



BIG
LOTTERY
FUND

2014/15
Annual report
and accounts

Big Lottery Fund Annual report and accounts

For the financial year ended 31 March 2015

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Part one

Section one

Introduction and Putting people in the lead



A group of children and adults are participating in a community garden activity. In the foreground, a young girl with long brown hair, wearing a denim jacket and yellow gloves, is focused on planting a seedling into a cardboard box. Next to her, a girl with long blonde hair, wearing a purple jacket and pink gloves, is also working with a plant. In the background, a boy in a blue jacket and a striped shirt looks on, and a woman with red hair and glasses smiles. The scene is set in a field of green plants and grass, with a clear sky in the background.

An introduction from the Chair and Chief Executive and an overview of our Strategic Framework, People in the Lead

Section one

An introduction from the Chair and Chief Executive



Peter Ainsworth
Chair

Last year, I reflected on a period of transition as we came through some significant challenges and welcomed the new leadership of Dawn Austwick, our Chief Executive. And while this year has brought its own challenges, I hope it has also been one in which the Fund has started to look and feel different in its approach.

Firstly, a big thank you to everyone who participated in Your Voice Our Vision – a wide-ranging, open conversation about what people want to see from us over the next six years. The strongest theme? People and communities wanting to get on and do things, tackling challenges and owning them, instead of being defined by them. That's why our new Strategic Framework, setting out how we best support people and communities in their aspirations, is called People in the Lead. We talk about this later in the report on pages 10 and 11.

The Board approved our Strategic Framework in January 2015 with great enthusiasm and I am delighted to have been reappointed as Chair of the Fund for the next four years as we bring this challenging vision to life. I should also formally place on the record my thanks to Anna Southall and Rajay Naik; both stood down as Big Lottery Fund Board members in 2014/15, Anna as Vice Chair, after many years of excellent support, advice and service. I wish them well for the future.

The Strategic Framework followed and was informed by a Triennial Review of the Fund which was led by Cabinet Office. We were pleased that the Review recognised the Fund as a respected and important organisation and made a number of helpful recommendations. Significant progress has been made in implementing these recommendations building on how we work.

This year we also celebrated 20 years of National Lottery good causes funding, supporting people and communities to do remarkable and inspiring work all over the UK and beyond. It was an opportunity to reflect on what has been a huge success story. A total of over £32 billion of funding has been made to good causes. The Big Lottery Fund itself turned 10 last summer; we've distributed around £8 billion in grants in that time, ranging from large single investments like the £150 million Power to Change Trust (to build, support and sustain community owned enterprises) to the thousands of vibrant grass roots projects that we support at a really local level.

One such example I was fortunate to visit was Kerry Farm in Powys, which offers supported breaks to disabled people and their families with a focus on strengthening relationships. They make a life-changing impact and it's this that makes what we do so worthwhile.

This is one example but, with over £1 billion awarded by the Fund this year to over 13,000 projects, we are fortunate to be able to support many, some of which feature later in this report. It is the people and the projects we support that make the difference in communities and, coupled with our new Strategic Framework, I am confident we are well placed to continue our work to make life better for people most in need.



Dawn Austwick
Chief Executive

One of the joys of my job is meeting and hearing about people who achieve remarkable things in their communities. Their energy and achievements take my breath away and I'm pleased we're able to share more of their stories later in this report.

People like Darren Murinas who sits on our Stoke Expert Citizens Panel; or Katie Kelly from East Ayrshire Council, redesigning services hand in hand with the local community; or Corin Morgan-Armstrong leading the 'Invisible Walls' project at Parc Prison, supporting prisoners and their families to avoid re-offending. Or people like Colm Fanning at Colin Glen Trust, who is working to break down barriers across communities, and introduced me to young people on a high ropes course 15 metres above the forest in West Belfast. In such company, 'People in the Lead' – the central vision of our new Strategic Framework – feels like a natural fit.

This has been a year with some challenges, as we adjusted to a new operating system whilst maintaining great service for applicants and grantholders. In doing so we ended the year with some of our highest ever customer service results.

And it's been a year of continued achievement at the Fund: we have committed over £1 billion of grant awards, developed and launched our Strategic Framework, built many new relationships, and consolidated others. All this whilst reducing our core costs to below our 5 per cent target for the first time. Our future focus is to set a financial strategy that balances a beady eye on cost with an eye for effectiveness.

It's also been a year of discovery, listening and growing for us at the Fund. Developing People in the Lead drew on debate across the whole of the Fund, as well as our stakeholders and our customers.

We have started to take steps towards realising it by piloting some new approaches. First out of the blocks was Accelerating Ideas, a new pilot programme to draw out great ideas and projects which have the potential to develop or be shared more widely. This is an early step in becoming a more catalytic funder, listening to others and backing great practice as it emerges.

Following a roundtable with voluntary organisations in Newcastle, we kicked off another pilot – a light touch Awards for All scheme which has trialled a more streamlined application process. Testing and learning will be fundamental to how we improve our grant-making over the coming months and years.

When I arrived at the Fund 18 months ago I noted the exceptional motivation and commitment of everyone I met. I began this piece by talking about the humbling stories of those we fund – and I'd like to end it by paying tribute to all my colleagues for their continued dedication and commitment to the Fund's mission.

Putting people in the lead

Over the course of 2014/15, we developed a new Strategic Framework to guide us in the choices we will make as a funder over the next six years (2015-21).

This was the product of a wide ranging conversation with stakeholders and the public across the UK, called Your Voice Our Vision. Over 1,600 people took part in online discussions and we met with over 500 people face to face, to explore what people want to see from us as a funder.

We published our new framework, People in the Lead, in March 2015. It articulates our belief that people should be in the lead in improving their lives and communities, and that we as a funder should focus on the skills, assets and energy that people can draw upon and the potential in their ideas.

It establishes six key principles for how we will achieve that vision and the key strands of work we will need to develop and deliver over six years to make this a reality. The Framework is ambitious and adaptable, intended to reflect the changing context that we and the people we serve are operating in.

2,100

Over 2,100 people were involved in Your Voice Our Vision, to explore what people want to see from us as a funder

Six key principles for delivering People in the Lead

1

**Confidence,
not control**

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

2

**Simple
processes,
good
judgements**

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

3

**The strengths
people bring**

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

4

**A catalyst
for others**

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

5

**Shared
direction,
diverse
approaches**

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

6

**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.

Section two

Our year in numbers





In 2014/15:

£783m

received in income

13,098

awards made

£1bn

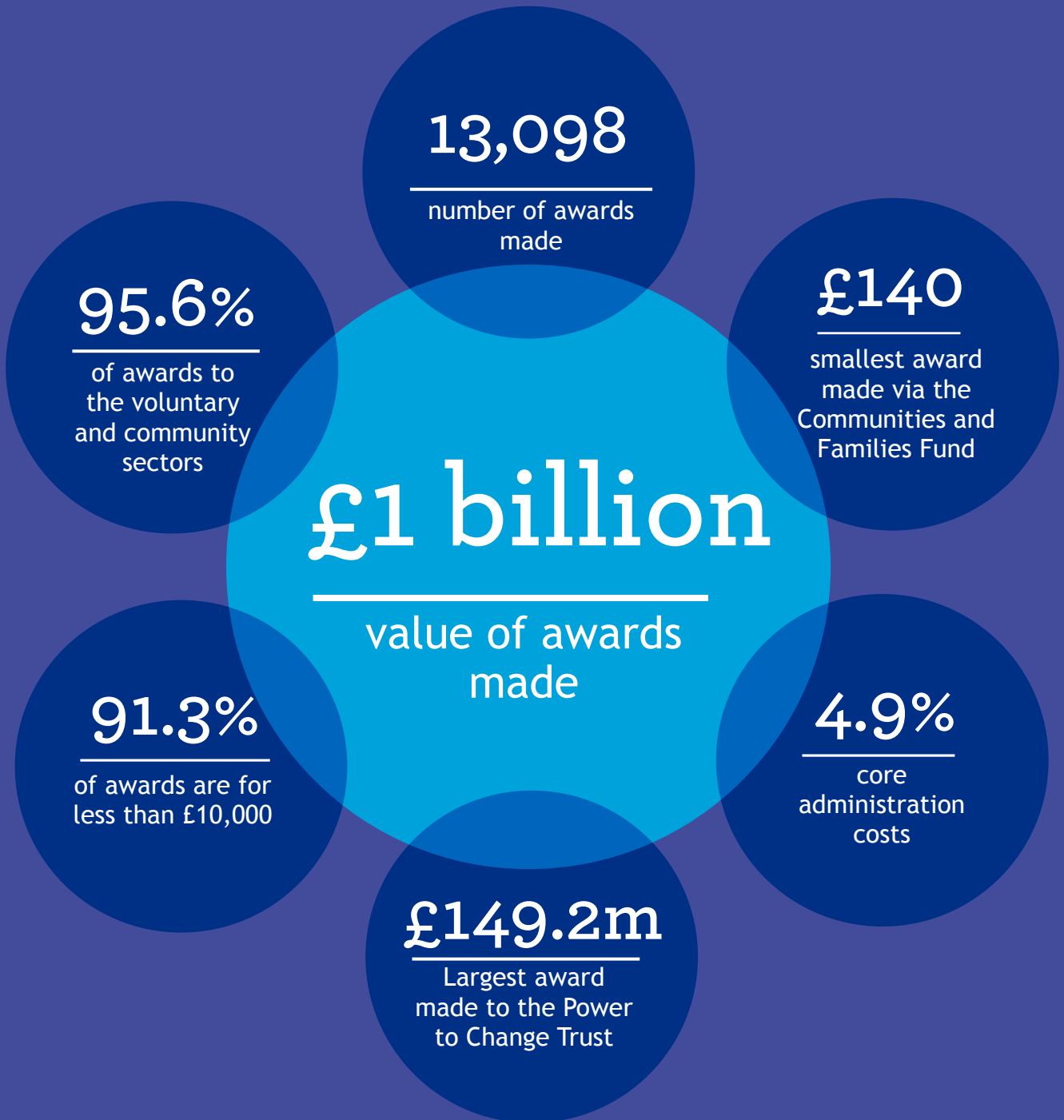
of awards made

The awards amount above includes all commitment decisions made by committees during 2014/15 and does not include year end adjustments for contingent liabilities where the recipient has not yet been notified of the award or accounting adjustments in relation to conditional grants.

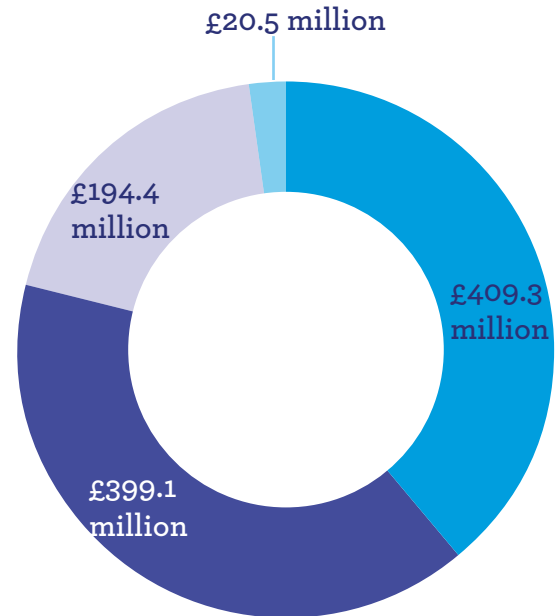
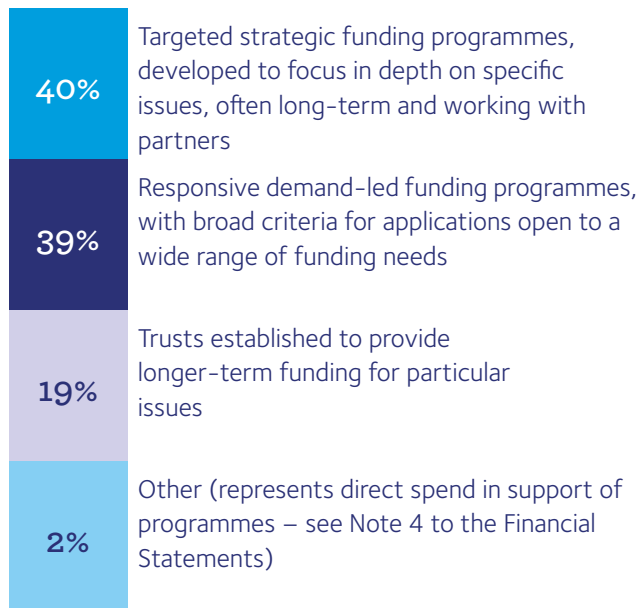
Section two

Our year in numbers

Key statistics:



Our National Lottery funding by type



Non-Lottery funding

Over 800 awards have been made on Third Party programmes (with funding not derived from The National Lottery) totalling £42.5 million.

Opening up our data

We publicise all awards we make at: www.biglotteryfund.org.uk/funding/search-past-grants. We also encourage and support projects to tell their own story so that people are better able to understand and see the projects we fund and the difference they make in communities.

We have also worked to open up our data so that others can investigate, explore and analyse where our funding goes. Throughout the year we continued to publish, promote and support others to use open data.

Find out more at: www.biglotteryfund.org.uk/research/making-the-most-of-funding/open-data

We believe that by opening up our data, alongside that of others, we can better understand how we can fund more effectively, work more collaboratively with others and share better insight. We've started working with others to make sure people can get the most from this resource. This includes 360Giving, The Foundation and a group of other funders so that we can encourage other trusts and funders to publish their data, support the development of infrastructure that makes open data easier to access and find, and to investigate the development of apps that will allow everyone to easily get value from our data.

Section three

A view across our programmes and portfolios





Big Lottery Fund delivers funding programmes in England, Scotland, Northern Ireland and Wales that relate to the needs and opportunities in each country. We also deliver a portfolio that supports UK-wide and international projects.

England

Through our open funding in England, where we are able to respond to people's ideas, we support thousands of projects from community allotments to after school clubs to vital initiatives that support the most vulnerable in society.



Over the last year, our open funding programmes Awards for All and Reaching Communities have supported 8,249 projects in communities across England with funding of over £251.5 million.

We have also made significant commitments in a number of targeted areas including just under £130 million through our initiatives to reduce isolation amongst older people, and £215 million on our A Better Start programme to improve the life chances of babies and young children. Through our Talent Match and Multiple Needs strategic programmes, we have been supporting local partnerships to support young people into employment and enterprise, and transform services for people who have multiple and complex needs such as addiction, homelessness and mental health problems.

We continue to explore opportunities to use our infrastructure and networks to deliver funding on behalf of others. This year we agreed joint funding priorities with 37 Local Enterprise Partnerships to match our funding with nearly £200 million of European Social Fund money to help people get support to get jobs. We provided partnership development support to voluntary organisations to help them prepare for this major new funding opportunity in the year ahead.

And we continue to develop a blended approach to funding which means we can be flexible and responsive in the funding options available to people and projects. For example, we've launched the Growth Fund in partnership with Big Society Capital, making available smaller social investment opportunities (of up to £150,000) in response to demand from some small and medium sized charities – filling an identified gap in the funding options open to civil society.

We have also worked with a group of funders to support projects which work to a common strategy to prevent child sexual exploitation; and, along with Comic Relief and the Department for Health, awarded a further £2 million to the Time to Change campaign to tackle mental health stigma. We have also developed an Early Action Neighbourhood Fund which pools our funding

with that of Esmée Fairbairn and Comic Relief to enable local partnerships to find new ways to prevent problems and improve neighbourhoods.

This collaborative approach will be a key element of our funding in the future and is reflected in Third Party funding in England which we deliver on behalf of others. This includes the Advice Services Transition Fund joint funded by the Government, enabling not-for-profit local advice providers to continue to give vital help to people and communities. Local partnerships have been developing new approaches to sustaining their work and providing advice, and we have been working to share learning from what they have found to help inform the longer-term future of the not-for-profit advice sector.

This year we have also set up the new independent Power to Change Trust, which will provide £150 million to help people set up and run community businesses. This will enable people to use funding in enterprising ways to leverage resources so that they can do good and sustain their work for the long-term. In early 2015 we also established the Centre for Ageing Better with a £50 million ten year endowment. The Centre's primary aim will be to support a good quality of life in older age and promote the benefits of an ageing society by bridging the gap between research, evidence and practice.

Older people

We have also made significant investments in a number of targeted areas including just under £130 million through our initiatives to reduce isolation amongst older people

Scotland

2014 was a momentous year for Scotland featuring a number of landmark events. One of those, the Commonwealth Games, took place in Glasgow and generated benefits and a legacy for the whole of the country. The Big Lottery Fund invested over £15 million to help create that legacy.



This included funding from our small grants programmes – 2014 Communities and Celebrate – which together enabled thousands of grassroots community groups to celebrate the creative and cultural diversity of the Commonwealth Games, while also encouraging more people to take part in physical activity. We also invested £600,000 in Volunteering Support enabling 1,940 Clyde-siders to volunteer at the Commonwealth Games and we awarded a number of larger grants to organisations such as My Time Active, which received £1.7 million to help tackle childhood obesity – a barrier to physical activity.

One of the many positives of our legacy funding was the increase in applications we received to our Celebrate fund from groups that had never applied to us before.

Our work this year to support grassroots groups has also continued through our small grants programme Awards for All Scotland. At the beginning of the year we made some positive changes to the way it worked which included improving the application form to make it simpler and faster for groups to complete.

We have also been pleased to deliver a range of non-Lottery funding programmes on behalf of the Scottish Government. The Scottish Land Fund and the Communities and Families Fund, for example, have left their own indelible mark on communities, the former enabling local communities to own and develop land and land assets and the latter supporting projects that give children under eight the best possible start in life.

2014/15 was also the year when we launched round two of the ground-breaking Our Place programme (see our later story of Robert Arthur from Newmains Community Trust). Our Place represents a different way

of investing Lottery funding in Scotland based around priorities and a vision set by local people. It supports selected communities to build on the strengths and assets they have in order to bring about positive changes in their neighbourhoods. This year we launched the initiative in another seven communities and we are looking forward to supporting them all at a local level over the next five years.

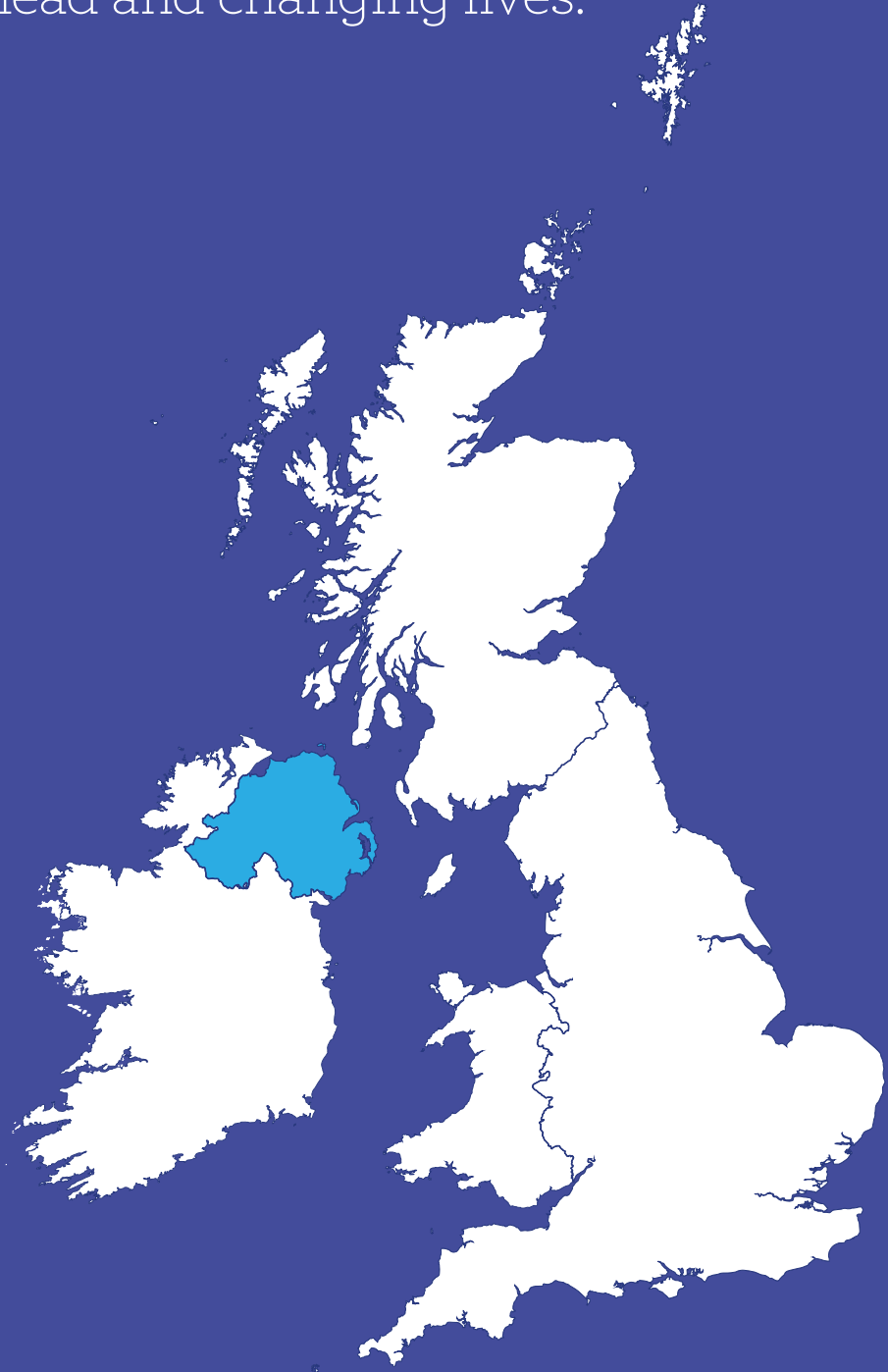
And of course, Investing in Communities, our main funding portfolio, has once again this year reached into every local authority area in Scotland helping us to achieve our core mission – bringing real improvements to communities and the lives of people most in need. As we prepare to launch our new five year funding portfolio in late 2015 we have been reflecting on the successes of Investing in Communities to date, and listening to the stories of those people whose lives have been changed with help from our funding. Just ask Monica Duddy from Changing Faces whose story is shared on page 33 – one of many which remind us why our funding is so vitally important to communities across Scotland.

