Capital acting as a social investment wholesaler.

Following drawdown, we deposit funds until these are required to meet grant commitments or transfer obligations. During the year we received interest of £7,219 (2020/21: £136,493) in relation to these funds.

The National Lottery etc. Act 1993 also sets out powers for the Fund to work with other organisations to distribute funds. We refer to these activities as Third Party Programmes. These powers give us scope to distribute funds on behalf of, or alongside, other

organisations where this falls within the funding areas set by the National Lottery Act for our work and which is in accordance with our own strategic aims. During the year, we distributed funding totalling £80.9 million in this way for other funders.

To the extent that the funds awarded under these programmes are governed by the third-party funder, we act only as the distributor. We do not record the receipt of the funds themselves or the grants made in our own accounts. However, we recover the costs of undertaking this activity from the relevant funders and record this as income. Where we provide joint or matched funding for these programmes we record our share of the grant awards made in National Lottery programme expenditure. We record cash held for distribution in our cash balances in the Statement of financial position together with any liabilities for commitments made prior to the receipt of cash from the funder. Balances in respect of each programme are recorded in note 24 to the accounts.

### National Lottery Distribution Fund (NLDF)

The net good causes proceeds of the National Lottery are held in the NLDF, which is under the stewardship of the Secretary of State for Digital, Culture, Media and Sport, until drawn down by National Lottery distributors. The Fund receives investment income earned by NLDF in addition to the Lottery proceeds in the same shares as for proceeds from the National Lottery receipts (40%). In 2021/22 this was £1.0 million (2020/21: £0.4 million).

**Our NLDF balance was £399 million at 31 March 2022 (2020/21: £264 million).**

Our balance in the NLDF has increased during the year by £135 million. This is as a result of Lottery income performing above forecast for the year, together with a reduction in grant payments made in 2021/22 in comparison to 2020/21, despite grant commitments increasing. We take account of the anticipated change in the balance alongside projections of future revenues and the timing of outstanding commitments when setting future grant award budgets. Since we do not control National Lottery income it is not possible for us to manage the balance in the NLDF in the short term, so we do not set a specific target for our balance, rather a range within which we would like to operate. Our funding strategy is to maximise the value of new grant commitments that we can safely make over a five-year period, taking into account existing commitments. We predict our future cash inflows and outflows to assess a safe minimum balance in the NLDF in order to ensure that we can meet our commitments as they fall due, allowing for risk-based assessments of possible variations in income. The actual balance at any one time will vary according to the structure and timing of our grant programmes and the income generated through the National Lottery for the period concerned.

### Auditors

Under the National Lottery etc. Act 1993, our annual accounts must be examined and certified by the Comptroller and Auditor General.

There is no relevant audit information of which the Fund's auditors are unaware.

There were no fees for any non-audit services with external auditors.

### Public sector information holder

In common with all public bodies, the Fund is a public sector information holder. It therefore has not charged for specific re-use of information.

# Our performance analysis: equalities

## Equality in accessing funding

The Fund is for everyone in communities. We work to continuously evolve the reach of our invitation and welcome. We value and work with the assets and knowledge that diverse people bring to their communities and to the Fund.

Our equalities principles and guidance for applicants and grant holders is on our website: [tncommunityfund.org.uk/about/customer-service/equalities](https://tncommunityfund.org.uk/about/customer-service/equalities)

The table below sets out our monitoring report for equalities for 2021/22.

Ethnic Minority Groups	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
<b>Black/African/Caribbean</b>				
African	2,619	1,047	296,856	47,669
Caribbean	2,053	784	275,168	36,747
Black British	1,663	548	223,185	19,517
Any other Black / African / Caribbean background	2,313	880	281,920	42,408
<b>Asian</b>				
Bangladeshi	1,598	629	116,869	28,245
Chinese	1,007	362	210,988	16,452
Indian	1,595	604	115,423	25,537
Pakistani	1,730	677	249,061	31,162
Asian UK / Asian British	1,227	411	206,219	13,031
Any other Asian background	1,465	577	111,387	30,434

Ethnic Minority Groups	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
Arab	1,251	504	215,485	22,420
Gypsy and Traveller community	721	244	188,514	12,932
Jewish	695	234	48,531	4,922
Mixed/multiple ethnicity	2,348	926	298,931	61,570
No specific ethnicity	31,475	12,714	2,123,435	479,548

Age	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
0 – 24	7,405	2,940	508,025	141,413
65+	1,810	919	225,653	40,891
No specific age	26,413	10,756	1,729,105	397,444

Women & Girls	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
Yes	3,226	1,321	303,886	51,492
No	32,402	13,294	2,158,897	528,257

Faith Communities	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
Buddhist	228	27	36,481	3,214
Christian	541	88	47,641	11,613
Hindu	258	11	37,363	2,161
Jewish	741	121	46,168	4,385

Faith Communities	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
Muslim	556	65	51,213	6,615
Sikh	322	25	41,651	3,296
Other	268	8	37,416	1,484

People With Disabilities	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
Yes	5,299	2,509	431,964	95,335
No	30,329	12,106	2,030,819	484,413

LGBTQ+	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
LGBTQ+	1,086	423	83,688	18,440
Not targeted at LGBTQ+	34,542	14,192	2,379,095	561,308

Welsh Language Speaking*	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
All	53	20	488	220
More than half	994	520	57,530	16,609
Less than half	268	127	10,092	1,649
None	66	31	3,005	467
No answer	179	52	65,431	15,584

\* Wales Portfolio only

NI Community Background**	Number of applications	Number of awards	Requested amount	Awarded amount
	No.	No	£'000	£'000
Both Catholic and Protestant	1,001	472	48,940	22,322
Mainly Catholic (more than 60%)	232	113	7,910	3,196
Mainly Protestant (more than 60%)	227	118	5,809	2,057
No answer/ neither	95	29	7,666	2,654

\*\* NI Portfolio only

**Note:** The data above do not always sum to the same totals for all grant awards activity. This is because the classifiers in our grant data are not mandatory when application data is completed and some applicants may only complete a sub-set of the total. Additionally, multiple categories are able to be selected in many classifiers.

### Equality in employment

The Fund seeks to be a diverse and inclusive employer. We aim to ensure that our staff appropriately reflect and represent the communities which they support. Our approach to recruitment seeks to ensure that we attract a diverse range of applicants, and we use appropriate sources, channels, contacts, agencies and advertising approaches to support this.

We seek to ensure that we provide training and development opportunities to all staff to maximise their capacity to undertake their roles for the Fund. We support a range of training opportunities directly related to, and distinct from, the skills required to fulfil the role including leadership and management development. Where staff experience access issues during the course of their employment, we seek to ensure they are able to continue to meet the demands of their role including providing additional support and training as necessary. The table below sets out our monitoring report for equalities for 2021/22.

Disability status	The Fund	Civil Service	UK economically active population
	%	%	%
Staff with a declared disability	14.1	12.8	14.2
Staff who have not declared a disability	85.9	87.2	85.8

Gender	The Fund	Civil Service	UK economically active population
	%	%	%
Female	68.6	53.8	47.8
Male	31.4	46.2	52.2

Gender	Board	Directors	Fund Senior Staff (Leaders)
	%	%	%
Female	63.6	36.4	67.7
Male	36.4	63.6	32.3

Ethnic Group	The Fund	UK economically active population
	%	%
Asian	8.2	5.1
Black	4.1	3.4
Chinese	0.2	0.6
Mixed	2.4	1.4
Other	0.2	2.8
White	83.8	86.6
Not known	1.1	0.1
Do not want to declare	-	-

LGBT+	The Fund	Civil Service
	%	%
LGBT+	7.8	3.3
Non-LGBT+	66.7	61.8
Unknown	25.5	34.9

## Welsh Language Standards

We are committed to delivering a bilingual service in Wales through the Fund's delivery of the Welsh Language Standards, which came into force on 25 January 2017. The implementation of the Standards is monitored and discussed at regular meetings between the Fund's Welsh Language Officer and the Welsh Language Commissioner's office. We have met all of the Welsh Language Standards deadlines, the last of which were met in July 2018. As a result of the Welsh Language Standards and our proactive approach as an organisation, a number of services offered by the Fund to its staff are available in Welsh, including HR services and training courses. Our customers are provided with an opportunity to follow their journey with us in Welsh from the first point of contact, whether by phone, email, social media or

through written application to the end of their grant. Our presence at events and in funding surgeries in Wales is provided in Welsh and English and we offer bespoke training on the Welsh Language requirements to our grant holders. We also provide a fully bilingual social media and digital presence across multiple channels including Twitter and Facebook. Over the past year of home/hybrid working, we have continued to offer all of our services to our customers and grant holders in Welsh or English virtually and over half our staff in the Wales Directorate are either Welsh speakers or Welsh learners. Our Wales Committee meetings and programme decision meetings are now held bilingually with the use of a simultaneous translator, giving Committee Members and staff the opportunity to contribute to meetings and have discussions through the medium of Welsh.

# Our performance analysis: sustainability report

## Continuing to manage the Fund's own environmental impact

### 2021/22 Greenhouse gas emissions, waste and consumption

Our estimate for all calculable emissions is 288 tCO<sub>2</sub>e<sup>1</sup>. This is a decrease of 26% against last year's emissions<sup>2</sup>. It equates to 0.4 tCO<sub>2</sub>e per FTE, in comparison to 0.5 tCO<sub>2</sub>e per FTE last year.

As travel and social distancing restrictions have eased this year, people have started to work back in the community and our offices. However, office occupancy rates have remained low and we have downsized three offices leading to further reductions in Scope 1 and 2 emissions.

As colleagues settle into new hybrid working patterns, we need to consider work emissions generated in homes. Several methods of estimating the additional electricity and gas people are using in their homes have emerged,

giving significantly different amounts. Taking the average of these calculations, our homeworking footprint for 2021/22 is estimated to be ~400-500 tCO<sub>2</sub>e and while not included in the figures below these will be included in our total offset amount.

Travel has historically been a large part of our footprint, peaking at 411 tCO<sub>2</sub>e in 2018/19. Travel-associated emissions dropped to an all-time low due to COVID-19 restrictions in 2020/21 (7 tCO<sub>2</sub>e). This year they have risen to 46 tCO<sub>2</sub>e, just 11% of where we were in 2018/19. We have strengthened our travel policy to reinforce meeting virtually as a first option, and supported colleagues to continue to work from home. Our travel policy also reinforces the need to walk, wheel or travel on public transport where there is the option to do so.

### Looking forward

Our Corporate Plan for 2022/23 has strengthened our commitment to tackling the climate and nature emergencies including a commitment to achieving net zero by 2030 and a

<sup>1</sup> From our own calculations, the data will be scrutinized by Planet Mark prior to our third year's accreditation and may change.

<sup>2</sup> Using Planet Mark's final calculation of 387 tCO<sub>2</sub>e for our 2020-21 emissions.



commitment to working with our grant holders to improve their environmental performance and commit 50% of our Climate Action Fund by 2023.

We are in the last year of working towards our 2020-23 targets of reducing all travel emissions by 25%, internal flights by 20%, scope 1 & 2 emissions by 20% and waste to landfill by 25% (all based on a 2019/20 baseline). This period has been significantly impacted by COVID-19, as outlined before, and

some of these targets have been strengthened during this period (e.g. our internal flights target). As part of our strategic renewal we will review our approach with a mind to further improving performance.

We achieved our **second certificate** from suitability accreditors Planet Mark this year, for the data year 2020-21, and continue to work with them on both carbon footprinting and behaviour change.

**Greenhouse gas emissions**

		2021/22	2020/21 <sup>3</sup>
Non-financial indicators (tCO <sub>2</sub> e) <sup>4</sup>	Total gross for Scopes 1 and 2	241	380
	Total net for Scopes 1 and 2	241	380
	(less reductions i.e. Green tariffs)	-	-
	Gross emissions for Scope 3 (business travel)	46	7
	Other Scope 3 emissions measured	1	-
Related energy consumption (kWh) <sup>5</sup>	Electricity: non-renewable	308,214	525,254
	Electricity: renewable	-	-
	Gas	955,945	1,384,975
	LPG	-	-
	Other	-	-
Financial indicators (£000s)	Expenditure on energy	210	147
	Expenditure on official business travel	195	20

<sup>3</sup> Figures amended to align with those presented in the 2020/21 Planet Mark environmental accreditation report.

<sup>4</sup> **tCO<sub>2</sub>e** stands for tonnes of carbon dioxide equivalent. ‘Carbon dioxide equivalent’ is a standard unit for counting greenhouse gas (GHG) emissions.

<sup>5</sup> **kWh** stands for kilowatt hour. It is a measure of how much energy you’re using. It doesn’t mean the number of kilowatts you’re using per hour. It is simply a unit of measurement that equals the amount of energy you would use if you kept a 1,000 watt appliance running for an hour.

**Waste**

		2021/22	2020/21
Non-financial indicators (t) <sup>6</sup>	Total waste	4.7	-
	Hazardous waste	-	-
	Landfill	0.3	-
	Re-used/Recycled	0.1	-
	Incinerated energy from waste	-	-
	WEEE waste	4.28	-
Financial indicators (£000s)	Total disposal cost	6.2	9
	Hazardous waste – total disposal cost	-	-
	Landfill <sup>7</sup>	3.1	4.5
	Re-used/Recycled	3.1	4.5
	Incinerated energy from waste	-	-

**Finite resource – consumption/water**

		2021/22	2020/21
Non-financial indicators (m <sup>3</sup> ) <sup>8</sup>	Water consumption supplied	-	-
Financial indicators (£000)	Water supply costs	12	16

Scopes 1, 2 and 3 refer to the definitions set out in the Greenhouse Gas Protocol by the World Resources Institute and the World Business Council on Sustainable Development.

**Scope 1** refers to greenhouse gases produced directly (primarily by heating our offices) while **Scope 2** refers to indirect production such as electricity.

The data used to calculate Scope 1 emissions is sourced from meter readings and service charges. In both cases we obtain whole building figures and must estimate our proportion of gas used, based on the proportion of office space we occupy. High readings in our Birmingham office enabled us to highlight and rectify a boiler maintenance issue with our landlord.

<sup>6</sup> **t** stands for tonnes. It is the standard measure for measuring waste.

<sup>7</sup> The waste cost has been split 50/50 between landfill and recycling, to mirror last year’s reporting. This is an assumption as the building waste management costs are not broken down by waste stream.

<sup>8</sup> **m<sup>3</sup>** is the measure for water consumption. It represents a cubic metre.

**Scope 2** emissions are more accurate as they are generated through a mixture of actual use invoices and meter reads. However, changing three office sites this year has reduced the quality of this data. The data has also been impacted by not having staff onsite to read meters. This year we have added estimations for our share of electricity used in office communal areas. Together with reducing office space and equipment use, we have reduced the data on our own servers and the air conditioning in our server rooms. We estimate that our servers have drawn 32% less electricity this year compared to last. It should be noted that there has also been a slight reduction in the carbon intensity of electricity per kwh (9% based on the government conversion factors).

**Scope 3** refers to emissions from business travel and other activities such as overnight stays, waste, water, and printing. Our emissions under this category have increased significantly during 2021/22 as people have started to travel again.

Our 46 tCO<sub>2</sub>e of travel and accommodation emissions consists of; 4 from flying, 13 from rail journeys, 21 from car trips, 8 from hotel stays. Although 54% of our travel emissions came from car use, we travelled 4 miles by rail for every one by car. A total of 43 cycle to meeting miles were recorded.

We did not report any waste figures last year. Our waste invoices do not record weights and there were very few people

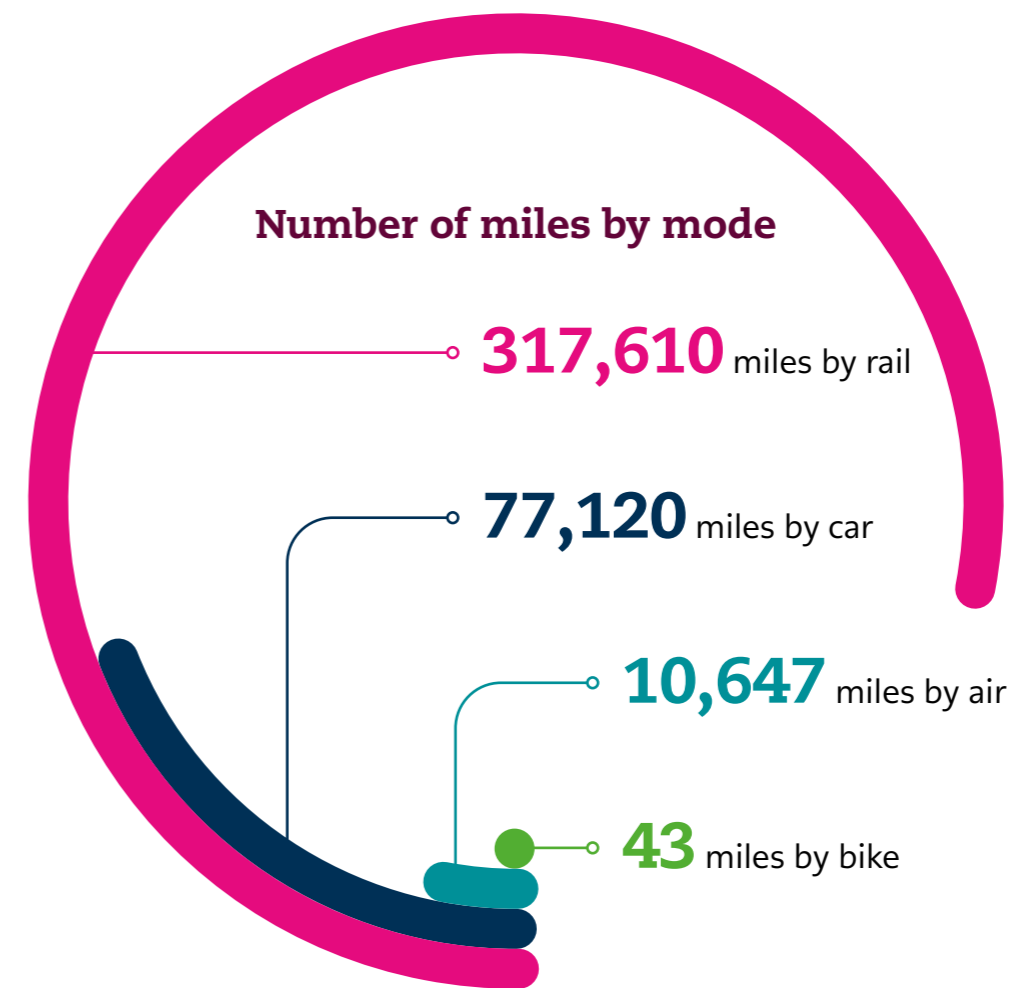
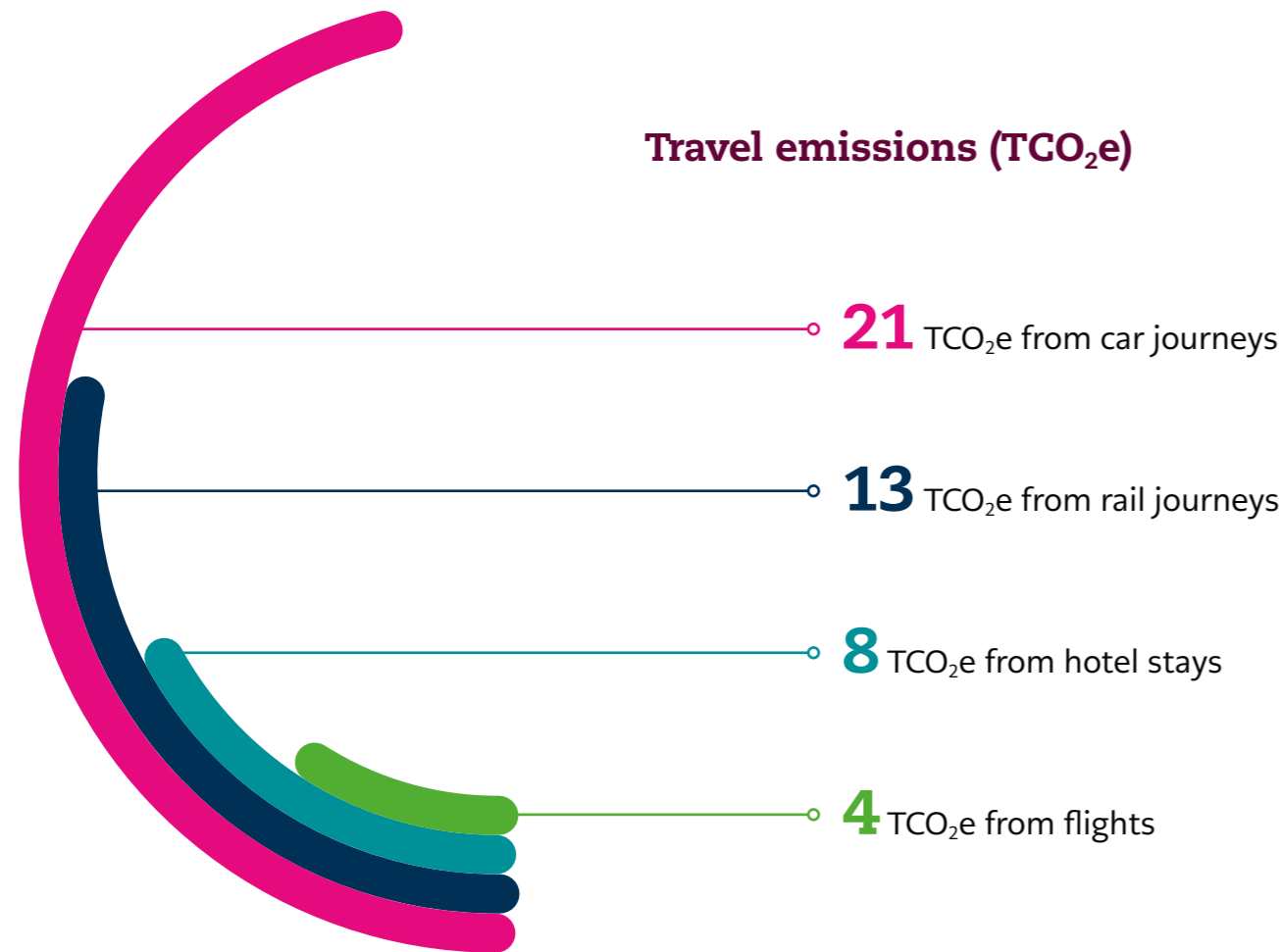
in our offices. Once people started to return to our offices, we resumed weighing our waste in our two busiest locations. The six months of data and the recording of our WEEE waste (as we recycle our communications and technology products) does not give us a total waste amount, but it does help us to understand our current landfill/recycling ratio. We have recycled 93% of our measured waste this year. We have also consciously redistributed and repurposed furniture across our offices, rather than buy new.

