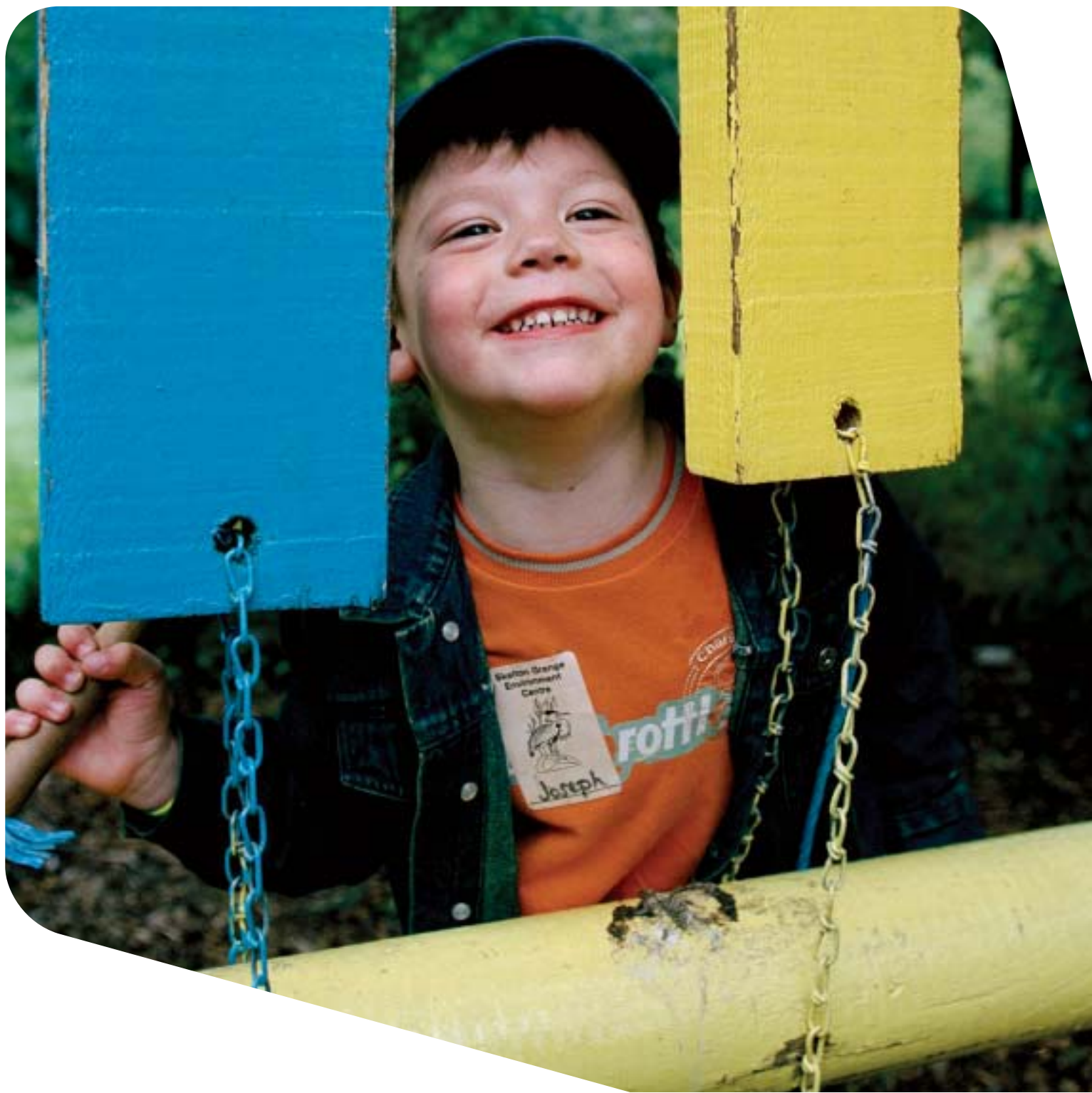


Big Lottery Fund

Corporate plan 2004-2005



Big Lottery Fund corporate plan 2004–2005: Contents

Section 1

Introduction	2
--------------	---

Section 2

Community Fund grant budgets 2004/05	6
--------------------------------------	---