Volunteering

We invested £600,000 in Volunteering Support enabling 1,940 Clyde-siders to volunteer at the Commonwealth Games

Northern Ireland

The past year has been one of celebration, investment and collaboration in Northern Ireland. We've been able to support many projects that are working in the heart of communities, putting people in the lead and changing lives.



Throughout the year we continued to offer the organisations we support more than just grants through our development and support contracts. This included training and support around issues like good governance as well the chance to network and share good practice and learning.

We supported hundreds of grass roots projects across Northern Ireland to do great things with small amounts of funding through Awards for All. More than £4.6 million was awarded to a wide range of organisations from schools to youth groups and community associations. Projects included everything from music therapy sessions at the Northern Ireland Children's Hospice to social events for older people in rural communities.

Our Supporting Families programme awarded more than £8 million to a range of organisations transforming the lives of many families across Northern Ireland. Organisations like Tinylife which is using the grant to give premature babies the best possible start in life. And Buttle UK's Kinnections project which is supporting children across Northern Ireland who are being cared for by wider family and friends. It's working with Kinship Care NI to provide a range of support for children and their carers including essential household items, support groups and activities.

To mark our tenth birthday in June we ran a campaign to publicise the great things that people have done with our funding over the past decade. We put people in the lead by asking them to nominate groups that changed their lives and we awarded ten grants of £10,000 to the most inspiring stories.

We were delighted to hear so many life-changing stories from across Northern Ireland that were made possible thanks to our funding.

We launched the Detail Data project in the autumn with The Detail and Northern Ireland Council for Voluntary Action (NICVA) which is helping the community and voluntary sector make better use of the huge amount of data available. We hope this pilot project will help organisations to use data to identify gaps and plan services which will lead to better outcomes for local people.

We ended the year on a positive note when we launched our new Empowering Young People programme in March. We worked directly with a group of young people whose lives have been changed by Lottery-funded projects to develop and promote the programme among groups interested in applying. The programme will allocate £50 million over the next six years.

Families

Our Supporting Families programme awarded more than £8 million to a range of organisations transforming the lives of many families across Northern Ireland

Wales

Changing lives and building sustainable communities has been at the heart of what the Fund does in Wales. Through our projects we have helped people to change their communities for the better.



Over the last year we have awarded £44 million; making our funding an integral part of people's lives in Wales.

Throughout the year we supported grass roots projects across Wales through our Awards for All programme. More than £3 million was awarded to a wide range of organisations from schools to youth groups and community associations. Projects included everything from supporting children who have witnessed domestic abuse to cooking classes for adults with learning disabilities.

Our People and Places programme awarded more than £19 million to a range of organisations transforming the lives of many people across Wales. For example, ACE Cardiff is using an award of £46,590 to deliver its Watch My Needs project using sign language techniques to help people living with dementia to communicate with their carers. Friends of Pedal Power has benefited from an award of £311,753 to its Changing Gear project. This innovative project provides support to minority groups like women from black and minority ethnic communities, older people and people with mental health or chronic conditions to improve their health and well-being.

Through Building Communities we awarded a £16.5 million endowment to a new independent trust that will support and enable a number of communities across Wales, over a 12-year period, to build on their strengths and talents, identify their own goals and aspirations and drive their own positive change.

We made a £5 million investment through In Good Hands to support children and young people across Wales who have been or are in care, to improve their life chances. This early intervention approach is being delivered in partnership by The Fostering Network and South London and Maudesley NHS Trust.

We also launched our second Community Asset Transfer programme which will invest

£9 million in the transfer of assets to communities across Wales. This aims to create more sustainable communities by supporting asset transfer to enterprising third sector organisations that actively involve and benefit the communities they serve.

We continued to develop and deliver a range of joint and non-Lottery funding programmes to maximise the impact of our funding to communities across Wales. This year we launched Getting Ahead 2, a £10 million programme funded by money that has been dormant in bank and building society accounts across the UK for 15 years or more, to support and provide paid work placements for young people aged 16-25 with a learning disability or difficulty including autistic spectrum disorder. One of the many positive aims of the programme is to increase the young people's opportunities for long-term sustainable employment.

Looking ahead we will be considering how we can best support rural communities to develop responses to the particular challenges they face. We are also considering ways in which we can support and promote the financial capability of young people in Wales, with a focus on early years, in these economically challenging times.

Young people

We made a £5 million investment through In Good Hands to support children and young people across Wales who have been or are in care, to improve their life chances

UK

The last year has seen us begin to reshape and refocus our UK wide funding portfolio, to more clearly link with and add value to the individual country portfolios.



Our UK portfolio has continued to do good work in building on the best of what we see and do in our individual country portfolios. This year, we started the Accelerating Ideas pilot as a new way of identifying great ideas and practice and giving them momentum to grow. Our early focus was around ageing, an area in which all our country portfolios are active and in which we were able to draw upon insight from other funders, civil society stakeholders and our own staff from across the UK. Accelerating Ideas is all about collaborative discussions rather than rigid criteria, so that we can be more responsive in acting as a catalyst for others. We'll continue to develop Accelerating Ideas over the coming year as part of our work to deliver the Strategic Framework.

Our established programmes continued to deliver real impact on the ground, and generate valuable learning for our future grant-making. For example, our Realising Ambition projects throughout the UK have so far supported 105,497 young people to fulfil their potential and avoid pathways into offending. Last summer we ran the final round of The People's Millions competition, in partnership with ITV. We made 76 awards, with each region able to vote for their own local projects. In 2014 over 300,000 votes were cast. We're exploring where we go next with this, building on the energy and involvement that have been hallmarks of The People's Millions. We've also continued to deliver the Coastal Communities programme, distributing non-Lottery funding on behalf of the UK Government. Three rounds of funding have now made 211 awards totalling over £118 million, supporting people to regenerate their local coastal community and to grow sustainable economic activity.

International funding remains an important part of our funding mix, aiding our goal of finding, supporting and sharing great practice in communities wherever they may be. Our International Communities programme considers applications from UK charitable organisations looking to deliver projects

working in partnership with civil society organisations overseas, aiding beneficiaries in developing countries. This year, we began a collaboration with Comic Relief investing £5 million to improve maternal and child health and the lives of people living in urban slums in Africa. We responded to the 2013 typhoon in the Philippines, making £7 million available to people getting to work on rebuilding their communities.

In addition to these established programmes, we allocated £15 million of funding for the improvement of people's digital skills. This area will become an increasingly important part of enabling people to take the lead in improving their lives and communities, as digital and technological change continues to accelerate. We awarded a £5.8 million grant to RNIB for their Online Today project – supporting people with sensory loss to get online. Collaboration is an important part of our approach, and we are a founding member of Go ON UK, a cross-sector charity working to empower everyone in the UK to reach their digital potential.

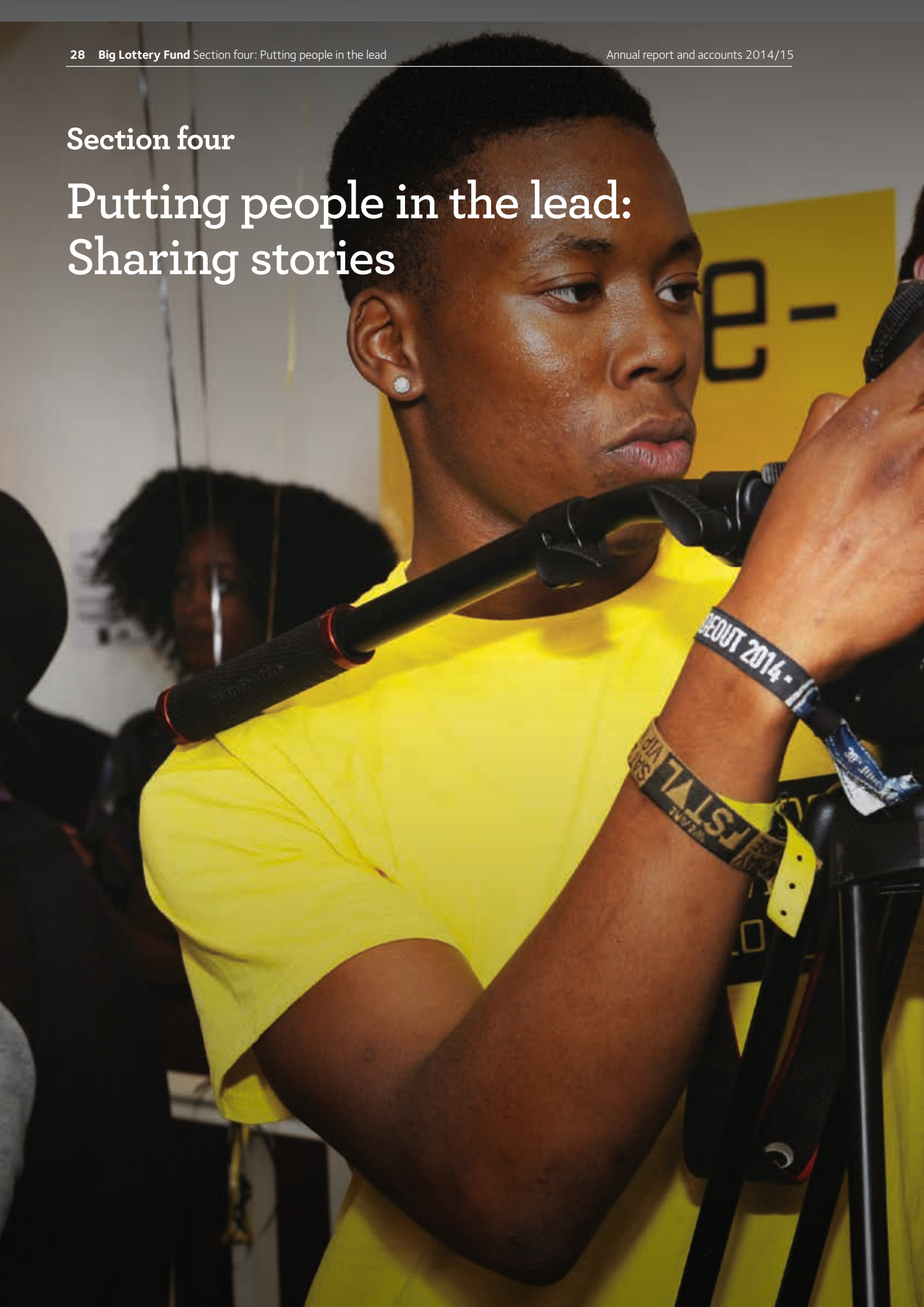
We also awarded £25 million to Addaction to develop projects across the UK that can reduce the impact of alcohol on an ageing population, and we launched our new £30 million Our Environment Our Future programme, which will fund 25–35 projects across the UK to support young people to improve their local environment and gain skills.

Digital skills

We allocated £15 million of funding for the improvement of people's digital skills, enabling people to take the lead in improving their lives and communities, as digital and technological change continues to accelerate

Section four

Putting people in the lead: Sharing stories





The stories from the people and projects that are doing great things with our funding.

Project: Watch my needs, ACE Cardiff

Meet Rosie

A Cardiff project is leading the way in helping people with dementia communicate with their family and carers.



When Dr Roy Nolan was diagnosed with dementia, his partner, Rosie, also a doctor, was determined they would make the most of every day.

But as Roy's condition deteriorated, Rosie found it increasingly difficult to communicate with him. "It got to the point where I couldn't understand what he was trying to say or signal and he would become more and more frustrated and distressed," says Rosie. "Dementia transformed

him from a gentle, kind and loving man into someone who was at times aggressive and confrontational. It's absolutely heartbreaking seeing someone you love go through this."

Rosie started noticing that Roy used a series of hand actions to try and communicate his needs - when he was hungry or thirsty, too hot or too cold. Sharing her thoughts with other carers, they too had noticed their loved ones using signing to communicate.

Sadly, Roy died in 2013 aged 86 but Rosie remained determined to pursue her idea of using sign language to help other people with dementia.

Rosie is now leading a project called Watch My Needs run by the charity, ACE Cardiff. The project will train up to 120 people with dementia and their carers to use sign language with the support of iPads with signing apps on them.

If the idea, which is believed to be the first of its kind in the world, is successful, it could be rolled out across Wales and beyond.

"There are far too many people with dementia who suffer in silence or struggle to communicate as the condition progresses. This project has the potential to transform the quality of life of people with dementia and those who care for them."

Dr Rosie Tope



£46,590

After securing a grant of over £46,000 from the People and Places programme, Rosie is now leading a project called Watch My Needs run by the charity ACE Cardiff.

Project: The Family Entrepreneurs, Tyne Gateway Trust

Meet the Family Entrepreneurs

The Family Entrepreneurs are a dedicated team of parents working for child poverty charity, Tyne Gateway Trust.



The Family Entrepreneurs project aims to improve the attendance and achievement in primary school-aged children who live in poverty or come from families experiencing issues ranging from drug and alcohol addiction to domestic violence, debt and mental health problems.

The project is based on the barefoot professional model – Tyne Gateway identifies, recruits and trains local people who have

“That’s what we like about the Big Lottery Fund – there’s that understanding that you can only reach the community through the community – we are empowering local people to find solutions to poverty, using their own experience and ideas.”

experienced the same or similar issues to those they will be supporting. Many of the families the team help are afraid of working with professional services but this approach means families trust the team and accept their help.

The Family Entrepreneurs get to the root of the problem and support both child and parents to get things back on track, working closely with other professionals. This can include taking the child to school, establishing household routines, helping with bedtime, accompanying a parent to appointments or housing association visits and finding routes to employment. The team also attend parents’ evenings and have even taken Christmas dinner round to a family.

The grant has helped Tyne Gateway reach over 290 families with the Family Entrepreneurs project and the group hope the success of the model means they can reach other areas of the North East and beyond.



£900,000

Tyne Gateway, working with The Children’s Society, received money from the Improving Futures programme to help reach over 290 families with the Family Entrepreneurs project.

Project: **The Women's Project, City Gateway**

Meet The Women's Project

Lisa Tison struggled to get back into employment after taking a career break to have children. She went to City Gateway to get training and overcome her isolation, but she now helps other women in the same situation.



Lisa joined City Gateway's Women's Project after hearing about the organisation from a friend. The project, which is based in Tower Hamlets, helps vulnerable women build their confidence and self-esteem. Many of the women attending speak very little English and the project supports them to develop their language and communication skills and find training, education and employment opportunities.

Lisa initially took part in the activities on offer, which include exercise classes, health and well-being sessions and literacy lunches. She enjoyed making new friends and found just talking and sharing her experiences with people who understood really helped.

Lisa's experience at City Gateway inspired her to do something for herself and the local community and she now works alongside vulnerable families, running the project's creative parenting and new mum classes and the family advice drop-in.

“If you invest in one woman you can invest in the whole community. City Gateway helped me to see my potential, to be able to find a career and something that I was good at doing. I'm now at a stage where I can help others who are in that situation because I know how it felt when someone helped me.”

Lisa Tison



£234,504

The Women's Project at City Gateway is using Reaching Communities funding to support vulnerable women to build confidence and self-esteem.

Project: **Changing Faces**

Meet **Monica**

Changing Faces is setting up a new centre in Edinburgh to support children and young people throughout Scotland.



Monica Duddy, 23, has spent most of her life coping with unwanted advice, comments, criticism and bullying – all because of a birthmark on her cheek.

Monica is determined to ensure other children and young people do not go through the same experiences. That's why she is an active member of Faces of Scottish Youth, a group of young people helping inform the work of Changing Faces in Scotland.

“It would help so much if those around you, of all ages, were more aware of the support they can give.”

Monica Duddy

“I became involved in Changing Faces when a doctor told my parents about it,” explains Monica. “It’s hard for teenagers to see beyond the importance of looks but when they talk to someone like me, it can change everything.”

Changing Faces secured funding to set up their new centre which will support children and young people with disfigurements of any kind.

Their grant will also create three new posts to increase access to specialist services, provide online and telephone support and work with schools to promote inclusion and face equality for all children and young people.

Monica believes the funding will play a major role in helping other people with facial disfigurements.

“The funding from the Big Lottery for a Face Equality Adviser is particularly important,” she says. “We’re so strong in Changing Faces now and this new team is going to change lives.”



£350,140

Changing Faces received funding from our Supporting 21st Century Life programme. The money will provide help and support for children and young people across Scotland.

Project: Heroes Return veteran, Charles Medhurst

Meet Charles

At the age of 17, a year before he was called up to serve in the war, Charles Medhurst opened the telegram which told him that his 19-year-old brother had been killed in Burma.



At the age of 89, with funding from the Heroes Return programme, Charles was able to embark on an emotional journey to the Kranji War Memorial in Singapore to find his brother's name.

As a telegraphist in the Navy, Charles had to take down Morse code messages at a speed of 26 words a minute. Charles found himself on HMS Malaya – a battleship that took part in the bombardment of German fortifications on the French island of Cezembre.

"When my brother was killed, all that my mother got was a telegram saying he had been killed on 24 March 1942 and that there were no remains or personal effects.

"I had a terrible feeling as I opened the telegram," says Charles, from Greenwich. "I had to go and tell my mother, who collapsed. She never got over it. She never said anything when I was called up a year later but she must have been upset.

"My brother Henry died aged just 19. He would have been 92 if he were alive today. When I think about how young he was when he died, it's tragic. He was just one of thousands."

"It's important to visit the memorial and see his name – to see that he has been recognised for giving his life at such a young age."

Charles Medhurst



£4,070

With funding from the Heroes Return programme, Charles was able to embark on an emotional journey to the Kranji War Memorial in Singapore to find his brother's name.

Project: Lifeline Nehemiah Projects, LifeLine Network International

Meet Lifeline Nehemiah Projects

The Ebola outbreak threatened the work of international projects based in West Africa but vital funding has supported them through the crisis and strengthened their relationship with local communities.

In August 2014, the President of Sierra Leone declared a state of national emergency as a result of the Ebola outbreak. LifeLine Network International (LNI) found their Big Lottery funded project, to support young adults find work in Sierra Leone, at risk as they struggled to deliver services in the midst of the crisis.

Prince Tommy, Deputy Director of local partner, Lifeline Nehemiah Projects, was being treated in hospital for malaria when another patient started bleeding. Suspecting Ebola, medical staff wouldn't treat him and other patients fled, leaving the hospital in chaos. The fear was heightened by inaccurate information as to how the disease could be transmitted.

Prince and his staff were shocked by the lack of awareness about Ebola in communities and when the group received top-up funding to support



“Without the grant we wouldn't have a team who we could redirect to respond to Ebola.”

Jamie Singleton

their response to the outbreak, they decided to deliver a programme of awareness raising, education and prevention work.

The project is using film, drama and survivors' stories to educate and empower people to identify symptoms and keep safe and hopeful. Since receiving their funding, they have reached over 30,000 people with their Ebola education work.



£40,786

LNI received funding from the International Communities programme to support their response to the Ebola outbreak – for awareness raising, education and prevention work.

Project: The Fitting Room

Meet The Fitting Room Friends

An Awards for All project follows the lives of eight female amputees as they face and overcome daily challenges in the film, *The Fitting Room*.