Emissions from water have been calculated at zero again as we do not receive any information from our landlords and have not been able to identify any water meters.

Last year our office printing fell by almost 100% and the number of sheets printed has remained as low, with approximate associated emissions of 0.17 tCO<sub>2</sub>e.

This year we have added a calculation for couriers (0.04 tCO<sub>2</sub>e) and our stationery orders (0.5 tCO<sub>2</sub>e). We will continue to try and draw items and activities into our reported footprint, with a view to look at catering next.

Whilst trying to reduce our footprint, we will continue to annually offset our calculated emissions, having done so through Carbon Footprint's verified Amazonian forest protection schemes since 2018.



# Statement of Accounting Officer's responsibilities

Under Section 36A of the National Lottery Act etc. 1993 (as amended by the National Lottery Acts 1998 and 2006), the Secretary of State for Digital, Culture, Media and Sport has directed the Big Lottery Fund to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Fund and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular 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 as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;

- prepare the financial statements on a going concern basis;
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable.

As Accounting Officer since 7 June 2021, I take responsibility for the Annual Report and Accounts and for the judgements required in determining that it is fair, balanced and understandable. I confirm that in my opinion this report as a whole meets those requirements.

DCMS has appointed the Fund's Chief Executive as Accounting Officer. The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Fund's assets, are set out in Managing Public Money published by HM Treasury.

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

## Delegated responsibilities

The Fund has, where appropriate, sought to use the powers of delegation provided by the National Lottery Act 1998. As a result of this, other parties may be accountable for specific elements of award programmes.

## Joint schemes

The Fund has entered into joint schemes, as defined in the National Lottery Act 1998, to provide funding alongside other bodies to achieve the outcomes defined by the relevant Joint Scheme Order. In these schemes the Accounting Officer is responsible for ensuring:

- lottery funds allocated by the Fund are applied in accordance with its legal powers;
- the economic, efficient and effective use of Lottery funding allocated by the Fund to the programme;
- that the systems used for operating the programme are robust and fit for purpose;
- that the mechanism for allocating the administrative costs of the programme is agreed between the participating Lottery distributors.

During 2021/22, the Fund has participated in the following joint scheme:

- Parks for People – a scheme administered by the National Lottery Heritage Fund, on behalf of the National Lottery Heritage Fund and The National Lottery Community Fund;

## Award partners

The Fund has used the powers provided by the National Lottery Act 1998 to delegate to award partners the grant schemes listed below. The delegation agreement between the Fund and the award partner sets out the responsibility of the Chief Executive of the award partner to ensure that the systems implemented to administer National Lottery applications, and to process and monitor National Lottery grants, are acceptable and fit for purpose and that National Lottery funds are distributed with due regularity and propriety.

The Fund's Chief Executive retains responsibility for the overall safeguarding of the public funds derived from the National Lottery and for ensuring that award partners operate within agreed terms and in line with financial and policy directions.

## Our award partners

### As part of the Social Investment programme

- School for Social Entrepreneurs

### As part of the Growth Fund

- Forward Enterprise FM Limited
- Community Impact Partnership
- BIG Issue Access Limited
- Cultural Impact Loans
- Devon Community Foundation
- GMCVO
- Homeless Link Social Investment Ltd
- Kent Community Foundation
- Somerset Community Foundation
- Sporting Capital Ltd
- UnLtd
- First Ark
- Key Fund Investments Ltd
- Resonance Health & Wellbeing

**As part of the #iwill Fund programme**

- Sport England
- Co-operative Community Investment Foundation
- Greater London Authority
- Clarion Futures
- Ormiston Trust
- Paul Hamlyn Foundation
- UK Community Foundations
- Spirit of 2012 Trust
- Young Manchester
- BBC Children in Need
- Ernest Cook Trust
- Dunhill Medical Trust
- Premier League Charitable Fund
- Bite Back 2030
- The Dulverton Trust
- Impetus – The Private Equity Foundation
- Sovereign Housing Association Limited

**As part of the Partnership programme**

- School for Social Entrepreneurs
- Consortium of Lesbian, Gay, Bisexual and Transgender Voluntary and Community Organisations
- Community Links Bromley

**As part of the Manx Lottery Trust**

- Manx Lottery Trust

**As part of the Reaching Communities programme**

- Cripplegate Foundation
- Buttle UK

**As part of the Coronavirus Community Support Fund**

- The Landworkers Alliance
- The Bulldog Trust
- Community Foundation for Surrey
- The Bridge Renewal Trust
- Kingston Voluntary Action
- Harrow Community Action Ltd
- Hampton Fuel Allotment Charity
- CVS Brent
- Community Barnet
- Community Action Sutton
- Bexley Voluntary Service Council Ltd
- Blagrove Trust
- Enfield Voluntary Action
- Essex Community Foundation
- The Foundation for Social Entrepreneurs
- School for Social Entrepreneurs
- Key Fund
- Community Land and Finance CIC
- Big Issue Invest Ltd
- Buttle UK
- Bridge House Estates
- Centre for the Acceleration of Social Technology
- Power to Change Trust
- The Access to Justice Foundation
- The Barrow Cadbury Trust
- Homeless Link
- Heathrow Community Trust

**As Part of the Rural Poverty Programme**

- Severn Wye Energy Agency Ltd

**As Part of the Climate Action Fund Programme**

- Cumbria Action for Sustainability

**Additionality**

In accordance with the National Lottery Act 2006 all Lottery distributors are required to report on their additionality policy and practice. Additionality is an important principle of our funding. The Fund uses the following definition: "Lottery funding should be used to fund projects, or aspects of projects, for which funds would be unlikely to be made available by the UK Government or Devolved Administrations. This is known as the 'additionality principle' ensuring that the development of programmes and funding of projects is additional to and distinct from government funding, while complementing and adding value to it in areas of mutual policy interest."

All awards made in 2021/22 were consistent with this definition of additionality. In addition to this definition the Fund also takes account of the following provision on additionality set out in our policy directions. "ADDITIONALITY AND COMPLEMENTARITY – the development of programmes and funding of projects should complement, add value and be distinct from the work of other funders and parties working towards the Fund's goals."

# The governance statement

As Chief Executive and Accounting Officer this governance statement is my responsibility.

It is my responsibility to ensure that there are robust governance, risk management, and internal control arrangements across the whole organisation which support the achievement of the Fund's purpose while safeguarding the public funds and assets for which I am responsible.

I was appointed as Interim Chief Executive Officer and Accounting Officer for The National Lottery Community Fund with effect from 7 June 2021 and made permanent from 18 October 2021. Accounting Officer assurances were transferred and received by me as the incoming Accounting Officer.

This statement sets out how I have discharged my responsibility to manage and control the Fund's resources during the year. It draws upon the work of the Fund's Board, its Audit and Risk, and Remuneration committees as well as the Senior Management Team (SMT) as its executive body. I have also reviewed and considered the annual assurance report prepared by Internal Audit.

## The Fund's accountability to Parliament, the devolved legislatures and government

The Fund operates across the UK and was created by the National Lottery Act 2006, which amended the National

Lottery Act 1998 and National Lottery etc. Act 1993 and sets out the primary rules under which it operates. It also has functions designated to it under the Dormant Bank and Building Society Accounts Act 2008.

The Fund is a non-departmental public body (NDPB) and I am fully accountable for our funds to Parliament. Certain orders relating to National Lottery and dormant account money are made by the UK or Scottish Parliaments, the National Assembly for Wales or the Department of Communities Northern Ireland, but the main government oversight of the Fund is exercised through directions issued by ministers.

The Secretary of State for Digital, Culture, Media and Sport is accountable for the National Lottery Distribution Fund and also issues financial and accounts directions to the Fund in relation to its functions under the National Lottery Acts. The Secretary of State issues similar directions relating to dormant account funds. These directions regulate the systems and processes of the Fund.

The Fund's policy sponsor is the Department for Digital, Culture, Media and Sport (DCMS). The Minister of the sponsor department issues policy directions that must be taken into account when distributing funds generally across the UK and specifically in England, while the devolved administrations in Northern Ireland,

Scotland and Wales issue policy directions in relation to funds distributed in those countries. These directions are included from page 189 of this report.

Within the framework of these directions the Fund makes independent decisions on what programmes it should run and on what grants it should make.

The Fund applies the HM Treasury and Cabinet Office guidance in Corporate Governance in central government departments in so far as it applies to non-departmental public bodies. I am satisfied that the principles in the guidance, together with other sources of guidance on good practice in corporate governance, are fully reflected in the Fund's governance arrangements.

The Fund has complied with the latest HM Treasury Notice regarding financial sanctions against Russia. The Fund does not maintain any accounts or hold any funds, investments, donations or economic resources from the persons/organisations listed in the latest HM Treasury Notice on Financial Sanctions, Russia.

## Review of non-executive governance

The Fund is governed by a Board comprising the Chair, the chairs of each of the four country committees and up to seven other members. The Board has appointed one of its members as Vice Chair. During 2021/22 there were 12 members of the Board (some for part of the reporting year only). There have been a number of changes to Board and Committee roles during the year. These are reported in the table at the end of this section.

Each country has a committee responsible for the funding programmes in its country; the Board has also appointed a committee for UK-wide funding.

The Board sets the Fund's Strategic Framework, and each committee, working within this framework, has delegated authority to determine the funding programmes in their country (or for the UK-wide funding portfolio). They also make grant decisions, or agree the delegated arrangements for making them, within these programmes.

The Board has appointed an Audit and Risk Committee which meets quarterly to advise on financial reporting, audit and assurance, and risk management matters. It has also appointed a Remuneration Committee to deal with the matters set out in the remuneration report. The Remuneration Committee normally meets annually. The Chair of Audit and Risk Committee reports to each Board meeting on any matters the Committee considers should be brought to its attention, and to provide assurance to the Board. The Audit and Risk Committee provides a full report to the Board on its work once each year.

The Board receives reports on the programmes in each country portfolio, so that it can be assured that their grant-making activity aligns with the Strategic Framework and that learning is shared.

Membership of, and attendance at, Board and all committees is set out in the tables at the end of this section.

All Board members are appointed by the Minister for the sponsor department. Members of country committees are appointed by the Fund. The devolved

administrations are fully involved in the appointments relating to their respective countries and all Board and committee members are appointed following an open process of advertisement and selection.

### Data quality

The Board receives relevant and regular data from systems across the Fund to provide assurance on performance, controls and risk. It is satisfied that the quality and accuracy of this data is appropriate to its needs in assessing the effectiveness of the funding programmes, the risk management approach, the financial and operating performance of the Fund and the suitability of internal controls. The systems which provide this information are assured by being included in the internal audit programme.

### Executive management

I lead the executive management of the Fund supported by the Senior Management Team (SMT) which had 10 members at the end of the financial year.

The SMT meet regularly, with formal meetings generally held at least once every month. The SMT considers key policy, strategic and operational matters, provides advice to the Board on matters requiring its approval and oversight, and oversees the operating and financial performance and risk management of the Fund as a whole.

The members of SMT and their areas of responsibility are set out at the end of this section.

Following the departure of the previous Chief Executive in December 2020, Wales

Director John Rose was appointed as Interim Chief Executive from 1 January 2021 to 6 June 2021. I then became Interim Chief Executive from 7 June 2021; John Rose recommenced his post as Wales Director from 7 June 2021. I was appointed Permanent Chief Executive on 18 October 2021. Two members of SMT (England Director and Technology and Data Director) left the Fund during the year. A new permanent Finance Director was appointed from 17 January 2022.

A new executive governance group, the Transition and Improvement Group, was constituted in March 2021, in order to maintain appropriate oversight of the direction of the Fund during a period of significant transition. Members of this group were the Chair of the Board, the incoming Chief Executive, the outgoing interim Chief Executive and the Corporate Services Director. The involvement in this and other additional duties relating to leadership transition and a major ongoing transformation has meant therefore that the Chair of the Board has engaged with the Fund beyond the initial contracted time requirement. The Chair is currently delivering 3.5 days per week, which was approved by the Secretary of State for DCMS, and this remains under review by the department.

There are appropriate executive management structures across the organisation to oversee all activities and the projects and programmes being operated across the Fund.

### Risk management

The Fund operates a comprehensive system of risk management, with an organisational risk register being

reviewed quarterly by the Audit and Risk Committee.

The Board reviews the risk register at least annually to ensure there are no material omissions. The Board has also, with the advice and guidance of the Audit and Risk Committee and on recommendation from SMT, established 11 risk themes within which to manage our risk approach and has agreed the Fund's risk tolerance levels for each of these.

Risk registers are maintained at directorate level, as well as for all projects and programmes, and are reviewed at senior level at least every quarter. There is a process in place for escalating significant risk issues to the SMT and if required to the Audit and Risk Committee. Additionally, the SMT considers regularly which key risks have the potential to impact the organisation and ensures these are addressed in the risk management approach across the Fund.

A key issue for the Fund is recognising that our aim in supporting communities across the UK sometimes requires us to fund in challenging circumstances and for risks to be taken regarding the success of some projects. This requires careful judgement on the part of our grant-making colleagues and is reflected in the risk appetite we set in our funding and fraud risk themes.

The risk themes have been set by the Fund to help consider the risks that arise as a result of its activities and provide a focus to risk management. The themes with associated risks considered are:

### 1. Financial

The Fund makes award commitments on the basis of meeting the obligations in respect of those awards from future receipts from The National Lottery. We manage the risk of fluctuations in income through robust cash forecasting. Income slightly decreased in 2021/22 but remains materially below its peak in 2015/16. Managing future liabilities and cash flow in the face of variable income is an area which is receiving close attention. In this theme we also consider the controls in respect of our operating costs and in particular ensuring we operate within the cost threshold set for us by government. We are managing additional uncertainty over future Lottery income levels in relation to changes as a result of the 4<sup>th</sup> licence award for the period 2024-2034. Gambling Commission forecasts are not available beyond the end of the current licence period, therefore we continue to plan for the future with our own internal projections but with a more prudent approach than we would ordinarily employ.

### 2. External environment

Risks considered here include the potential reputational impact of failings in funded organisations and the impact in the sector more widely of significant issues for charities and community organisations. Also considered is the impact of cost of living increases translating to staffing pressures, which in turn puts pressure on grant-holder finances.

### 3. Leadership and governance

We consider here the potential impact of the loss of key individuals including changes to the Board as a result of

appointment terms coming to an end. We also address the risks that our strategic plan does not match the purpose of the organisation and the impact on our culture and teams. The loss of key individuals who work in management roles has the potential to add uncertainty to teams, which in turn increases potential financial and reputational risk to the Fund. The Fund mitigates these risks within its strategic plan. However, the Fund remains committed to replacing key individuals as quickly as possible through a robust recruitment policy to offset potential risks from crystallising.

Another mitigation against this risk during the year was the temporary formation of the Transition and Improvement Group to maintain appropriate executive oversight of the direction of the Fund and ensure consistent decision-making.

#### 4. People

Risks considered for this theme include our capacity to reward our teams appropriately in increasingly competitive markets; ensuring that our teams are appropriately trained and skilled to deliver our ambition and that we meet our diversity aims in matching the diverse nature of the communities we support. People risks also incorporates the findings of the Public Inquiry into the Fund's culture and how this may affect colleagues. The Fund is committed to addressing the issues identified by the Inquiry with a number of actions already implemented. The findings of the 2022 staff survey will also result in further improvement actions being implemented in response to colleague feedback.

The COVID-19 pandemic has introduced new risks to the Fund which has made the Fund's people commitments evolve rapidly. Risks to occupational health and safety, staff wellbeing, adequate technology infrastructure to support colleagues working from home and remote people management have presented a unique set of circumstances. The Fund is committed to adapt to meet the needs of the evolving workplace environment in line with Government guidance.

#### 5. Operations

Risks in this theme include the potential exposure to Cyber Security issues, ensuring we have the appropriate IT architecture and systems to support our ways of working and that our working environments are appropriate for our teams and our circumstances. We have made significant changes to our IT architecture over recent years and continue to develop our approach to meet our needs for sharing information across the Fund. We have moved significantly to providing services through the Cloud which has also required changes to our in-house infrastructures. This links closely to how we design and use our own office facilities to create flexible spaces that enable our teams to collaborate effectively, including remote working in line with COVID-19 Government guidance. In operations we also continue to address our approach to information governance, including appropriate disposal of data to ensure we comply with data protection legislation while meeting our needs for quality data on our funding activities.

#### 6. Projects

We consider the risk of failure in key projects, including those relating to business systems and infrastructure, and that we have appropriate skills to deliver on time and to budget.

#### 7. Funding

We face a number of risks with respect to our grant making, including the potential exposure to fraudulent activity in applications or in award delivery as well as the potential reputational risk from projects or funded organisations which fail, or do not meet, the high standards expected of them.

The Board and Audit and Risk Committee, working with our executive team, continue to review and develop our approach, ensuring that we take a proportionate approach to risk management. We seek to ensure that our organisational risk register links closely to our strategic aims and ambitions.

#### 8. Technology

Risks of exploitation of unknown and/or unpatched infrastructure vulnerabilities could result in denial of service or loss of data. Inadequate technology platforms being used to fulfil the objectives of the Fund lead to reputational risk from resulting loss of customer data, fines or other breaches.

#### 9. Fraud

We face fraud risk through exploitation of our funding programmes, whether through application fraud or misuse of grant. When setting the appetite for this risk careful consideration is taken

of balancing innovative funding to be inclusive and available to all with the requirements of Managing Public Money.

#### 10. Engagement

Risks considered under this theme include our ability to engage appropriately with key stakeholders, ministers and the public in order to ensure we are meeting their needs.

#### 11. Environment

We acknowledge that we must take adequate action to reduce our own environmental impact, and that of the organisations we fund, in order to avoid lost opportunities and failing to contribute to net zero by 2030. We are doing this through further iteration and progress against our Environment Strategy and annual plan.

Our system of controls, together with the oversight of an experienced management team, is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure in seeking to achieve our strategic aims and objectives and it can therefore only provide reasonable, rather than absolute, assurance of effectiveness.

Our controls on fraud include a clear counter-fraud policy and a whistleblowing policy, together with means for the public to directly refer concerns to our audit and investigations team.

A programme of internal audit work is prepared annually by the Head of Internal Audit and agreed with SMT and the Audit and Risk Committee. This programme is designed to give assurance that appropriate controls have been

designed and are operating correctly in relation to all the significant risks faced by the Fund. Over the course of the year, Internal Audit reports have addressed a significant number of risks, including within the following key risk areas: Stakeholder Relationship Management, procurement, employment framework, external delegation agreements, Cyber/IT security, data strategy, recruitment, declarations of interest, grant-making skills training, key financial controls, risk management and a follow-up to a reported data breach.

The findings of internal audit reports are considered by me, the managers concerned and the Audit and Risk Committee. Greater scrutiny is given to any reports that give limited assurance with respect to either the design of controls or their operational effectiveness. Actions are agreed by management in response to all recommendations made, and progress against these is reported to each Audit and Risk Committee meeting.

From the range of Internal Audit reports that were completed over the course of the year some significant gaps were identified in the procedures and controls in key areas, along with non-compliance with key procedures and controls. These have weakened the Fund's system of internal controls and could cause the Fund's framework of governance, risk management and control to become inadequate if efforts are not made to address them.

The Fund outsources the delivery of the majority of its internal audit activity in a co-sourced arrangement. A new contractor supplied these services from April 2019.

Each SMT director has provided me with an assurance statement on the areas for which they are responsible. Drawing on these, and the results of internal audit reviews, the Head of Internal Audit has provided me with an annual assurance report. The report assesses the Fund to have 'limited assurance' in relation to its framework of governance, risk management and control. However, my reflection on review of the report is that the internal audit reviews offering limited assurance over design or effectiveness of controls relate to areas which are not fundamental to the operations of the Fund. While weaknesses in the Fund's systems and processes are not acceptable (action plans are already in place to address the issues raised), a degree of comfort can be gained that the reviews in relation to core Fund operations and control returned moderate to substantial levels of assurance. The findings of limited assurance reviews in relation to people matters will be incorporated into the upcoming organisational transformation programme which is being implemented in direct response to the inquiry.

External audit of this Annual Report and Accounts is carried out by the National Audit Office. Findings and recommendations arising from the external audit are dealt with in the same way as those from internal audit and fully considered by the Audit and Risk Committee.

### Accounting Officer assurances

As Accounting Officer, I have responsibility for maintaining a sound system of internal controls that supports the achievement of the Fund's policies, aims and objectives to safeguard public money and the Fund's assets.

To achieve this objective, the Fund has gained and received the assurances from the following sources:

#### 1. Year end external audit report

Whilst the Fund undertook a significant restatement of the accounts due to a change in accounting policy, no material audit adjustments were proposed and no high priority recommendations were made for the year ended 31 March 22. External audit work on transactions gives assurance that sufficient controls are in place to demonstrate propriety and regularity of our funding activity.

#### 2. Head of Internal Audit annual assurance statement and internal audit reports

Overall, the annual internal report gives limited assurance, which is lower than in previous years. I have reviewed this report in detail and am satisfied that any material areas of note have either already been addressed or have defined action plans for improvement. The control landscape at the Fund has arguably been strengthened by the executive-commissioned reviews undertaken during the year, the findings of which have been considered thoroughly and feed into both immediate plans and the strategy renewal.

#### 3. Annual Assurance statements from directors

As part of the governance process and the internal audit function, Assurance statements are received from the directors confirming that they have discharged their responsibilities in ensuring that the Fund's policies and procedures are complied with.

#### 4. Risk management

The risk registers are reviewed in detail on a quarterly basis. The directorate risk registers and the organisational risk register are then discussed by the risk moderation panel to decide which risks should be added or removed from the organisational risk register.