Section 3

New Opportunities Fund – funding of initiatives 2004/05	10
---	----

Section 4

Looking ahead to the new distributor	14
--------------------------------------	----

Section 5

Operating expenditure for 2004/05	16
-----------------------------------	----

List of Tables

Table 1 Corporate objectives and key performance measures 2004/05	4
Table 2 Community Fund apportionment of the grant budget	6
Table 3 Community Fund income estimates – Department for Culture, Media and Sport (DCMS) projection 9 January 2004	8
Table 4 Community Fund commitment forecasts	8
Table 5 Community Fund cashflow projections	9
Table 6 New Opportunities Fund funding by initiative (as set out in the policy directions)	10
Table 7 New Opportunities Fund income estimates – DCMS projection 9 January 2004	12
Table 8 New Opportunities Fund commitment forecasts	12
Table 9 New Opportunities Fund cashflow projections	13
Table 10 New distributor income estimates – DCMS projection	15
Table 11 Directorate summary of operating expenditure	20
Table 12 2004/05 Budget expenditure summary	22
Table 13 Summary of operating expenditure by category	24

List of Graphs

Graph 1 Cashflow forecast – National Lottery Distribution Fund balances	15
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SECTION 1: Introduction

Strategic context

1.1 In late 2003, the Secretary of State for Culture, Media and Sport announced that the Community Fund and the New Opportunities Fund would merge to form a new Lottery distributor. That distributor was launched on 1 June 2004 and is called Big Lottery Fund. The Big Lottery Fund will distribute 50 per cent of all operator related income for Lottery good causes, and take the lead in implementing a range of improvements in distribution arising from the Lottery Review, while building on the good practice of both Funds. The Big Lottery Fund is expected to come into being formally around the middle of 2005 following legislation, and 2004/5 will be a transitional year during which both organisations will work as one administrative body and lay the foundations for the new organisation. So far the two Funds have worked closely together to plan the practicalities of the merger, and to develop the mission and objectives of the Big Lottery Fund.

Mission

1.2 The Big Lottery Fund will enable others to make real improvements to the lives of disadvantaged people and the well-being of communities, through fair and open funding of people, projects and programmes.

Values/ways of working

1.3 To achieve this, the Big Lottery Fund will:

- a.** Work in partnership at local, regional and national levels and encourage partnership working in the projects it funds.
- b.** Work strategically to complement and add value to local, regional and national policies and plans.
- c.** Ensure equality and diversity are at the heart of all it does.
- d.** Provide funding which supports civil renewal, social enterprise and local involvement in service delivery.
- e.** Develop programmes which specify, through outcomes, the difference they are seeking to make.
- f.** Offer a range of open and prescribed funding programmes, ensuring a guaranteed level of funding for the voluntary and community sector.
- g.** Ensure easier access to funding, in particular for the voluntary and community sector.
- h.** Provide help for potential grant applicants and for grant recipients to encourage capacity building and sustainability.
- i.** Operate a devolved approach to development and decision-making wherever appropriate.
- j.** Provide funding that is additional to government spending.
- k.** Make decisions on grants independent of government control.
- l.** Support research, evaluate the impact of its funding and disseminate lessons and best practice widely, encouraging innovation and building a strong evidence base for future programmes and delivery.
- m.** Make people proud of the National Lottery by showcasing examples of what is funded and achieved.



The 2004-2005 corporate plan

1.4 This document sets out what we aim to achieve during this transitional year, the associated costs and the funding context.