Filmmaker Nicola Lane lost her leg below the knee when she was hit by a bus in Trafalgar Square. “We wanted to show other amputees that they are not alone,” says Nicola. “We understand the very real concerns that go with life as an amputee – how the hot weather can affect the fit of your leg, the anxiety that goes with trying on shoes, supermarket shopping, or going on holiday.”

The ‘we’ is a group of women who got chatting as they waited to see their prosthetist (the person who fits and repairs their new limb) at the Stanmore Hospital in Middlesex. Just sharing their problems and feelings helped enormously and The Fitting Room Friends Facebook group was born.

“This is a place where we can all chat and support each other even if we don’t manage to meet at the hospital,” says Michelle Meltzer. “We share practical tips that help us overcome the daily challenges of being an amputee.”

Nicola secured funding to film the experiences faced by her friends and fellow amputees from the hospital and Facebook group.

The camera follows the women inside the Fitting Room as they undergo the difficult process of fitting a new leg – something that has not been shown before.

The reaction to the film has been overwhelmingly positive and the group now want to distribute it to other limb-fitting centres and help fellow amputees and people preparing for an operation.

“I feel the film can do so much good, it helps to raise awareness of what life as an amputee is really like.”

Michelle Meltzer



£9,978

Nicola secured funding from Awards for All to film the experiences faced by her friends and fellow amputees from the hospital and Facebook group.

Project: **Cushendall Community Resilience Group**

Meet Paddy

The residents of Cushendall, a village on the North Antrim coast, have faced challenges from severe storms, snow, heavy flooding and tidal surges. Although rare, these events have had a big impact on the local community.

Aware that there were many local people with valuable skills who were willing to volunteer in a crisis, the Cushendall Community Resilience Group came together to decide how they could take action.

After meeting to discuss what the community needed, the group decided to put together one coordinated plan that, in the event of an emergency, would utilise local skills and resources.

The group also identified a generator as a vital piece of equipment as previous power cuts caused by storms had left residents without heat and light for days.

The group received an Awards for All grant to buy the generator and produce their emergency plan as a booklet to distribute to local residents. The booklet outlines the risks they face as a community, what to do in an emergency and who to contact.



“We have a great community, with great go ahead and joined up thinking – we don’t wait for someone else to do it, we do it. This plan reassures vulnerable people in times of need that there’s help there until the emergency services arrive.”

Paddy McLaughlin

Practical information in the plan includes everything from sand bag deployment to blankets and beds and all activity is closely coordinated with Northern Ireland’s emergency services.

For the rural community of Cushendall, the emergency plan is providing comfort where they once felt vulnerable and isolated.



£9,990

The Cushendall Community Resilience Group secured an Awards for All grant to put their plans into action.

Project: Glyn Wylfa Social Enterprise and Development Trust

Meet The Glyn Wylfa campaigners

Historic Glyn Wylfa House in North Wales is brimming with life thanks to the local people who campaigned to save it from demolition and turn it into a thriving social enterprise.

Originally built in 1899, Glyn Wylfa has undergone many transformations from a Victorian home to council offices to a derelict building ready to be pulled down and sold for development. It was at this point that a dedicated group of Chirk residents made it their mission to protect this piece of wonderful local heritage and breathe life back into their community.

Brian Colley, a semi-retired former managing director, is one of the residents who stepped in to offer his expertise.

“The community love the facility, we had 35,000 visitors last year. It’s a really great hub that has built new relationships and created new friendships.”

Brian Colley



“The building was in a sorry state with all the windows broken and the rain coming in,” says Brian. “It had been gutted by thieves and was completely overgrown.”

With lots of local support, the group finally convinced the site owners, Wrexham County Borough Council, to let the community run the building as a social enterprise.

The campaigners secured funding from the Community Asset Transfer programme – a scheme run in partnership between the Big Lottery Fund and the Welsh Government – to transfer assets owned by local authorities into the hands of the community.

“That was a real punch in the air moment for all of us involved,” explains Brian. “It’s a fantastic partnership.”

Today the enterprise is thriving; creating local jobs and providing the community with a café, visitor information centre and rentable office space.



£633,000

The campaigners secured funding from the Community Asset Transfer programme – a scheme run in partnership with the Welsh Government.

Project: **Newmains Community Trust**

Meet Robert

The local people of Newmains, North Lanarkshire, are at the heart of a major transformation taking place in their community.



Robert Arthur has lived in the Newmains area for more than 25 years and as Chair of the Newmains Community Trust, is playing a vital role in helping the community decide how to spend the £2.3 million funding awarded to improve local life.

The funding is part of an initiative which is giving five Scottish communities the chance to set their own local priorities on how Lottery money should be spent in their area.

“The money from the Our Place programme is a fantastic opportunity, especially since the decision on how to spend it was given to local people,” says Robert.

To reach their decision, the Trust consulted widely with the local community. “This is undoubtedly a deprived area but it’s also a close knit community with lots of homes but few facilities,” explains Robert. “So it was no surprise when the consultation exercise revealed that a new community centre would make the biggest difference to us all.”

The Newmains Community Hub will be central to the area’s plans and provide a multi-purpose facility with services run by and for the community. It will include a library, meeting rooms, sports hall, youth zones, a housing office and a café.

“My drive is always to empower communities and part of that is to make the community centre a place where people want to come,” says Robert.

“This is about people, of all ages. We want them to feel part of the community and to want to stay here and work towards making it a better place for everyone to live.”

Robert Arthur



£2.3 million

Newmains Community Trust is playing a vital role in helping the community decide how to spend £2.3 million from the Our Place programme awarded to improve local life.

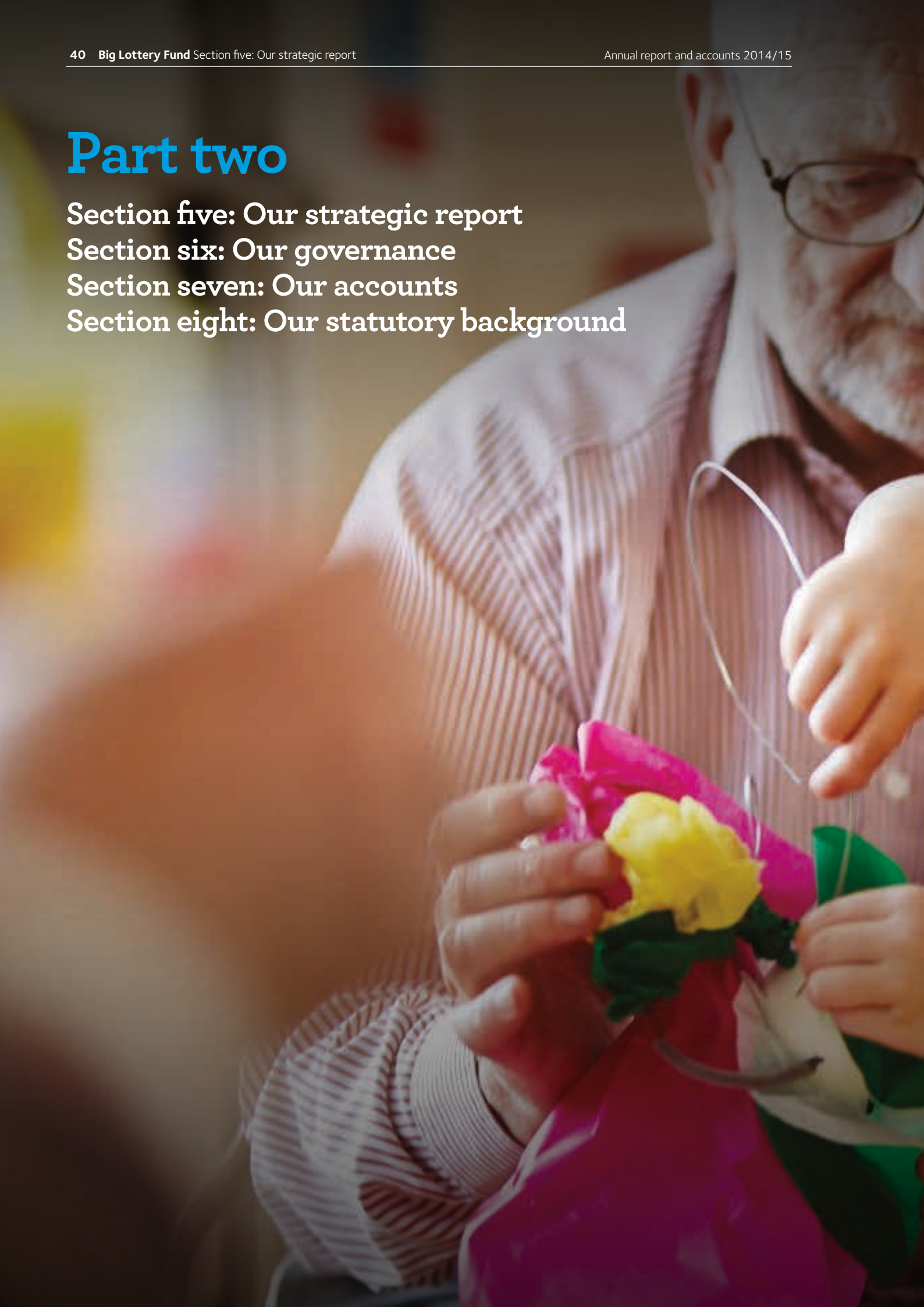
Part two

Section five: Our strategic report

Section six: Our governance

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Section five: Our strategic report

Our corporate objectives

Our annual corporate plan sets out our budgets, objectives and targets for the year.

The 2014/15 corporate plan identified three corporate objectives to shape our priorities and set five key performance indicators to measure success. Our performance against these has been monitored against our published targets and reported to the Board throughout the year.

This is a summary of how we performed against the three objectives.

Corporate objective one:

We are managing public funds efficiently.

Key performance indicator	End of year report
<p>1 At least 80 per cent of the total agreed grant budget for 2014/15 is committed.</p>	<ul style="list-style-type: none"> • Key performance indicator met • 89.6 per cent of the total agreed grant budget for 2014/15 was committed. • In our corporate plan for 2014/15 we committed to award a total grant budget of £1,142 million. The actual value of awards made was £1,023.3 million. • Our corporate plan target is based on actual awards made in the year and does not include the year-end adjustments for contingent liabilities where the recipient has not yet been notified of the award or accounting adjustments in relation to conditional grants. This is why the value is different from the grant commitments shown in the accounts.
<p>2 By year end the grants paid out to all our funded projects is within 20 per cent of the payments total we forecast.</p>	<ul style="list-style-type: none"> • Key performance indicator met • By year end we paid out £803.8 million in grant payments; 96 per cent of the original grant payments forecast.
<p>3 Operating cost expenditure (core and front-line costs) is within the set budget £51.7 million.</p>	<ul style="list-style-type: none"> • Key performance indicator met • Our total qualifying operating costs were £48 million; 6.5 per cent of National Lottery income, which demonstrates our commitment to keep total operating costs below the 8 per cent limit set by Government (see page 90) • Core costs and front-line costs were £36.4 million and £11.6 million. As a percentage of National Lottery income, these were 4.9 per cent (under the set limit of 5 per cent) and 1.6 per cent (under the set limit of 3 per cent) respectively.

Corporate objective two:

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

Key performance indicator	End of year report
<p>4 At least 77 per cent of customers are satisfied with our service.</p>	<ul style="list-style-type: none"> • Key performance indicator met • Our customer satisfaction survey showed 79.4 per cent (80.5 per cent in 2013/14) of our customers were satisfied with the overall experience of our service. We consider the 1.1 per cent drop in customer satisfaction to be within a tolerable margin in relation to the KPI. This was triggered by stabilising issues relating to the funding management system at the beginning of the year and performance improved by year end. • The Fund handled more than 90,000 enquiries and applications over the year. Through our formal complaints procedure we have recorded 37 complaints about service received this year (37 in 2013/14).

Corporate objective three:

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

Key performance indicator	End of year report
<p>5 At least 92 per cent of grant programmes achieve their agreed effectiveness rating.</p>	<ul style="list-style-type: none"> • Key performance indicator not fully met • Programmes are assessed across three key areas: how well we are managing them; learning being captured; and impact. • This year 43 of our 62 National Lottery funded programmes were reviewed and 39 (90.7 per cent of those reviewed) were judged as being 'effective' (92.9 per cent in 2013/14). • We consider this small 2.2 per cent drop on last year as within a tolerable margin, and we are taking appropriate action to address any issues identified on those programmes not achieving their target rating.

Our strategic report: financial performance

We are committed to maximizing our funding, resources, knowledge and networks to support people, projects and communities across the UK.

Our key measure of financial efficiency is the share of our Lottery income that we spend on distributing it. We exclude from this measure costs that we recharge to other people, for example the costs of distributing non-Lottery money. We also exclude one-off costs that are investments to achieve future efficiencies (see page 92).

What we achieved in 2014/15

During the year we successfully delivered our 5 per cent core operating cost target. Core operating costs for the distribution of Lottery income were £36.4 million. Total operating costs were £53.4 million, a reduction of £0.7 million on 2013/14 (£54.1 million). Operating costs included an increase of £1 million in amortisation of the funding management system and consequently significant savings have continued to be made in other areas.

Staff numbers have reduced further with average full time equivalent (FTE) of 905 (2013/14 992). Planned reductions following the implementation of the new funding management system were originally planned for 2013/14 but were largely delayed to 2014/15. Further restructuring actions were undertaken during the year in the Development and engagement directorate.

Our National Lottery qualifying operating costs were 6.5 per cent of Lottery income in 2014/15 (2013/14 7.3 per cent).

Our core administration costs were 4.9 per cent of Lottery income in 2014/15 (2013/14 5.4 per cent).

Core administration costs mainly relate to processing applications and managing grants, including all the support costs. Total National Lottery operating costs include front line support to grant applicants and recipients and to the public. For example, the provision of advice and assistance to organisations applying for National

Lottery funding and activities to involve the public in National Lottery decision-making are defined as front line support costs.

Certain operating costs, most significantly business rates, are excluded from qualifying operating costs for the purpose of the financial performance measure.

What we are planning to achieve in 2015/16

We have budgeted to deliver total operating costs of 7 per cent in 2015/16, maintaining the core operating cost target of 5 per cent. The target is based on National Lottery income of £720 million, as projected by the Department for Culture Media and Sport (DCMS) in January 2015, immediately before our budget was prepared.

The budget has been based on existing resources in the organisation, incorporating sufficient contingencies to allow for unplanned events and to resource and deliver investment activities to support the implementation of the enabling strategies to deliver the Strategic Framework.

In March 2015 our total FTE was 853 (reduced from 980 in March 2014). We are not planning any significant change from this level over the 2015/16 financial year. We are also continuing to review our office estate, and anticipate being able to continue with the reductions already achieved over 2014/15. These measures will help ensure we can achieve our cost targets next year.

We are not expecting to achieve as high a level of savings as originally planned through the implementation of a new funding management system. However we will be seeking refinements to the system and associated processes that can improve efficiency and help us manage our operating costs.

Our deficit for the year

We had a deficit for the year 2014/15 of £151 million (2013/14 £221 million). Our cumulative deficit at 31 March 2015 was £874 million (31 March 2014 £723 million).

Our accounting policy requires us to treat awards as expenditure as soon as their approval is communicated to the recipient (subject to specific criteria). We manage our cash flow over the longer-term, based on grant cash

commitments and projected incomes rather than managing an apparent surplus or deficit from year to year. Where awards are paid over a number of years, we are therefore confident that we will be able to meet our commitments from future income.

Our funding strategy

Our strategy is to award the maximum amount of funding that we safely can commit to over a five-year period. Since many of our grants pay out over a number of years, following the initial award, this strategy ensures that our awards are protected from any unexpected changes in income. In seeking to maximise benefit we commit our funding so that we are making future commitments against anticipated income. At 31 March 2015 we had £1,254 million (2013/14 £1,171 million) of outstanding commitments compared to £324 million (2013/14 £383 million) held in the National Lottery Distribution Fund with which to meet them. This means we had made excess commitments of £930 million (2013/14 £788 million) which is equivalent to about 15 months of future income based on our current projections.

Non-Lottery funding programmes (Third Party)

In addition to our core business of distributing National Lottery money, we manage two kinds of non-Lottery funding programmes (or Third Party Grants), using powers given to us by the National Lottery Act 2006. These powers give us scope to work with others 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 is in accordance with our mission.

Since November 2008 the Dormant Bank and Building Society Accounts Act has enabled banks and building societies to transfer money held in dormant accounts to a central reclaim fund for reinvestment in the community. In addition to carrying out third party work, we also receive transfers from Reclaim Fund Ltd of funds from dormant bank and building society accounts which in 2014/15 amounted to £49.5 million (2013/14 £83.6 million). We deposit funds

until required and received interest of £128,000 (2013/14 £106,000). A memorandum set of annual accounts in relation to these activities appears on page 111.

National Lottery Distribution Fund (NLDF) balances

The net proceeds of the National Lottery are held in the National Lottery Distribution Fund (NLDF), which is under the stewardship of the Secretary of State for Culture, Media and Sport, until drawn down by National Lottery distributors. The Big Lottery Fund receives the same share of the investment income of the NLDF as of proceeds from the National Lottery (40 per cent). In 2014/15 this was £3.2 million (2013/14 £3.1 million).

Our NLDF balance was £324 million at 31 March 2015 (2013/14 £383 million).

Our balance has reduced from over £1 billion in 2004 and is now fluctuating around the lowest prudent level based on future commitments and projected incomes. We do not set a target for our NLDF balances. Since we do not control National Lottery income, it is impossible for us to manage the balance in the short-term. Our funding strategy is to make the maximum value of grant commitments that we can over a five year period. This will lead to the NLDF balance being as low as is prudent. The actual level will vary according to the structure and timing of our programmes at any particular time.

Auditors

Under the National Lottery Act 2006, our annual accounts must be examined and certified by the Comptroller and Auditor General.

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

Public sector information holder

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

Our strategic report: equalities and employees

Our equality strategy sets out our priorities in this area as an employer and as a funder. In the last year, we have focused our efforts on promoting greater staff involvement in, and awareness of, equality considerations across the organisation.

Our equalities principles and guidance for applicants and grantholders is on our website: www.biglotteryfund.org.uk/about-big/our-approach/equalities

The table below highlights the equality monitoring of our grant programmes.

	Number of applications and application rate		Number of awards and application success rate		Requested amount and % of requested amount		Awarded amount and % of awarded amount	
Ethnicity (Applicants are asked if their project will mostly benefit people from a specific ethnic background. They can select up to three categories therefore these responses incorporate double and triple counting.)								
No specific ethnicity	14,004	63%	9,760	70%	£910,647,987	62%	£582,022,362	66%
Asian/Asian UK	1,443	6%	966	67%	£140,999,159	10%	£78,325,690	9%
Black/African/Caribbean/Black UK	1,381	6%	787	57%	£36,103,268	2%	£24,985,307	3%
Mixed/ multiple ethnic groups	1,104	5%	721	65%	£46,112,066	3%	£21,464,129	2%
Other ethnic group	455	2%	310	68%	£15,662,472	1%	£11,019,267	1%
White Other	1,082	5%	753	70%	£128,448,216	9%	£70,758,227	8%
White UK	2,928	13%	2,007	69%	£196,931,307	13%	£97,987,116	11%
Age (Applicants are asked if their project will mostly benefit people from a particular age group. Applicants can select more than one age group therefore responses may incorporate multiple accounting.)								
0-24	8,414	38%	5,766	69%	£557,547,617	36%	£386,539,907	42%
25-64	3,955	18%	2,725	69%	£364,426,621	24%	£224,215,106	24%
65+	2,097	9%	1,565	75%	£231,443,388	15%	£121,204,406	13%
No specific age	7,656	35%	5,185	68%	£376,555,982	25%	£196,374,445	21%
Gender (Applicants are asked if their project will mostly benefit people from a specific gender.)								
Female	502	3%	326	65%	£20,956,389	2%	£14,119,588	2%
Male	1,246	7%	871	70%	£128,629,468	11%	£56,514,947	8%
No specific gender	16,555	90%	11,429	69%	£1,053,110,240	88%	£668,494,198	90%
Community background (Applicants applying to programmes operating in Northern Ireland are asked which community those benefiting from their project mainly belong to.)								
Both Catholic and Protestant	585	55%	287	49%	£77,975,364	79%	£10,523,915	77%
Mainly Catholic	201	19%	111	55%	£10,286,261	10%	£997,132	7%
Mainly Protestant	261	24%	153	59%	£8,198,315	8%	£1,320,967	10%
Neither Catholic or Protestant	18	2%	11	61%	£2,230,788	2%	£793,386	6%

	Number of applications and application rate		Number of awards and application success rate		Requested amount and % of requested amount		Awarded amount and % of awarded amount	
Welsh language (Applicants applying to programmes operating in Wales are asked how many people who will benefit from their project speak Welsh.)								
Mainly non-Welsh	767	65%	583	76%	£35,943,148	89%	£20,039,043	90%
Mainly Welsh	316	27%	240	76%	£2,759,263	7%	£1,607,181	7%
No Welsh	98	8%	78	80%	£1,648,479	4%	£599,952	3%
Religion or belief (Applicants are asked if their project will mostly benefit people of a particular religion or belief.)								
Christian	559	3%	334	60%	£20,264,281	2%	£5,808,270	1%
Hindu	18	0%	10	56%	£348,058	<1%	£85,170	<1%
Jewish	163	1%	114	70%	£2,467,889	<1%	£2,084,930	<1%
Muslim	163	1%	92	56%	£5,383,458	<1%	£1,881,498	<1%
Sikh	8	0%	8	100%	£1,314,489	<1%	£1,175,451	<1%
Other religion	9	0%	7	78%	£80,407	<1%	£57,588	<1%
No specific religion	17,386	95%	12,063	69%	£1,172,027,281	98%	£728,702,231	99%
Disability (Applicants are asked if their project will most benefit disabled people.)								
Not disabled	15,909	87%	10,847	68%	£1,003,642,761	83%	£626,023,824	84%
Disabled	2,378	13%	1,786	75%	£199,181,377	17%	£115,876,695	16%
Sexual orientation (Applicants are asked if their project will mostly benefit lesbians, gay men or bisexual people.)								
Lesbians/ gay men/ bisexual	159	1%	114	72%	£12,117,780	1%	£10,601,595	1%
Not specific to Lesbians/ gay men/ bisexual	18,635	99%	12,732	68%	£1,306,032,718	99%	£775,577,949	99%

Equality in employment

The table below highlights the equality monitoring across our employees.