#### 5. Detailed fraud and bribery risk assessment

A detailed fraud and bribery risk deep dive has been carried out, which involved conducting detailed meetings with the relevant heads of departments and operational staff. The fraud risk assessment shows the principal fraud risks and what controls the fund has in place to mitigate these risks. Overall fraud risk to the Fund is monitored and reported quarterly to the Audit and Risk Committee through the Fraud Risk Management Group.

#### 6. Senior management team (SMT) review and sign-off

SMT review every quarter all changes to the directorates' risk registers and the organisational risk register.

#### 7. Audit and Risk committee

The Audit and Risk committee meet every quarter to review and discuss all risk updates to ensure that risks are properly managed by mitigating controls.

#### 8. Functional standards

During the year, the Fund was required to complete an annual self-assessment against the 15 business functions prescribed by DCMS. We completed our self-assessment in December 2021,



with senior business leads in each of our functions carrying out the assessment in their areas. This was then submitted to DCMS.

One area (Functional Standard 004: Property) was assessed as not currently meeting requirements and this has subsequently been addressed.

### Corporate planning and performance management

The Fund has a system of planning designed to identify corporate priorities and plans in each period and to act as a guide in delivering the strategy approved by the Board. Directorate plans are developed throughout the Fund, and feed into the overall corporate plan and to the personal objectives for staff.

The corporate plan for 2021/22 included two financial and five non-financial key performance indicators (KPIs). These were monitored regularly and reported to SMT and to the Board, with corrective action being agreed wherever necessary.

Our performance against these KPIs is reported in the Performance Report section of this document. We met five of the seven KPIs set for the year.

Additional Key Management Information (KMI) is also collated and analysed for SMT throughout the year in various forms.

This presents data on such matters as employment statistics, grant-making services and other financial data such as our balance in the NLDF.

Our approach to planning continues to evolve and has supported our plans and budget for the coming period. This includes setting certain priorities

for development against our four corporate goals.

### Dormant assets

The Fund has established enhanced governance processes for the management of the Dormant Assets funding stream in response to increased levels of activity. We have worked with DCMS to set in place reporting structures to ensure all aspects of the range of grant-making activities are appropriately designed and delivered, and that the governance arrangements for the Fund are effective in this area and that they support the overall Dormant Assets scheme appropriately. The work in delivering dormant assets activities forms a part of our overall approach to organisational governance across the Fund and therefore the role of the Board, Audit and Risk Committee, Internal Audit and that of the Accounting Officer extend to cover these activities alongside those connected with our National Lottery funded activities.

Dormant Assets funds continue to be distributed to make an impact and bring benefit to our communities. There are a number of ongoing structural changes at Reclaim Fund Limited (RFL) which have resulted in the Fund reviewing and updating its accounting policies with respect to the recognition of income from the Dormant Assets scheme and the associated onward distribution in the form of Grants. This change in accounting policy gives rise to a prior period adjustment and a necessary restatement of comparative periods. Amounts and timing of distribution of dormant assets income has in no way been affected. The revised accounting policy and restatement can be found at page 168.

### Third party funding

The Board is actively engaged in (or delegates through relevant committees) decisions about third party work; considering, for each proposal, whether it is, or may be, appropriate for the Fund to undertake and is consistent with our third party funding strategy and the principles in the Strategic Framework. We apply a risks and control framework to each opportunity consistent with the task set by the client, ensuring that there is no question of National Lottery money being put at risk or cross-subsidising of non-lottery work from National Lottery resources.

### Delegated and trust arrangements

The Fund delegates some of its functions to other organisations, as set out in the Statement of Accounting Officer's Responsibilities. Proportionate due diligence work is carried out on the governance and systems of proposed partners before funding is awarded. The arrangements are actively managed and appropriate internal and external audit arrangements are applied. External Delegation Agreements (binding legal agreements) are in place as a control measure to mitigate risk.

The Fund may also make awards as endowments to trusts, normally created specifically for the purpose of the award. A previous example of this include the Power to Change trust that was set up in 2014/15 to support community enterprises across England, from inspiring and nurturing ideas to helping communities scale up and expand their businesses.

In establishing arrangements of this type the Fund conducts due diligence before the award and in most cases appoints an independent protector who has powers to ensure that the endowment is properly applied in accordance with the Fund's intentions.

### Our payment policy and practice

In accordance with the Better Payment Practice guide, we aim to pay all our creditors within 30 days of receiving an invoice, unless other terms and conditions have been negotiated. In 2021/22, 82% (81% in 2020/21) of all creditors were paid within 30 days of receiving an invoice.

The percentage of suppliers paid within 10 days was 43% during 2021/22 (40% in 2020/21).

Our overall creditor days (the total value of our creditors at 31 March 2022 divided by total creditor payments during 2021/22, expressed in days) was 25 days (23 days in 2020/21).

### Data quality and data protection

We treat our information security obligations extremely seriously, and under the scrutiny and advice of the Audit and Risk Committee we regularly assess the adequacy of our information security measures.

The General Data Protection Regulation came into force in May 2018 and set greater controls on organisations regarding their responsibilities for collecting and storing personal data. Much of the Fund's activity regarding collection of personal data is covered

by our statutory role, but the regulation fully applies to the Fund. We have adapted our processes and approach to ensure we meet the new requirements. We have updated our grant agreements and considered carefully arrangements with grant holders for the collection, storage and sharing of the personal data of individual beneficiaries including where special categories of personal data may be stored.

In July 2021, the National Lottery Community Fund (TNLCF) reported a data breach to the Information Commissioner’s Office (ICO). As with all organisations, minor data breaches have occurred in the past. However, it has not been necessary to report any breaches to the regulatory authority previously. The breach occurred as a result of the loss of two (of a total of four) disks containing legacy grant information. The data stored on the disks were archived attachments from our former Funding Management System (FMS). The data included contact details of grant holders, organisational bank details, and may have included other personal information such as identification records. The disks did not contain identifiable data in relation to beneficiaries or participants.

Customers (data subjects) were informed by a statement on our external website which was promoted on social media channels and throughout the sector press. A dedicated email address and helpline with recorded message were in operation to assist any customers who may have been affected. The ICO confirmed that no action would be taken as a result of the data breach because of the remedial actions taken and preventative measures in place.

A follow-up audit was conducted, with all actions now completed.

**Impact of EU Exit**

The Fund is engaged in two active funding programmes with matched funding from the European Social Fund (ESF). This funding is already in place through the Department for Work and Pensions (DWP) as the Managing Agent to deliver these grants. The Fund’s costs for delivery of these programmes is guaranteed by the Treasury and DWP for the duration of the current programme irrespective of the arrangements for any future funding in the final Brexit settlement.

The Fund’s remaining activities are not dependent on cross-border sources of funding and nor does it depend on significant services from EU entities. No material impact on the Fund is predicted following the UK’s exit from the EU.

**Overall assessment of governance and internal control**

In my opinion, in consideration of the Head of Internal Audit’s assurance report, the Fund’s systems of governance and internal controls are sufficient to enable me to assure myself of compliance by the Fund with the National Lottery Acts, the Dormant Bank and Building Society Accounts Act, and the policy, financial and accounts directions issued under them.



David Knott  
Chief Executive and Accounting Officer

15 July 2022

**Board and committee membership, meeting attendance and remuneration during the year**

**Board members**

Name	Role	Attendance 2021/22	Remuneration 2021/22	Remuneration 2020/21
Blondel Cluff CBE	Chair, UK Board	4/4	75,000	6,177
	Chair, UK Funding Committee	4/4		
	Chair, Remuneration Committee	1/1		
Tony Burton CBE	Member, UK Board (until 20 August 2021)	1/1	3,270	30,910
Perdita Fraser	Member, UK Board	4/4	7,848	7,848
	Member, Audit and Risk Committee	3/4		
Elizabeth Passey	Member, UK Board	4/4	7,848	7,848
Rachael Robathan	Member, UK Board	3/4	7,848	7,848
Sir Adrian Webb	Chair, Wales Committee (until 3 June 2021)	1/1	13,285	24,000
	Member, UK Board (until 31 December 2021)	3/3		
	Member, Remuneration Committee	1/1		
	Member, Audit and Risk Committee (until 31 December 2021)	3/3		

Name	Role	Attendance 2021/22	Remuneration 2021/22	Remuneration 2020/21
Simone Lowthe-Thomas	Chair, Wales Committee (from 1 July 2021)	3/3	18,000	-
	Member, UK Funding Committee	2/2		
	Member, UK Board (from 1 July 2021)	3/3		
Paul Sweeney	Chair, Northern Ireland Committee (from 1 June 2021)	7/7	20,000	-
	Member, UK Funding Committee	3/3		
	Member, UK Board (from 1 June 2021)	4/4		
Emma Boggis	Member, UK Board	4/4	11,027	15,696
	Chair, Audit and Risk Committee	4/4		
Danielle Walker-Palmour	Member, UK Board	4/4	7,848	7,848
	Member, UK Funding Committee (until 31 December 2021)	1/2		
	Member, Remuneration Committee	1/1		

Name	Role	Attendance 2021/22	Remuneration 2021/22	Remuneration 2020/21
John Mothersole	Member, UK Board	4/4	24,000	22,090
	Member, UK Funding Committee	2/2		
	Chair, England Committee	9/9		
Kate Still	Member, UK Board	4/4	24,000	19,067
	Member, UK Funding Committee	2/2		
	Chair, Scotland Committee	9/9		

#### Other members – England

Name	Role	Attendance 2021/22	Remuneration 2021/22	Remuneration 2020/21
Margaret Jones	Member, England Committee	9/9	24,000	25,346
Tarn Lamb	Member, England Committee	9/9	7,848	7,848
Kevin Bone	Member, England Committee	9/9	7,848	7,848
	Member, UK Funding Committee (until 31 December 2021)	1/2		
Rosie Ginday	Member, England Committee	8/9	7,848	7,848
Ray Coyle	Member, England Committee	8/9	5,886	654

## Other members – Scotland

Name	Role	Attendance 2021/22	Remuneration 2021/22	Remuneration 2020/21
Jackie Brock	Member, Scotland Committee	8/9	5,232	5,232
Grant Carson	Member, Scotland Committee (until 31 March 2022)	4/9	5,232	5,232
Lindsay Graham	Member, Scotland Committee	8/9	5,232	5,232
Aaliya Seyal	Member, Scotland Committee  Member, UK Funding Committee (until 31 December 2021)	9/9  2/2	5,232	5,232
Martin Johnstone	Member, Scotland Committee	7/9	5,232	5,232
Janet Miles	Member, Scotland Committee	9/9	6,152	6,282

## Other members – Wales

Name	Role	Attendance 2021/22	Remuneration 2021/22	Remuneration 2020/21
Rona Aldrich	Member, Wales Committee (until 31 July 2021)	1/1	1,744	5,232
Trystan Pritchard	Member, Wales Committee (from 1 October 2021)	3/3	3,052	-
Kate Young	Member, Wales Committee (from 1 October 2021)	2/2	2,616	-
Gwenllian Lansdown Davies	Member, Wales Committee (from 1 October 2021)	2/2	1,744	-
Sian Callaghan	Member, Wales Committee (until 31 January 2022)  Member, UK Funding Committee (until 31 December 2021)	3/3  1/2	4,360	5,232
Nicola Russell- Brooks	Member, Wales Committee	4/4	5,232	5,232
Fadhili Maghiya	Member, Wales Committee (from 13 January 2020)	4/4	5,232	5,232

## Other members – Northern Ireland

Name	Role	Attendance 2021/22	Remuneration 2021/22	Remuneration 2020/21
Dr Michael Dobbins	Member, Northern Ireland Committee (until 31 October 2021)	0/5	3,052	5,232
Tony Doherty	Member, Northern Ireland Committee (until 31 October 2021)	4/5	3,052	5,232
Charles Mack	Member, Northern Ireland Committee	6/8	5,232	5,232
Eileen Mullan	Member, Northern Ireland Committee (until 31 October 2021)	5/5	3,052	5,232
	Member, UK Funding Committee (until 31 October 2021)	1/1		
Sandra McNamee	Member, Northern Ireland Committee	8/8	8,310	27,733
Nick Garbutt	Member, Northern Ireland Committee (from 1 November 2021)	2/2	2,180	-
Cara Cash-Marley	Member, Northern Ireland Committee (from 1 November 2021)	3/3	2,180	-
Kate Clifford	Member, Northern Ireland Committee	8/8	5,232	872

## Other members – Audit and Risk Committee

Name	Role	Attendance 2021/22	Remuneration 2021/22	Remuneration 2020/21
Ruth Marchington	Member, Audit and Risk Committee	4/4	1,744	1,744
Charlotte Moar	Member, Audit and Risk Committee	4/4	1,744	1,744

## Register of interests

All our Board and committee members, assessors, advisers and members of any advisory panel and our staff must declare relevant interests under our code of ethics. This code complies with the Cabinet Office code of practice for Board members of public bodies. Interests declared by Board members are posted on our website. Details of such interests for all decision-making committee members are available by writing to the Head of Governance.

If the Board or a committee considers any matters which could reasonably be seen as giving rise to a conflict of interest, principally over grant decisions to organisations but also any commercial relationships, the chair of the meeting ensures 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 an interest within the current financial year or where other interests have been disclosed with funded organisations.

Name	Organisation Name	Nature of relationship
Aaliya Seyal	Parent Network Scotland Scottish Refugee Council Airdrie CAB Glasgow University Legal Services Agency	Self Self Self Children Self
Adrian Webb	Cardiff Business School RSPB University of South Wales	Self Self Self
Cara Cash-Marley	Groundwork Northern Ireland Centre for Health and Wellbeing Nexus NI  CO3	Self Self Self Self
Charlotte Moar	Comic Relief	Self
Danielle Palmour	MySight York	Self
Emma Boggis	The National Trust	Mother
Eileen Mullan	Age Northern Ireland	Self
Elizabeth Passey	The University of Glasgow  Black Mountains College	Self Self
Fadhili Maghiya	Sub-Saharan Advisory Panel National Museum Wales Cardiff Community Housing Association	Self Spouse/Partner Self
Grant Carson	Legal Services Agency Glasgow Disability Alliance	Self Self
Gwenllian Lansdown-Davies	Mudiad Meithrin	Self
Janet Miles	Wester Ross Biosphere	Self
John Mothersole	Sheffield City Council  Gateshead Metropolitan Borough Council	Self Daughter
Lindsay Graham	Dundee Bairns Mayor's Fund for London	Self Self

Nature of relationship	Awards made in 2021/22		Withdrew from award	Outstanding grant award at 31 March 2022
	No	£		
Board Member	1	187,976	N/A	140,982
Board Member	2	1,748,590	Yes	-
Employee	-	-	N/A	43,639
Employee	-	-	N/A	87,242
Employee	1	180,000	N/A	120,000
Visiting Professor	-	-	N/A	23,309
Wales Chair, UK Trustee	-	-	N/A	201,617
Emeritus Professor	1	6,300	N/A	-
Chief Executive	1	10,000	N/A	-
Board Member	1	10,000	N/A	-
Former salaried employee	1	496,619	N/A	571,172
Subscribing Member	-	-	N/A	151,767
Trustee and Treasurer	-	-	N/A	54,122
Trustee	1	9,300	N/A	-
Member	-	-	N/A	18,904
Chair	-	-	N/A	913,900
Covener (Chairman) and Court member	-	-	N/A	87,242
Board Member	1	6,443	N/A	-
Director	1	393,614	N/A	-
Employee	1	378,600	N/A	378,600
Consultant	-	-	N/A	63,160
Board Member	1	180,000	N/A	120,000
Connected to Deputy CEO	-	-	N/A	259,432
CEO	1	9,715	N/A	-
Director	1	4,000	N/A	-
Chief Executive/ Employee	1	1,067,698	N/A	1,067,698
Employee	1	1,663,156	N/A	1,983,156
Trustee	1	10,000	N/A	-
Advisor	1	342,000	N/A	228,000

Name	Organisation Name	Nature of relationship
Maggie Jones	Womens Health Matters Leeds	Children
	Leeds City Council Community Board	Self
	YourConsortium	Self
	Consortium of Voluntary Adoption Agencies	Self
Martin Johnstone	Home-Start Glasgow South	Spouse/Partner
	Cyrenians	children
	Penumbra	Children
	Home-Start Renfrewshire and Inverclyde	Spouse/Partner
Nick Garbutt	Beat Carnival	Self
	Cedar Foundation	Self
	CO3	Self
Nicola Russell-Brooks	Age Cymru Swansea Bay	Self
	Pembrokeshire Frame Limited	Self
	Comic Relief	Self
	Milford Youth Matters	Self
Perdita Fraser	Ashoka UK	Self
Ruth Marchington	National Trust	Self
Rachael Robathan	Westminster City Council	Self
Sian Callaghan	Royal Society for the Protection of Birds	Spouse/Partner
	The National Trust	Self
Sandra McNamee	NSPCC	Self
	Belfast and Lisburn Women's Aid	Self
Simone Lowthe-Thomas	Severn Wye Energy Agency Ltd	Self
Tony Burton	Campaign to Protect Rural England	Self
	National Trust	Self
	Renaisi Limited	Self
	The Conservation Volunteers	Self
Tony Doherty	Bogside & Brandywell Initiative/Healthy Living Ctr Alliance Ltd	Self
	Rural Health Partnership	Self
Tarn Lamb	Safer Stronger Consortium	Self
Trystan Pritchard	St David's Hospice	Self
	Bangor University	Spouse/Partner

Nature of relationship	Awards made in 2021/22		Withdrew from award	Outstanding grant award at 31 March 2022
Close Relative Connected	-	-	N/A	197,579
Member	-	-	N/A	1,763,642
Connected with related organisation	-	-	N/A	1,532,495
CEO	-	-	N/A	152,983
Close Relative Connected	-	-	N/A	195,311
Close Relative Connected	-	-	N/A	39,515
Close Relative Connected	-	-	N/A	40,562
Close Relative Connected	-	-	N/A	256,939
Advisor	1	10,000	N/A	-
Advisor	1	9,280	N/A	-
Advisor	-	-	N/A	151,767
Employee	1	10,000	N/A	-
Mentor	1	10,000	N/A	-
Consultant	-	-	N/A	54,122
Consultant	1	7,220	N/A	73,903
Advisor	-	-	N/A	20,000
Subscribing Member	-	-	N/A	18,904
Councillor/ Cabinet Member	1	1,071,947	N/A	1,071,947
Close Relative Connected	-	-	N/A	201,617
Member	-	-	N/A	18,904
Consultant	-	-	N/A	19,660,381
Consultant	1	157,503	N/A	131,253
CEO	-	-	N/A	562,325
Member	1	10,000	N/A	-
Member	-	-	N/A	18,904
Consultant	-	-	N/A	572,036
Trustee	1	107,107	N/A	-
Director	1	9,300	N/A	-
Part of the HCL Alliance	-	-	N/A	332,500
Director	1	9,984	N/A	-
Employee	-	-	N/A	150,000
Employee	-	-	N/A	34,151

Notes: 1. Where recorded as not applicable ("N/A") the individual has declared a connection with the organisation but was not party to any decisions concerning related grants.

## The Senior Management Team

### Chief Executive

David Knott (from June 2021)

### Interim Chief Executive

John Rose (from January 2021 to June 2021)

### England Director

Elly de Decker (to August 2021)

### Interim England Director

Mark Purvis (from August 2021)

### Interim England Director

Jonathan Eastwood (from August 2021)

### Scotland Director

Neil Ritch

### Northern Ireland Director

Kate Beggs

### Wales Director

John Rose (until December 2020. Again from June 2021)

### Interim Wales Director

Ruth Bates (from December 2020 to June 2021)

### Technology and Data Director

Matthew Green (until September 2021)

### Corporate Services Director

Neil Harris

### Finance Director

Stuart Fisher (from January 2022)

### Interim Finance Director

Harnish Hadani (from January 2021 to January 2022)

### Engagement and Insight Director

Faiza Khan MBE

### Funding Strategy Director

Emma Ackerman

# Our remuneration and staff report

## Governance

The Remuneration Committee of the Board has responsibility to:

- agree the terms and conditions of employment of the Chief Executive
- decide on the Chief Executive's performance appraisal and related pay
- determine the remuneration policy for directors
- approve the performance appraisals and related pay for directors, and
- decide on severance terms for the Chief Executive and directors.

At the request of the Chair of the Committee the Chief Executive, the People Director, or other officers attend meetings for selected agenda items.

The decisions of the Committee are subject to:

- compliance with the pay guidance issued by the Cabinet Office/HM Treasury applying to the remuneration of staff generally
- approval by DCMS of the terms and conditions of employment of the Chief Executive
- approval by DCMS of any termination payments to the Chief Executive.

## Remuneration policy for executive directors

Our policy is to offer remuneration that enables the Fund to attract, retain and motivate high calibre individuals with the skills and abilities to lead and manage the organisation. In doing so, the policy seeks to remunerate fairly for individual responsibility and contribution, while providing an element of performance related pay.

Directors including the Chief Executive receive a basic salary and a performance related payment. All other terms and conditions of employment are the same as for other Fund employees. They are entitled to be members of the Principal Civil Service Pension Scheme. All directors are on permanent contracts (except where necessarily covered by temporary or interim arrangements) subject to three months' notice. Any termination payments are paid in accordance with the civil service compensation scheme.

Any annual increase to the Chief Executive's salary is determined by the Remuneration Committee; for 2021/22 there was no increase (2020/21 0.81%). Annual increases to the other directors' salaries are approved by the Chief Executive reflecting the outcome of the overall staff pay award.

The Chief Executive is entitled to a performance-related payment of up



to 12% of their basic salary. The other directors are entitled to a payment of up to 8% of their basic salary. Performance-related payments are unconsolidated (that is, they are not added to basic salary, and must be earned again each year). They are not included in pensionable pay.

None of the directors receive any taxable benefits in kind. Directors are reimbursed expenses incurred in the course of their duties on the same basis as all other employees of the Fund.

Two members of the Senior Management Team permanently left during the year.

Details of the basic salary, performance-related payments and pension benefits of directors are set out in the table on pages 116 to 121. Details of their expenses can be found on the website: [nlcommunityfund.org.uk/about/our-people/senior-management-team](https://nlcommunityfund.org.uk/about/our-people/senior-management-team)

### Officials with significant financial responsibility

The Fund engaged 26 Board members or members of the Senior Management Team during the course of the year who were deemed to have significant financial responsibility. All of these engagements were paid through the Fund's payroll.