1.5 The corporate objectives and key performance measures (in Table 1) reflect the transitional nature of the year ahead, during which our aims will be threefold:

- Keeping the work of both organisations on track, maintaining high quality services to our applicants, grant-holders and key partners and stakeholders
- Developing the vision and direction of the Big Lottery Fund and establishing appropriate governance procedures
- Integrating structures and processes

1.6 A business plan for 2004/5 will form the internal working document for the organisation and will include more detailed plans reflecting the directorates in the new organisational structure.

1.7 The Community Fund and the New Opportunities Fund are reviewing their individual corporate risk registers and will be preparing a risk register for the Big Lottery Fund, which will reflect the new guidelines approved by the Lottery Forum. The joint corporate risk register will be prepared in April 2004. Joint local risk registers have been prepared by business units as part of the internal planning process.

1.8 Until legislation the Community Fund and New Opportunities Fund will continue to account for their income streams separately. For the purposes of planning we have assumed that the Big Lottery Fund comes into being on 1 April 2005.

SECTION 1:

Table 1: Corporate objectives and key performance measures 2004-2005

Corporate objectives

1. To create a merged organisation from the Community Fund and the New Opportunities Fund working to a co-terminous Board to create the Big Lottery Fund (subject to legislation) by:

Corporate performance measures

- a.** Inducting all Board members within three months of joining.
- b.** Preparing a Board forward plan and governance structure by May 2004.
- c.** Preparing the ground for the Big Lottery Fund through administrative merger by March 2005.
- d.** Delivering an integrated communications strategy for the Big Lottery Fund by March 2005.
- e.** Developing vision, values and strategic plan by January 2005.
- f.** Integrating corporate procedures by March 2005.
- g.** Reviewing progress against corporate objectives every three months.
- h.** Developing and delivering a consultation and briefing plan by October 2004.
- i.** Developing and introducing a transparent staff change policy by April 2005.

2. To deliver the grant making targets set out in the policy directions and priority area targets by:

- a.** Meeting target commitment for all existing priorities/programmes.
- b.** Meeting published timescales for assessment and decision-making.
- c.** Setting and meeting targets for grant management.

3. To make continuous improvement in being a good funder and to share the lessons we have learned by:

- a.** Developing a policy framework, including equality and sustainable development, to support grant programme delivery by March 2005.
- b.** Developing funding delivery models for all future grant making and identifying operational implications by October 2004.
- c.** Continuing to develop and deliver post award relationship strategies for all relevant grant programmes¹.
- d.** Completing strategy on outcome funding by end March 2005.
- e.** Completing and evaluating GM04 pilot by August 2004 and make decision on rolling out by October 2004.
- f.** Agreeing an integrated research and evaluation strategy and beginning its application by March 2005.
- g.** Progressing work on joint distributor working through relevant forums throughout the year.

1. Applies to New Opportunities Fund programmes.

Corporate objectives

4. To be accountable and financially efficient by:

Corporate performance measures

- a.** Achieving efficiency savings of at least 10 per cent over 2003/04 on corporate business unit costs².
- b.** Reducing NLDF balances to between £575m and £625m (NOF) and £50 and £100m (CF), by developing relevant targets and strategies for all programmes.
- c.** Ensuring a single risk strategy is in place by December 2004.
- d.** Ensuring systems and procedures are accountable, are based on an internal control framework and meet legal requirements, including the Welsh Language Act and Section 75 of the Northern Ireland Act.

5. To learn from our experiences and those of others to make continuous improvements in the way our organisation works by:

- a.** Reviewing each area of the business to identify relevant best practice to inform future corporate development by March 2005.
- b.** Identifying an appropriate organisational performance management model that will meet business needs by September 2004.
- c.** Developing and implementing a customer care policy by December 2004.

6. To make continuous improvement in being a good employer by:

- a.** Developing HR policies that fit with business need and promote equality of opportunity by March 2005.
- b.** Conducting a comprehensive staff satisfaction survey by March 2005 and develop an action plan to address issues arising.
- c.** Developing a harmonised set of monitoring systems and addressing any outstanding issues from current action plans.