Disability Status	Big Lottery Fund	Civil Service	UK economically active population
Staff with disability	5.4%	8.8%	13%
Staff without disability	94.6%	91.2%	87%

Gender	Big Lottery Fund	Civil Service	UK economically active population
Female	63.8%	53.6%	44%
Male	36.2%	46.4%	56%

Gender	Big Lottery Fund Board	Big Lottery Fund SMT	Big Lottery Fund Senior Staff (Grade D & E)
Female	52%	50%	60%
Male	48%	50%	40%

Ethnic Group	Big Lottery Fund	UK economically active population
Asian	6.2%	3.0%
Black	2.7%	1.4%
Chinese	0.2%	0.3%
Mixed	1.0%	1.5%
Other	0.7%	0.4%
White Other	4.4%	3.4%
Total Black and minority ethnic (BME)	15.2%	10.0%
White UK	83.5%	90%
Not Known	0.7%	
Do not want to declare	0.6%	

Section 75, Northern Ireland Act 1998

As equality is central to all of our work we continue to deliver the requirements of the statutory duties under Section 75 of the Northern Ireland Act 1998. We submitted our equality annual report to the Equality Commission for Northern Ireland in August 2014.

Welsh Language Scheme

We are committed to delivering a bilingual service in Wales through the Fund's Welsh Language Scheme which was published in 2009. The implementation of the Scheme is monitored and discussed at regular meetings between the Big Lottery Fund's Welsh Language Officer and the Welsh Language Commissioner's office. Our scheme was reviewed in 2013 in line with the new Welsh Language Measure, and found to be of a good standard.

During 2014 we consulted with staff to respond to the Welsh Language Commissioner's public consultation on how compliance with the forthcoming Welsh Language Standards will be enforced. We look forward to receiving further information on the timetable for implementing the Welsh Language Standards and will work closely with colleagues and the Welsh Language Commissioner's office during this process to ensure that the transition from our Welsh Language Scheme to the Welsh Language Standards is as straightforward as possible.

Employee involvement

The Big Lottery 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 Big Lottery Fund regularly seeks the views and opinions of its staff through informal dialogue and through formal, annual employee engagement surveys.

Staff sickness absence

We are committed to the health and well-being of our staff. The Fund has a comprehensive sickness absence policy and is also undertaking an employee-led well-being project. During 2014/15 the average number of days of sickness absence was 9.2 days per employee (8.4 days in 2013/14).

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 2014/15, 98 per cent (96 per cent in 2013/14) of all creditors were paid within 30 days of receiving an undisputed invoice.

The percentage of suppliers paid within 10 days under the Government's prompt payment challenge was 40 per cent during 2014/15 (36 per cent in 2013/14).

Our overall creditor days (the total value of our creditors at 31 March 2015 divided by total creditor payments during 2014/15, expressed in days) was 12 days (12 days in 2013/14).

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. We use the following definition:

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

All awards made in 2014/15 were consistent with this definition of additionality.

In addition to this definition we also take 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 Big Lottery Fund's goals."

Sustainability report

The table illustrates we are progressing well towards the Fund's environmental targets for 2015/16.

Our UK-wide environmental policy and action plan was updated in 2014. The plan included proposed targets consistent with those set out in the Government's Greening Government initiative which focuses on the key areas of electricity and gas use, business travel, waste and water. For more information on our approach to sustainability, visit: www.biglotteryfund.org.uk

Measure	2010/11 Baseline	2013/14	2014/15	Greening Government Target 2015/16	Progress so far
Office CO2 emissions (from gas and electricity use)	1,759 tCO2	1,342 tCO2	1,555 tCO2	1,319 tCO2 (25% reduction)	11.5% reduction
Domestic flight CO2 emissions	160 tCO2*	120 tCO2	84 tCO2	128 tCO2 (20% reduction)	47.5% reduction – target met
Waste production	132 t	126 t	102 t	100 t (25% reduction)	23% reduction
Waste sent to landfill	48 t	22 t	24 t	36 t (25% reduction)	50% reduction – target met

Emissions, waste and consumption

Scope 1 emissions are those from producing greenhouse gases directly, for example by burning gas in boilers, while Scope 2 emissions are those embedded in purchased energy such as electricity. At present we are unable to separate these because so much is indirectly bought through our landlords, but we're working to improve information for future years.

This year, following further office space reductions, we were expecting a continuous reduction. This has been achieved within our electricity consumption, however gas emissions have increased. We have since upgraded an old boiler in our Birmingham office and we are investigating the accuracy of meter readings in our Cardiff office so we would anticipate an efficiency improvement next year.

The overall emissions increase has not resulted in an increase in costs due to energy pricing being less volatile and sourcing new suppliers.

Scope 3 emissions from business travel reduced again this year. Our emissions are already low, and we are reducing them year on year through the use of technology. Costs have decreased proportionately.

The table on page 51 shows waste production and the proportion we are sending to landfill has reduced year on year.

Water consumption has shown a continuous year on year reduction (as illustrated in the following table).

Where information has not been available due to the timing of service charge reports from some landlords we have used figures from 2013/14 in order to provide a full picture of our sustainability.

Greenhouse gas emissions		2013/14	2014/15
Non-financial indicators (tCO2E)	Total gross for Scopes 1 and 2	1,480	1,555
	Total net for Scopes 1 and 2	1,480	1,555
	(less reductions i.e. Green tariffs)		
	Gross emissions for Scope 3 (business travel)	321	237
	Other Scope 3 emissions measured	-	-
Related energy consumption (kWh)	Electricity: non-renewable	2,655,317	2,474,228
	Electricity: renewable	-	-
	Gas	1,614,162	1,792,735
	LPG	-	-
	Other	-	-
Financial indicators (£'000s)	Expenditure on energy	£523	£470
	CRC Licence expenditure (2010 onwards)	£-	-
	CRC income from recycling payments	£-	-
	Expenditure on accredited offsets	£-	-
	Expenditure on official business travel	£1,009	£815
Waste		2013/14	2014/15
Non-financial indicators	Total waste	126	102
	Hazardous waste	-	-
	Non-hazardous waste		
	• Landfill	22	24
	• Reused/recycled	104	78
	• Incinerated/energy from waste	-	-
Financial indicators (£'000s)	Total disposal cost	52	38
	Hazardous waste - Total disposal costs	-	-
	Non-hazardous waste - Total disposal costs		
	• Landfill	9	3
	• Reused/recycled	43	35
	• Incinerated/energy from waste	-	-
Finite resources consumption/water		2013/14	2014/15
Non-financial indicators (m³)	Water consumption - supplied	6,229	5,734
Financial indicators (£'000s)	Water supply costs	£40	£37

Section six: Our governance

This section of the report contains:

- Statement of Accounting Officer’s Responsibilities
- The governance statement of the Accounting Officer
- Membership of the Board, Country Committees and Senior Management Team
- The register of interests of members
- The remuneration report

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 Culture, Media and Sport has directed the Big Lottery Fund to prepare a statement of accounts for each financial year 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 Big Lottery Fund and of our income and expenditure 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 judgments 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.

The Department for Culture, Media and Sport has designated the Big Lottery 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 Big Lottery Fund’s assets, are set out in ‘Managing Public Money’ published by HM Treasury.

Delegated responsibilities

The Fund has, wherever 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 programmes.

Joint schemes

The Big Lottery 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 I, as Accounting Officer, am responsible for ensuring:

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

During 2014/15 the Big Lottery Fund has participated in the following joint scheme:

- Parks for People – a scheme administered by the Heritage Lottery Fund on behalf of the Heritage Lottery Fund and the Big Lottery Fund.

Award partners

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

I retain responsibility for the overall safeguarding of the public funds provided to the Big Lottery Fund and for ensuring that award partners operate within our agreed terms and in line with the financial and policy directions provided to me.

Our award partners:

- as part of the Changing Spaces programme:
 - Royal Society of Wildlife Trusts – Local Food
 - Groundwork Trust
 - Natural England
 - Mind
- as part of our People Powered Change outcomes:
 - The Foundation for Social Entrepreneurs

- as part of the Social Investment programme
 - School for Social Entrepreneurs
- as part of the International Communities programme:
 - Basic Needs
- as part of the Accelerator Fund:
 - First Port for Social Entrepreneurs Scotland.

Dawn Austwick

Chief Executive and Accounting Officer
3 July 2015

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 Big Lottery Fund's (the Fund) mission whilst safeguarding the public funds and assets for which I am responsible.

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, 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.

Big Lottery 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 set out the primary rules under which it operates. It has also been given functions under the Dormant Bank and Building Societies 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 Lottery and dormant account money are made by the UK or Scottish Parliaments, but the main government oversight of the Fund is exercised through directions issued by ministers.

The Secretary of State for Culture, Media and Sport is accountable for the National Lottery Distribution Fund (NLDF) and therefore issues financial and accounts directions to the Fund in relation to its functions under the National Lottery Acts. These directions have been revised this year in relation to how grant commitments are treated. For legal reasons the Minister for the Cabinet Office issues similar directions relating to dormant accounts funds. These directions regulate the systems and processes of the Fund.

The Fund's policy sponsor is the Cabinet Office. The Minister for the Cabinet Office

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 in section eight 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.

Effectiveness and review of non-executive governance

The Fund is governed by a Board comprising the Chair, the four chairs of the country committees and up to seven other members. The Board has appointed one of its members as Vice Chair. During 2014/15 there were 11 members of the Board.

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

The Board sets the Fund's strategic framework, and the committees, working within this framework, have delegated authority to determine the programmes in their countries. 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 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 need to be brought to their attention, and to provide assurance to the Board. Audit and Risk Committee also provide a full report to the Board on their work once each year.

The Board also receives reports on the programmes in each country portfolio, so that it can ensure that they conform to the

Strategic Framework and that learning is shared.

Membership of, and attendance at, all of the committees is set out in the table at the end of this report.

All Board members are appointed by the Minister for the Cabinet Office. Members of country committees are appointed by the Fund. The Devolved Administrations are fully involved in the appointments relating to their 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 regime, the financial and operating performance of the Fund and the suitability of internal control. 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 a Senior Management Team (SMT) which currently has 10 members. SMT meet weekly with a formal meeting each month. SMT considers key policy, strategic and operational matters, provides advice to the Board on matters requiring its approval 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 in the next section of this report.

A number of changes have taken place during the year including the appointment of a new Chief of Staff in July 2014 and a new Finance Director who joined us on 1 April 2015.

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

During the year I visited the Fund's offices across the UK to talk with staff and managers on developing the new Strategic Framework. I have also attended country committee meetings, engaged with stakeholders across the UK and have met with officials from the Department for Culture, Media and Sport, the Cabinet Office and attended the Lottery Distributors' Forum.

Risk management

The Fund operates a comprehensive system of risk management, with a strategic risk register being reviewed quarterly by SMT and the Audit and Risk Committee. The Board reviews the risk register at least annually to ensure there are no material omissions. The Board also, on the advice of the Audit and Risk Committee, has agreed the Fund's risk tolerance levels.

A key issue for the Fund is recognising that our aim to help communities and those most in need sometimes requires us to fund in challenging circumstances and for risks to be taken with regard to the success of some projects. This requires careful judgment on the part of our funding staff.

The Board and Audit and Risk Committee have increased their focus on risk management over the course of the year, supporting the executive team to take a more proportionate approach to risk. This reflects a commitment I made in the 2013/14 governance statement that as we developed our new Strategic Framework we would revise our strategic risk register so that it links closely to our corporate aims and ambitions.

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

A programme of internal audit work is prepared annually by the Head of Internal Audit (who has a direct reporting line to me) 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.

The findings of the reports, especially any giving “no” or “limited” assurance, are considered by me, the managers concerned and the Audit and Risk Committee. Actions are agreed by management in response to all recommendations made, and progress against these is reported to each Audit and Risk Committee meeting.

Nine internal audit reviews were completed over the course of the year and no significant weaknesses that could cause the framework to become inadequate and ineffective were found. A review of the Fund’s Data Quality and Verification processes gave limited assurance, the rest provided a moderate or high level of assurance.

Each SMT director has provided me with an assurance statement on the areas for which they are responsible and drawing on these and the results of internal audit reviews the Head of Internal Audit has provided me with an annual assurance report. The assurance report assesses the Fund to have ‘moderate assurance’, a position with which I concur. This is an improvement on the assessment of ‘limited assurance’ achieved last year, primarily due to improvements made to the governance associated with the FMS.

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.

The key risks we have targeted and addressed during the course of the year relate to: funding management system; funding programmes; fraud; and operating costs.

Funding management system (FMS)

In my 2013/14 annual report governance statement I reported on the operational difficulties faced last year, primarily triggered by the funding management system (FMS). These issues have now been largely resolved

with the FMS implementation programme closed on schedule and our performance and levels of customer satisfaction now stabilised.

We have assessed the extent to which the full functionality of the FMS meets the needs of the Fund and how we might develop any further requirements either in FMS or with separate tools. As a result we have made a further impairment adjustment to the carrying value of FMS to appropriately reflect the cost of the functions in use and expected to remain in use.

To ensure that we learn lessons from the challenges encountered through the implementation of our funding management system, the Board commissioned external advice on how that project was managed, and we have been able to integrate the recommendations from this into our ongoing project work, and notably the development of our Strategic Framework. This review has directly influenced our new approach to risk, project management decision-making and IT investment.

I am satisfied that risks identified last year with regards to the funding management system are now being managed within acceptable tolerance.

Funding programmes

The National Audit Office (NAO) undertook a review, ‘Investigation into grants from the Big Lottery Fund and the Cabinet Office to the Big Society Network and the Society Network Foundation’ which reported in July 2014 and November 2014 on some of the awards we had made in response to solicited bids. The findings of the final report confirmed that the Fund had followed its procedures and its standard approach to assessing bids and that there was no evidence of systemic issues with the funding programmes. The detailed findings did note a number of matters in relation to the grant management phase for both grants. In relation to one of these grants specific lessons learned have been shared and disseminated across the Fund.

I am pleased that we received this report from the NAO given the significant number of diverse awards we make each year.

Fraud

The Fund inevitably faces the risk of fraud. The greatest such risk comes from organised criminal attacks on our small grants system. We have an investigations team that supports our funding staff in carrying out risk assessment, and follows through all suspected cases of fraud or other deliberate wrongdoing. Other controls on fraud include: a clear fraud policy; a whistle blowing policy together with means for the public to directly refer concerns to our investigations team; clear reporting arrangements for suspected frauds, with material frauds being reported to me, the Audit and Risk Committee and to the Department for Culture, Media and Sport; and close working with the police, Charity Commission and other agencies. The Fund is closely involved in cross-governmental anti-fraud initiatives. The number and value of suspected irregularities is monitored at all Audit and Risk Committee meetings.

Operating cost target risk

The Fund has achieved the core operating cost target of 5 per cent it undertook to meet by financial year 2014/15. This was following the completion of a re-structuring programme across the Fund that began in 2010. The budget for 2015/16 has been set to maintain this operating cost percentage.

Other than the risks noted above, the other risks we face are common to most organisations of similar complexity. No significant issues have arisen in these areas, and the Fund has effective systems and contingency plans that I am satisfied manage these risks satisfactorily.

Risk registers are maintained at directorate and divisional level and for all projects and programmes and are reviewed at senior level each quarter. There is a system in place for escalating significant risk issues to SMT.

Effectiveness and review of non-executive governance

The current arrangements for governance were developed following an independent review in 2010. They were designed to enable the Board to focus more effectively on the strategic management of the organisation.

Funding programme matters within strategic parameters set by the Board are fully devolved to the five portfolio committees.

The Board has engaged with all of the strategic, operational and financial challenges facing the Fund and has been actively involved in setting the direction and agreeing the new Strategic Framework. It is satisfied that it is receiving sufficient accurate information to be confident about the effectiveness of the funding programmes and about the financial and operational performance of the business.

The Fund applies the Cabinet Office guidance The Principles of Good Governance in Executive NDPBs, which is the equivalent of The Corporate Governance Code for Central Government Departments for NDPBs. I am satisfied that the principles of the Code, together with other sources of guidance on good practice in corporate governance, are fully reflected in the Fund's governance arrangements.

Triennial Review

In June 2014, the Board welcomed the findings of the Triennial Review undertaken by the Cabinet Office which recognised the Fund as a respected and important organisation and made a number of useful and considered recommendations.

One example is the recommendation that we look at our grant application process to make sure it is proportionate for smaller groups and first time applicants. In response to this we are piloting a number of new and quicker approaches to our Awards for All programme looking at simpler forms, face to face assessments and dramatically reduced number of questions.

The recommendations from this Review have been fully considered in the development of the Strategic Framework and significant progress has already been made in addressing the areas for improvement identified, particularly in relation to governance and cost control. As we develop the series of strategies that support the implementation of our Strategic Framework, further actions will be fully integrated into our day-to-day work.

Corporate planning and performance management

The Fund has a system of corporate planning designed to identify corporate priorities and plans in each period so as to deliver the strategy approved by the Board. Directorate and divisional plans are developed throughout the Fund, and feed into the personal objectives of staff.

The corporate plan for 2014/15 included three financial and two non-financial key performance indicators (KPIs). These were monitored regularly and reported on a monthly basis to SMT and quarterly to the Board, with corrective action being agreed wherever necessary.

One KPI target was not achieved during the year. Programme effectiveness (the percentage of programmes that are on track to meet their measures of success in terms of accountability, learning and impact) very narrowly missed the target of 92 per cent by 1.3 percentage points, and we are taking appropriate action to address the issues identified.

Additional key management information (KMI) is also collated and analysed for SMT throughout the year. Our investment balance in the National Lottery Distribution Fund (NLDF) was 38.2 per cent above our original forecast largely because we received £59.4 million from the Olympic Lottery Distribution Fund which is monies in return for having forgone previous income to cover costs for London 2012. The timing of this was unclear and therefore this was not budgeted for in this financial year. However, our NLDF balance has still reduced from £383 million in 2013/14 to £324 million in 2014/15.

In the 2013/14 governance report I outlined improvements to the corporate planning arrangements to strengthen the relationship between our mission and Strategic Framework and our corporate planning. These have been developed during 2014/15 so that our new objectives for this year are directly linked to our Strategic Framework.

Third party funding

The Board is actively engaged in decisions about what third party work it is appropriate for the Fund to take on, consistent with our third party funding strategy. We apply a risks and a control regime to each opportunity consistent with the task set by the client, ensuring that there is no question of Lottery money being put at risk or cross subsidising non-Lottery work. We regularly review activities and opportunities to identify learning from the delivery of third party activities.

Delegated and trust arrangements

The Fund delegates some of its functions to other organisations as explained in the Statement of Accounting Officer's Responsibilities. Proportionate due diligence work is carried out on the governance and systems of proposed award partners before funding is awarded. The arrangements are actively managed, and appropriate internal and external audit arrangements are applied.

The Fund also makes awards as endowments to trusts, normally created specifically for the purpose of the award. As well as conducting similar due diligence before the award, the Fund appoints an independent protector who has powers to ensure that the endowment is properly applied in accordance with the Fund's intentions. For example, the Power to Change Trust was set up to support community enterprises across England, from inspiring and nurturing ideas to helping communities scale up and expand their businesses.