### Pay multiples (audited information)

We disclose the relationship between the remuneration of our highest-paid director (which is the Chief Executive) and the median remuneration of the Fund's employees.

Total remuneration includes salary, performance related pay and benefits in kind; it excludes termination payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The banding of the total salary plus performance award during the year of the highest-paid Director (the Chief Executive Officer) was £145,000 to £150,000 (2020/21 £160,000 to £165,000), the median salary of the Fund's employees was £29,495 (2020/21 £28,937). In 2021/22, the ratio of the highest paid to the median changed to 5.0:1 (2020/21 5.6:1). This is due to a fall in the remuneration of the Chief Executive Officer. In 2021/22, no employees (2020/21 none) received remuneration in excess of the highest paid director. The range of remuneration is from a range of £15,000 to £20,000 through to a range of £145,000 to £150,000.

In 2021/22, the 25th percentile salary of the Fund's employees was £25,533. The 75th percentile was £36,500. The ratio of the highest paid director to the 25th percentile is 5.8:1. The ratio of the highest paid director to the 75th percentile is 4.0:1. Comparatives are not available for the 25th and 75th percentile in the first year of implementation of this disclosure.

### Staff

Details of staff numbers, their composition and any exit packages are shown in note 7 to the financial statements.

### Staff sickness absence

We are committed to the health and wellbeing of our staff. The Fund has a comprehensive sickness absence policy and also undertakes employee-led wellbeing activities. During 2021/22, the average number of days of sickness absence was 6.0 days per employee (5.3 days in 2020/21).

### Employee involvement

The Fund has a constructive relationship with our joint recognised unions, Prospect and Unite, and seeks to find and encourage opportunities for employee involvement and consultation. The Fund regularly seeks the views and opinions of its staff through informal dialogue and through formal employee engagement surveys.

### Health and Safety

The Fund takes its responsibilities for the Health & Safety of its staff, contractors and grant holders seriously. We seek to adopt best practice in the management and reporting of risk. Changes to the way we work, with more of our colleagues working away from fixed office bases, has caused us to address any additional risks that may arise.

### Off Payroll Engagements and Consultancy

During the year the Fund has not engaged any (2020/21 three) individuals through off-payroll contracts.

The Fund has incurred consultancy costs during the year of £548,284 (2020/21 £425,431) in respect of the provision of advice and expertise which we would not routinely procure to support our continuing activities. For 2021/22, this includes consultancy work related to the cultural inquiry report; the data impact story work; and external project management support on The Queen's Platinum Jubilee programme and on the new procure-to-pay finance system.

### Apprenticeship Levy

The apprenticeship levy applies to all organisations with an annual payroll greater than £3 million. Contributions to the apprenticeship levy account amount to 0.5% of the total payroll after deduction of a £15,000 allowance. Contributions to the account in respect of sums relating to England are topped up by government by 10%. Employers are able to use the account to pay for qualifying training activities. Apprenticeship arrangements with respect to Scotland, Wales and Northern Ireland are unchanged.

The Fund has made total contributions to the scheme during the year of £122,036 (2020/21 £120,944) and in accordance with the government accounting guidance has written this off as a staff cost under taxes.

The Fund has reclaimed £39,201 (2020/21 £95,183) in training costs from appropriate providers. These costs would typically be shown as training costs in operating costs with the benefit of the drawdown from the apprenticeship levy account shown in income as a government grant.

### Gender Pay Gap

The Fund is required to report its performance under the Gender Pay Gap regulations. Full details are available on gov.uk gender pay gap portal and are published on our own website. Across the Fund as a whole, we report a gender pay gap of 2.0% (2020/21 2.8%) for median pay whilst for mean pay, the gap

is 4.8% (2020/21 5.3%). We are pleased with the reduction in our pay gap from last year and will continue the positive work we have started to reduce this gap even further.

### Ethnicity Pay Gap

Whilst we are not legally required to report our ethnicity pay gap, we have taken the decision to publish our results alongside the gender pay gap. Across the Fund as a whole, we report an ethnicity pay gap of 0.7% (2020/21 0.9%) for median pay whilst for mean pay, the rate is minus 2.1% (2020/21 minus 1.8%). These numbers remain positive, showing almost no difference between pay across all colleagues.

### Trade Union Facility Time

Number of employees who were relevant union officials during the financial year	4
Full time equivalent employee number	2.1
Percentage of time spent on facility time by relevant union officials:	
0%	-
1-50%	2
51-99%	2
100%	-
Total cost of facility time	£113,954
Total cost of paybill	£35,939,990
Percentage of paybill spent on facility time	<b>0.3%</b>
Hours spent on paid trade union activities	180
Hours spent on paid facility time	4,016
Percentage	<b>4.5%</b>

**Executives' remuneration – single total figure for remuneration****(audited information)**

	2021/22 Salary	2021/22 Performance related payments	2021/22 Value of pension benefits	2021/22 Single total figure for Remuneration	2020/21 Salary	2020/21 Performance related payments	2020/21 Value of pension benefits	2020/21 Single total figure for Remuneration
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>David Knott</b> (Chief Executive) from 7 June 2021	105-110 (Full time equivalent 140-145)	-	103	205-210	N/A	N/A	N/A	N/A
<b>John Rose</b> (Interim Chief Executive) from 1 January 2021 until 6 June 2021. (Wales Director) until 31 December 2020 and again from 7 June 2021.	90-95	0-5	24	120-125	90-95	5-10	40	135-140
<b>Emma Ackerman</b> (Funding Strategy Director) from 1 October 2020	75-80	0-5	29	100-105	35-40 (Full time equivalent 75-80)	0-5	-	35-40
<b>Ruth Bates</b> (Interim Wales Director) from 1 December 2020 until 6 June 2021	10-15 (Full time equivalent 65-70)	0-5	(5)	5-10	20-25 (Full time equivalent 65-70)	0-5	19	40-45
<b>Kate Beggs</b> (Northern Ireland Director)	75-80	0-5	21	100-105	75-80	0-5	33	115-120
<b>Elly De Decker</b> (England Director) until 1 September 2021	35-40 (Full time equivalent 90-95)	0-5	14	55-60	85-90	0-5	34	120-125
<b>Mark Purvis</b> (Acting joint England Director) from 2 August 2021	70-75	0-5	0	70-75	N/A	N/A	N/A	N/A

	2021/22 Salary	2021/22 Performance related payments	2021/22 Value of pension benefits		2021/22 Single total figure for Remuneration	2020/21 Salary	2020/21 Performance related payments	2020/21 Value of pension benefits	2020/21 Single total figure for Remuneration
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
<b>Jonathan Eastwood</b> (Acting joint England Director) from 2 August 2021	70-75	0-5	0		70-75	N/A	N/A	N/A	N/A
<b>Stuart Fisher</b> (Finance Director) from 17 January 2022	20-25 (Full time equivalent 95- 100)	N/A	8		25-30	N/A	N/A	N/A	N/A
<b>Harnish Hadani</b> (Interim Finance Director) from 6 January 2021 to 31 January 2022)	100-105	0-5	39		140-145	20-25 (Full time equivalent 95-100)	0-5	9	30-35
<b>Matthew Green</b> (Technology and Data Director) until 15 September 2021	45-50 (Full time equivalent 85- 90)	0-5	(66)		(10)-(15)	80-85	5-10	39	120-125
<b>Neil Harris</b> (Corporate Services Director)	90-95	0-5	35		125-130	90-95	0-5	35	125-130
<b>Faiza Khan</b> (Engagement and Insight Director)	80-85	0-5	0		85-90	80-85	0-5	33	115-120
<b>Neil Ritch</b> (Scotland Director)	75-80	0-5	19		95-100	75-80	0-5	37	110-115

**Executives' Remuneration (pensions) (Audited information)**

	Accrued pension at pensionable age as at 31/03/22 and related lump sum	Real increase in pension and lump sum at pension	Cash Equivalent Transfer Values (CETV) at 31/03/22	Cash Equivalent Transfer Values (CETV) at 31/03/21	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<b>David Knott</b> (Chief Executive) from 7 June 2021	25-30	5-7.5	319	251	57
<b>John Rose</b> (Interim Chief Executive) from 1 January 2021 until 6 June 2021. (Wales Director) until 31 December 2020 and again from 7 June 2021.	30-35	0-2.5	499	460	11
<b>Emma Ackerman</b> (Funding Strategy Director) from 1 October 2020	5-10	0-2.5	84	62	15
<b>Ruth Bates</b> (Interim Wales Director) from 1 December 2020 until 6 June 2021	5-10	0-2.5	69	68	(7)
<b>Kate Beggs</b> (Northern Ireland Director)	20-25 plus a lump sum of 35-40	0-2.5 plus a lump sum of 0	338	310	7
<b>Elly De Decker</b> (England Director) until 1 September 2021	5-10	0-2.5	107	95	7
<b>Mark Purvis</b> (Acting joint England Director) from 2 August 2021	N/A	N/A	N/A	N/A	N/A
<b>Jonathan Eastwood</b> (Acting joint England Director) from 2 August 2021	N/A	N/A	N/A	N/A	N/A
<b>Stuart Fisher</b> (Finance Director) from 17 January 2022	0-5	0-2.5	5	0	3
<b>Harnish Hadani</b> (Interim Finance Director) from 6 January 2021 to 31 January 2022)	0-5	0-2.5	42	8	27
<b>Matthew Green</b> (Technology and Data Director) until 15 September 2021	10-15	0	135	170	(37)
<b>Neil Harris</b> (Corporate Services Director)	5-10	0-2.5	90	64	18
<b>Faiza Khan</b> (Engagement and Insight Director)	N/A	N/A	N/A	N/A	N/A
<b>Neil Ritch</b> (Scotland Director)	25-30 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0	439	408	6

## Cash equivalent transfer values (CETV)

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their lifetime membership of the scheme not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the Fund. It does not include the increase in accrued pension due to inflation or 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.

## Remuneration of Board and Committee members

The remuneration of Board and committee members of the Fund is determined by the Secretary of State for the Department of Digital, Culture, Media and Sport.

The Chairs of the UK Board and the country committees receive an annual salary based on the number of days they are expected to devote to the work of the Fund. These were set out in their letter of appointment.

The total amounts they received are shown in the table on pages 99 to 105.

Board and committee members do not receive any taxable benefits in kind or pension benefits. They are reimbursed expenses incurred in the course of their duties on the same basis as Fund employees.



David Knott  
Chief Executive and Accounting Officer

15 July 2022

# Our parliamentary accountability and audit report

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT, THE SCOTTISH PARLIAMENT, THE SENEDD CYMRU AND THE NORTHERN IRELAND ASSEMBLY

### Opinion on financial statements

I certify that I have audited the financial statements of the Big Lottery Fund for the year ended 31 March 2022 under the National Lottery etc Act 1993 and the Dormant Bank and Building Society Accounts Act 2008.

The financial statements comprise the Big Lottery's

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Big Lottery Fund's affairs as at 31 March 2022 and its total comprehensive net income for the year then ended; and
- have been properly prepared in accordance with the National Lottery etc Act 1993 and the Dormant Bank

and Building Society Accounts Act 2008 and Secretary of State directions issued thereunder.

### Opinion on regularity

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

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Big Lottery Fund in accordance with the ethical requirements that are relevant to my

audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Big Lottery Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Big Lottery Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Big Lottery Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate

and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Lottery etc Act 1993 and the Dormant Bank and Building Society Accounts Act 2008.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc Act 1993 and the Dormant Bank and Building Society Accounts Act 2008; and

the information given in the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements

### Matters on which I report by exception

In the light of the knowledge and understanding of the Big Lottery Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the [insert name of audited entity] or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Big Lottery Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Big Lottery Fund will not continue to be provided in the future.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc Act 1993 and the Dormant Bank and Building Society Accounts Act 2008.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Big Lottery Fund's accounting policies and key performance indicators.
- Inquiring of management, the Big Lottery Fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Big Lottery Fund's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they

have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Big Lottery Fund's controls relating to the Big Lottery Fund's compliance with the National Lottery etc Act 1993 and the Dormant Bank and Building Society Accounts Act 2008 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Big Lottery Fund for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in accounting estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Big Lottery Fund's framework of authority as well as other legal and regulatory frameworks in which the Big Lottery Fund operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Big Lottery Fund. The key laws and regulations I considered in this context included the National Lottery etc Act 1993 and the Dormant Bank and Building Society Accounts Act 2008 and Secretary of State directions issued thereunder, and Managing Public Money, employment regulations and tax legislation.

In addition, I considered the risk that management may seek to misclassify administration expenditure as programme expenditure to meet a key performance indicator target that forms part of the Big Lottery Fund's current management agreement with the Department for Digital, Culture, Media and Sport and is included as a note to the financial statements.

### Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- testing the accuracy of the classification of expenditure as administration or programme; and
- testing a sample of direct expenditure in support of programme to a higher level or risk to ensure that appropriate approval has been granted to support the classification.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Report

I have no observations to make on these financial statements.

Gareth Davies

18 July 2022

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP



**Statement of comprehensive income**

		Year ended 31 March 2022	Restated Year ended 31 March 2021
	Note	£000	£000
<b>Income</b>			
<b>Lottery income</b>			
Proceeds from the National Lottery	13	723,100	725,510
Investment income from the National Lottery Distribution Fund	13	1,024	424
Bank and other interest receivable	2	-	41
Recoveries of grant	2	2,866	1,995
		<b>726,990</b>	<b>727,970</b>
<b>Dormant accounts money income</b>			
Received/Receivable from Reclaim Fund Ltd	35a	54,008	90,281
Bank interest receivable	35a	7	136
Recoveries of grant	35a	31	33
		<b>54,046</b>	<b>90,450</b>
<b>Coronavirus Community Support Fund income</b>			
Received/Receivable from DCMS	30	-	199,417
Recoveries of grant		862	-
		<b>862</b>	<b>199,417</b>
<b>COVID-19 Charities Fund income</b>			
Received/Receivable from DfC	32	-	9,215
<b>Local Connections Fund income</b>			
Received/Receivable from DCMS	31	-	2,000
Recoveries of grant		8	5
		<b>8</b>	<b>2,005</b>
<b>Living Places and Spaces Fund income</b>			
Received/Receivable from DfI	33	791	-
<b>Places Called Home Fund income</b>			
Received/Receivable from IKEA	34	500	-
<b>Other income</b>			
	2	3,851	6,367
<b>Total income</b>		<b>787,048</b>	<b>1,035,424</b>

**Expenditure****National Lottery programme expenditure**

	Note	Year ended 31 March 2022	Restated Year ended 31 March 2021
		£000	£000
Grant expenditure	3	595,404	513,820
Less lapsed or revoked grant expenditure	3	(3,181)	(4,670)
Direct expenditure in support of programmes	4	4,925	8,131
		<b>597,148</b>	<b>517,281</b>

**Dormant accounts money programme expenditure**

Transfers/transferable to designated distributors	35a	352	30,410
Grant expenditure	35a	13,450	5,940
Less lapsed or revoked grant expenditure	35a	(24)	(18)
		<b>13,778</b>	<b>36,332</b>

**Coronavirus Community Support Fund programme expenditure**

Grant expenditure	30	(22)	188,423
Less lapsed or revoked grant expenditure	30	(281)	160
Refunded to DCMS	30	1,281	-
		<b>978</b>	<b>188,583</b>

**COVID-19 Charities Fund programme expenditure**

Grant expenditure	32	-	8,847
Less lapsed or revoked grant expenditure	32	-	(20)
		<b>-</b>	<b>8,827</b>

**Local Connections Fund programme expenditure**

Grant expenditure	31	-	1,828
Refunded to DCMS	31	22	-
		<b>22</b>	<b>1,828</b>

**Living Places and Spaces Fund programme expenditure**

Grant expenditure	33	737	-
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**Places Called Home Fund programme expenditure**

Grant expenditure	34	500	-
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	Note	Year ended 31 March 2022 £000	Restated Year ended 31 March 2021 £000
<b>Operating costs</b>			
Operating costs for distributing National Lottery Income	5	48,594	42,357
Recharged operating costs	5	2,004	3,159
Operating costs for distributing dormant account money	5	592	346
Operating costs for distributing Coronavirus Community Support Fund money	5	826	9,266
Operating costs for distributing Local Connections Fund money	5	89	71
Operating costs for distributing COVID-19 Charities Fund money	5	-	388
Operating costs for distributing Living Places and Spaces Fund money		41	-
		<b>52,146</b>	<b>55,587</b>
<b>Restructuring and investment</b>	8	(1,621)	2,335
		<b>663,688</b>	<b>810,773</b>
<b>Surplus before taxation</b>		<b>123,360</b>	<b>224,651</b>
Taxation	9	-	(8)
<b>Total comprehensive net income</b>		<b>123,360</b>	<b>224,643</b>

All income and expenditure relates to continuing activities.

The notes on pages 135 to 188 form part of these accounts.

The year ended 31 March 2021 results have been restated as set out in Note 28.

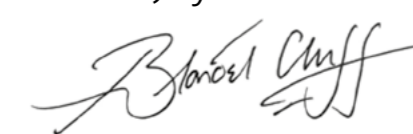
## Statement of financial position

	Note	As at 31 March 2022 £000	Restated As at 31 March 2021 £000	Restated As At 1 April 2020 £000
<b>Non-current assets</b>				
Property, plant and equipment	10	1,003	2,200	3,473
Intangible assets	11	134	249	368
Right of use assets	20	5,088	6,976	11,676
		<b>6,225</b>	<b>9,425</b>	<b>15,517</b>
<b>Current assets</b>				
Trade and other receivables	12	41,858	155,319	124,847
Cash at bank and in hand		163,313	81,512	79,951
Investment balance in National Lottery Distribution Fund	13	398,650	263,583	302,735
		<b>603,821</b>	<b>500,414</b>	<b>507,533</b>
<b>Total assets</b>		<b>610,046</b>	<b>509,839</b>	<b>523,050</b>
<b>Current liabilities</b>				
Trade and other payables	14	(470,465)	(511,824)	(565,706)
Lease liabilities	20	(1,348)	(1,343)	(4,710)
<b>Total assets less net current liabilities</b>		<b>138,233</b>	<b>(3,328)</b>	<b>(47,366)</b>
<b>Non-current liabilities</b>				
Trade and other payables	14	(447,339)	(426,721)	(555,414)
Lease liabilities	20	(3,850)	(4,995)	(6,636)
<b>Provisions</b>	15	(1,027)	(2,299)	(52,570)
<b>Assets less liabilities</b>		<b>(313,983)</b>	<b>(437,343)</b>	<b>(661,986)</b>
<b>Represented by:</b>				
Lottery funds reserve		(416,713)	(501,429)	(670,627)
Dormant account money reserve		102,088	62,412	8,641
Coronavirus Community Support Fund reserve		626	1,568	-
Local Connections Fund reserve		3	106	-
Living Places and Spaces Fund reserve		13	-	-
		<b>(313,983)</b>	<b>(437,343)</b>	<b>(661,986)</b>

Signed on behalf of the Big Lottery Fund Board on 15 July 2022.



David Knott Chief Executive and Accounting Officer



Blondel Cluff Chair

The notes on pages 135 to 188 form part of these accounts.

The year ended 31 March 2021 results have been restated as set out in Note 28.

**Statement of changes in equity****Year ended 31 March 2022**

	<b>Lottery Accounts</b>	<b>Dormant Accounts</b>	<b>Coronavirus Community Support Fund</b>	<b>Local Connections Fund</b>	<b>Living Places and Spaces Fund</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Restated opening reserve position	(501,429)	62,412	1,568	106	-	(437,343)
Transferred from Statement of Comprehensive Income	84,716	39,676	(942)	(103)	13	123,360
Closing reserve position	<b>(416,713)</b>	<b>102,088</b>	<b>626</b>	<b>3</b>	<b>13</b>	<b>(313,983)</b>

**Restated Year ended 31 March 2021**

	<b>Lottery Accounts</b>	<b>Dormant Accounts</b>	<b>Coronavirus Community Support Fund</b>	<b>Local Connections Fund</b>	<b>Living Places and Spaces Fund</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Restated opening reserve position	(670,627)	8,641	-	-	-	(661,986)
Transferred from Statement of Comprehensive Net Income	169,198	53,771	1,568	106	-	224,643
Restated closing reserve position	<b>(501,429)</b>	<b>62,412</b>	<b>1,568</b>	<b>106</b>	<b>-</b>	<b>(437,343)</b>

The notes on pages 135 to 188 form part of these accounts.

The year ended 31 March 2021 results have been restated as set out in Note 28.

## Statement of cash flows

	Year ended 31 March 2022 £000	Restated Year ended 31 March 2021 £000
<b>Surplus for the period</b>	123,360	224,643
Disposal of non-current assets (note 10 and 11)	-	-
Depreciation of property, plant and equipment and amortisation of intangible assets (note 10 and 11)	1,431	1,669
Depreciation of right-of-use lease assets (note 20)	2,078	3,552
Interest expenses (note 20)	125	198
<b>Surplus adjusted for non-cash transactions</b>	<b>126,994</b>	<b>230,062</b>
Decrease/(Increase) in trade and other receivables (note 12)	113,461	(30,472)
(Increase)/Decrease in NLDF balance (note 13)	(135,067)	39,152
Increase/(Decrease) in trade and other payables (note 14)	(20,741)	(193,460)
Increase/(Decrease) in provisions (note 15)	(1,212)	(39,386)
Transfer to right-of-use lease asset from rent free (note 20)	-	230
<b>Net cash inflow from operating activities</b>	<b>83,375</b>	<b>6,126</b>
<b>Cashflows from financing activities</b>		
Repayment of borrowings and leasing liabilities (note 20)	(1,455)	(4,289)
<b>Cashflows from investing activities</b>		
Payments to acquire property, plant and equipment (note 10 and 11)	(119)	(276)
<b>Increase in cash</b>	<b>81,801</b>	<b>1,561</b>
<b>Net increase in cash and cash equivalents</b>		
Cash balances carried forward	163,313	81,512
Less cash balances brought forward	(81,512)	(79,951)
<b>Increase in cash</b>	<b>81,801</b>	<b>1,561</b>

The notes on pages 135 to 188 form part of these accounts.

The year ended 31 March 2021 results have been restated as set out in Note 28.