Data quality and protection

We treat 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.

During 2014/15 there were no reportable losses of personal data.

Overall assessment of governance and internal control

In my opinion, The Fund's systems of governance and internal controls are sufficient to enable me to ensure 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.

Dawn Austwick

Chief Executive and Accounting Officer

3 July 2015

Board and committee membership, meeting attendances and remuneration during the year

Name	Role	Attendance	Remuneration	Remuneration
UK Board members		2014/15	2014/15	2013/14
			£	£
Peter Ainsworth	Chair, UK Board	4/4	28,800	28,800
	Chair, Remuneration Committee	1/1	–	–
	Chair, UK Funding Committee	5/5	–	–
Tony Burton CBE	Vice Chair, UK Board (from 1 June 2014)	4/4	16,568	18,312
	Chair, Audit and Risk Committee	4/4	–	–
	Member, Remuneration Committee (from 1 June 2014)	N/A	–	–
	Member, UK Funding Committee (from 1 July 2014)	4/4	–	–
Anna Southall OBE	Vice Chair, UK Board (until 31 May 2014)	N/A	2,180	13,080
	Member, Remuneration Committee (until 31 May 2014)	1/1	–	–
	Member, Audit and Risk Committee (until 31 May 2014)	N/A	–	–
	Member, UK Funding Committee (until 31 May 2014)	0/1	–	–
Astrid Bonfield CBE	Member, UK Board	3/4	7,848	7,848
	Member, Remuneration Committee (until 27 January 2015)	1/1	–	–
	Member, UK Funding Committee	3/5	–	–
Perdita Fraser	Member, UK Board (from 1 June 2014)	4/4	6,540	–
	Member, Audit and Risk Committee (from 27 January 2015)	1/1	–	–
Frank Hewitt	Chair, Northern Ireland Committee	6/6	24,000	24,000
	Member, UK Board	4/4	–	–
	Member, UK Funding Committee (until 27 February 2014)	N/A	–	–
David Isaac CBE	Member, UK Board (from 1 June 2014)	4/4	6,540	–
	Member, Remuneration Committee (from 28 January 2015)	N/A	–	–
Maureen McGinn	Chair, Scotland Committee	10/10	24,000	24,000
	Member, UK Board	4/4	–	–
	Member, UK Funding Committee	5/5	–	–
Rajay Naik	Member, UK Board (until 15 February 2015)	3/3	6,890	7,848
	Member, UK Funding Committee (until 15 February 2015)	4/4	–	–
Elizabeth Passey	Member, UK Board (From 1 June 2014)	4/4	6,540	–
Nat Sloane CBE	Chair, England Committee	7/8	24,000	24,000
	Member, UK Board	4/4	–	–
Sir Adrian Webb	Chair, Wales Committee	4/4	18,000	18,000
	Member, UK Board	4/4	–	–
	Member, Audit and Risk Committee	4/4	–	–

Name Committee members	Role	Attendance 2014/15	Remuneration 2014/15 £	Remuneration 2013/14 £
Other England Committee members				
Dr Alan Billings	Member, England Committee (until 29 January 2014)	N/A	–	11,331
Geeta Gopalan	Vice Chair, England Committee Member, Audit and Risk Committee	7/8 4/4	12,594 –	11,351 –
Scott Greenhalgh	Member, England Committee	7/8	12,725	13,324
Charlie Howard	Member, England Committee (from 1 February 2014)	5/7	10,833	872
Tarn Lamb	Member, England Committee (from 1 March 2015)	1/1	1,051	–
Steve Richards	Member, England Committee Member, UK Funding Committee (until 31 July 2014)	6/8 2/2	10,000 –	10,000 –
Jane Robinson	Member, England Committee (from 1 February 2014) Member, UK Funding Committee (from 1 November 2014)	7/8 1/2	11,667 –	872 –
Danny Silverstone	Member, England Committee (until 29 January 2014)	7/8	–	10,000
Albert Tucker	Member, England Committee (until 31 December 2014)	5/6	7,500	10,708
Nalini Varma	Member, England Committee	6/8	10,634	10,572
Geoffrey Wilkinson	Member, England Committee (until 29 January 2014)	N/A	–	11,740
Other Scotland Committee members				
Tim Allan	Member, Scotland Committee (Until 7 March 2014)	N/A	–	3,788
Elizabeth Cameron	Member, Scotland Committee (Until 11 March 2015)	8/9	3,038	4,660
Stella Everingham	Member, Scotland Committee (From 8 March 2014)	9/10	5,232	436
Helen Forsyth	Member, Scotland Committee (Until 7 March 2014)	N/A	–	5,232
David Green	Member, Scotland Committee (Until 7 March 2014)	N/A	–	6,976
Hamira Khan	Member, Scotland Committee	9/10	5,232	5,232
John McDonald	Member, Scotland Committee	9/10	5,232	5,232
Alan McGregor	Member, Scotland Committee (From 8 March 2014)	7/10	5,232	436
Lucy McTernan	Member, Scotland Committee (Until 7 March 2014)	N/A	–	5,396
Shalani Raghavan	Member, Scotland Committee (From 8 March 2014)	5/10	5,232	436
Deirdre Robertson	Member, Scotland Committee (from 8 March 2014)	8/10	5,232	436
John Watt	Member, Scotland Committee	9/10	5,232	5,232
Other Wales Committee members				
Rona Aldrich	Member, Wales Committee	4/4	5,232	5,232

Board and committee membership (continued)

Name Committee members	Role	Attendance 2014/15	Remuneration 2014/15 £	Remuneration 2013/14 £
Graham Benfield OBE	Member, Wales Committee (until 28 February 2014)	N/A	–	2,398
Sian Callaghan	Member, Wales Committee (From 5 February 2014)	4/4	5,232	872
	Member, UK Funding Committee (From 22 January 2015)	1/1	–	–
Simon Jones	Member, Wales Committee (From 1 August 2014)	2/3	3,488	–
Gareth Newton	Member, Wales Committee (Until 25 February 2014)	N/A	–	4,796
Rob Pickford OBE	Member, Wales Committee (From 5 February 2014)	4/4	5,232	872
Jan Reed OBE	Member, Wales Committee (Until 6 August 2014)	1/1	1,828	5,232
Gaynor Richards	Member, Wales Committee (From 1 February 2015)	1/1	872	–
Rita Singh	Member, Wales Committee (from 5 February 2014)	4/4	5,232	872
Fran Targett OBE	Member, Wales Committee	3/4	2,616	2,616
Mike Theodoulou	Member, Wales Committee (Until 1 February 2015)	3/3	4,469	5,232
	Member, UK Funding Committee	4/4	–	–
Barbara Wilding CBE, QPM, CCMi	Member, Wales Committee (Until 7 February 2014)	N/A	–	4,796
Other Northern Ireland Committee members				
Geraldine Campbell	Member, Northern Ireland Committee	6/6	5,232	5,232
Paul Cavanagh	Member, Northern Ireland Committee (Until 30 June 2014)	2/2	1,308	5,232
Michael Dobbins	Member, Northern Ireland Committee (From 1 November 2014)	2/2	2,180	–
Tony Doherty	Member, Northern Ireland Committee (From 1 November 2014)	2/2	2,180	–
Julie Harrison	Member, Northern Ireland Committee	4/6	5,232	5,232
	Member, UK Funding Committee	3/5	–	–
Claire Keatinge	Member, Northern Ireland Committee (Until 30 June 2014)	2/2	1,308	5,232
Eileen Mullan	Member, Northern Ireland Committee (From 1 November 2014)	2/2	2,180	–
Peter Osborne	Member, Northern Ireland Committee (Until 30 June 2014)	2/2	1,308	6,785
Other Audit and Risk Committee members				
Hilary Gay	Member Audit and Risk Committee (Until 20 July 2013)	N/A		534
Angela Marshall	Member, Audit and Risk Committee (Until 20 July 2014)	1/1	581	1,744
Linda Farrant	Member, Audit and Risk Committee (From 21 July 2014)	3/3	1,214	–

Register of interests

All our Board and committee members, assessors, advisers and members of any advisory panel 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 Board Secretariat.

If the Board or a committee takes any decisions which could reasonably be seen as giving rise to a conflict of interest, principally over grants to organisations but also any commercial relationships, the chair of the meeting makes sure at the outset that disclosure is made and that the member withdraws while the relevant item is discussed.

The following table details awards made to organisations where Board and country committee members have declared an interest live within the current or past financial year.

Name	Nature of relationship	Total grants awarded or under grant management	Outstanding grant awards at 1 April 2014 £	Awards made to organisation in 2014/15 £	Payments made to the organisation in 2014/15 £	Outstanding grant award at 31 March 2015 £
Tim Allan	Trossachs Area Community Support – Business interest	1 award of £454,398	39,673	–	£39,673	–
	Young Enterprise Scotland – Former Chair	2 awards totalling £445,552	–	445,332	39,152	406,180
	Royal Society for Arts – Member	1 award of £500,000	164,641	–	114,771	49,870
	Dundee Museums Foundation – Trustee	1 award totalling £500,000	–	500,000	–	500,000
Graham Benfield OBE	Wales Council for Voluntary Action – Chief Executive	4 awards totalling £2,746,708	368,443	–	368,443	–
Alan Billings	Sheffield CAB – Spouse is Former Board Member, Sheffield	2 awards totalling £437,488	–	–	–	–
Astrid Bonfield CBE	Plunkett Foundation – Brother chaired Grown in Britain report	1 award of £10,530,603	–	–	–	–
Tony Burton CBE	Royal Society of Arts – Fellow	1 award totalling £500,000	164,641	–	114,771	49,870
Sian Callaghan	Cadwyn Housing Association – Shareholder	1 award totalling £228,162	–	228,162	29,976	198,186
Geraldine Campbell	The Northern Ireland Association – Shadow Membership and Standards Committee member, Citizens Advice Northern Ireland	1 award totalling £1,119,053	38,366	–	38,366	–

Register of interests (continued)

Name	Nature of relationship	Total grants awarded or under grant management	Outstanding grant awards at 1 April 2014 £	Awards made to organisation in 2014/15 £	Payments made to the organisation in 2014/15 £	Outstanding grant award at 31 March 2015 £
Stella Everingham	Scottish Borders Council – Self-salaried employee	2 awards totalling £1,366,338	1,027,857	7,800	234,617	801,040
Helen Forsyth	SBHA Plus Limited – Berwickshire Housing Association (connected with Scottish Borders Housing Association)	1 award totalling £347,036	224,355	–	88,507	135,848
Geeta Gopalan	Beyond Youth CIC – Mentor of CEO	9 awards totalling £1,498,579	346,563	504,243	470,925	379,881
Scott Greenhalgh	Royal Brompton and Harefield Hospital Charity – spouse is governor	1 Award totalling £10,000	–	10,000	10,000	–
Julie Harrison	Workers Education Association – worked with one of their partners	1 award totalling £2,228,366	1,367,112	1,883,847	322,278	2,928,681
	Community Foundation NI – working links with CFNI	1 award totalling £10,000	–	–	–	–
	Community Evaluation NI – Associate Consultant	1 award totalling £128,113	8,751	–	8,751	–
	East Belfast Independent Advice Centre – advisor	1 award totalling £653,013	183,401	–	144,309	39,092
Charlie Howard	MAC-UK – CEO & Founder	1 award totalling £1,651,667	–	1,651,667	314,465	1,337,202
	Anna Freud Centre – Charlie is clinically supervised by AFC	1 award totalling £159,475	–	159,475	11,132	148,343
Simon Jones	Keep Wales Tidy – wife is Chief Executive	1 award totalling £275,000	245,484	–	127,782	117,702
	Marie Curie Cancer Care – Self – Director of Policy and Public Affairs	2 awards totalling £899,980	623,697	13,232	313,304	323,625

Name	Nature of relationship	Total grants awarded or under grant management	Outstanding grant awards at 1 April 2014 £	Awards made to organisation in 2014/15 £	Payments made to the organisation in 2014/15 £	Outstanding grant award at 31 March 2015 £
Claire Keatinge	The Northern Ireland Community Development Trustee and Chair, Community Development and Health Network	1 award totalling £613,407	139,431	–	113,381	26,050
	Mind Wise New Vision – NI Committee member, Rethink	4 awards totalling £1,087,535	533,503	–	302,195	231,308
	Community Foundation NI – Panel Member	2 awards totalling £480,000	480,000	–	166,080	313,920
Hamira Khan	NSPCC – Spouse – Advisory Board member	3 awards totalling £1,547,447	1,018,780	7,000	667,000	358,780
	Scottish Youth Parliament – Self – Chief Executive (Paid)	1 award totalling £6,223	–	–	–	–
	Roshni – Spouse – Chairman	5 awards totalling £776,533	–	506,070	141,488	364,582
Tarn Lamb	Penhaligon's Friends – Treasurer	1 award of £315,790	73,058	–	73,058	–
John McDonald	Fife Council – Self	5 awards totalling £2,244,735	1,187,067	691,253	514,776	1,363,544
	HIV Scotland – self Consultant	2 awards totalling £7,453	–	1,583	1,583	–
Maureen McGinn	Action on Smoking and Health Scotland – Former chairperson and trustee (left March 2014)	1 award totalling £511,046	–	–	–	–
	Social Investment Scotland Former Board Member (left 2011)	1 award totalling £10,000	–	10,000	10,000	–
	Excelsior Academy Former Governor (left 2009)	1 award totalling £9,929	–	9,929	9,929	–
	Tomorrow's People Trust Former unpaid Ambassador (left 2012)	6 awards totalling £2,410,079	1,129,480	–	600,554	528,926
Alan McGregor	Ayr United Football Academy Self – Board Member (unremunerated)	2 awards totalling £10,966	–	–	–	–

Register of interests (continued)

Name	Nature of relationship	Total grants awarded or under grant management	Outstanding grant awards at 1 April 2014 £	Awards made to organisation in 2014/15 £	Payments made to the organisation in 2014/15 £	Outstanding grant award at 31 March 2015 £
Lucy McTernan	Stirling Citizens Advice Bureau – former Chief Executive of Citizens Advice Scotland – the governing body of Advice Bureaux in Scotland	2 awards totalling £1,069,398	1,069,398	–	154,004	915,394
	Angus Citizens' Advice Bureau – Chief Executive, Citizens Advice Scotland, Angus Citizens Advice Bureau	1 award totalling £790,945	338,595	–	157,829	180,766
	Easterhouse Citizens Advice Bureau – former Chief Executive of Citizens Advice Scotland – the governing body of CABs in Scotland	1 award totalling £137,659	137,659	–	57,944	79,715
	Shelter, The National Campaign for Home Director, Citizens Advice Scotland	8 awards totalling £13,750,216	11,630,635	–	2,919,135	8,711,500
Peter Osborne	Castlereagh Borough Council – Elected Member, Castlereagh Borough Council	1 award totalling £930,447	125,723	–	125,723	–
	Below the Radar – Chair	1 award totalling £475,000	–	475,000	97,743	377,257
	Belfast Health and Social Care Trust – Non-executive director, South and East Belfast Health Trust	1 award totalling £1,487,850	842,826	–	434,721	408,105
	Extern Northern Ireland – Trustee, Extern and Extern Ireland	1 award totalling £494,911	210,979	–	166,875	44,104
Rob Pickford OBE	Brecknock Wildlife Trust Chair, South and West Wales Wildlife Trust	1 award totalling £313,757	–	–	–	–
Shalani Raghaven	Neighbourhood Networks Self – Trustee	1 award totalling £10,000	–	10,000	10,000	–
Steve Richards	MAC-UK – Self – Steve is mentoring Charlie Howard CEO	1 award totalling £1,651,667	–	1,651,667	314,465	1,337,202

Name	Nature of relationship	Total grants awarded or under grant management	Outstanding grant awards at 1 April 2014 £	Awards made to organisation in 2014/15 £	Payments made to the organisation in 2014/15 £	Outstanding grant award at 31 March 2015 £
Gaynor Richards	Neath Port Talbot CVS Executive Director (self)	2 awards totalling £570,291	406,145	–	155,101	251,044
	Neath Port Talbot Childrens Rights Unit – Director (self)	1 award totalling £249,558	123,435	–	78,045	45,390
Nat Sloane CBE	Social Finance – Advisory Committee Member (self)	4 awards totalling £10,006,833	4,278,286	–	441,865	3,836,421
	We Cook to Eat – Spouse is the founder	1 award totalling £2,060	–	–	–	–
	Social Investment Business – Chair, Social and Sustainable Capital Fund	3 awards totalling £22,252,805	20,248,747	–	188,798	20,059,949
Frances Targett OBE	Wales Council for Voluntary Action – Self-Trustee	5 awards totalling £2,888,232	1,124,722	–	392,438	732,284
	Action Aid – Self/Spouse-Regular Donor	8 awards totalling £6,545,558	1,857,808	1,017,864	419,689	2,455,983
	Water Aid – Self/Spouse Regular Donor	4 awards totalling £2,789,242	2,194,803	991,622	637,856	2,548,569
	HUTS – Non Disqualifying	1 award totalling £980,213	35,683	402,946	35,683	402,946
	Canolfan Cynghori Ynys Mon CAB – Director Wales, CAB	1 award totalling £76,437	–	–	–	–
	Vision Impaired West Glamorgan – Director Wales, CAB, Vision Impaired West Glamorgan	1 award totalling £51,122	–	–	–	–
	Cyngor ar Bopeth Gwynedd & De Ynys Mon CAB – Director Wales	1 award totalling £465,114	358,000	–	89,500	268,500
	Llandovery Young Men's Christian Association – Director, Wales CAB, Llandovery Young Men's Christian Association	3 awards totalling £450,141	231,435	–	105,599	125,835
	Rhondda Housing Association Group – Director Wales, CAB	2 awards totalling £457,173	96,898	–	96,898	–

Register of interests (continued)

Name	Nature of relationship	Total grants awarded or under grant management	Outstanding grant awards at 1 April 2014 £	Awards made to organisation in 2014/15 £	Payments made to the organisation in 2014/15 £	Outstanding grant award at 31 March 2015 £
Mike Theodoulou	The Centre for Business and Social Action – Executive chairman	5 awards totalling £2,419,317	779,840	–	458,463	321,377
Albert Tucker	People First Tameside – Member of Grants Committee	2 awards totalling £288,018	175,806	–	69,350	106,456
	The London Sports Trust – Committee member, Trust for London (funds London Sports Trust)	1 award totalling £186,360	105,133	–	59,722	45,411
	Upper Room (St Saviour's) – Committee member, Trust for London (funds Upper Room)	2 awards totalling £463,063	242,573	–	68,726	173,847
	Bengali Workers Association – Grant committee member	2 awards totalling £189,260	31,533	–	31,533	–
	Childrens' Links – Grant committee member	2 awards totalling £198,678	32,163	–	32,163	–
	Downright Excellent – Grant committee member	1 award totalling £431,084	–	431,084	10,000	421,084
	Evelyn Oldfield Unit – Grant committee member	2 awards totalling £721,520	37,720	–	37,720	–
	Futures Theatre Company – Grant committee member	3 awards totalling £232,970	–	223,860	30,643	193,217
	Heart N Soul – Grant committee member	1 award totalling £114,793	39,547	–	39,547	–

Name	Nature of relationship	Total grants awarded or under grant management	Outstanding grant awards at 1 April 2014 £	Awards made to organisation in 2014/15 £	Payments made to the organisation in 2014/15 £	Outstanding grant award at 31 March 2015 £
Nalini Varma	Children North East – Comic Relief Funding	4 awards totalling £1,785,138	543,744	–	237,601	306,143
	Biddulp East Community Association – Comic Relief Funding	1 award totalling £197,849	80,662	–	39,829	40,833
	Hollybush centre limited – Comic Relief Funding	1 award totalling £9,876	–	9,876	9,876	–
	Storybook Dads – Charities Appeal	1 award totalling £250,000	87,250	–	44,125	43,125
	The Minster Centre – Comic Relief	4 awards totalling £519,108	15,320	–	15,320	–
	Base 87 Community Interest – Committee member of related organisation	1 award totalling £373,799	198,690	373,799	–	120,087
	Womankind Worldwide – husband trustee	1 award totalling £504,297	390,657	–	157,413	233,244
	Comic Relief – trustee	1 award totalling £2,800,000	–	2,800,000	236,732	2,563,268
John Watt	New Start Highland Self – Non-executive Director	2 awards totalling £1,003,710	660,551	–	403,107	257,444
	High Life Highland Self – Non-executive Director	1 award totalling £7,000	–	7,000	7,000	–
	Highland Multicultural Spouse – Chair	1 award totalling £6,660	–	–	–	–
Barbara Wilding	Age Cymru Gwynedd a Mon – Vice President, Age Cymru	3 awards totalling £685,884	336,519	–	125,585	210,934
	Age Cymru – (connected with a Community Voice programme portfolio of projects)	5 awards totalling £3,749,923	2,975,269	–	893,532	2,081,737
Geoffrey Wilkinson	Eden Project Campaigns Limited – Non-executive director, Eden Project	3 awards totalling £9,344,355	3,164,851	–	1,959,805	1,205,046

The senior management team

Dawn Austwick (from 1 October 2013)

Chief Executive

Rod Anthony

Interim Director, Finance and Corporate Services (from 1 November 2014 to 31 March 2015)

Robert Atkins

Deputy Director, Strategy and Performance (until 1 September 2014)

Lyn Cole

Deputy Director, England (from 1 July 2014)

Mark Cooke

Director, Finance and Corporate Services (until 31 October 2014)

Tim Davies-Pugh

Deputy Director, England (from 1 July 2014)

Ceri Doyle

Director, Strategy, Performance and Learning (until 31 July 2014)

Danny Homan

Chief of Staff (from 1 July 2014)

Dharmendra Kanani

Director, England (until 31 January 2015)

Jackie Killeen

Director, Scotland

Joanne McDowell

Director, Northern Ireland

Linda Quinn

Director, Communications and Marketing (until 31 October 2014)

John Rose

Director, Wales

The remuneration report

Remuneration of executive directors

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 Deputy Director, Human Resources 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/HMT Treasury applying to the remuneration of staff generally
- approval by the Cabinet Office of the terms and conditions of employment of the Chief Executive
- approval by the Cabinet Office of any termination payments to the Chief Executive.

Remuneration policy for executive directors

The remuneration policy for the directors is to offer remuneration that enables the Big Lottery 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. Their 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 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 14/15 this was 1 per cent. 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 per cent of their basic salary. The other directors are entitled to a payment of up to 8 per cent 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. The Chief Executive has decided to give the performance related elements of her remuneration to charity.

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 Big Lottery Fund.

Two of the directors who left during the year received termination payments. Details are disclosed in the Termination Payments table on page 74.

Details of the basic salary, performance-related payments and pension benefits of directors are set out in the table on pages 73 and 74. Details of their expenses can be found on the website: www.biglotteryfund.org.uk/about-big/our-people/board/board-committee-and-smt-expenses

Pay multiples (audited information)

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

Total remuneration includes salary, performance related pay, 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 remuneration during the year of the highest paid director was £155,000 to £160,000 (2013/14 £140,000 to £145,000), the median remuneration of the Big Lottery Fund's employees was £26,550 (2013/14 £27,000) and the ratio between them was therefore 5.9:1 (2013/14 5.3:1).

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

Executives	2014/15 Salary £'000	2014/15 Performance related payments £'000	2014/15 Value of pension benefits £'000	2014/15 Single total figure for remuneration £'000	2013/14 Salary £'000	2013/14 Performance related payments £'000	2013/14 Value of pension benefits £'000	2013/14 Single total figure for remuneration £'000
Dawn Austwick (Chief Executive) from 1 October 2013	140-145	10-15	52	205-210	70-75 (annual equivalent 140-145)	N/A	26	95-100
Mark Cooke (Director, Finance & Corporate Services) – until 31 October 2014	60-65 (Annual equivalent 100-105)	0-5	25	85-90	100-105	0-5	27	125-130
Ceri Doyle (Director, Strategy Performance & Learning) – until 31 July 2014	40-45 (Annual equivalent 100-105)	0-5	22	65-70	110-115	0-5	17	125-130
Danny Homan (Chief of Staff) – from 1 July 2014	75-80 (Annual equivalent 100-105)	0-5	29	105-110	N/A	N/A	N/A	N/A
Dharmendra Kanani (Director, England) – until 31 January 2015	80-85 (Annual equivalent 100-105)	0-5	15	95-100	105-110	0-5	19	125-130
Jackie Killeen (Director, Scotland)	70-75	5-10	13	85-90	70-75	5-10	12	85-90
Joanne McDowell (Director, Northern Ireland)	70-75	0-5	25	95-100	70-75	0-5	12	80-85
Linda Quinn (Director, Communications) – until 31 October 2014	50-55 (Annual equivalent 80-85)	0-5	7	60-65	80-85	0-5	8	85-90
John Rose (Director, Wales)	70-75	0-5	22	95-100	70-75	0-5	14	85-90
Peter Wanless (Chief Executive until 31 May 2013)	N/A	N/A	N/A	N/A	25-30 (annual equivalent 140-145)	N/A	N/A	25-30

Executives' remuneration – pensions (audited information)

Executives	Accrued pension at pensionable age as at 31/03/15 and related lump sum £'000	Real increase in pension and lump sum at pension £'000	Cash Equivalent Transfer Values (CETV) at 31/03/15 £'000	Cash Equivalent Transfer Values (CETV) at 31/03/14 £'000	Real increase in CETV £'000
Dawn Austwick (Chief Executive) from 1 October 2013	0-5 plus 0 lump sum	0-5 plus 0 lump sum	64	21	30
Mark Cooke (Director, Finance & Corporate Services) – until 31 October 2014	15-20 plus 0 lump sum	0-5 plus 0 lump sum	347	308	21
Ceri Doyle (Director, Strategy Performance & Learning) – until 31 July 2014	30-35 plus 0-5 lump sum	0-5 plus 0 lump sum	407	389	14
Danny Homan (Chief of Staff) – from 1 July 2014	0-5 plus 0 lump sum	0-5 plus 0 lump sum	20	0	13
Dharmendra Kanani (Director, England) – until 31 January 2015	15-20 plus 55-60 lump sum	0-5 plus 0 lump sum	317	291	9
Jackie Killeen (Director, Scotland)	10-15 plus 35-40 lump sum	0-5 plus 0 lump sum	187	169	6
Joanne McDowell (Director, Northern Ireland)	20-25 plus 20-25 lump sum	0-5 plus 0 lump sum	314	281	14
Linda Quinn (Director, Communications) – until 31 October 2014	25-30 plus 80-85 lump sum	0-5 plus 0 lump sum	592	578	7
John Rose (Director, Wales)	10-15 plus 0 lump sum	0-5 plus 0 lump sum	198	171	13
Peter Wanless (Chief Executive until 31 May 2013)	N/A	N/A	N/A	N/A	N/A

Executives' remuneration – termination payments

Executives	Compensation for loss of office £	Compensation in lieu of notice £	Total £
Ceri Doyle (Director, Strategy, Performance & Learning) – until 31 July 2014	98,600	28,483	127,083
Linda Quinn (Director, Communications) – until 31 October 2014	40,054	23,945	63,999

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 total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit 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 Big Lottery Fund. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Higher paid employees (audited information)

The following table sets out the number of staff, on a full time equivalent basis, who received remuneration, including performance related payments where relevant, of £50,000 or more in the financial year. These figures exclude the directors:

Total remuneration	Year ended 31 March 2015 No of staff (FTE)	Year ended 31 March 2014 No of staff (FTE)
£50,000-£54,999	16	17.2
£55,000-£59,999	5	5.3
£60,000-£64,999	4	6.4
£65,000-£69,999	3	6
£70,000-£79,999	0	1
£80,000-£85,999	1	1
£90,000-£94,999	0	0
Total	29	36.9

Remuneration of Board and Committee members

The remuneration of Board and Committee members of the Big Lottery Fund is determined by the Minister for the Cabinet Office ('the Minister').

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 Big Lottery Fund. These were set out in their letter of appointment.

The total amounts they received are shown in the table on pages 60 to 62.

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.

Dawn Austwick

Chief Executive and Accounting Officer
3 July 2015

Section seven: Our accounts

Financial statements

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT, NATIONAL ASSEMBLY FOR WALES, SCOTTISH PARLIAMENT AND NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of Big Lottery Fund for the year ended 31 March 2015 under the National Lottery etc. Act 1993 and the Dormant Bank and Building Society Accounts Act 2008. The financial statements comprise: the Statements of Comprehensive Income, Financial Position, Cash Flows, Changes in Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Big Lottery Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Big Lottery Fund; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

Opinion on regularity

In my opinion, in all material respects the expenditure and income 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.

Opinion on financial statements

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 2015 and of the deficit for the year then ended; and
- the financial statements 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 other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and
- the information given in Section 5 and Section 6 of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse

Comptroller and Auditor General

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

Date

Statement of comprehensive income

	Note	Year ended 31 March 2015 £'000	Restated Year ended 31 March 2014 £'000
Income			
Lottery income			
Proceeds from the National Lottery	13	783,286	661,508
Investment income from the National Lottery Distribution Fund	13	3,157	3,103
Bank and other interest receivable	2	125	79
Recoveries of grant	2	3,614	4,120
		790,182	668,810
Dormant account money income			
Transfers from Reclaim Fund Ltd		49,520	83,640
Bank interest receivable on dormant account money		128	106
		49,648	83,746
Other income	2	6,219	4,084
Total income		846,049	756,640
Expenditure			
Lottery programme expenditure			
Grant expenditure	3	888,064	827,106
Less lapsed or revoked grant expenditure	3	(15,800)	(1,828)
Direct expenditure in support of programmes	4	18,669	9,858
		890,933	835,136
Dormant account money programme expenditure			
Grant expenditure		49,437	78,954
Operating costs			
Operating costs for distributing Lottery income	5	48,975	49,662
Operating cost for distributing dormant account money	5	587	368
Recharged operating costs	5	3,793	4,084
		53,355	54,114
Restructuring and investment	8	3,453	8,988
		56,808	63,102
Total expenditure		997,178	977,192

Statement of comprehensive income (cont'd)

	Note	Year ended 31 March 2015 £'000	Restated Year ended 31 March 2014 £'000
Deficit before taxation		(151,129)	(220,552)
Taxation	9	(25)	(16)
Deficit after taxation		(151,154)	(220,568)
 Other comprehensive income/expenditure			
Increase on revaluation of investment	13	-	-
Total comprehensive net expenditure		(151,154)	(220,568)

The Fund has no recognised gains and losses other than those above. There are no discontinued activities.

Statement of changes in equity

	Reserves £'000
Overall Reserves	
Opening reserve position at 1 April 2013	469,700
Prior period adjustment *	32,301
Opening reserve position restated at 1 April 2013	502,001
Transferred from the Statement of Comprehensive Net Expenditure	213,882
Prior period adjustment *	6,687
Closing Lottery reserve restated 31 March 2014	722,570
Transferred from the Statement of Comprehensive Net Expenditure	151,154
Closing reserve position 31 March 2015	873,724

* for prior period adjustments, see note 29 to the accounts.

Statement of financial position

	Note	Year ended 31 March 2015 £'000	Restated Year ended 31 March 2014 £'000
Non-current assets			
Property, plant and equipment	10	2,944	3,303
Intangible assets	11	19,448	22,088
		22,392	25,391
Current assets			
Trade and other receivables	12	7,290	10,959
Cash at bank and in hand		40,765	46,033
Investment balance in National Lottery Distribution Fund	13	324,111	382,862
		372,166	439,854
Total assets		394,558	465,245
Current liabilities			
Trade and other payables	14	(485,844)	(597,734)
Total assets less net current liabilities		(91,286)	(132,489)
Non-current liabilities			
Trade and other payables	14	(775,640)	(582,226)
Provisions	15	(6,798)	(7,855)
Assets less liabilities		(873,724)	(722,570)
Represented by:			
Lottery funds reserve		(885,883)	(735,105)
Dormant account money reserve		12,159	12,535
		(873,724)	(722,570)

Signed on behalf of the Big Lottery Fund Board on 3 July 2015.

Dawn Austwick
Chief Executive and Accounting Officer

Peter Ainsworth
Chair

The notes on pages 82 to 109 form part of these accounts.

Statement of cash flows

	Note	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Cashflows from operating activities			
Funds drawn down from the National Lottery Distribution Fund	13	845,194	636,170
Transfers from Reclaim Fund Ltd (dormant account money)		49,520	83,640
Payments relating to dormant account money		(51,120)	(76,319)
Recoveries of grant and cash from other sources		3,614	4,120
Other income		6,096	10,178
Interest received		125	185
Payments to suppliers		(18,643)	(26,322)
Payments to and on behalf of employees		(34,891)	(35,125)
Payments to grant recipients		(803,789)	(582,354)
Cash paid and held by third parties		(515)	(356)
Tax paid on interest received		(17)	982
Net cash flow from operating activities	19	(4,427)	14,799
Cashflows from investing activities			
Payments to acquire property, plant and equipment		(237)	(462)
Payments to acquire intangible assets		(604)	(6,986)
		(841)	(7,448)
(Decrease)/Increase in cash		(5,268)	7,351
Net (decrease)/increase in cash and cash equivalents			
Cash balances carried forward		40,765	46,033
Less cash balances brought forward		(46,033)	(38,682)
(Decrease)/Increase in cash		(5,268)	7,351

The notes on pages 82 to 109 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2014/15 Government Financial Reporting Manual (FReM) issued by HM Treasury, and the Accounts Directions issued by the Secretary of State for 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. 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 Big Lottery Fund for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Big Lottery Fund for 2014/15 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.

Change in accounting policy

A revised version of the Lottery accounts direction came into force during the year, to bring them into line with the Government Financial Reporting Manual, which is based on International Financial Reporting Standards (IFRS). The only change to the accounts is the removal of the soft commitments distinction. Previously, commitments accounted for were limited to those where there had been written acceptance from the grant recipient.

In line with the new Lottery accounts direction, commitments will now be accounted for when:

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

As this is a change in accounting policy, we have adjusted prior periods to reflect this policy as if it had always been in existence to comply with accounting standards. The prior period adjustment is shown in note 29 of the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention. Current cost is considered a proxy for fair value.

For 2014/15 we do not believe that current costs are materially different to the historic cost shown in the Statement of Financial Position. 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

The annual accounts have been prepared on a going concern basis. The grant commitments for future years have been entered into after consideration of the cash requirements of grant recipients (these can extend over three to five years) and after taking account of income projections provided by the Department for Culture, Media and Sport. In taking this view of future income the Board assumes as a matter of public policy the continued operation of the Lottery.

1.3 National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the Fund is as shown in the accounts and, at 31 March 2015, has been certified by the Secretary of State for 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 the 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:

Funding system software	10 years
Website	5 years

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

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. 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.

1.7 Operating leases

Lessee

We classify leases where we have substantially none of the risks and rewards of ownership as an operating lease in accordance with IAS 17 'Leases'. The costs of operating leases held by the Fund are charged to the Statement of Comprehensive Income (net of rent-free periods) in the period to which they relate. The benefits of rent-free periods on leaseholds are apportioned over the period to the end of the lease on a straight line basis.

At 31 March 2015 all of the Fund's property leases are classified as operating leases. The lease payments for property cannot be reliably allocated between the land and building components. However it is clear that both elements of the lease arrangements do not transfer substantially all of the risks and rewards of the ownership to the Fund and therefore both elements have been classified as operating leases.

Lessor

Where we have provided a rent free 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.

The Fund has changed its Accounting Policy for Grant Recognition following an Accounts Direction issued to the Fund and all other UK Lottery distributors by the Department for Culture, Media and Sport. This change relates to the recognition of grant commitments and where recognised as liabilities whether they are accruals or provisions in the Statement of Financial Position. The prior period adjustment is covered in note 29 Prior Period Adjustment on page 108.

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 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 the following three paragraphs)) 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 provisions if they meet the recognition criteria in IAS37 Provisions, Contingent Liabilities and Contingent Assets, or, if not, as accruals.

The following areas are not affected by the above change:

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 s43 of the National Lottery etc Act. For example, provision of grant applicant and recipient support structures and quality assurance for the direct benefit of grant recipients.

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 activities.

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:

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

Currently we have provisions for restructuring costs and onerous lease transactions.

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 delegated partners for the purpose of payment of grant commitments that have not been met at the year end are recorded as a current asset until we receive confirmation that grant commitments have been met.

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 grant commitments have been met. 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 25.

1.14 Financial instruments

The Fund reviews all contracts against IAS 39 in respect of recognition and measurement of financial instruments. The assets and liabilities considered to be financial in nature are set out in note 20. 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 Lottery income, and the segmental reporting format reflects our management and internal reporting structure. Some programmes are UK-wide and this is reported independently to the four countries.

1.16 Dormant account money

Dormant account money has been accounted for under the same policies as Lottery funds, with the amounts distinguished in these financial statements. For clarity, memorandum financial statements relating only to dormant account money is included on pages 110 to 113.

1.17 Accounting Standards that have been issued but not yet adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2014/15. The application of the Standards as revised would not have a material impact on the accounts for 2014/15, were they applied in that year:

IFRS 9 Financial Instruments – effective 2017-18

IFRS 13 Fair Value Measurement – effective 2015-16

2. Income

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Bank and other interest receivable		
Bank interest receivable	125	79
	125	79

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Other income		
Income from delivering non-Lottery funding	3,184	1,954
Income from delivering Lottery funding on behalf of other distributors	856	266
Rental income	1,901	1,490
Other	278	374
	6,219	4,084

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Recoveries of grant from grant holders (Note 1.8)		
Recoveries of grant	3,614	4,120
	3,614	4,120

3. 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.

We do not allocate income but manage each geographical share through determination of grant budgets. As set out in section four of the annual report, grant budgets are set based on available cash resources. The Board has allocated indicative funding for the 2009–2015 Strategic plan to each country after a share of budget, up to 10 per cent, is top sliced for UK programmes. Of the remaining budgets England receives 77.5 per cent; Scotland 11.5 per cent; Wales 6.5 per cent and Northern Ireland 4.5 per cent. Over the plan period each country committee has discretion, within certain constraints, on the phasing of grant decisions. The table below sets out grant expenditure charged to the Statement of Comprehensive Income in the year.

	UK	England	Scotland	Wales	Northern Ireland	Total year ended 31 March 2015 £'000	Total year ended 31 March 2014 £'000
Grant expenditure made	54,088	664,180	100,883	50,532	18,381	888,064	827,106
Less lapsed and revoked grant expenditure	(2,263)	(9,882)	(1,919)	(1,211)	(524)	(15,800)	(1,828)
Net grant expenditure made	51,825	654,298	98,964	49,321	17,856	872,264	825,278

4. Direct expenditure in support of programmes

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

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Support provided directly to grant applicants and recipients	18,669	9,858
	18,669	9,858

The Fund has entered into the following contracts that will provide support directly to beneficiaries. The expenditure is accounted for when the services contracted are provided. At 31 March the following financial commitments were outstanding on these contracts.

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Assist Contract	2,062	4,508
Eden Projects – The BIG Lunch	1,205	3,115
BIG Music	462	2,585
Ageing Better	6,829	7,755
Complex Needs Support and Development	2,716	2,016
Fulfilling Lives: A Better Start Support and Development	6,725	7,366
BIG Potential	19,981	10,881
Early Action Neighbourhood Fund	2,563	-
Mental Health Contract	1,561	-
Domestic Abuse	1,532	-
Our Place 2	1,404	-
Commissioning Better Outcomes Support Contract	1,228	-
Village SOS Learning	1,213	-
22 Contracts (2013/14: 22) to deliver the Lifeskills programme in Wales	383	1,651
27 Contracts (2013/14: 29) for other support and development contracts	5,749	10,427

5. Operating costs

	Operating costs for distributing Lottery income £'000	Recharged operating costs £'000	Operating costs for distributing dormant account money £'000	Year ended 31 March 2015 Total operating costs £'000	Year ended 31 March 2014 Total operating costs £'000
Employee remuneration	29,024	3,142	490	32,656	34,622
Travel and expenses					
Staff	1,134	60	-	1,194	1,498
Board and committee members	20	-	-	20	63
Payments under operating leases:					
-Property	3,255	413	-	3,668	4,968
-Other	195	-	-	195	(740)
Other accommodation costs	2,809	-	-	2,809	2,620
Communication costs	921	66	-	987	1,422
Externally provided support for grant programmes	455	61	-	516	414
Programme evaluation	371	4	23	398	583
Staff recruitment and training	783	1	-	784	828
Professional fees	559	32	25	616	968
Auditors remuneration for audit work*	116	3	-	119	115
Auditors remuneration for grant certification work	5	-	-	5	8
IT infrastructure costs	3,733	-	-	3,733	2,263
Other costs	792	5	41	837	974
VAT	1,955	5	8	1,968	1,673
Non-cash items:					
- Depreciation and Amortisation	2,848	1	-	2,849	1,835
	48,975	3,793	587	53,355	54,114

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

6. Financial performance indicator

Our financial performance indicator is the proportion of our share of Lottery income that we spend on distributing it. We exclude from this measure costs that we recharge to other people, including the costs of distributing Lottery and non-Lottery money for other organisations, sub-let property and non-qualifying expenditure such as business rates. We also exclude the one-off costs of investment to achieve future efficiencies. Income of £59.4 million was received during the year in respect of the refund from Olympic Lottery Distribution Fund (OLDF) for monies previously forgone in order to cover the cost of London 2012. This return has been deferred over four years for performance measurement purposes. On this basis the cost of distributing our share of Lottery income was 6.5 per cent of that income (2013/14 7.3 per cent).