## Notes to the accounts

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2021/22 Government Financial Reporting Manual (FReM) issued by HM Treasury, and the Accounts Directions issued by the Secretary of State for Digital, Culture, Media and Sport in accordance with Section 36A (2) of the National Lottery etc Act 1993 (as amended by the National Lottery Acts 1998 and 2006) and the Dormant Accounts and Building Society Act 2008 (as amended by the Dormant Assets Act 2022). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Fund for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Fund for 2021/22 are described below. They have been applied consistently in dealing with items that are considered material to the accounts. We have not adopted any IFRS that have been issued but are not yet effective.

## 1.1 Accounting convention

These accounts have been prepared under the historic cost convention modified where appropriate for fair value. With the exception of certain revalued assets, we believe that the historic cost is not materially different to fair value.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act, FReM and International Financial Reporting Standards, where appropriate.

## 1.2 Going concern

These accounts have been prepared on a going concern basis; this is consistent with the guidance set out in the Government Financial Reporting Manual which says to “have regard to the underlying assumption that financial statements shall be prepared on a going concern basis”. Further, it states that “sponsored entities whose statements of financial position show total net liabilities should prepare their financial statements on the going concern basis unless, after discussion with their sponsors, the going concern basis is deemed inappropriate”. No such discussions have taken place.

The National Lottery Community Fund is the operating name The Big Lottery Fund. The Big Lottery Fund is a statutory corporation established by the National Lottery Act 2006. The Fund is responsible for distributing good causes sums raised through the National Lottery, which it distributes through grant awards to support projects with a community focus as determined by the proportions detailed in the National Lottery Act 1993. As far as the Board is aware, there is no intention to repeal or amend that legislation.

In addition to distributing good causes money raised by the National Lottery, the Fund is responsible for the distribution of monies released from dormant bank

accounts and related assets under the provisions of the Dormant Bank and Building Society Accounts Act 2008. The Fund is directed in how dormant account money is distributed and does not make cash payments until cash funding is received. No discretionary services are delivered that are supported by other funding sources.

For National Lottery grant activity cash is drawn down from the National Lottery Distribution Fund only as it is needed, but the Fund's grant award recognition policy is to account for the full value of awards made at the point of approval and notification except where there are specific performance criteria, although the cash payments may not arise for up to 7 years. This results in significant net liabilities being accounted for on the Statement of Financial Position. It is therefore important that the Fund considers the risk to the accuracy of its projections and the potential for that to impact its grant making capacity. Significantly overestimating future income will mean that grant commitments are too high and may have to be materially curtailed in the short term in order to manage cash. To mitigate this risk the Fund produces, as part of its core business processes, a detailed cashflow forecast that currently extends forward to the end of financial year 2026/27.

- This uses Gambling Commission forecasts of Lottery revenues to inform income projections, with adjustments made locally based on past experience and expected future variations. The Fund also considers an adjustment on income forecasts by +/- 5% in its projections to show the effect of possible fluctuations against central case projections.
- Funding teams are required to provide details of known future grant commitments and expected

future grant awards to inform the cash flow forecasts. Where future grant awards are not yet known because future programmes have not yet been agreed, an unallocated grant commitment is included in the forecasting.

- A minimum acceptable cash balance in NLDF is also established, currently based on 20% of Lottery income less £20 million. This is used to determine the maximum forecast cash outflow of grant payments that can be made while still protecting a minimum level of cash in NLDF.

Our going concern assessment is made up to 31 March 2024. Based on the latest update of the cashflow forecast the Fund expects to hold a cash balance of £400.9 million in the National Lottery Distribution Fund at that point in time. This is £275.4 million above the Fund's determined minimum acceptable cash balance in National Lottery Distribution Fund.

Although there are some risks to the achievement of this, for example, maintenance of the Fund's 40% share of Lottery income, the expected change in Lottery operator from February 2024 and the inherent uncertainty in future Lottery revenues, these could be mitigated in a worst-case situation by suspending planned grant commitments where grant agreements have not yet been signed. All signed Lottery grant agreements also contain a clause whereby the Fund has the right not to pay should funding from Lottery income not be available.

Based on all of this the Board does not consider there to be any material uncertainties to its conclusion that it is appropriate for the accounts to be prepared on a going concern basis.

### 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 Digital, Culture, Media and Sport. However, the share of these balances attributable to the Fund is as shown in the accounts and, at 31 March 2022, has been certified by the Secretary of State for Digital, Culture, Media and Sport as being available for distribution by the Fund in respect of current and future commitments.

### 1.4 Property, plant and equipment

Property, plant and equipment is recognised in the Statement of Financial Position at cost except for items costing less than £2,000, which are written off to the Statement of Comprehensive Income in the year of acquisition.

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:

Leasehold improvements	Over the life of the lease
IT equipment	3 years
Office equipment, furniture and fittings	3 years

### 1.5 Intangible assets

In accordance with IAS 38 'Intangible Assets', development costs that are directly attributable to the design and testing of identifiable and unique software are recognised as an intangible asset. Directly attributable costs include external contractors' fees and employee costs. Following initial recognition of the assets we amortise on a straight-line basis over the estimated useful life as follows:

Grant Management system	4 years or remaining useful economic life where revised
Website	5 years

We do not amortise the costs associated with assets under construction.

Intangible assets have been subject to impairment review under IAS36 (note 11).

### 1.6 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. They may alternatively join the Civil Service Partnership Pension Scheme – a stakeholder pension. Pension benefits are paid by the PCSPS. Our liabilities are limited to a charge,

which is set by the Chief Government Actuary, related to salaries paid in each year. The scheme was last valued on 31 March 2012. An updated interim valuation was applied with effect from April 2019.

## 1.7 Operating leases

### Lessee

The Fund adopted IFRS 16 Leases for the first time in the 2019/20 financial year. Right of use assets are identified in the statement of financial position at cost determined by the present value of payments due under each lease. The costs are amortised over the minimum period of the lease including optional periods where the Fund is certain or reasonably certain to exercise the option to extend. The finance costs of servicing the leased assets is charged as interest in the statement of comprehensive income.

### Lessor

Where we have provided a rent-free period or other inducement to a tenant, the cost of this inducement is apportioned over the period to the earlier of the rent break point or the expiry date of the lease on a straight line basis.

## 1.8 Expenditure on programmes

The National Lottery etc. Act 1993 provides for the Fund 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 awards

Grant awards are accounted for as expenditure in the Statement of Comprehensive Income and, until paid, as liabilities in the Statement of Financial Position if they meet the definition of liabilities in IAS37 Provisions, Contingent Liabilities and Contingent Assets, whether arising from legal or constructive obligations. Grant awards are recognised as expenditure and commitments are accounted for when:

- the award has been formally decided on by the Fund; and
- the award has been notified to the intended recipient; and
- the award is free from any conditions under the control of the Fund.

Grant awards which have been formally decided upon by the Fund, but which do not meet the technical definition of liabilities, either due to their not having been communicated to the recipient, or due to their not meeting strict criteria relating to either specific conditions or award types (see below) are not included in expenditure in the Statement of Comprehensive Income or as liabilities in the Statement of Financial Position but are disclosed as contingent liabilities in Note 17.

### Development awards

Where the Fund retains discretion whether to make subsequent awards following a funded development phase, the potential subsequent award is not treated as a liability until the Fund has taken a further formal decision to proceed with it.

### Performance based awards

Where payment of all or part of an award is subject to a performance condition, the part of the award subject to the condition is not treated as a liability until the condition is met.

### Multi-stage awards

Where an award is made payable over multiple stages and continuation of the award is conditional upon the outcome of formal reviews by the Fund, the later stages of the award will be treated as a liability if either the nature of the review is merely to confirm progress, or the outcome of the review is that the Fund continues the award.

### Classification of liabilities

Grant liabilities at the date of the Statement of Financial Position are classified as accruals unless they meet the recognition criteria in IAS37 Provisions, Contingent Liabilities and Contingent Assets.

### Grants repaid and recovered

Our 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

We record as 'direct expenditure on programmes' those costs incurred in delivering services directly to

beneficiaries or grant recipients as arrangements under s36B of the National Lottery etc. Act 1993. For example, provision of applicant and recipient support structures and quality assurance for the direct benefit of grant recipients.

### Lapsed or revoked grant expenditure

We record as 'lapsed or revoked grant expenditure' any instances where the grant holder has chosen to return unused grant monies to the Fund or where we have chosen to withdraw unused grant monies from the grant holder. In all cases this relates to amounts that were previously recorded as commitments.

## 1.9 Taxation

Corporation tax is charged on the basis of tax law enacted at the financial position date. This taxation is on interest received on cash balances held in commercial bank accounts.

We are registered for valued added tax (VAT). VAT is charged and recovered on our activities that comply with the definition of business activities as set out in VAT legislation. This includes much of our third party activity.

Irrecoverable VAT is charged to expenditure or capitalised in the cost of fixed assets.

## 1.10 Cash and cash equivalents

Cash includes cash in hand and deposits held at call with commercial banks.

## 1.11 Provisions

The Fund recognises a provision where:

- there is a legal obligation as a result of a past decision
- it is probable that resources will be required to settle the obligation, and
- the amount can be reliably estimated.

Currently we have provisions for property-related costs.

## 1.12 Grant management

### Delegated partners

We have entered into agreements whereby a number of delegated bodies are to act as lead organisations in the delivery of grant schemes. In doing this we have delegated the statutory grant decision-making function to other organisations. Funds advanced to delegate organisations for the purpose of payment of grant commitments are recognised as a grant commitment at the point of award.

### Trusts

The Fund has made awards to new companies limited by guarantee, which act as the sole trustee of new charitable trusts. Funds awarded to these trusts are recorded as a liability until we make payments to the trusts. Amounts held by the trust are not shown as assets.

### Joint schemes

Where we have entered into a joint scheme, as defined in the National Lottery Act 1998, grant commitments made through the joint scheme are accounted for on the basis of our share in the scheme. Funds advanced to the joint scheme for the purpose of payment of grant commitments are recorded as a current asset until we receive confirmation that the payments

in respect of those commitments have been made. Administration costs are included in the Statement of Comprehensive Income at the amount charged to the Fund.

## 1.13 Third party assets

The Fund holds as custodian certain assets belonging to third parties. These are not recognised in the accounts since we have no direct beneficial interest in them. The bank balances held on behalf of third parties are shown in note 24.

## 1.14 Financial instruments

The Fund adopted IFRS 9 – Financial Instruments – with effect from financial year 2018/19. We have reviewed our financial instruments in respect of classification, measurement and impairment, applying the expected credit losses where applicable. The assets and liabilities which are considered to be financial in nature are set out in note 19. We do not hold any complex financial instruments.

## 1.15 Segmental reporting

In line with IFRS 8, the Fund's Board as 'Chief Operating Decision Maker' has determined that we operate in five material geographical segments – the UK, England, Wales, Scotland and Northern Ireland. We have a single significant source of income from National Lottery income, and the segmental reporting format reflects our management and internal reporting structure. Some programmes are UK-wide and this is reported separately from the four countries.

## 1.16 Dormant accounts funds

Accounting policies in relation to Dormant accounts funds have been reviewed during the year, with a clarified position disclosed in note 28. Dormant accounts transactions form a part of these financial statements and are subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to dormant account money are included in note 35.

## 1.17 Coronavirus Community Support Fund

The Government's Coronavirus Support Fund (CCSF) has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to CCSF are included in note 30.

## 1.18 Local Connections Fund

The Local Connections Fund has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to this funding programme are included in note 31.

## 1.19 COVID-19 Charities Fund

The COVID-19 Charities Fund has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of

these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to this funding programme are included in note 32.

## 1.20 Living Places and Spaces Fund

The Living Places and Spaces Fund has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to this funding programme are included in note 32.

## 1.21 Places Called Home Fund

The Places Called Home Fund has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to this funding programme are included in note 33.

## 1.22 Accounting Standards that have been issued but not yet adopted

There are no new accounting standards that have issued that have been deemed material to the Fund's accounts in 2021/22.

### 1.23 Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are regularly evaluated and updated and any changes are reflected in the period in which these are revised.

The accounting policies set out areas involving a higher degree of judgement, assumptions or estimation techniques, such as note 1.5 (Intangible assets), note 1.8 (Expenditure on programmes) and note 1.11 (Provisions).

The most significant judgements are:

- Expenditure on programmes – The Fund recognises the value of awards that are subject to performance conditions as contingent liabilities rather than grant accruals. This judgement is based on the terms and conditions of the award contracts.

The most significant estimates are:

- Provisions – We have estimated dilapidation costs in respect of restructuring our office space based on information from our Legal department who are in dialogue with landlords on settlement fees.

### 1.24 Income

The impact of the application of IFRS 15 Revenue from Contracts with Customers has been assessed, with a review and analysis of each revenue contract. We conclude that we do not have any material revenue from contracts with customers. Where the Fund has entered into a contract with third parties who are government departments for direct funding services or for joint funding partnerships, the contracts specify or imply that the revenue is to be treated as a government grant. Therefore, we continue to apply IAS 20 Accounting for Government Grants, where income and expenses are matched in the same period.

## 2. Income

Set out below is an analysis of other income not separately identified in the Statement of Comprehensive Income.

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Bank and other interest receivable</b>		
Bank interest receivable	-	41
	<u>-</u>	<u>41</u>
<b>Other income</b>		
Greenwich Peninsula land sale	220	236
Income from delivering non-Lottery funding	2,355	2,976
Income from delivering Lottery Funding on behalf of other distributors	45	47
Rental income	843	2,814
Sundry income	388	294
	<u>3,851</u>	<u>6,367</u>
<b>Recoveries of grant from grant holders (Note 1.8)</b>		
Recoveries of grant	2,866	1,995
	<u>2,866</u>	<u>1,995</u>



### 3. National Lottery programme expenditure

IFRS 8 requires disclosure of financial data by reportable segment. The Fund manages and reports grant making activity based on geographical segments. Operating costs however are not managed and reported on a segmental basis.

The table below sets out grant expenditure, for each portfolio, charged to the Statement of Comprehensive Income in the year.

	UK	England	Scotland	Wales	Northern Ireland	Total
	£000	£000	£000	£000	£000	£000
Grant expenditure made	36,420	458,631	43,827	34,787	21,739	595,404
Less lapsed and revoked grant expenditure	(18)	(2,965)	(131)	(63)	(4)	(3,181)
<b>Net grant expenditure made 2021/22</b>	<b>36,402</b>	<b>455,666</b>	<b>43,696</b>	<b>34,724</b>	<b>21,735</b>	<b>592,223</b>
Net grant expenditure made 2020/21	44,830	354,067	51,087	31,259	27,907	509,150

### 4. Direct expenditure in support of programmes

Costs relating to expenditure for the direct benefit of grant holders and their beneficiaries made under contract rather than a grant award.

	UK	England	Scotland	Wales	Northern Ireland	Total
	£000	£000	£000	£000	£000	£000
Support provided directly to grant recipients and beneficiaries 2021/22	563	3,754	369	32	207	4,925
Support provided directly to grant recipients and beneficiaries 2020/21	416	4,209	3,334	38	134	8,131

## 5. Operating Costs

	Operating costs for distributing Lottery income	Recharged operating costs	Operating costs for distributing dormant accounts money	Operating costs for distributing CCSF money	Operating costs for distributing LCF money	Operating costs for distributing Living Places and Spaces money	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000	£000	£000	£000	£000	Total operating costs £000	Total operating costs £000
Employee remuneration	34,228	1,911	409	181	78	41	36,848	37,142
Travel & Expenses								
- Staff	414	15	1	(0)	-	-	430	238
- Board and Committee	18	-	-	-	-	-	18	4
Payments under short-term/low value operating leases:								
- Property	754	-	(6)	-	1	0	749	(100)
- Other	69	-	-	-	-	-	69	63
Other Accommodation costs	1,580	-	-	-	-	-	1,580	2,224
Communication costs	711	28	2	-	-	-	741	785
Externally provided support for grant programmes	899	69	8	-	-	-	976	1,229
Programme Evaluation	330	6	-	514	-	-	850	1,573
Staff recruitment and training	1,060	2	(0)	-	-	-	1,062	1,149
Professional fees	390	0	3	-	-	-	393	834
Auditors remuneration for audit work	126	-	-	-	-	-	126	116
IT infrastructure costs	2,305	-	-	-	-	-	2,305	2,110
Other costs	779	(48)	173	-	-	-	904	701
Write down of property, plant and equipment	3	-	-	-	-	-	3	-
VAT	1,294	21	2	131	10	-	1,458	2,100
Non cash items								
- Depreciation (excluding right- of-use assets)	1,431	-	-	-	-	-	1,431	1,669
- Amortisation on right-of-use assets	2,078	-	-	-	-	-	2,078	3,552
- Interest expense on lease liabilities	125	-	-	-	-	-	125	198
	<b>48,594</b>	<b>2,004</b>	<b>592</b>	<b>826</b>	<b>89</b>	<b>41</b>	<b>52,146</b>	<b>55,587</b>

There were no fees for any non-audit services with external auditors.

## 6. Financial performance indicator

Our financial performance indicator is the proportion of our National Lottery income that we spend on distributing it, assessed over a three-year period. We exclude from this measure costs that we recharge to other organisations, including the costs of distributing non-lottery money for other organisations, sub-let property and non-qualifying expenditure. We also exclude the one-off costs of investment to achieve future efficiencies. Irrecoverable VAT is also excluded from qualifying expenditure.

As successor to the Millennium Commission, the Fund is entitled to a share of the proceeds of land sales on the Greenwich Peninsula made by the Greater London Authority once certain costs have been covered. £220k has been received or accrued for in 2021/22.

On this basis, the cost of distributing our share of Lottery income was 6.3% of National Lottery income in the year (2020/21 5.1%). Assessed over the three-year rolling period the proportion was 6.2%.

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Operating costs for distributing Lottery income (as per Note 5)	48,594	42,357	54,822
Less rental income (as per Note 2)	(843)	(2,814)	(2,786)
Less sundry income (as per Note 2)	(388)	(294)	(398)
Less irrecoverable VAT	(1,458)	(2,099)	(1,131)
<b>Total qualifying expenditure</b>	<b>45,905</b>	<b>37,150</b>	<b>50,507</b>
Proceeds from National Lottery (as per Note 13)	723,100	725,510	710,434
Investment Income (as per Note 13)	1,024	424	3,436
Greenwich Peninsula land sale (as per Note 2)	220	236	47
<b>Total qualifying income</b>	<b>724,344</b>	<b>726,170</b>	<b>713,917</b>
<b>Percentage</b>	<b>6.3%</b>	<b>5.1%</b>	<b>7.1%</b>

## Three year rolling position

	Year ended 31 March 2022 £000
Total qualifying expenditure	133,562
Total qualifying income	2,164,431
<b>Percentage</b>	<b>6.2%</b>

## 7. Staff numbers and costs

Total staff costs, which includes the remuneration of Board members, were as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Wages and salaries	26,492	26,561
Social security costs	2,685	2,656
Other pension costs	6,763	6,865
Apprenticeship levy costs	122	121
Agency staff costs	786	939
	<b>36,848</b>	<b>37,142</b>

A number of staff included above were seconded out to other organisations, for whom recoveries of £361,130 are included in other income. The salary and pension entitlement of the Fund's senior management and Board Members are included above, details of which are disclosed in the Remuneration and Staff Report. It is not possible to identify the number and cost of members of staff within the total who are not employed on a permanent basis with the exception of those employed through agencies.

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

	Number of temporary staff at 31 March 2022 (FTE)	Number of employees at 31 March 2022 (FTE)	Total number of staff at 31 March 2022 (FTE)	Total number of staff at 31 March 2021 (FTE)
Grant-making	8	462	470	468
Support to customers and stakeholders	3	157	160	180
Governance and administration	-	158	158	167
	<b>11</b>	<b>777</b>	<b>788</b>	<b>815</b>

At 31 March 2022, the Fund employed 788 full-time equivalent employees (31 March 2021 815). This included 11 full-time equivalent temporary employees (31 March 2021 37).

### Exit packages

Although the Fund's employees are not civil servants, their terms of employment provide for any termination payments or early retirement pensions calculated in the same way as for the Civil Service Compensation Scheme. The costs of these benefits are paid by the Fund and are not met by the Civil Service or Exchequer funds. There were no redundancies or early retirement pensions in 2021/22 (2020/21 nil).

### 8. Restructuring costs

We regularly review the way we are structured and make changes to deliver fit-for-purpose, efficient and effective services. The costs of restructuring include termination payments and property transactions. The termination payment was a payment in lieu of notice for a departing staff member.

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Termination payments	5	36
Property rationalisation	(1,626)	2,299
	<b>(1,621)</b>	<b>2,335</b>

During 2021/22 we have reduced the provision for reinstatement costs for our London and Glasgow offices.

### 9. Taxation

The Fund pays corporation tax only on bank and any other interest received. There is a nil net tax cost for the year (2020/21 £7,881)

Investment income generated on balances held in the National Lottery Distribution Fund under the stewardship of the Secretary of State is not subject to UK Corporation tax.

### 10. Property, plant and equipment

	Leasehold improvement £000	IT £000	Office equipment, furniture, and fittings £000	Total £000
Cost				
At 1 April 2021	9,921	1,628	796	12,345
Additions	83	36	-	119
Disposals	-	(132)	(112)	(244)
<b>At 31 March 2022</b>	<b>10,004</b>	<b>1,532</b>	<b>684</b>	<b>12,220</b>
Depreciation				
At 1 April 2021	8,593	827	725	10,145
Charge for the year	818	427	71	1,316
Disposals	-	(132)	(112)	(244)
<b>At 31 March 2022</b>	<b>9,411</b>	<b>1,122</b>	<b>684</b>	<b>11,217</b>
Net book value				
<b>At 31 March 2022</b>	<b>593</b>	<b>410</b>	<b>-</b>	<b>1,003</b>
Cost				
At 1 April 2020	9,921	1,399	796	12,116
Additions	-	276	-	276
Disposals	-	(47)	-	(47)
<b>At 31 March 2021</b>	<b>9,921</b>	<b>1,628</b>	<b>796</b>	<b>12,345</b>

	Leasehold improvement	IT	Office equipment, furniture, and fittings	Total
	£000	£000	£000	£000
Depreciation				
At 1 April 2020	7,566	473	604	8,643
Charge for the year	1,027	401	121	1,549
Disposals	-	(47)	-	(47)
At 31 March 2021	<b>8,593</b>	<b>827</b>	<b>725</b>	<b>10,145</b>
<b>Net book value</b>				
<b>At 31 March 2021</b>	<b>1,328</b>	<b>801</b>	<b>71</b>	<b>2,200</b>

All leasehold improvements are on short leasehold properties where the leases expire in less than 20 years.