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Operating costs for distributing Lottery income (as per note 5)	48,975	49,662
Less non-qualifying expenditure	(952)	(869)
Total qualifying expenditure	48,023	48,793
Proceeds from National Lottery	783,286	661,508
Investment income	3,157	3,103
Less deferred income from OLDF refund	(44,550)	-
Total qualifying income	741,893	664,611
Percentage	6.5%	7.3%

7. Staff numbers and costs

The total staff costs, including the remuneration of Board members, were as follows:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Wages and salaries	25,445	26,988
Social security costs	2,009	2,214
Other pension costs	4,590	4,664
Agency staff costs	846	1,488
Capitalised staff costs	(234)	(732)
	32,656	34,622

Some staff included above were seconded out to other organisations, for whom recoveries of £120,757 are included in other income. The salary and pension entitlement of the Fund's senior management and Board Members are included above; details are disclosed in the Remuneration 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.

Capitalised staff costs relate to people working on the BPR project and are included in Funding software under development in Intangible Assets (note 11).

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

	Average number of temporary staff (FTEs)	Average number of employees (FTEs)	Year ended 31 March 2015 Total average number of staff (FTEs)	Year ended 31 March 2014 Total average number of staff (FTEs)
Grant-making	26	533	559	599
Support to customers and stakeholders	2	188	190	226
Governance and administration	3	134	137	140
Staff engaged on capital projects	-	19	19	27
	31	874	905	992

At 31 March 2015, the Fund employed 853 full-time equivalent employees (2013/14 980). This included 20 full-time equivalent temporary employees (2013/14 65).

Exit packages

Although the Fund's employees are not civil servants, their terms of employment provide for termination payments and early retirement pensions calculated in the same way as 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.

Exit package cost band	Number of redundancies Year ended 31 March 2015	Number of redundancies Year ended 31 March 2014
<£10,000	4	5
£10,000 - £25,000	12	20
£25,001 - £50,000	18	19
£50,001 - £100,000	9	5
Total Number of exit packages by type	43	49
Total cost £'000	1,483	1,361

8. Restructuring and Investment costs

We continually look at the way we are structured and make changes to deliver fit for purpose, efficient and effective services. As part of this process, during 2014/15, the costs of this restructuring included termination payments and property transactions, including a new provision for an onerous lease in Birmingham.

Following the impairment review undertaken at March 2015 an impairment loss of £991k (2013/14 £1,937k) for the funding system intangible asset has been identified and is included below.

Our investment in a review of our business processes including the funding management system to improve customer service and increase efficiencies came to a close during the year. Direct costs of staff working on this project, along with hardware and licences have been capitalised in accordance with IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' (see notes 10 and 11).

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Termination payments	1,916	1,757
Property rationalisation	88	831
Unavoidable lease payments	375	2,508
Funding management system intangible asset impairment (see note 11)	991	1,937
Business process re-engineering	83	1,955
	3,453	8,988

9. Taxation

The Fund only pays corporation tax on bank and any other interest received.

There is a net tax cost of £25,065 (2013/14 £15,816) for the year.

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	IT	Office equipment/ furniture and fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2014	7,022	2,892	405	10,319
Additions	237	-	-	237
Disposals	-	-	-	-
At 31 March 2015	7,259	2,892	405	10,556
Depreciation				
At 1 April 2014	4,526	2,184	306	7,016
Charge for the year	363	198	35	596
Disposals	-	-	-	-
At 31 March 2015	4,889	2,382	341	7,612
Net book value				
At 31 March 2015	2,370	510	64	2,944
Cost				
At 1 April 2013	6,820	2,737	300	9,857
Additions	202	155	105	462
Disposals	-	-	-	-
At 31 March 2014	7,022	2,892	405	10,319
Depreciation				
At 1 April 2013	4,174	1,903	300	6,377
Charge for the year	352	281	6	639
Disposals	-	-	-	-
At 31 March 2014	4,526	2,184	306	7,016
Net book value				
At 31 March 2013	2,646	834	-	3,480
At 31 March 2014	2,496	708	99	3,303

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

11. Intangible assets

	Funding system software – under development £'000	Website £'000	Total £'000		Funding system software – under development £'000	Website £'000	Total £'000
Cost at 1 April 2014	22,925	358	23,283	Cost at 1 April 2013	17,876	358	18,234
Additions	604	-	604	Additions	6,986	-	6,986
Impairment	(991)	-	(991)	Impairment	(1,937)	-	(1,937)
At 31 March 2015	22,538	358	22,896	At 31 March 2014	22,925	358	23,283
Amortisation							
At 1 April 2014	1,195	-	1,195	At 1 April 2013	-	-	-
Charge for the year	2,181	72	2,253	Charge for the year	1,195	-	1,195
At 31 March 2015	3,376	72	3,448	At 31 March 2014	1,195	-	1,195
Net book value							
At 31 March 2015	19,162	286	19,448	At 31 March 2014	21,730	358	22,088
At 31 March 2014	21,730	358	22,088	At 31 March 2013	17,876	358	18,234

In accordance with IAS 36 and IPSAS21, following the impairment review undertaken at March 2015, an impairment loss of £991k (2013/14 £1,937k) for the funding management system has been identified and is included within the accounts.

12. Trade and other receivables

	At 31 March 2015 £'000	At 31 March 2014 £'000
Amount falling due within one year		
Held by delegated partners for payment of grant commitments	98	3,532
Deposits and advances	792	1,178
Other receivables	2,710	2,368
	3,600	7,078
Prepayments and accrued income	3,690	3,881
	7,290	10,959

Balances receivable are as follows:

	At 31 March 2015 £'000	At 31 March 2014 £'000
Amounts due from other Government bodies	3,589	3,372
Amounts due from local authorities	-	659
Amounts due from bodies external to Government	3,701	6,928

13. National Lottery Distribution Fund

	Year ended 31 March 2015 £'000
Balance as at 1 April 2014	382,862
Proceeds from the National Lottery	783,286
Investment income from the NLDF	3,157
Funds drawn down from the NLDF	(845,194)
Net decrease in balance	(58,751)
Balance as at 31 March 2015	324,111
Unrealised gain on investment	-
Market value at 31 March 2015	324,111

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

The difference in the NLDF balance between the 2013/14 interim statement and the final position resulted in an increase of £2.56 million to the NLDF balance. This increase was added to the NLDF proceeds in the Statement of Comprehensive Income.

In 2014/15, the Fund received a return of Olympic Lottery Diversion monies totalling £59.47 million. This is included in the Proceeds from the National Lottery figure above.

14. Trade and other payables

	At 31 March 2015 £'000	Restated At 31 March 2014 £'000
Amount falling due within one year		
VAT	222	65
Other taxation and social security	527	717
Trade payables	770	1,134
Owed to joint partner for payment of grant commitments	2,419	2,633
Other payables	764	540
Accruals and deferred income	2,246	2,722
Grant accruals (Note 16)	478,896	589,923
	485,844	597,734
Amount falling due in more than one year		
Other payables, accruals and deferred income	995	1,182
Grant accruals (Note 16)	774,645	581,044
	775,640	582,226
<p>The inclusion of grant accruals has arisen due to the change in accounting policy for grants (see Notes 1.8, 16, and 29)</p> <p>Included in the amounts above are the following balances payable to other Government bodies:</p>		
Amounts due to other Government bodies	3,177	3,509
Amounts due to local authorities	-	707
Amounts due to bodies external to Government	1,258,307	1,175,744
	1,261,484	1,179,960

Grant Liabilities

The inclusion of grant accruals has arisen due to the change in accounting policy for grants (see Notes 1.8, 16, and 29)

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

	Unavoidable lease payments £'000	Early retirement contributions £'000	Redundancy provisions £'000	Total provisions £'000
Brought forward at 1 April 2014	6,816	159	880	7,855
New provisions created	375	62	834	1,271
Provisions used	(1,342)	(95)	(757)	(2,194)
Provisions released	-	(27)	(107)	(134)
Carried forward at 31 March 2015	5,849	99	850	6,798

Unavoidable lease payments

We have sublet part of our London premises to three tenants. Part of the provision represents the difference between the rent charged to our tenants and that which the Fund is contracted to pay to its landlords. The provision for the difference in market rent is calculated using an assumed inflation rate of 3 per cent. The provision will be utilised over 12 years.

In addition, we have vacated and advertised as available office space in both London and Birmingham. As we have been unable to sublet these floors we have created a provision for these unavoidable lease payments.

At 31 March 2015, we have discounted the provision for unavoidable lease payments using the discount rate advised by HM Treasury, 2.2 per cent.

Restructuring: retirement, redundancy and support

As a result of restructuring in the current and earlier years certain posts have been identified as no longer required or have been relocated. As a result, staff have been made redundant or have taken early retirement.

- Where eligible staff take early retirement the Fund is contracted to meet certain pension contributions until these staff reach statutory retirement date. An estimate of these future contributions is provided. Payments against this provision will continue to be made for up to ten years.
- A provision has been made for the estimated redundancy costs of those staff with whom the Fund has entered into consultation prior to 31 March 2015. Redundancy payments are made in accordance with contractual arrangements and terms set out in the Principal Civil Service Pension Scheme arrangements. It is expected that the majority of this provision will be released over the course of the next financial year.
- Permanent employees are contractually entitled to up to £500 on being made redundant, in relation to the purchase of training courses or materials for development towards future employment. This has also been provided.

16. Grant liabilities

	£'000	£'000
Movement of grant liabilities		
Grant commitments brought forward at 1 April 2014 (as previously stated)		1,131,979
Prior Period Adjustment (Note 29)		38,988
As restated		1,170,967
Grant commitments made	895,795	
Lapsed and revoked commitments	(15,800)	
Grant commitments met	(797,421)	
Net movement in grant liabilities		82,574
Liability carried forward at 31 March 2015		1,253,541

Classification of grant liabilities at the year-end

	At 31 March 2015 £'000	Restated at 31 March 2014 £'000
Amount falling due within one year		
Accruals (Note 14)	478,896	-
Presentation adjustment	-	589,923
As restated	478,896	589,923
Amounts falling due in more than one year		
Accruals (Note 14)	774,645	-
Presentation adjustment	-	581,044
As restated	774,645	581,044
Total grant liabilities	1,253,541	1,170,967

Ageing of grant liabilities

The grant liabilities at the year end represent amounts due to recipients in the following periods:

	At 31 March 2015 £'000	Restated at 31 March 2014 £'000
Liabilities committed for payment within one year	478,894	589,923
Liabilities committed for payment within more than one year but less than two years	312,319	581,044
Liabilities committed for payment within more than two years but less than three years	184,620	
Liabilities committed for payment within more than three years but less than four years	112,009	
Liabilities committed for payment within more than four years but less than five years	60,562	
Liabilities committed for payment after more than five years	105,136	
	<u>1,253,541</u>	<u>1,170,967</u>

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

	At 31 March 2015 £'000	Restated at 31 March 2014 £'000
Grants committed for payment to other Government bodies	1,933	24,690
Grants committed for payment to local authority bodies	38,065	48,514
Grants committed for payment to the national health service organisations	2,264	318

17. Contingent Liabilities

Grants are disclosed as contingent liabilities if they do not satisfy the criteria to be treated as liabilities

	At 31 March 2015 £'000	Restated at 31 March 2014 £'000
Grants		
Soft commitments (as previously stated)		(62,849)
Prior Period Adjustment		38,988
As retained within contingent liabilities		(23,861)
Grant awards made by the fund which do not satisfy the criteria to be treated as liabilities	(135,811)	-
Total grant contingent liabilities	(135,811)	(23,861)

There are no other contingent liabilities.

The reduction in soft commitments and the increase in contingent liabilities has arisen due to the change in accounting policy for grants (see Notes 1.8, 16 and 29)

18. Joint schemes

Parks for People

This scheme is administered by the Heritage Lottery Fund on behalf of all parties to the agreement. We have agreed to contribute up to £136 million to the total expected funding of £322 million. Included within grant liabilities are £6.2 million of new grant commitments; and contingent liabilities of £14.4 million representing our contribution to the Parks for People joint scheme. The creditors figure includes £2.4 million which is due to Heritage Lottery Fund in respect of our contribution to payments they have made to our grant recipients.

19. Reconciliation of income and expenditure to net cash flow from operating activities

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
(Deficit) for the period	(151,154)	(220,569)
Depreciation of property, plant and equipment and amortisation of intangible assets.	2,848	1,834
Impairment Loss	991	1,937
(Deficit) adjusted for non cash transactions	(147,315)	(216,798)
Decrease in trade and other receivables	3,670	14,593
Decrease/(Increase) in NLDF balance	58,751	(28,441)
Increase in trade and other payables	81,525	244,299
(Decrease)/Increase in provisions	(1,058)	1,146
Net cash (outflow) / inflow from operating activities	(4,427)	14,799

20. Financial risks

Financial instruments

International Financial Reporting Standard 7 'Financial Instruments: Disclosures' (IFRS 7) requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk for the Big Lottery Fund than is typical of the listed companies to which IFRS 7 mainly applies. The Big Lottery Fund does not have powers to borrow and can only invest grant-in-aid derived funds. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the organisation.

This means that the Big Lottery Fund is exposed to little immediate liquidity, market, or credit risks.

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 2014 the fund balance was £383 million, this had decreased to £324 million by 31st March 2015, at which point there were £1,254 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 provided by DCMS.

In 2014/15 £783 million (92.5 per cent) of the Fund's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the NLDF, £3 million (0.4 per cent), along with a small amount of bank interest and sundry income, £10 million (1.2 per cent) and income from dormant account money, £50 million (5.9 per cent).

	£m
Liquid assets at 31 March 2015	
Market value of NLDF investments	324
Cash	41
Total	365
Forecast cashflows during 2015/16	
Income from the National Lottery	720
Other income	4
Operating cost payments	(50)
Grant payments	(668)
Net forecast inflow	6
Forecast liquid assets at 31 March 2016	371

The income forecasts are based on projections provided by DCMS. The forecast grant payments are based on expected draw down profiles as compiled at 31 March 2015.

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. At the date of the Statement of Financial Position, the market value of our investments in the NLDF was £324 million. Funds at the NLDF earned on average 0.5 per cent 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 0.5 per cent in the year. The cash balance at the year end was £41 million. The Board considers that the Fund is not exposed to significant interest rate risks.

	2014/15 £'000	2013/14 £'000
Sterling at floating interest rates – Big Lottery Fund	21,628	25,296
Sterling at floating interest rates – dormant account money	19,137	20,737
Sterling at mixture of fixed rates	324,111	382,862
	364,876	428,895

Credit risks

The Fund's receivables comprise prepayments mostly on property leases and intra-government balances. The intra-government balances are mostly with fellow Lottery distributors and all had been either repaid or agreed by the time of signing the accounts. The Board does not consider that the Fund is exposed to significant credit risk.

Foreign Currency risks

Big Lottery Fund is not exposed to any foreign exchange risks.

Financial assets by category

Assets as per Statement of financial position	2014/15 £'000	2013/14 £'000
Non-current assets	22,392	25,391
Investments available for sale	324,111	382,862
Cash and cash equivalents – Big Lottery Fund	21,628	25,296
Cash and cash equivalents – dormant account money	19,137	20,737
Loans and receivables	7,290	10,959
	394,558	465,245

Liabilities as per Statement of financial position	2014/15 £'000	Restated 2013/14 £'000
Financial liabilities:		
Grant liabilities	1,253,541	1,170,967
Operating payables	6,948	7,811
	1,260,489	1,178,778

Fair Valuation

The Board expect the book value to equal the fair value for all financial assets and liabilities. On the basis that:

1. All cash deposits are with commercial banks.
2. Investments are controlled by the Secretary of State for Culture, Media and Sport. He provides the Board with details of the book value and fair value of our balances at the date of the Statement of Financial Position. The unrealised gain on investment is taken through the Statement of Comprehensive Income, resulting in book value equalling fair value.
3. No provision for bad debt is deemed necessary.
4. Whilst we disclose £775 million of grant liabilities as not being due for payment until after one year, we have not made a fair value adjustment. The Board have a contractual obligation to pay these amounts on demand, subject to contract, and so the amounts could be paid within the next 12 months.
5. All payables are due within normal contractual terms, and so no difference exists between book value and fair value.

Maturity of financial liabilities

Liabilities as per Statement of financial position	2014/15 £'000	Restated 2013/14 £'000
In less than one year	1,260,489	1,178,778
In more than one year, but less than two	-	-
In two to five years	-	-
In more than five years	-	-
	1,260,489	1,178,778

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.

Theoretically, grantees could demand their entire grant in the next 12 months if their projects were completed in that period. Hence, we have adopted a prudent approach and shown the maturity of liabilities to be all within one year.

21. Financial commitments

Commitments under operating leases

Total future minimum lease payments under operating leases are given in the table below:

	At 31 March 2015 £'000	At 31 March 2014 £'000
Property leases held as a lessee:		
Not later than 1 year	6,131	6,124
Later than 1 year and not later than 5 years	22,600	23,040
Later than 5 years	6,801	12,363
	35,532	41,527

	At 31 March 2015 £'000	At 31 March 2014 £'000
Property leases where we are the lessor:		
Not later than 1 year	1,370	1,370
Later than 1 year and not later than 5 years	3,998	4,398
Later than 5 years	1,196	2,197
	6,564	7,965

As set out in accounting policy 1.7 leases cannot be reliably split between land and buildings but both elements are operating leases.

22. Pension scheme

Pension benefits are provided through the Civil Service pension arrangements. Employees may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory 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 are increased annually in line with changes in the Consumer Prices Index (CPI). Members may also opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at a minimum rate for members with pensionable salaries under £15,000 of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium, classic plus and nuvos. This increases in bands up to a maximum of 6.25 per cent and 8.25 per cent respectively for members with a pensionable salary over £60,000. Benefits in classic accrue 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 accrue 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 essentially 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 nuvos 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 2.3 per cent 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. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee 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 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

For 2014/15, employers' contributions of £128,374 were payable to the partnership pension account (2013/14 £149,592).

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

For 2014/15, employers' contributions of £4,574,093 were payable to the PCSPS (2013/14 £4,545,429) at one of four rates in the ranges set out below. Employer contributions are to be reviewed every four years following a 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 2014/15 are in line with recommendations from the Actuary.

Currently, employers pay an average of 18.8 per cent of their employees' salary as a pension contribution. The exact figure depends upon the salaries of the individual employees. A new average rate of employer contribution of 21.1 per cent is likely to be set from 2015/16.

Bands	Year ended 31 March 2015
£22,000 and under	16.7%
£22,001 - £44,500	18.8%
£44,501 - £74,500	21.8%
£74,501 and over	24.3%

Bands	Year ended 31 March 2014
£21,500 and under	16.7%
£21,501 - £44,500	18.8%
£44,501 - £74,500	21.8%
£74,501 and over	24.3%

The number of staff for whom pension contributions were made in 2014/15 was 167 Classic, 382 Premium and 452 Nuvos. The total of 1,001 represents approximately 90 per cent of the total number of individual permanent members of staff employed over the course of the year (which is greater than the average and actual number of FTEs, due to staff turnover).

The forecast level of employer's contributions to the PCSPS for 2015/16, based on a 1 per cent pay award on 2014/15 pay levels, is £5,183,417.

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.

23. 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 2015 we have written off losses of £1,831,249 representing 184 awards (2013/14 £1,635,632 representing 68 awards). There was one write-off that exceeded £100,000 as detailed below.

Golspie Recycling and Environmental Action Network £337,974

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 2015, 24 special payments totalling £218,557 (2013/14 £29,004 representing 3 awards) were made in relation to grant transactions.

24. Related party transactions

The Big Lottery Fund is a non-departmental public body. Policy sponsorship of the Fund was transferred from DCMS to the Cabinet Office on 13 April 2011, but we have a continuing financial relationship to DCMS which retains responsibility for Lottery funding. Accordingly, both DCMS and the Cabinet Office have been treated as related parties throughout the year.

During the year, we have had various material transactions with the DCMS and other bodies for which the DCMS is regarded as the sponsor department: Heritage Lottery Fund, Sport England, Arts Council England and the Olympic Lottery Distributor.

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 for All and rental of office space. Payments are made to Heritage Lottery Fund and Sport England 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:

- Natural England sponsored by Department for Environment, Food and Rural Affairs is a recipient of a grant award
- Highlands and Islands Enterprise, sponsored by the Scottish Ministers, delivers a grant programme on our behalf
- HM Revenue and Customs relating to PAYE and NI Transactions
- The Department for Education has contracted to the Fund the management of the myplace grant programme
- The Office for Civil Society has contracted to the Fund the management of the Community Assets programme and the Transition Fund.

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 relationships 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. Our procedures also ensure that grant officers are not engaged in processing applications in which they would have an interest.

A number of Board members have declared interests with public, voluntary and charitable bodies with which we have non-material business interests. These are disclosed on pages 63 to 69.

25. 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. These balances are not included within our own accounts.

At 31 March 2015 the following bank balances were held on behalf of third parties:

	31/03/2014	Inflows	Outflows	31/03/2015
	£	£	£	£
Cabinet Office ; Community Assets, Transition Fund, Advice Services Fund, Advice Services Transition Fund, Social Incubator Fund, Transforming Local Infrastructure, Local Sustainability Fund	5,569,063	18,617,649	17,509,315	6,677,397
Arts Council England; Awards for All England	6,925	219	-	7,144
Heritage Lottery Fund; Awards for All; England, Wales, Scotland, Northern Ireland	3,283	192	-	3,475
Sport England; Awards for All England	8,162	288	-	8,450
Creative Scotland; Awards for All Scotland	(105,320)	4,418	141,169	(242,071)
National Lottery Promotions Unit	541,865	2,002,089	1,897,003	646,951
Welsh Assembly Government; Community Assets Transfer	(24,372)	942,756	916,397	1,987
Scottish Early Intervention fund	252,020	9,548,656	9,621,063	179,613
Scottish Celebrate	(444,271)	2,859,928	2,306,457	109,200
Sports Scotland; Awards for All Scotland	(250,956)	16,087	1,377,620	(1,612,489)
Scottish Government; Communities and Family Fund, Scottish Land Fund	1,626,365	4,683,368	4,427,306	1,882,427
HM Treasury; Coastal Communities Fund	2,386,933	20,769,311	17,496,223	5,660,021
European Funding – Cabinet Office	-	99,001	-	99,001

26. 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, 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 NLPF is available at www.lotterygoodcauses.org.uk/contact

27. Capital commitments

There were no contracted capital commitments at 31 March 2015 (2013/14 £579,452).

28. Contingent assets

The National Lottery distributors are entitled to a share of the future receipts of the sale of the Olympic Park. This entitlement is in return for the additional funding contribution of £675 million for the 2012 Games. It has been made clear to the Lottery distributors that payments would be achieved over the longer term, given the 25 year time scale for the Olympic Park development programme and its dependence on market performance. The current estimate from DCMS is that payment should start in the mid-2020s with the full amount paid back by 2030/31.

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. No payments have become due, but payments of £87 million are forecast to be received between 2015 and 2031.

29. Prior Period Adjustment

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.

Key features of the 2014/15 policy, with comparisons to that for 2013/14, are:

Recognition principles

Grant awards 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 liabilities in IAS37 Provisions, Contingent Liabilities and Contingent Assets whether arising from legal or constructive obligations. Previously, awards decided upon by the Fund and accepted by the recipient were deemed hard commitments and recognised in the Statement of Comprehensive Income and Statement of Financial Position.

Grant awards which have been formally decided upon by the Fund, but which do not meet the definition of liabilities 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. Previously, awards which had been decided upon by the Fund but not accepted by the recipient were deemed soft commitments and not recognised in the Statement of Comprehensive Income and Statement of Financial Position.

Categorisation

Grants are categorised and specific rules applied to Development Grants, Performance Grants and Multi-stage grants to consider, for these categories of grants, which components are recognised as liabilities for Statement of Comprehensive Income and Statement of Financial Position. Specific rules determine the measurement of liabilities under each category. Previously, all hard commitments were recognised in the Statement of Comprehensive Income and Statement of Financial Position over the life of the grant scheme.

Classification

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. Previously, all hard commitments were classified as grant commitments, without reference to whether they were provisions or accruals.

The Fund has applied the new accounting policy. The effect is illustrated below:

Quantifiable and processed	As restated: year ended 31 March 2014
Category	£'000
Statement of financial Position	
Contingent liabilities (Note 17)	
Soft commitments	(62,849)
Opening soft commitments adjustment	32,301
Prior period adjustment	6,687
As retained within contingent liabilities	<u>(23,861)</u>
Accruals (Note 14)	
Grant accruals	-
Opening accruals adjustment	(32,301)
Prior period adjustment	(6,687)
Classification adjustment	(1,131,979)
As restated	<u>(1,170,967)</u>
Statement of changes in equity	
General reserves	
Deficit on general reserves	(683,582)
Opening reserves adjustment	(32,301)
Prior period adjustment	(6,687)
As restated	<u>(722,570)</u>

30. 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.

Memorandum: dormant account money

Under the Dormant Bank and Building Society Accounts Act 2008 ('the Act'), banks and building societies may pass funds from dormant accounts to Reclaim Fund Ltd, a not-for-profit entity authorised to act as the reclaim fund.

Reclaim Fund Ltd transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the Big Lottery Fund. The Big Lottery Fund distributes those funds in accordance with the Act and directions issued to it by the Minister for the Cabinet Office ('the Minister') and the devolved administrations.

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 relation to England, directions provide that all funds transferred to the Fund are to be transferred to Big Society Trust for the purpose of capitalising Big Society Capital, a social investment wholesaler. Prior to the establishment of Big Society Trust, the Fund made awards in accordance with directions.

In relation to the other three countries, the Fund makes grant awards in a similar manner to Lottery funds, so that there are outstanding commitments from grant awards made that have not yet been drawn down by grant recipients.

The Big Lottery Fund holds funds not yet drawn down on deposit at commercial banks.

Memorandum of accounts – dormant account money

Statement of comprehensive income for the year ended 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Income		
Transfers from Reclaim Fund Ltd	49,520	83,640
Bank interest receivable	128	106
Total income	49,648	83,746
Programme expenditure		
Transfers to Big Society Trust	(41,707)	(69,897)
Other grant commitments made	(7,730)	(9,057)
Operating costs		
Cost incurred by Minister and devolved administrations		-
Other operating costs	(587)	(368)
Total expenditure	(50,024)	(79,322)
(Deficit)/surplus before taxation	(376)	4,424
Taxation	-	-
(Deficit)/surplus after taxation	(376)	4,424
Total comprehensive (expenditure)/ income	(376)	4,424
Reserves		
Brought forward at 1 April 2014	12,535	8,111
Total comprehensive net income for the year	(376)	4,424
Carried forward at 31 March 2015	12,159	12,535

Statement of financial position as at 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Current assets		
Cash at bank and in hand	19,137	20,737
Total assets	<u>19,137</u>	<u>20,737</u>
Current liabilities		
Trade and other payables	(182)	(57)
Grant commitments	(6,796)	(8,145)
Assets less liabilities	<u>12,159</u>	<u>12,535</u>
Retained surplus	<u>12,159</u>	<u>12,535</u>

Detailed Income and Expenditure Account with Country apportionment

	Year ended 31 March 2015					Year ended 31 March 2014 £'000
	Total £'000	England £'000	Scotland £'000	Wales £'000	Northern Ireland £'000	
Transfers from Reclaim Fund Ltd	49,520					83,640
Bank and other interest receivable	128					106
Total dormant account money income	49,648					83,746
Big Lottery Fund's operating costs of distributing dormant account money income	(587)					(368)
Available for apportionment to countries	49,061					83,378
Share of each country		83.9%	8.4%	4.9%	2.8%	
Apportioned to each country	49,061	41,162	4,121	2,404	1,374	83,378
Transfers to Big Society Trust	(41,707)	(41,707)	-	-	-	(69,897)
Other grant commitments made	(7,730)	-	(5,962)	(1,768)	-	(9,057)
Balance of funds for year ended 31 March 2015	(376)	(545)	(1,841)	636	1,374	4,424
Balance of funds brought forward	12,535	520	2,080	4,883	5,052	8,111
Balance of funds carried forward at 31 March 2015	12,159	(25)	239	5,519	6,426	12,535

Section eight: Our statutory background

Policy Directions

Our sponsor department is given power under the Lottery etc. Act 1993 to give Directions as to matters to be taken into account in grant-making.

Responsibility for the Big Lottery Fund, including setting policy directions transferred from the Department for Culture, Media and Sport to the Cabinet Office on 13 April 2011. Following a wide consultation we now have new policy directions for our England, Isle of Man and UK-wide funding that took effect from 1 April 2012.

The Big Lottery Fund has complied with these Directions throughout the financial year 2012/13 in every material aspect.

England and UK

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

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

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

General Directions

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

- A. The need to ensure that money is distributed under section 25(1) for projects which promote the public good and which are not intended primarily for private gain.
- B. The need to ensure that money is distributed under section 25(1) to projects which make real and sustainable improvements to the quality of life of local communities.
- C. The need to encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.
- D. The need to further the objectives of sustainable development.
- E. The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.
- 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; supporting a fairer Scotland with the development of opportunities for everyone to flourish within a more successful and sustainable Scotland.
- B. The need to ensure that the Fund, achieves over time the distribution of money to address the priorities of tackling disadvantage, the advancement of well-being and addressing inequalities; 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. 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;
 - (ii) the promotion of community safety and cohesion; and
 - (iii) the promotion of physical and mental well being. The priority of tackling disadvantage and the need to address inequalities.

4. In relation to Scottish devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to projects which are intended to achieve one or more of the following objectives:

People having better chances in life.

Communities work together to tackle inequalities.

People have better and more sustainable services and environments.

People and communities are healthier. 5. In relation to Scottish devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the following principles:

– the development of programmes should be based on the active engagement of public, private and third sector partners.

– ensuring that individuals and communities across Scotland have the opportunity to contribute to, participate in, and benefit from a more successful Scotland.

– to improve Scotland's environment today and for future generations

while reducing Scotland's impact on the global environment.

– the development of programmes should complement and add values to the strategies and activities of partners and stakeholders.

– where possible, the outcomes of projects and programmes should

benefit from effective collaboration between organisations and between public, private and third sector partners.

Signed on behalf of Scottish Ministers by John Swinney, Cabinet Secretary for Finance and Sustainable Growth, a member of the Scottish Government

July 2009.

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/The National Assembly for Wales, in exercise of the powers conferred on them/it by Section 36E(4)(a) of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund (“the Fund”) and obtained the consent of the Minister for the Cabinet Office pursuant to Section 36E(8)(b) of that Act, hereby give/gives the following directions to the Fund.

DIRECTIONS – WELSH DEVOLVED EXPENDITURE

In exercising any of its functions in relation to Welsh 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 the money under Section 25(1).

- A. The need to ensure that the Fund achieves the distribution of funds to a reasonably wide spread of projects, primarily those delivered by the third sector, including small organisations, as well as regional and national 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.
- B. The need to operate 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.
- C. The need to ensure that funds are distributed on the basis of need, targeting disadvantage and inequality to deliver real and sustainable improvements for communities and individuals which have a lasting impact beyond the duration of the Fund’s funding, and which support collaborative approaches across the public, third and private sectors in conjunction with and complimentary to the Welsh Government’s central organising principle of sustainable development.
- D. The need to have regard to the interests of Wales as a whole and of the different parts of Wales, the relative population sizes and the levels of economic and social deprivation in the different parts of Wales.
- E. 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.
- F. The need to involve the public in setting priorities and distributing funds.
- G. The need to promote and support the Welsh language and to reflect the bilingual nature of Wales, and to ensure that grant recipients adopt the principle of equality between the English and Welsh languages.
- H. The need to ensure that money is distributed which improves Wales’s environment today and for future generations whilst promoting its potential to improve the quality of life for communities and individuals
- I. The need to provide support for those applying to the Fund, and to organisations receiving funding, in order to improve the delivery of project outcomes and to enable them to provide effective solutions to the issues that matter to them and to their communities.
- J. The need to support new and innovative solutions alongside tried and tested models, generating learning to help the development of policy and practice beyond the Fund’s funding.
- K. The need to include a condition in all awards for recipients to acknowledge Lottery funding using common Lottery branding.
- L. Finally, the need to 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 the Big Lottery Fund ("the Fund") and obtained the consent of the Secretary of State for Culture, Media and Sport pursuant to section 36E(8) of that Act, hereby give the following directions to the Fund:

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

General Directions

2. In exercising any of its functions in relation to Northern Ireland devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:
 - A. The need to ensure that money is distributed under section 25(1) for projects which promote the public good and which are not intended primarily for private gain.
 - B. The need to ensure that money is distributed under section 25(1) to projects which make real and sustainable improvements to the quality of life of local communities.
 - C. The need to encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.
 - D. The need to further the objectives of

sustainable development.

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

F. The need: in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;

(ii) where capital funding is sought:

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

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

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

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

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

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

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

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

Northern Ireland Devolved Expenditure

4. In exercising any of its functions in relation to Northern Ireland devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:
- A. The need to ensure that the Fund, taking into account its assessment of needs and any priorities it has identified in its strategy, achieves over time the distribution of money to a reasonably wide spread of recipients, including small organisations, those organisations operating at a purely local level, social enterprises, and organisations with a base in Northern Ireland and working overseas.
- B. The need to ensure that the Fund achieves over time the distribution of money reasonably equally between the expenditure on or connected with:
- (i) the promotion of community learning;
- (ii) the promotion of community safety and cohesion; and
- (iii) the promotion of physical and mental well being.
- C. The need to have regard to the interests of Northern Ireland as a whole, the interests of all the different parts of Northern Ireland and the relative population sizes of, and the scope for reducing economic and social deprivation in, the different parts of Northern Ireland.
5. In relation to Northern Ireland devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to projects which are intended to achieve one or more of the following outcomes:
- A. People have the opportunity to achieve their full potential
- B. People can actively participate in their communities to bring about positive change
Community ownership of better and safer rural and urban environments
- D. Improved physical and mental health for all people.
6. In relation to Northern Ireland devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the need to ensure one or more of the following priorities are met:
- A. Improve essential skills to meet social and economic needs
- B. Increase opportunity for community based learning
- C. Build community capacity
- D. Increase opportunity for volunteering and engagement within and between communities
- E. Build community and voluntary/statutory partnerships
- F. Improve community facilities, access and services
- G. Increase community involvement in protecting, restoring and sustaining the urban and rural environment
- H. Help individuals and communities to develop skills to make healthier lifestyle choices
- I. Promote mental health and emotional well-being at individual and community level.

Signed on behalf of Secretary of State NI

Financial Direction

LOTTERY ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR CULTURE, MEDIA & SPORT, WITH THE APPROVAL OF THE TREASURY, IN ACCORDANCE WITH 36E(3) (c) OF THE NATIONAL LOTTERY ETC ACT 1993 (AS AMENDED BY THE NATIONAL LOTTERY ACT 2006)

1. The Big Lottery Fund shall prepare accounts for the financial year ended 31 March 2015 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared as well as any other guidance which Treasury may issue from time to time in respect of accounts which are required to give a true and fair view.
2. The accounts shall be prepared so as to:
 - (a) Give a true and fair view of the financial position as at 31 March 2015 and subsequent financial year-ends, and of the comprehensive income and expenditure, cash flows for the financial year then ended; and
 - (b) Provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
 - (c) Follow the additional accounting and disclosure requirements set out in Annex A.
3. This Direction applies to Big Lottery Fund's Lottery distribution activities.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. Any material departure from the FReM should be discussed with HM Treasury.

Signed by Authority of the Secretary of State for Culture, Media & Sport

Department for Culture, Media and Sport

DATE

ANNEX A

Additional Accounting and Disclosure Requirements

The following paragraphs detail the additional requirements as agreed by the Treasury, the Department and the 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 the Big Lottery Fund
 - b. the share of investment income of the National Lottery Distribution Fund attributable to the 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 the 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 the 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 & Sport. However, the share of these balances attributable to the 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 & Sport as being available for distribution by the Big Lottery Fund in respect of current and future commitments."

c. the value of grant commitments at the year-end which the 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 THE BIG LOTTERY FUND UNDER SECTION 22(3) OF THE DORMANT BANK AND BUILDING SOCIETY ACCOUNTS ACT 2008 AS AMENDED

The Minister for the Cabinet Office in exercise of the powers conferred on him by section 22(3) of the Dormant Bank and Building Society Accounts Act 2008 (c.31) and having consulted the Big Lottery Fund ("the Fund"), pursuant to section 22(7) of that Act, hereby gives the following directions to the Fund:

The Fund will distribute the whole of the English portion of dormant account money in the form of non-repayable grants to the Big Society Trust (part of the Big Society Capital Group) to invest in Big Society Capital, acting as a social investment wholesaler in accordance with section 18 of the Dormant Bank and Building Society Accounts Act 2008.

DIRECTIONS GIVEN TO THE 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 the 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 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 (“the Fund”), hereby give the following directions to the Fund:

General Directions

1. In exercising any of its functions in distributing dormant account money in relation to Welsh expenditure the Fund must comply with the following general directions in determining the persons to whom the Fund makes grants, the purposes for which the Fund makes grants, the process used to determine what payments to make and the terms and conditions on which the Fund makes grants:

- A. Dormant account money must be distributed to projects which promote the public good and which are not intended primarily for private gain.
- B. Dormant account money must be distributed to projects which make real and sustainable improvements to the quality of life of local communities.
- C. Dormant account money must be distributed primarily to ‘third sector’ organisations, i.e. organisations that exist wholly or mainly to provide benefits for society or the environment. Exceptionally, money may 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.
- D. The distribution of dormant account money must balance the need to encourage innovation with the need to manage risk in a manner commensurate with the type of project and applicant.
- E. The distribution of dormant account money must promote and support the Welsh language and reflect the bilingual nature of Wales, including giving effect to the principle

- of equality between the English and Welsh languages.
- F. The distribution of dormant account money must further the objectives of sustainable development.
- G. The distribution of dormant account money must set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.
- H. In distributing dormant account money the Fund must ensure that:
- i). in all cases, applicants demonstrate the financial viability of the project for the period of the grant;
 - ii). where capital funding is sought:
 - a). applicants 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). applicants demonstrate, for major projects, that project evaluation and management processes match those of the Office of Government Commerce's Gateway Reviews.
 - iii). where capital funding is not sought applicants 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.
- I. In distributing dormant account money the Fund must work with other organisations where this is an effective means of delivering elements of its strategic plan (see para' 4).
- J. In distributing dormant account money the Fund must ensure that it has such information as it considers necessary to make decisions on each application, including independent expert advice where required.
- K. In distributing dormant account money the Fund must include a condition in all grants that grantees acknowledge the use of Dormant Accounts funding, using the agreed branding for the Dormant Accounts Scheme for Wales.
- L. In distributing dormant account money the Fund must 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 take into account the assessment of needs and priorities it has identified in its strategic plan and achieve over time a distribution of money to a reasonably wide spread of recipients, including small organisations, those organisations operating at a purely local level, and social enterprises.
- N. 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. In exercising any of its functions in distributing dormant account money in relation to Welsh expenditure the Fund must comply with the following specific directions in determining the persons to whom the Fund makes grants and the purposes for which the Fund makes grants:

- A. In distributing dormant account money 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 achieve their full potential working through the third sector to promote social inclusion'; and
 - 'Tackling climate change and promoting wider sustainable development through focused community-based activity'.
- B. In distributing dormant account money BIG must act in accordance with the following sub-themes:

Supporting children and young people

- Equipping young people with the skills and competences they need to fulfil their potential in relation to employability and wider benefits; in particular by addressing the needs of young people who are NEET (Not in Education, Employment or Training).

Tackling climate change and promoting wider sustainable development

- Developing a community led and inclusive approach to address the causes of climate change and /or build resilience to its impacts, with the aim of encouraging behaviour change and with the potential to be rolled out to other parts of Wales.

C. In distributing dormant account money BIG must take account of the wider benefits that applications may offer, in terms of:

- (i) their potential to make the resources go further, by means of contributions from other sources, e.g. match funding
- (ii) their contribution to relevant Welsh Assembly Government policies and strategies, including:
 - the Skills and Employment Strategy and Action Plan; 'Reducing the proportion of young people not in education, employment or training in Wales: Delivering Skills that Work for Wales' (The NEETs Plan); 'A Fair Future for Our Children': the child poverty strategy; the 14-19 'Learning Pathways' framework for young people's learning provision ; the 'Extending Entitlement' policy for youth support services; the National Youth Service Strategy; the All Wales Youth Offending Strategy; the 'Reach the Heights' career opportunities initiative.
 - 'One Wales: One Planet', the Sustainable Development Scheme for Wales; The Climate Change Strategy.

Strategic Plan

- 3 As provided for under Part 1 of Schedule 3 of the Act, the Fund shall prepare and adopt a strategic plan for the distribution of dormant account money for meeting Welsh expenditure to clarify the Fund's policies for the distribution of dormant account money and for the prioritisation of applications

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