## 11. Intangible assets

	Grant management system	Website	Total
	£000	£000	£000
Cost			
At 1 April 2021	427	358	785
Additions	-	-	-
Disposal	-	-	-
<b>At 31 March 2022</b>	<b>427</b>	<b>358</b>	<b>785</b>
Amortisation			
At 1 April 2021	178	358	536
Charge for the year	115	-	115
Disposal	-	-	-
<b>At 31 March 2022</b>	<b>293</b>	<b>358</b>	<b>651</b>
Net book value			
<b>At 31 March 2022</b>	<b>134</b>	<b>-</b>	<b>134</b>

	Grant management system	Website	Total
	£000	£000	£000
Cost			
At 1 April 2020	427	358	785
Additions	-	-	-
Disposal	-	-	-
<b>At 31 March 2021</b>	<b>427</b>	<b>358</b>	<b>785</b>
Amortisation			
At 1 April 2020	59	358	417
Charge for the year	119	-	119
Disposal	-	-	-
<b>At 31 March 2021</b>	<b>178</b>	<b>358</b>	<b>536</b>
Net book value			
<b>At 31 March 2021</b>	<b>249</b>	<b>-</b>	<b>249</b>

## 12. Trade and other receivables

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000
<b>Amounts falling due within one year</b>		
Held by delegated partners for payment of grant commitments	-	10,886
Trade receivables	88	846
Prepayments and accrued income	2,368	11,771
European match funding	36,725	32,414
Reclaim Fund	-	90,300
Other receivables	2,677	9,102
	<b>41,858</b>	<b>155,319</b>

### 13. National Lottery Distribution Fund

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Balance at 1 April 2021	263,583	302,735
Proceeds from the National Lottery	723,100	725,510
Investment income from the NLDF	1,024	424
Funds drawn down from NLDF	(589,057)	(765,086)
Net increase in balance	<b>135,067</b>	<b>(39,152)</b>
<b>Market value at 31 March 2022</b>	<b>398,650</b>	<b>263,583</b>

The Fund 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 Digital, Culture, Media and Sport in exercising his functions under the National Lottery etc. Act 1993, the costs of the regulator (the Gambling Commission), the costs of the investment manager (the National Debt Commissioners) and the costs of the National Lottery Promotions Unit.

### 14. Trade and other payables

	Year ended 31 March 2022 £000	Restated Year ended 31 March 2021 £000
<b>Amounts falling due within one year</b>		
VAT	36	179
Other taxation and social security	704	708
Trade payables	-	47
Owed to joint partner/delegated partner for payment of grant commitments	1,632	2,117
Accruals and deferred income	2,484	3,450
Other payables	1,078	1,227
Coronavirus Community Support Fund	-	8,657
Local Connections Fund	-	11
Grant accruals (Note 16)	464,530	495,427
	<b>470,464</b>	<b>511,823</b>

Year ended 31 March 2022 £000	Restated Year ended 31 March 2021 £000
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#### Amounts falling due in more than one year

Grant accruals (Note 16)	447,340	426,721
	<b>447,340</b>	<b>426,721</b>

#### Grant Liabilities

Grant liabilities at the date of the Statement of Financial Position are classified as provisions if they meet the recognition criteria in IAS37 Provisions, Contingent Liabilities and Contingent Assets, or, if not, as accruals.

### 15. Provisions for liabilities and charges

	Dilapidations £000	Birmingham office car parking £000	Glasgow office rent review	Total £000
Restated brought forward at 1 April 2021	2,299	-	-	2,299
New provisions created	-	561	70	631
Provisions used	(282)	-	-	(282)
Provisions released	(1,621)	-	-	(1,621)
<b>Carried forward at 31 March 2022</b>	<b>396</b>	<b>561</b>	<b>70</b>	<b>1,027</b>

#### Dilapidations

We established dilapidation provisions in 2020/21 in respect of our London, Glasgow, Manchester and Cardiff offices following relocations under new leases. During 2021/22 the provisions for Cardiff and Glasgow have been utilised and no provision remains in respect of these offices. The provision for the Manchester and London offices are still being held although the London office provision has been reduced as a result of recent negotiations.

**Birmingham office car parking**

During 2021/22 we have established a provision for car parking costs for our Birmingham office, whilst negotiations on our lease continue. This relates to backdated car parking charges from 2016 which are legally payable as per the lease agreement.

**Glasgow office rent review**

We have created a provision for a rent increase expected on our Glasgow office which we have not yet finalised.

**16. Grant accruals**

	<b>At 31 March 2022</b>	
	<b>£000</b>	
<b>Movement of grant accruals</b>		
Restated Grant commitments brought forward at 1 April 2021	922,148	
Grant commitments made	610,069	
Lapsed and revoked commitments	(3,486)	
Grant commitments met	(616,863)	
<b>Accrual carried forward at 31 March 2022</b>	<b>911,868</b>	
	<b>At 31 March 2022</b>	<b>Restated at 31 March 2021</b>
	<b>£000</b>	<b>£000</b>
<b>Classification of grant accruals at the year-end</b>		
<b>Amounts falling due within one year</b>		
Accruals (Note 14)	464,530	495,427
<b>Amounts falling due in more than one year</b>		
Accruals (Note 14)	447,338	426,721
<b>Total grant accruals</b>	<b>911,868</b>	<b>922,148</b>

	<b>At 31 March 2022</b>	<b>Restated at 31 March 2021</b>
	<b>£000</b>	<b>£000</b>
<b>Ageing of grant accruals</b>		
Due within one year	464,530	495,427
Due within more than one year but less than two years	269,695	223,407
Due within more than two years but less than three years	132,118	119,108
Due within more than three years but less than four years	30,249	64,828
Due within more than four years but less than five years	12,902	15,789
Due after more than five years	2,374	3,589
	<b>911,868</b>	<b>922,148</b>

**17. Contingent Liabilities**

Grants are disclosed as contingent liabilities if they do not satisfy the criteria to be treated as liabilities.

	<b>At 31 March 2022</b>	<b>At 31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Grant awards made by the fund which do not satisfy the criteria to be treated as liabilities	110,578	14,937
<b>Total grant contingent liabilities</b>	<b>110,578</b>	<b>14,937</b>

We have recognised a contingent liability of £19.2m for Lottery funded activities which do not currently satisfy the criteria for being recognised as liabilities.

Within dormant accounts, we have recognised a contingent liability of £6m at 31 March 2022 in respect of possible obligations to pay up to £500k per annum to The Big Society Trust (BST) for their administration costs. This possible obligation is as per a deed of agreement between BST and the Fund made on 10 December 2019, which is valid for 15 years from that date. Therefore the contingent liability we recognise is for the remaining 12 years. Additionally, a contingent liability of £85.4m is recognised which is in respect of (signed) contractual amounts owed to designated distributors but for which income is not yet available.

## 18. Joint schemes

### Parks for People

This scheme is administered by the National Heritage Memorial Fund on behalf of all parties to the agreement. We have agreed to contribute up to £151 million to the total expected funding of £389 million. Included within grant liabilities are £0.7 million (2020/21 £2.2 million) of new grant commitments and no contingent liabilities, representing our contribution to the Parks for People joint scheme. The creditor figure includes £1.6 million (2020/21 £2.1 million) which is due to the National Heritage Memorial Fund in respect of our contribution to payments they have made to our grant recipients.

## 19. Financial risks

### Financial Instruments

The Fund adopted International Financial Reporting Standard 9 from the financial year 2018/19 using the cumulative approach. As the Fund does not have powers to borrow, financial instruments play a much more limited role in creating or changing risk than is typical of the listed companies to which the standard mainly applies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the organisation.

This means that the Fund is exposed to little immediate liquidity, market, or credit risk.

### Liquidity risks

Cash requirements for Lottery expenditure are met by drawing down against weekly forecasts of need from the balances held on behalf of the Fund by the NLDF. At March 2021, the fund balance was £264 million, this had increased to £399 million by 31st March 2022, at which point there were £863 million of grant commitments yet to be paid out. In budgeting for current expenditure, the Fund balances the outflow of cash payments against grant commitments along with forward forecasts of Lottery income. The Fund maintains a minimum NLDF reserve threshold with which to meet future commitments.

In 2021/22, £724 million (92.0%) of the Fund's income derived from the National Lottery, including income of £1.0 million derived from investment returns from the balance held with the NLDF. Income from dormant accounts money was £54 million (7.0%). The remaining income is a small amount of grant recovery income, Living Places and Spaces Fund income, Places Called Home Fund income, as well as bank interest and sundry income.

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
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### Liquid assets

Market value of NLDF investments	398,650	263,583
Cash	163,313	81,512
<b>Total</b>	<b>561,963</b>	<b>345,095</b>

### Market and interest rate risks

The financial assets of the Fund are invested in the NLDF, which invests in a narrow band of low-risk assets such as government bonds and cash. The Board has no control over the investment of these funds. The Commissioners for the Reduction of the National Debt (CRND) are responsible for the investment and management of these funds. At the date of the Statement of Financial Position, the market value of our investments in the NLDF was £399 million. Funds at the NLDF earned on average 0.19% in the year. 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 carried an interest rate of 0.05% in the year. The cash balance at the year end was £163 million. The Board considers that the Fund is not exposed to significant interest rate risks.

	2021/22 £000	2020/21 £000
Sterling at floating interest rates – Lottery money	11,945	41,904
Sterling at floating interest rates – dormant account money	150,957	29,304
Sterling at floating interest rates – CCSF money	409	10,187
Sterling at floating interest rates – Local Connections Fund money	3	117
Sterling at mixture of fixed rates – NLDF	398,650	263,583
	<b>561,964</b>	<b>345,095</b>

### Credit risks

The Fund's receivables include intra-government balances. The intra-government balances are mostly with fellow National Lottery distributors and all had been either repaid or agreed by the time of signing the accounts.



At the year end the Fund recorded a debtor of £75.0 million with Reclaim Fund Limited. This represents the sums identified as available to the Fund to distribute under the Dormant Bank and Building Society Accounts Act 2008 but which are yet to be drawn down from Reclaim Fund Limited. These are held by Reclaim Fund in low risk cash accounts including with the Bank of England.

### Foreign Currency risks

The Fund does not hold any assets not denominated in sterling and is not exposed to any foreign exchange risks.

### Financial assets by category

<b>Assets as per Statement of financial position</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Non-current assets	6,225	9,425
Investment balance in National Lottery Distribution Fund	398,650	263,583
Cash and cash equivalents – National Lottery money	11,945	41,904
Cash and cash equivalents – dormant account money	150,957	29,304
Cash and cash equivalents – CCSF money	409	10,187
Cash and cash equivalents – Local Connections Fund money	3	117
	<b>568,189</b>	<b>354,520</b>

### Fair Valuation

The Board expect the book value to equal the fair value for all financial assets and liabilities. On the basis that:

All cash deposits are with UK based commercial banks.

Whilst we disclose £447 million of grant liabilities as not being due for payment until after one year, we have not made a fair value adjustment. The Fund has a legal obligation to pay these amounts on demand, subject to contract, and so the amounts could be paid within the next 12 months. Terms and conditions of grant also provide for payments to cease should insufficient funds be available to meet obligations.

All payables are due within normal contractual terms, and so no difference exists between book value and fair value.

### Maturity of financial liabilities

<b>Liabilities as per Statement of financial position</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
In less than one year	470,465	511,823
In more than one year, but less than two	269,695	223,407
In two to five years	175,269	199,726
In more than five years	2,374	3,588
	<b>917,803</b>	<b>938,544</b>

The Statement of financial position discloses the above figure separated between amounts due in one year and in more than one year. That split is based upon past experience of amounts drawn down by grantees as our contracts with grantees contain no such split.

### 20. Leases

#### Right-of-use assets

Property leases are the only right-of-use asset that the Fund holds.

	<b>At 31 March 2022</b>
	<b>£000</b>
<b>Cost</b>	
As at 1 April 2021	14,863
Additions	324
Revaluations	(134)
Balance as at 31 March 2022	<b>15,053</b>

#### Amortisation

At 1 April 2021	7,887
Charge for the year	2,078
At 31 March 2022	<b>9,965</b>

#### Net book value

At 31 March 2022	<b>5,088</b>
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	<b>At 31 March 2021</b>
	<b>£000</b>
<b>Cost</b>	
As at 1 April 2020	16,011
Revaluations	(1,148)
Balance as at 31 March 2021	<u>14,863</u>
<b>Amortisation</b>	
At 1 April 2020	4,335
Charge for the year	3,552
Balance as at 31 March 2021	<u>7,887</u>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<u>6,976</u>

Revaluations to right-of-use assets during 2020-21 were due to a combination of increased rent for the Belfast and Newcastle offices as well as reductions in Glasgow office rent and adjustments for recoverable VAT. Leases revaluations of £134k in 2021/22 have occurred due to the expected rent payable for the Newcastle office (£132k) and Scotland office (£8k) reducing since last year end and rent for the Exeter office (£6k) increasing following a rent review.

### Lease liability

	<b>At 31 March 2022</b>
	<b>£000</b>
Balance at 1 April 2021	(6,338)
Additions	(324)
Finance cost	(125)
Rent	1,455
Revaluations	134
<b>Balance at 31 March 2022</b>	<u>(5,198)</u>

	<b>At 31 March 2021</b>
	<b>£000</b>
Balance at 1 April 2020	(11,346)
Finance cost	(198)
Rent	4,289
Revaluations	917
<b>Balance at 31 March 2021</b>	<u>(6,338)</u>

### Maturing of lease liability

	<b>As at 31 March 2022</b>
	<b>£000</b>
Not later than 1 year	(1,348)
Later than 1 year and not later than 5 years	(3,560)
Later than 5 years	(290)
	<u>(5,198)</u>

### Lessors

	<b>As at 31 March 2022</b>
	<b>£000</b>
Not later than 1 year	101
Later than 1 year and not later than 5 years	345
Later than 5 years	-
	<u>446</u>

## 21. Pension scheme

Pension benefits are provided through the Civil Service pension arrangements. Employees may either be in a career average defined benefit scheme (alpha) or a stakeholder pension (partnership account). Previous final salary schemes (classic, classic plus or premium) and the career average scheme – nuvos – were transferred into alpha in 2015. Members retained the benefits of previous final salary schemes for service up to the point of transfer. The statutory defined benefit arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos and their successor scheme alpha are increased annually in line with changes in the Consumer Prices

Index (CPI). The partnership account pension is a 'money purchase' stakeholder pension with an employer contribution.

For the alpha scheme employee contributions are set at a minimum rate for members with pensionable salaries under £23,100 of 4.6% of pensionable earnings. This increases in bands up to a maximum of 8.05% for members with a pensionable salary over £150,001. Benefits in classic accrued at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrued at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In alpha, members build up pensions based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the earned pension account is credited with 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with CPI. In all cases members may opt to give up (commute) pension for a lump sum up to the limits permitted by tax legislation.

The partnership pension account is a stakeholder pension arrangement. From 1 October 2015, the employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution).

Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

For 2021/2022, employers' contributions of £156,017 were payable to the partnership pension account (2020/21 : £166,960).

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

For 2021/22, employers' contributions of £6,900,583 were payable to the PCSPS (2020/21: £6,433,976) at one of four rates in the ranges set out below. Employer contributions are due to be reviewed at every full scheme valuation. The latest valuation, carried out by Hewitt Bacon and Woodrow, was on 31 March 2012. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Rates for 2021/22 are in line with recommendations from the Actuary.

Currently, employers pay an average of 27.34% of their employees' salary as a pension contribution on Alpha pensions and 9.71% on Partnership pensions. The exact figure depends upon the salaries of the individual employees.

Bands	Year ended 31 March 2022	Bands	Year ended 31 March 2021
£23,000 and under	26.6%	£23,000 and under	26.6%
£23,001 – £45,500	27.1%	£23,001 – £45,500	27.1%
£45,501 – £77,000	27.9%	£45,501 – £77,000	27.9%
£77,001 and over	30.3%	£77,001 and over	30.3%

The number of staff for whom pension contributions were made in 2021/22 was 7 classic, 19 premium, 890 alpha and 38 partnership. The total of 954 represents the majority of the total number of individual members of staff employed over the course of the year.

The forecast level of employer's contributions to the PCSPS for 2022/23, based on a 1.7% pay award on 2021/22 pay levels, is £7,017,893.

As a multi-employer unfunded scheme operating principally in the public sector, the PCSPS holds discussions with Government, Trade Unions and members in relation to its financial standing, its actuarial position, and likely levels of both employee and employer contributions. In common with all other major public service pension schemes, the likelihood of increased contribution levels are part of these discussions.

The PCSPS is multi-employer defined benefit scheme, so we cannot identify our share of the assets or liabilities of the scheme.

## 22. Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2022 we have written off total losses of £824,945 representing 56 awards (2020/21 £497,757 representing 66 awards). There were two write-offs that exceeded £100,000 (2020/21 nil). These are:

- The Hidden Homeless Ltd £321,788
- Age Concern Newcastle upon Tyne £117,880

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 2022, one special payment totalling £9,950 (2020/21 three totalling £29,884) was made in relation to grant transactions. This was to Onus (NI) Ltd.

### 23. Related party transactions

The Fund is a non-departmental public body. Its sponsor department is DCMS. Accordingly, DCMS has been treated as a related party throughout the year.

During the year, we have had various material transactions with DCMS and other bodies for which DCMS is regarded as the sponsor department: National Lottery Heritage Fund, Sport England and Arts Council England.

Transactions with DCMS reflect income received through the NLDF and the inward secondment of staff. Transactions with other Lottery distributors include income received for management of awards and for the provision of professional services.

Payments are made to the National Lottery Heritage Fund for their services in running grant programmes.

In addition, we have a number of material transactions with Government departments and bodies that regard other Government departments as their sponsor department:

- HM Revenue and Customs relating to PAYE and NI transactions
- The European Social Fund has, through DWP as managing authority, contracted to the Fund the management of the Building Better Opportunities Fund
- The Department for Housing, Levelling-up and Communities (formerly the Ministry of Housing, Communities and Local Government) has contracted to the Fund the management of the Coastal Communities Fund for the Wales portfolio.
- The Office for Civil Society has contracted to the Fund the management of the Life Chances Fund, Youth Investment Fund, Place Based Social Action, #iwill Fund, Safeguarding Training Fund and the Building Connections Fund.

The Youth Investment Fund, #iwill Fund, Safeguarding Training Fund and the Building Connections Fund are joint funding programmes where the Fund contributes its lottery funding resources and also is responsible for making grant award decisions

### Board members

The Fund 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 the Fund and commercial interests where organisations have or may have a relationship with us.

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. Colleagues across the Fund are also required to disclose any relevant interests in organisations we fund or from who we receive applications. Our procedures ensure that staff are not engaged in processing applications or managing grants in which they would have an interest.

A number of Board members have declared interests with public, voluntary and charitable bodies with which the Fund has a business interest. The Board member, organisation, nature of relationship and transaction value are disclosed on the Register of Interests on pages 106 to 109.

### 24. Third party assets

These assets represent bank balances held on behalf of third parties on whose behalf we manage grant programmes and the National Lottery Promotions Unit to meet payments processed by the Fund under service level contracts. Timing difference amounts in relation to these balances are included in receivables or payables in the statement of financial position as appropriate.

**At 31 March 2022 the following bank balances were held on behalf of third parties:**

	31/03/2021	Inflows	Outflows	31/03/2022
	£000	£000	£000	£000
DCMS: Social Incubator Fund, Life Chances Fund, Youth Investment Fund, #iwill Fund, Place Based Social Action, Building Connections Fund, Safeguarding Training Fund	1,013	11,507	11,294	1,226
Creative Scotland; Awards for All Scotland	120	-	-	120
National Lottery Promotions Unit	431	3,801	3,707	525
Welsh Assembly Government; Community Assets Transfer	2	-	-	2
Sports Scotland; Awards for All Scotland	(751)	564	547	(734)
Scottish Government; Scottish Land Fund, Delivering Financial Inclusion	1,641	6,170	3,576	4,235
Department for Housing, Levelling-up and Communities; Coastal Communities Fund	11,322	4,538	11,778	4,082
European Funding – Cabinet Office	212	47,201	47,412	1
<b>Totals</b>	<b>13,990</b>	<b>73,781</b>	<b>78,314</b>	<b>9,457</b>

## 25. Joint Venture – National Lottery Promotions Unit

The National Lottery Promotions Unit (NLPU) is a joint venture between Camelot Group plc, Lottery distributors and DCMS. The NLPU has been set up to raise positive public awareness of and support for the benefits of the distribution of Lottery funding across the UK, thereby contributing to the broad health of the National Lottery and promoting loyalty and participation. The NLPU is funded one third by Camelot and two-thirds directly from the NLDF. Total expenditure is limited to £3 million. It is accountable to a Management Board comprising representatives from the three key stakeholders: Camelot, National Lottery distributors and DCMS, with the Gambling Commission attending as an observer.

The proportion of the joint venture which relates to the Fund has not been consolidated within the annual accounts in view of its immateriality.

More information and the accounts of the NLPU is available at [lotterygoodcauses.org.uk/contact](https://lotterygoodcauses.org.uk/contact)

## 26. Capital commitments

At 31 March 2022, the Fund did not have any capital commitments (2020/21 £0).

## 27. Contingent assets

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675 million to the funding of the London 2012 Olympic and Paralympic Games. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority (GLA) dated 29 March 2012 which sets out the distribution of funds between the GLA and the National Lottery Distributors (via the core department). We continue to engage with the GLA on forecasts for land sales on the Olympic Park.

As successor to the Millennium Commission, the Fund is entitled to a share of the proceeds of land sales on the Greenwich Peninsula made by the Greater London Authority once certain costs have been covered. Payments of £47.4 million are forecast to be received between 2016 and 2045, of which £8.2 million has been received by the end of 2021/22. £46k has been received in year for 2020/21 income due. We have accrued income of £170k for 2021/22.

Under the provisions of the Dormant Bank and Building Society Accounts Act 2008 banks and building societies may pass funds from dormant accounts to Reclaim Fund Ltd (RFL), a not-for-profit entity authorised to act as the reclaim fund. RFL transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the Fund for onward distribution. RFL calculate the liability due to the Fund and recognise this as a creditor, which corresponds to a debtor and related income being accounted for by the Fund. In addition, RFL note a provisional amount of future income which may be passed to the Fund. The Fund now recognises this as a contingent asset according to IAS 37: Provisions, Contingent Liabilities and Contingent Assets. RFL have indicated this value is likely to be in the range of £75m-£90m for 2021/22.

## 28. Prior period adjustment

The Financial Statements are prepared in accordance with the Government Financial Reporting Manual (FRM). The FRM directs that *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* applies without adaptation or interpretation.

**IAS 37: Provisions, Contingent Liabilities and Contingent Assets**

The Dormant Bank and Building Society Account Act 2008 designates responsibility to the Fund for the distribution of funding received from Reclaim Fund Ltd. The Secretary of State issues financial and spending directions in relation to its functions under the Act.

The Fund has established enhanced governance processes for the management of the Dormant Bank and Building Society Accounts funding stream in response to increased levels of activity. Additionally, Reclaim Fund Ltd have amended their accounting year end during this period as part of their transition to becoming an Arms' Length Body of Government. This has resulted in a review of accounting policy judgements taken in respect to the application of IAS 37, and a related change in accounting policy.

**Recognition principles and reasons for change in accounting policy**

Recognition principles and reasons for change in accounting policy Grant commitments to designated distributors of the England Dormant Assets Scheme, under signed agreements, are accounted for as expenditure in the Statement of Comprehensive Income and as, until paid, liabilities in the Statement of Financial Position if they meet the definition of financial liabilities in IFRS 9, or provisions under IAS 37. Previously, all amounts announced through spending directions issued by the Secretary of State were accounted for as provisions within the Statement of Financial Position until paid, whether agreements were signed or not, to the extent that income was available to meet them. This was because the Fund judged that spending directions issued created a constructive obligation on the part of the Fund to pay amounts specific in the spending directions to delegated distributors in England. Upon further consideration of HM Treasury's Grantor Accounting Application Guidance, it has been assessed that spending directions issued by the Secretary of State are 'actions' rather than obligating events, given that government can avoid fulfilling the obligation through its unique position to reverse or amend announcements on the scope of revisions in policy, and actual experience which has shown that reversals and amendments are made in practice. The spending directions are an instruction to the Fund, to create a legal obligation with one of the existing (or potentially new) distributors by way of a signed agreement. Once these are in place, financial liabilities are recognised to the extent that income is available to meet them.

The Fund has assessed that spending directions create a possible obligation and therefore directed amounts without signed agreements will be disclosed as contingent liabilities, given their existence will be confirmed by the drafting and signing of a new agreement with another party at some point in the future. Amounts under a signed agreement but without income from Reclaim Fund Ltd yet available to meet them are recognised as provisions, given that the obligation has been created through the signing of the agreement but there is uncertainty over timing of the payment. Amounts under signed agreements with income from Reclaim Fund Limited are recognised as financial liabilities under IFRS 9.

The Fund has concluded that it is appropriate to make this change in accounting policy as it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Fund's financial position and financial performance in relation to the England Dormant Assets Scheme.

**Impact on the financial statements**

The Fund has applied the new interpretation of the accounting policy. The effect is summarised below:

**The National Lottery Community Fund Statutory Accounts 2021/22**

	<b>Impact on year ended 31 March 2022 £000</b>	<b>As restated year ended 31 March 2021 £000</b>
<b>Quantifiable and processed</b>		
Category		
Statement of comprehensive income		
Dormant account money programme expenditure		
Transfers/transferable to designated distributors	30,452	41,933
Provisions for further distributions	85,000	-
Prior period adjustment	-	(11,523)
Change in accounting policy adjustment	(115,100)	-
As restated	<b>352</b>	<b>30,410</b>
Statement of financial position		
Current liabilities		
Trade and other payables	-	(465,152)
Opening payables adjustment	-	(60,215)
Prior period adjustment	-	13,543
As restated	<b>-</b>	<b>(511,824)</b>
Non-current liabilities		
Provisions	(86,027)	(18,870)
Opening provision adjustment	-	18,592
Prior period adjustment	-	(2,021)
Change in accounting policy adjustment	85,000	-
As restated	<b>(1,027)</b>	<b>(2,299)</b>
Statement of changes in equity		
Dormant accounts		
Closing reserve position	92,088	92,513
Opening reserves adjustment	-	(41,623)
Prior period adjustment	-	11,522
Change in accounting policy adjustment	10,000	-
As restated	<b>102,088</b>	<b>62,412</b>

A 3rd balance sheet has also been presented as part of these accounts for the change in accounting policy to show the effect on the information in the Statement of Financial Position at the beginning of the comparative period.

No further restatements or disclosure of prior period information prior to the 3rd balance sheet disclosures have been made by the Fund as it does not consider it practicable or beneficial to a user of the financial statements to do so.

### 29. Post balance sheet review

There are no events after the balance sheet date and up to the date the accounts were authorised for issue requiring an adjustment to the financial statements. The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

### 30. Coronavirus Community Support Fund

In 2020/21, the Fund received £200m in the form of a grant from Treasury for the Coronavirus Community Support Fund programme, to distribute to charities and community organisations in England to enable them to meet the demands placed on them by the Coronavirus. The programme of activity was to be committed by the end of September 2020 with an expectation that recipient organisations will spend the cash within six months of receipt. The grant agreement was signed on 22 May 2020 by DCMS and the Fund.

In the grant agreement, it was determined that Fund should be accountable for the funding grant and the award decisions that result from that. There is no decision-making power in DCMS or wider government and no power of veto.

Therefore, the Fund has taken the role of Principal rather than Agent. The Fund recorded as income the receipt of the total government grant and accounted for the grants as part of its grant expenditure although this was clearly separated from its Lottery grant expenditure.

### Statement of comprehensive income

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Income</b>		
Received/Receivable from DCMS	-	198,776
Refunds	862	641
<b>Total income</b>	<b>862</b>	<b>199,417</b>
<b>Expenditure</b>		
Grant expenditure	(22)	188,423
Less lapsed or revoked grant expenditure	(281)	160
	<b>(303)</b>	<b>188,583</b>
Refunded to DCMS	1,281	-
Operating costs	826	9,266
<b>Total expenditure</b>	<b>1,804</b>	<b>197,849</b>
<b>Total comprehensive net (expenditure)/income</b>	<b>(942)</b>	<b>1,568</b>
<b>Reserves</b>		
Brought forward at 1 April 2021	1,568	-
Total comprehensive net (expenditure)/income	(942)	1,568
<b>Carried forward at 31 March 2022</b>	<b>626</b>	<b>1,568</b>

**Statement of financial position**

	<b>Year ended 31 March 2022 £000</b>	<b>Year ended 31 March 2021 £000</b>
<b>Current assets</b>		
Cash at bank and in hand	409	10,187
Other receivables	217	-
<b>Total assets</b>	<b>626</b>	<b>10,187</b>
<b>Current liabilities</b>		
Other payables	-	(8,619)
<b>Total liabilities</b>	<b>-</b>	<b>(8,619)</b>
<b>Assets less liabilities</b>	<b>626</b>	<b>1,568</b>

**Losses and special payments**

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2022, we have written off losses of £208,815 representing 30 awards (2020/21 £38,693 representing six awards). There were no write offs that exceeded £100,000 (2020/21 nil).

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 2022 no special payments (2020/21 two special payments totalling £10,884) were made in relation to grant transactions.

**31. Local Connections Fund**

During 2020/21, the Fund agreed this programme with a duration of 1 October 2020 to 31 March 2022. The total cost of the programme is £4.0m, of which DCMS will contribute via a grant agreement £2.0m. The remaining £2.0m will be contributed by the Fund. In the grant agreement it has been determined that the Fund will act as Principal rather than Agent.

**Statement of comprehensive income**

	<b>Year ended 31 March 2022 £000</b>	<b>Year ended 31 March 2021 £000</b>
<b>Income</b>		
Received/Receivable from DCMS	-	2,000
Refunds	8	5
<b>Total income</b>	<b>8</b>	<b>2,005</b>
<b>Expenditure</b>		
Grant expenditure	-	1,828
Refunded to DCMS	22	-
Operating costs	89	71
<b>Total expenditure</b>	<b>111</b>	<b>1,899</b>
<b>Total comprehensive net (expenditure)/income</b>	<b>(103)</b>	<b>106</b>
<b>Reserves</b>		
Brought forward at 1 April 2021	106	-
Total comprehensive net (expenditure)/income	(103)	106
<b>Carried forward at 31 March 2022</b>	<b>3</b>	<b>106</b>



## Statement of financial position

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Current assets</b>		
Cash at bank and in hand	3	117
<b>Total assets</b>	<u>3</u>	<u>117</u>
<b>Current liabilities</b>		
Other payables	-	(11)
<b>Total liabilities</b>	<u>-</u>	<u>(11)</u>
<b>Assets less liabilities</b>	<u>3</u>	<u>106</u>

## 32. COVID-19 Charities Fund

During 2020/21, the Fund agreed this new programme on 11 June 2020 as part of our coronavirus response. The Department for Communities, in the form of a grant made to the Fund, will provide up to £15.9m. Any remaining funds after 30 September 2020 would have to be returned to the Department by the end of October 2020. In the grant agreement, it has been determined that the Fund will act as Principal rather than Agent.

## Statement of comprehensive income

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Income</b>		
Received/Receivable from DfC	-	9,215
<b>Total income</b>	<u>-</u>	<u>9,215</u>
<b>Expenditure</b>		
Grant expenditure	-	8,847
Less lapsed or revoked grant expenditure	-	(20)
Operating costs	-	388
<b>Total expenditure</b>	<u>-</u>	<u>9,215</u>
<b>Total comprehensive net income</b>	<u>-</u>	<u>-</u>

The funding programme was completed fully during 2020/21, therefore there are no assets or liabilities to disclose.

### 33. Living Places and Spaces Fund

During 2021/22, the Fund agreed this new programme, with a duration to 31 March 2022. The total cost of the programme is £0.8m which the Department for Infrastructure will provide via a grant agreement. In the grant agreement, it has been determined that the Fund will act as Principal rather than Agent.

#### Statement of comprehensive income

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Income</b>		
Received/Receivable from DfI	791	-
Refunds	-	-
<b>Total income</b>	<b>791</b>	<b>-</b>
<b>Expenditure</b>		
Grant expenditure	737	-
Operating costs	41	-
<b>Total expenditure</b>	<b>778</b>	<b>-</b>
<b>Total comprehensive net income</b>	<b>13</b>	<b>-</b>

#### Statement of financial position

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Current assets</b>		
Trade and other receivables	13	-
<b>Total assets</b>	<b>13</b>	<b>-</b>
<b>Current liabilities</b>		
Other payables	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>
<b>Assets less liabilities</b>	<b>13</b>	<b>-</b>

### 34. Places Called Home Fund

During 2021/22, the Fund agreed this new programme, with a duration to the later of 31 December 2021 or the date on which both parties have fulfilled their commitments under the agreement. The total cost of the programme is £0.7m which IKEA will provide via a grant agreement. In the grant agreement, it has been determined that the Fund will act as Principal rather than Agent.

#### Statement of comprehensive income

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Income</b>		
Received/Receivable from IKEA	500	-
<b>Total income</b>	<b>500</b>	-
<b>Expenditure</b>		
Grant expenditure	500	-
<b>Total expenditure</b>	<b>500</b>	-
<b>Total comprehensive net income</b>	<b>-</b>	<b>-</b>

#### Statement of financial position

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Current assets</b>		
Trade and other receivables	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>		
Other payables	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>
<b>Assets less liabilities</b>	<b>-</b>	<b>-</b>

### 35. Dormant accounts

Under the provisions of the Dormant Bank and Building Society Accounts Act 2008 banks and building societies may pass funds from dormant accounts to Reclaim Fund Ltd (RFL), a not-for-profit entity authorised to act as the reclaim fund.

RFL transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the Fund. The Fund distributes those funds in accordance with the Act and directions issued to it by the Secretary of State for the Department of Digital, Culture, Media and Sport with regard to expenditure in England and by the devolved administrations with regard to expenditure in each of Scotland, Wales and Northern Ireland.

Funds are apportioned between the four countries of the UK in accordance with a statutory instrument approved by Parliament.

Costs incurred by the Fund, and by the Minister in relation to the operation of the scheme as a whole are deducted before apportionment between the countries.

Costs incurred by the Minister and the devolved administrations in relation to the individual countries are deducted from the apportioned funds.

In 2018 DCMS announced that £330m would be made available under the scheme over the next 3-4 years of which £277m represented the portion for distribution in England. Since then, total distributions paid or payable by RFL to the Fund have totalled £512m of which £430m is attributable to England. Further policy directions from DCMS have allocated additional sums to the organisations in receipt of the Funds available in England bringing the total allocated to £398m.

The total funding since the inception of the scheme made available to the Fund through RFL now totals £875m. In addition to the allocation to distributing bodies in England, the Fund makes grant awards in each of Scotland, Wales and Northern Ireland in accordance with the relevant directions.

### 35a. Statement of comprehensive income

	<b>Year ended 31 March 2022 £000</b>	<b>Restated Year ended 31 March 2021 £000</b>
<b>Income</b>		
Received/Receivable from Reclaim Fund Ltd	54,008	90,281
Bank interest receivable	7	136
Recoveries of grant	31	33
<b>Total income</b>	<b>54,046</b>	<b>90,450</b>
<b>Expenditure</b>		
Grant expenditure to designated distributors	352	30,410
Grant expenditure	13,450	5,940
Less lapsed or revoked grant expenditure	(24)	(18)
	<b>13,778</b>	<b>36,332</b>
Operating costs	592	346
<b>Total expenditure</b>	<b>14,370</b>	<b>36,679</b>
<b>Surplus before taxation</b>	<b>39,676</b>	<b>53,771</b>
Taxation	-	-
<b>Total comprehensive net income</b>	<b>39,676</b>	<b>53,771</b>
<b>Reserves</b>		
Restated brought forward at 1 April 2021	62,412	8,641
Total comprehensive net income for the year	39,676	53,771
<b>Carried forward at 31 March 2022</b>	<b>102,088</b>	<b>62,412</b>

## 35b. Statement of financial position as at 31 March 2022

	As at 31 March 2022	Restated As at 31 March 2021	Restated As at 1 April 2020
	£000	£000	£000
<b>Current assets</b>			
Trade and other receivables	-	90,300	68,995
Cash at bank and in hand	150,957	29,304	63,939
<b>Total assets</b>	<b>150,957</b>	<b>119,604</b>	<b>132,934</b>
<b>Current liabilities</b>			
Trade and other payables	(126)	(77)	(56)
Grant commitments to designated distributors	(34,099)	(46,672)	(60,215)
Provisions transferable to designated distributors	-	-	(52,508)
Grant commitments	(14,644)	(10,443)	(11,514)
<b>Total liabilities</b>	<b>(48,869)</b>	<b>(57,192)</b>	<b>(124,293)</b>
<b>Assets less liabilities</b>	<b>102,088</b>	<b>62,412</b>	<b>8,641</b>
<b>Retained surplus</b>	<b>102,088</b>	<b>62,412</b>	<b>8,641</b>

## 35c. Detailed Income and Expenditure Account with Country apportionment

	England	Scotland	Wales	Northern Ireland	Year ended 31 March 2022	Restated Year ended 31 March 2021
	£000	£000	£000	£000	£000	£000
<b>Segmental Analysis</b>						
Income	-	-	-	-	54,015	90,417
Less operating costs	-	-	-	-	(592)	(347)
<b>Net Income available for distribution</b>					<b>53,423</b>	<b>90,070</b>
Available to each country	44,822	4,487	2,618	1,496		
Recoveries of grant	-	31	-	-	31	33
Grant commitments to designated distributors	(352)	-	-	-	(352)	(30,410)
Grant Commitments made	-	(5,299)	(222)	(7,905)	(13,426)	(5,922)
<b>Surplus/ (Deficit) for the year</b>	<b>44,470</b>	<b>(781)</b>	<b>2,396</b>	<b>(6,409)</b>	<b>39,676</b>	<b>53,771</b>
Restated balance of funds brought forward	9,036	17,542	15,208	20,626	62,412	8,641
<b>Balance of funds carried forward at 31 March 2022</b>	<b>53,506</b>	<b>16,761</b>	<b>17,604</b>	<b>14,217</b>	<b>102,088</b>	<b>62,412</b>

	England	Scotland	Wales	Northern Ireland	Year ended 31 March 2022	Restated Year ended 31 March 2021
Segmental Analysis	£000	£000	£000	£000	£000	£000
<b>Movement of grant accruals</b>						
Restated grant commitments brought forward at 1 April 2021	46,672	6,007	4,257	179	57,115	124,237
Grant commitments made	-	5,324	222	7,905	13,451	35,940
Lapsed and revoked commitments	-	(24)	-	-	(24)	(18)
Grant commitments met	(12,573)	(4,617)	(2,565)	(2,044)	(21,799)	(103,044)
<b>Accrual carried forward at 31 March 2022</b>	<b>34,099</b>	<b>6,690</b>	<b>1,914</b>	<b>6,040</b>	<b>48,743</b>	<b>57,115</b>

	England	Scotland	Wales	Northern Ireland	Year ended 31 March 2022	Restated Year ended 31 March 2021
Segmental Analysis	£000	£000	£000	£000	£000	£000
<b>Ageing of grant accruals</b>						
Due within one year	34,099	4,019	1,348	3,063	42,530	53,041
Due within more than one year but less than two years	-	2,031	311	2,001	4,343	3,055
Due within more than two years but less than three years	-	640	106	801	1,547	837
Due within more than three years	-	-	76	100	176	182
Due within more than four years but less than five years	-	-	66	75	141	-
Due after more than five years	-	-	7	-	7	-
	<b>34,099</b>	<b>6,690</b>	<b>1,914</b>	<b>6,040</b>	<b>48,743</b>	<b>57,115</b>

### Contingent Asset

Under the provisions of the Dormant Bank and Building Society Accounts Act 2008 banks and building societies may pass funds from dormant accounts to Reclaim Fund Ltd (RFL), a not-for-profit entity authorised to act as the reclaim fund. RFL transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the Fund for onward distribution.

RFL calculate the liability due to the Fund and recognise this as a creditor, which corresponds to a debtor and related income being accounted for by the Fund. In addition, RFL note a provisional amount of future income which may be passed to the Fund. The Fund now recognises this as a contingent asset according to IAS

37: Provisions, Contingent Liabilities and Contingent Assets. RFL have indicated this value is likely to be in the range of £75m-£90m for 2021/22.

### Contingent Liability

The Fund have recognised a contingent liability of £6m at 31 March 2022 in respect of possible obligations to pay up to £500k per annum to The Big Society Trust (BST) for their administration costs. This possible obligation is as per a deed of agreement between BST and the Fund made on 10 December 2019, which is valid for 15 years from that date. Therefore the contingent liability we recognise is for the remaining 12 years. Also a contingent liability of £85.4m which is in respect of (signed) contractual amounts owed to designated distributors.

# Our statutory background

## Policy Directions

Our sponsor department and the devolved administrations are given power under the National Lottery etc. Act 1993 to give Directions as to matters to be taken into account in grant making.

The current policy directions with regard to England, the Isle of Man and UK funding are set out below. These were issued by the Cabinet Office and took effect from 1 April 2012. Responsibility for future policy directions will be the responsibility of the Secretary of State for the Department of Culture, Media and Sport following a transfer of functions from the Cabinet Office during the year.

The Fund has complied with these Directions throughout the financial year 2021/22 in every material aspect.

The current policy directions with regard to Scotland, Wales and Northern Ireland, issued by the respective devolved administrations, are set out later in this section.

## England and UK

### DIRECTIONS GIVEN TO BIG LOTTERY FUND UNDER SECTION 36E(1)(b) OF THE NATIONAL LOTTERY ETC ACT 1993 (as amended)

In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 (as amended).

The Minister for the Cabinet Office in exercise of the powers conferred on him by section 36E(1)(b) and having consulted Big Lottery Fund (“the Fund”), National Assembly of Wales, Scottish Ministers and Northern Ireland Department of Culture, Arts and Leisure pursuant to section 36E (5), hereby gives the following directions to the Fund:

### England, Isle of Man and United Kingdom

#### General Directions

1. In exercising any of its functions in relation to United Kingdom 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 its money under section 25(1).

A. The need to ensure over time that the distribution of money:

- (i) Ensures people are engaged and involved in using the Fund's funding to provide solutions to the issues that matter to them in their communities;
- (ii) Helps identify and enable those who are ready to lead the process of providing these solutions and removes barriers for those that may need help in doing so; and
- (iii) Supports new and innovative solutions alongside tried and tested models and generates learning to help the development of policy and practice beyond the Fund's funding.

B. The need to ensure that the Fund achieves the distribution of funds to a reasonably wide spread of projects, primarily those delivered by the voluntary and community sector and social enterprises, including small organisations, those organisations operating at a purely local level, newly constituted organisations, organisations operating as social enterprises and organisations with a base in the United Kingdom and working overseas.

C. The need to ensure that money is distributed for projects which promote the public and social benefit and are not intended primarily for private gain.

D. The need to involve the public in making policies, setting priorities and making grants and which may involve partnerships with broadcasting, electronic, print, digital and other media

E. The need to ensure funds are distributed on the basis of need, delivering measurable outcomes and broader impact for communities and individuals.

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

G. The Fund, in distributing money under section 25 (1), shall take into account the following principles:

1. ENGAGEMENT—the development of programmes should be based on the active engagement of public, private and voluntary and community sector and social enterprise partners.
2. REPRESENTATION – the development of programmes should take account of those most in need by targeting inequality and improving the capability of people and communities to contribute to, participate in and benefit from outcomes funded through the Fund's programmes.
3. SUSTAINABILITY – a programme's ability to improve the environment today and for future generations and reduce the impact on the environment.
4. LONGER TERM BENEFIT – that projects can achieve longer-term financial viability and resilience.
5. ADDITIONALITY AND COMPLEMENTARITY – the development of programmes and funding of projects should complement, add value and be

distinct from the work of other funders and parties working towards the Fund's goals.

6. COLLABORATIVE WORKING – where this produces better results, the development of programmes and funding of projects should support collaborative action between funded organisations and public, private and civil society partners.

### England and Isle of Man devolved expenditure

2. 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 operate within the distinctive context of policy, government and civil society action adding value in appropriate ways to the aim of creating a fairer, freer and more responsible society where everyone has a part to play in improving their community and helping one another.

B. The need to ensure that money is distributed to projects that benefit local people and local communities served by the voluntary and community sector.

C. The need to ensure over time that the distribution of money addresses one or more of the following priorities:

(i) Encouraging social involvement in communities and removing barriers;

(ii) Strengthening the capacity of voluntary and community organisations and social enterprises; and

(iii) Strengthening and increasing the capacity of the social investment market for supporting public benefit and social action.

D. The need to have regard for:

(i) The interests of and scope for taking effective action for England or the Isle of Man as a whole and for different parts of England or the Isle of Man; and

(ii) The relative population sizes and levels of economic and social deprivation in different parts of England and the Isle of Man.

Signed by the Minister for the Cabinet Office

28 March 2012.

### Scotland

#### DIRECTIONS GIVEN TO 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 Big Lottery Fund ('the Fund') and obtained the consent of the Minister for the Cabinet



Office 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.

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 operate within the distinctive policy context in Scotland, adding value where appropriate to Scottish Ministers' strategy; working within the context of the national performance framework to build a fairer Scotland and tackle inequalities.

B. The need to ensure that the Fund, achieves over time the distribution of money to address the priority of reducing inequality; while ensuring 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.

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 need to ensure that the Fund contributes to sustainability by supporting activity that helps to embed change and influences long-term development,

E. Finally, 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 and development;

(ii) The promotion of community safety and cohesion;

(iii) The promotion of community empowerment and inclusive opportunities for participation and

(iv) The promotion of physical and mental well-being.

4. In relation to Scottish devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to work which is intended to achieve 'one or more of the following objectives.

(i) Reducing inequalities through tackling disadvantage and discrimination

(ii) Empowering people, through enabling people's engagement and influence,

5. In relation to Scottish devolved expenditure the Fund, in distributing

money under section 25(1) shall take into account the principles of:

(i) Achieving the most effective use of resources by selecting the most appropriate approach in specific policy areas in order to add value to the overall public effort

(ii) Leveraging the highest potential value for people and communities from resources through support for volunteering, fair work and sustainable procurement.

Signed on behalf of Scottish Ministers  
February 2016.

## Wales

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

In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 (as amended).

Welsh Ministers, in exercise of the powers conferred on them by Section 36E(4)(a) of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund (operating as the National Lottery Community Fund and subsequently referred to as “the Fund”) and obtained the consent of the Minister for the Cabinet Office pursuant to Section 36E(8)(b) of that Act, hereby give the following directions to the Fund.

### **DIRECTIONS – WELSH DEVOLVED EXPENDITURE**

In deciding to whom it distributes Welsh devolved expenditure, for what purpose and under what conditions, the Fund shall consider the following matters under Section 25(1).

A. To have regard to the principles of the Wellbeing of Future Generations (Wales) Act 2015, particularly:

- improving the social, economic, environmental and cultural wellbeing of Wales
- encouraging public bodies to think more about the long term, work better with people, communities and each other
- preventing problems and taking a more joined up-approach
- the five ways of working: long-term; prevention; integration; collaboration; involvement
- the seven wellbeing goals.

B. Ensure that the Fund distributes funds to a wide spread of projects that are primarily delivered by the third sector. This should include local, regional and national organisations, including social enterprises.

C. Ensure that the Fund operates within the distinctive Welsh policy, governmental, social, economic, environmental and cultural context, ensuring funds complement and add value to, whilst remaining distinct from, the work of Government.

D. Ensure that funds are distributed in a manner that supports communities to thrive, and that is accessible to all

communities, including those that will require additional support.

E. Have regard for the interests of Wales as a whole and the interests of different parts of Wales, taking account of:

- the diverse demographic and deprivation patterns in the different parts of Wales
- the views of Wales’ communities in setting priorities and distributing funds.

F. Ensure that money is distributed to projects promoting public and social benefit and that are not intended primarily for private gain.

G. Promote and support the Welsh language, reflecting the bilingual nature of Wales by:

- working to the principle of not treating the Welsh language less favourably than English in all the Fund’s activities in Wales
- operating in accordance with our Welsh Language Standards and Welsh Language Scheme, in partnership with the Welsh Language Commissioner.

H. Ensure that money is distributed that improves Wales’ environment today and for future generations while promoting its potential to improve the quality of life for communities and individuals.

I. Provide support to those applying to the Fund, and to organisations receiving funding, to improve the delivery of project outcomes and to enable them to deliver solutions to the issues that matter to them and to their communities.

J. Support innovation and tried and tested models, to generate learning to help policy development and practice beyond the Fund’s funding.

K. Include a condition in all awards that recipients must acknowledge National Lottery funding and use common National Lottery branding.

L. Ensure that the Fund focuses expenditure on the achievement of the following outcomes over time:

- People are healthy and living productive lives in a prosperous and innovative society
- A resilient rural and urban environment with more sustainable use of Wales’s natural resources
- Conditions are strengthened for stronger, safer and more cohesive communities, enhancing social justice whilst mitigating the effect of poverty as well as encouraging sustainable economic growth.

## 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 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: 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

3. 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.

4. 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.

5. 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.

Signed on behalf of Secretary of State NI

### Accounts Direction

DIRECTIONS GIVEN TO THE BIG LOTTERY FUND (OPERATING AS THE NATIONAL LOTTERY COMMUNITY FUND) UNDER SECTION 22(3) OF THE DORMANT BANK AND BUILDING SOCIETY ACCOUNTS ACT 2008 AS AMENDED

The Secretary of State for Digital, Culture, Media and Sport in exercise of the powers conferred on her by section 22(3) of the Dormant Bank and Building Society Accounts Act 2008 (“the Act”) (c.31) and having consulted The National Lottery Community Fund (“the Fund”) pursuant to section 22(7) of that Act, hereby gives the following directions to the Fund.

All Spending Directions to date are withdrawn with immediate

effect and are replaced with this Spending Direction.

Previous allocations

2. The Fund has previously been directed to distribute the following amounts from the English portion of dormant account money under the scheme, and is required to continue to do so until these commitments are met in full (figures are rounded to the nearest decimal for the purposes of this direction):

- Under the terms of a Memorandum of Understanding between DCMS and the Fund agreed on 17 October 2018, the Fund distributed £1.144m in total in the form of non-repayable grants to youth-focussed voluntary organisations in targeted locations through the Youth Capacity Fund, such grants having been agreed by the Fund and DCMS. The Fund will continue to manage these grants until their completion
- £90m (of which £55.9m was distributed by December 2021) to meet expenditure on or connected to the provision of services, facilities or opportunities to meet the needs of young people, in accordance with s18(1)(a) of the Act, delivered by Youth Futures Foundation Limited;
- £96m (of which £51.5m was distributed by December 2021) to meet expenditure on or connected to (i) the development of individuals’ ability to manage their finances, or (ii) the improvement of access to personal financial services, in accordance with s18(1)(b) of the Act, delivered by Fair4All Finance Limited; and

- £435m (of which £435m was distributed by December 2021) in the form of non-repayable grants to the Big Society Trust to invest in Big Society Capital and to meet the initial funding requirement of Access – the Foundation for Social Investment, acting as a social investment wholesaler in accordance with section 18 of the Act.
- £30m (of which £21m was distributed by December 2021) in the form of non-repayable grants to Access- the Foundation for Social Investment, acting as a social investment wholesaler in accordance with section 18 of the Act.

New allocations

3. The Fund is now required to distribute further sums from the English portion of dormant account money as follows:

- £20m in the form of non-repayable grants to Access – the Foundation for Social Investment, acting as a social investment wholesaler in accordance with section 18 of the Act;
- £20m to meet expenditure on or connected to the provision of services, facilities or opportunities to meet the needs of young people, in accordance with s18(1)(a) of the Act, delivered by Youth Futures Foundation Limited; and
- £4m to meet expenditure on or connected to (i) the development of individuals’ ability to manage their finances, or (ii) the improvement of access to personal financial services, in accordance with s18(1)(b) of the Act, delivered by Fair4All Finance Limited.

Additionality

4. The Fund will consider how the relevant terms and conditions of their arrangements with these organisations can ensure that:

- the funds are used only for projects, or aspects of projects, for which funds would be unlikely to be made available by a Government department.

The Oversight Trust

5. The Fund will also continue to distribute up to £500k per annum from the English portion of dormant account money, in the form of a grant, to The Oversight Trust – Assets for the Common Good (OST) on an ongoing basis (unless and until further directions are issued by the Secretary of State for Digital, Culture, Media & Sport to amend or supersede this direction).

6. OST will only use this funding to assist other bodies which are within the sole or majority legal control of OST, and which distribute dormant account money for meeting expenditure that has a social or environmental purpose. £1m had been distributed to OST for these purposes by December 2021, with another £0.4m likely to be distributed before the end of December 2021.

- Such other bodies must, in addition, either (i) be a social investment wholesaler; or (ii) use the dormant account money in the performance of their functions which:
  - i. meet expenditure on or are connected with the provision of services, facilities or

opportunities to meet the needs of young people; or

ii. meet expenditure on or are connected with (a) the development of individuals' ability to manage their finances, or (b) the improvement of access to personal financial services.

No other payments

7. The Fund is directed to make no other payments of the English portion of dormant account money until further Directions are issued by the Secretary of State under the Act

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

## ANNEX A

Additional Accounting and Disclosure Requirements (effective December 2006)

The following paragraphs detail the additional requirements as agreed by the Treasury, the Department and Big Lottery Fund, over and above those disclosures required in the FReM.

1. The Statement of Net Comprehensive Income/Expenditure shall include as separate items, where material:

- a. the share of Lottery proceeds attributable to Big Lottery Fund
- b. the share of investment income of the National Lottery Distribution Fund attributable to Big Lottery Fund
- c. interest receivable on lottery funds
- d. repayment of grants

- e. any other income
- f. grant made from Lottery funds
- g. lapsed or revoked grant previously recorded as commitments from Lottery funds
- h. the total operating costs incurred in respect of National Lottery distribution activities

2. The Statement of Financial Position shall include:

- a. under the heading "Current assets": shown as an investment, the balance held on behalf of Big Lottery Fund at the National Lottery Distribution Fund;
- b. Grant falling due for payment within one year should be disclosed separately under the heading "Current Liabilities".
- c. Grant falling due for payment after more than one year should be separately disclosed under the heading "Non-current liabilities"

3. The Cash Flow Statement shall use the indirect method when presenting "Cash flow from Operating Activities";

4. The Notes to the Accounts should meet the requirements of the FReM and include:

- a. A statement that the Accounts have been prepared in a form directed by the Secretary of State with the consent of Treasury in accordance with Section 35(3) of the National Lottery etc. Act 1993

b. A statement of the accounting policies. This must include a statement explaining the nature of the balances held on Big Lottery Fund's behalf in the National Lottery Distribution Fund as follows:

"Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to Big Lottery Fund is as shown in the Accounts and, at the Statement of Financial Position date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by Big Lottery Fund in respect of current and future commitments."

c. the value of grant commitments at the year- end which Big Lottery Fund has made but which have not been included as liabilities in the Statement of Financial Position because they did not meet the criteria for being treated as liabilities at that date

d. Where grants exceed available resources as shown in the Statement of Financial Position, a note explaining the rationale for the over-commitment taking into account any advice received from the Department as appropriate.

e. A note reconciling the opening and closing balance of investments held at the NLDF. This should disclose proceeds received from the National Lottery, investment income, unrealised gains and losses on investment, and cash drawn down from the NLDF

f. A breakdown of the total grant liabilities (current and non-current) in the SoFP to show:

- Liability brought forward
- Commitments in the year
- Decommitments
- Commitments paid
- Liability carried forward
- A breakdown of the liability for each year up to and including 5 years and over 5 years

## DIRECTIONS GIVEN TO BIG LOTTERY FUND UNDER SECTION 22(5)(b) OF THE DORMANT BANK AND BUILDING SOCIETY ACCOUNTS ACT 2008 IN RELATION TO SCOTTISH EXPENDITURE

The Scottish Ministers, in exercise of the powers conferred on them by section 22(5)(b) of the Dormant Bank and Building Society Accounts Act 2008 and having consulted Big Lottery Fund ("the Fund") pursuant to section 22(7) of that Act, hereby give the following directions to the Fund:

### General Directions

1. In exercising any of its functions in distributing dormant account money under that Act in relation to Scottish expenditure, the Fund must comply with the following general directions in determining the persons to whom the Fund makes distributions, the purposes for which the Fund makes distributions, the process used to determine what payments to make and the terms and conditions on which the Fund makes distributions.

2. The distribution of dormant account money;

A. must be to projects which promote the public good and which are not intended primarily for private gain;

B. must be to projects which make real and sustainable improvements to the quality of life of local communities;

C. may only be to third sector organisations i.e. organisations that exist wholly or mainly to provide benefits for society or the environment;

D. must balance the need to encourage innovation with the need to manage risk in a manner commensurate with the type of project and applicant; and

E. should seek to further the objectives of sustainable development.

3. In distributing dormant account money Big Lottery Fund must ensure that applicants:

A. in all cases demonstrate the financial viability of the project for the period of the distribution;

B. in cases where capital funding is sought;

a). demonstrate a clear business plan incorporating 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). demonstrate, for major projects, that project evaluation

and management processes match those of the Office of Government Commerce's Gateway Reviews; or

C. in cases where capital funding is not sought, demonstrate the likely availability of other funding to meet any continuing costs for a reasonable period after dormant account funding ceases, taking into account the size and nature of the project, and for the dormant account funding to be used to assist progress towards viability wherever possible.

4. In distributing dormant account money BIG must;

A. set specific time limits on the periods in respect of which distributions are payable, whether for capital or revenue expenditure;

B. include a condition in all distributions that recipients acknowledge the use of dormant accounts funding, using the agreed branding for the Dormant Accounts Scheme for Scotland;

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

D. work with other organisations, including other distributors, where this is an effective means of fulfilling its functions and objectives;

E. involve the public, where possible, in making policies, setting priorities and making distributions;

F. operate within the distinctive policy context in Scotland, adding value where appropriate to Scottish Ministers strategy; supporting a Fairer Scotland with the development of opportunities for everyone to flourish within a more successful and sustainable Scotland;

G. ensure over time a distribution of money to a reasonably wide range 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;

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

I. ensure that projects are intended to contribute towards the achievement of the Scottish Government's overarching purpose of increased and sustainable economic growth and also one or more of the following strategic objectives:

**SMARTER:** People having better chances in life

**SAFER AND STRONGER:** Communities work together to tackle inequalities

**GREENER:** People have better and more sustainable services and environments

**HEALTHIER:** People and Communities are healthier; and

J. take into account the following principles:

**ENGAGEMENT** – the development of programmes should be based on the active engagement of public, private and third sector partners.

**SOLIDARITY AND COHESION** – ensuring that individuals and communities across Scotland have the opportunity to contribute to, participate in, and benefit from a more successful Scotland.

**SUSTAINABILITY** – to improve Scotland's environment today and for future generations while reducing Scotland's impact on the global environment.

### Specific Directions

5. Before exercising any of its functions in distributing dormant account money in relation to Scottish expenditure the Fund must comply with the following specific direction in determining the persons to whom the Fund should make distributions and the purposes for which the Fund should make those distributions:

A. The Fund must produce an evidence based impact assessment of distributing the dormant account money in accordance with prescribed restrictions laid down in the Dormant Bank and Building Society Accounts (Scotland) Order 2010 and in accordance with one of the following options:

Option 1: To support 4 broad policy themes: the Fund would have to ensure that the distribution of money is reasonably apportioned to support 4 broad policy themes:

Opportunities for children and young people;

Addressing health inequalities through increased activity;

Strengthening inter-generational activities; and

Creating community-based employment opportunities.

Option 2 To apportion 50%, 67% or 100% of the initial funds to be passed by the BIG Lottery to an endowed trust. The remainder of the monies would then be distributed by the Fund to support the 4 broad policy themes.

## **DIRECTIONS GIVEN TO THE BIG LOTTERY FUND UNDER SECTION 22 OF THE DORMANT BANK AND BUILDING SOCIETY ACCOUNTS ACT 2008 IN RELATION TO WELSH EXPENDITURE**

The Welsh Ministers, in exercise of the powers conferred on them by section 22 of the Dormant Bank and Building Society Accounts Act 2008 and having consulted the Big Lottery Fund (operating as the National Lottery Community Fund and subsequently referred to as “the Fund”), hereby give the following directions to the Fund:

### **General Directions**

1. In deciding to whom it distributes money from dormant accounts in relation to Welsh funds, for what purpose and under what conditions, the Fund must comply with the following:

A. To have regard to the principles of the Wellbeing of Future Generations (Wales) Act 2015, particularly:

- improving the social, economic, environmental and cultural wellbeing of Wales
- encouraging public bodies to think more about the long term, work better with people, communities and each other
- preventing problems and taking a more joined up-approach
- the five ways of working: long-term; prevention; integration; collaboration; involvement
- the seven wellbeing goals.

B. Ensure money is distributed to projects promoting public and social good and not intended primarily for private gain.

C. Ensure money is distributed to projects that make sustainable improvements to the quality of life of local communities.

D. Ensure that the Fund distributes money to a wide range of projects that are primarily delivered by the third sector. This should include local, regional and national organisations, including social enterprises. Exceptionally, money can be distributed to local authorities or other statutory bodies where a project involves a partnership or consortium, and the statutory body is acting in a coordinating capacity.

E. Balance the encouragement of innovation with managing risk.

F. Promote and support the Welsh language, reflecting the bilingual nature of Wales by:

- working to the principle of not treating the Welsh language less favourably than English in all the Fund’s activities in Wales
- operating in accordance with our Welsh Language Standards and Welsh Language Scheme, in partnership with the Welsh Language Commissioner.

G. Set time limits on the periods in which grants are payable, whether for capital or revenue expenditure.

H. Ensure that applicants demonstrate the financial viability of the project for the period of the grant.

I. Ensure the Fund works with other organisations where this is an effective way of delivering elements of dormant accounts funding in Wales.

J. Ensure the Fund has the necessary information to make decisions on each application, including independent expert advice where required.

K. Include a condition in all awards that recipients acknowledge dormant accounts funding and use agreed Dormant Accounts Scheme branding.

L. Adopt an outcome focussed approach, working closely with appropriate partners to achieve the best pattern of investment for the benefit of communities across Wales.

M. In distributing dormant account money, the Fund must 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.

### **Specific Directions**

2. The Fund must comply with the following specific directions in determining the persons to whom it makes grants and for what purpose.

A. The Fund must act in accordance with the prescribed restrictions laid down in the Dormant Bank and Building Society Accounts Act 2008 (Prescribed Restrictions) (Wales) Order 2010, and in accordance with the following themes:

- Supporting children and young people to reach their full potential by working through the third sector to promote social inclusion and eliminate barriers to personal development and employment.
- Tackling climate change and promoting wider sustainable development through focused community-based activity.

B. The Fund must take account of the wider benefits that applications may offer, particularly their potential to attract funding from other sources (e.g. match funding) and the contribution that they can make to Welsh Government policies and strategies.

### **SPENDING DIRECTIONS TO THE NATIONAL LOTTERY COMMUNITY FUND UNDER SECTION 22(5) (C) OF THE DORMANT BANK AND BUILDING SOCIETY ACCOUNTS ACT 2008 IN RELATION TO NORTHERN IRELAND EXPENDITURE**

Under Section 22 of the Dormant Bank and Building Society Accounts Act

2008, hereafter known as the “Act”, in exercising any of its functions under the Act, the Big Lottery Fund (now known as the National Lottery Community Fund) shall comply with directions given to it under that section.

The Department of Finance, in exercise of the powers conferred on it by Section 22(5)(c) of the Dormant Bank and Building Society Accounts Act 2008 and having consulted with the National Lottery Community Fund as required under Section 22(7) of the Act, hereby give the following directions to the National Lottery Community Fund in relation to Northern Ireland expenditure under the Act.

- A Scheme to distribute Dormant Accounts in Northern Ireland should be established as soon as possible.
- The National Lottery Community Fund should prepare and adopt a strategic plan for Northern Ireland as set out in Schedule 3 Part 1 of the Act.
- The National Lottery Community Fund shall consult on the contents of the Strategic Action Plan in advance of laying in the Assembly as set out in Schedule 3 Part 1 Paragraph 4 Sub-Section 6 (b) of the Act.
- The Scheme should be made available to benefit the third sector in Northern Ireland, through projects/work primarily delivered by Voluntary, Community and Social Enterprise organisations to increase capacity, grow resilience and encourage sustainability.
- The Scheme should ensure that projects/work funded demonstrate an equitable geographical representation across Northern Ireland.
- Lessons learnt from the distribution of Dormant Account funds elsewhere in the UK, should be reflected in the Northern Ireland Scheme where possible.
- The Department will not restrict the use or distribution of the Scheme, however, the principle that dormant account money should not be used to fund projects or aspects of projects that would normally attract statutory funding.
- In respect of delivery models these could mean, but are not limited to, an Investment Loan Model for more established organisations, a grant/loan hybrid model or a more traditional grant style model to support grass roots community organisations to develop capacity and build resilience.
- As allowed under the Dormant Accounts Act, the National Lottery Community Fund may deliver the Scheme in its entirety or work with a third party. Any third party should be appointed in line with Section 25 (1) of the Act and adhere to the conditions thereafter as set out in the Act.
- A condition of all funding distributed from the Scheme is that successful applicants must acknowledge the use of Dormant Accounts funding, using the agreed branding for the Dormant Account Scheme for Northern Ireland.
- The distribution of funding under the Dormant Account Scheme will be limited to projects located within Northern Ireland as stipulated in Section 22 5(c) of the Act.
- Reporting and Accounting arrangements should be as set out in Schedule 3, Part 3, of the Act.
- The Scheme should contribute to the draft Programme for Government Outcomes Delivery Plan and its successor where possible.





## Get in touch

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