2. Excludes grant-making activities.

SECTION 2: Community Fund – grant budgets 2004-2005

Community Fund – grant budgets

2.1 The Community Fund sets annual grant budgets that reflect income available from funds raised through the National Lottery for good causes and management of its National Lottery Distribution Fund (NLDF) balance.

2.2 The Community Fund Board agreed the apportionment of the grant budget between programmes, countries and regions in January 2004.

Table 2: Community Fund apportionment of the grant budget

	£m	2004/2005 £m
Strategic		18.0
Research		5.4
International		10.8
Scotland		17.7
Wales		9.9
Northern Ireland		6.4
England		
● Awards for All	11.8	
● Eastern	8.2	
● East Midlands	7.7	
● London	16.0	
● North East	7.3	
● North West	18.4	
● South East	10.6	
● South West	8.1	
● West Midlands	12.3	
● Yorkshire and the Humber	11.4	
		111.8
Total		180.0



SECTION 2:

Income

2.3 Total income will be determined by the level of sales of Lottery tickets over the plan period and, to a lesser extent, by the returns the NLDF receives on the balance invested in its account. The figures for income (set out in Table 3 below) are based on the projection for income flows provided by the Department for Culture Media and Sport (DCMS) in January 2004. The projection assumes ticket sales will remain constant at the 2003/04 levels, and that an Olympic Lottery fund will be established after July 2005 if London is successful in its bid to host the Olympics. The substitution effect of the Olympic Lottery is estimated to reduce funds going to all the good causes by £126 million over the lifetime of the existing licence.

2.4 We will monitor closely actual income generated for the good causes against this projection and will make adjustments to cashflow plans as required.

2.5 The Community Fund receives 16.7 per cent of all operator related income from Lottery revenue.

Table 3: Community Fund income estimates – DCMS projection 9 January 2004

	2003/2004 £m	2004/2005 £m
		Projections
Income from the National Lottery (including share of interest)	212	211
Investment performance assumptions	2.8%	4.25%

Grant commitments

2.6 Table 4 below compares the effect of the grant budget on available funds.

Table 4: Community Fund commitment forecasts

	2003/2004 £m	2004/2005 £m
Grant commitments brought forward	482	431
New commitments made	260	180
De-commitments	(15)	(11)
Grants met (paid out)	(296)	(292)
Grant commitments carried forward	431	308
Over commitment (outstanding commitments less available NLDF balance)	230	209
Over commitment represented in months of income	13 months	12 months

2.7 The Community Fund has committed funds in excess of available funds. This policy is considered to be prudent because: the risks associated with the certainty of income streams have been identified and are being closely monitored, and a number of the Community Fund's grant programmes fund three-year projects. Therefore a certain level of commitment can be funded from future income.

Cashflow

2.8 The balance in the National Lottery Distribution Fund (NLDF) was £215 million (31 January 2004), unpaid commitments at that date were £389 million.

2.9 Although the balance in the NLDF is over-committed, the Community Fund is continuing to reduce its balance towards the target set of between £100 million and £50 million. This reduction is being managed while maintaining adequate cash to meet existing grant commitments.

Table 5: Community Fund cashflow projections

	2003/2004 £m	2004/2005 £m Forecasts
NLDF balance brought forward	300	201
Income from the Lottery	212	211
Other income	10	8
Grant payments	(296)	(292)
Non grant payments	(25)	(29)
NLDF balance carried forward	201	99

SECTION 3: New Opportunities Fund – funding of initiatives 2004–2005

New Opportunities Fund – initiatives

3.1 The Government defines the scope and value of the New Opportunities Fund's grant programmes through policy directions. By 31 March 2004, the New Opportunities Fund has received policy directions against 13 broad initiatives to distribute £3,215.8 million. Draft directions for the Young People's Fund are currently being discussed.

3.2 Table 6 below sets out the funding allocated and the target date for commitment for each initiative. The table also shows the percentage of funding available to be committed in the plan period.

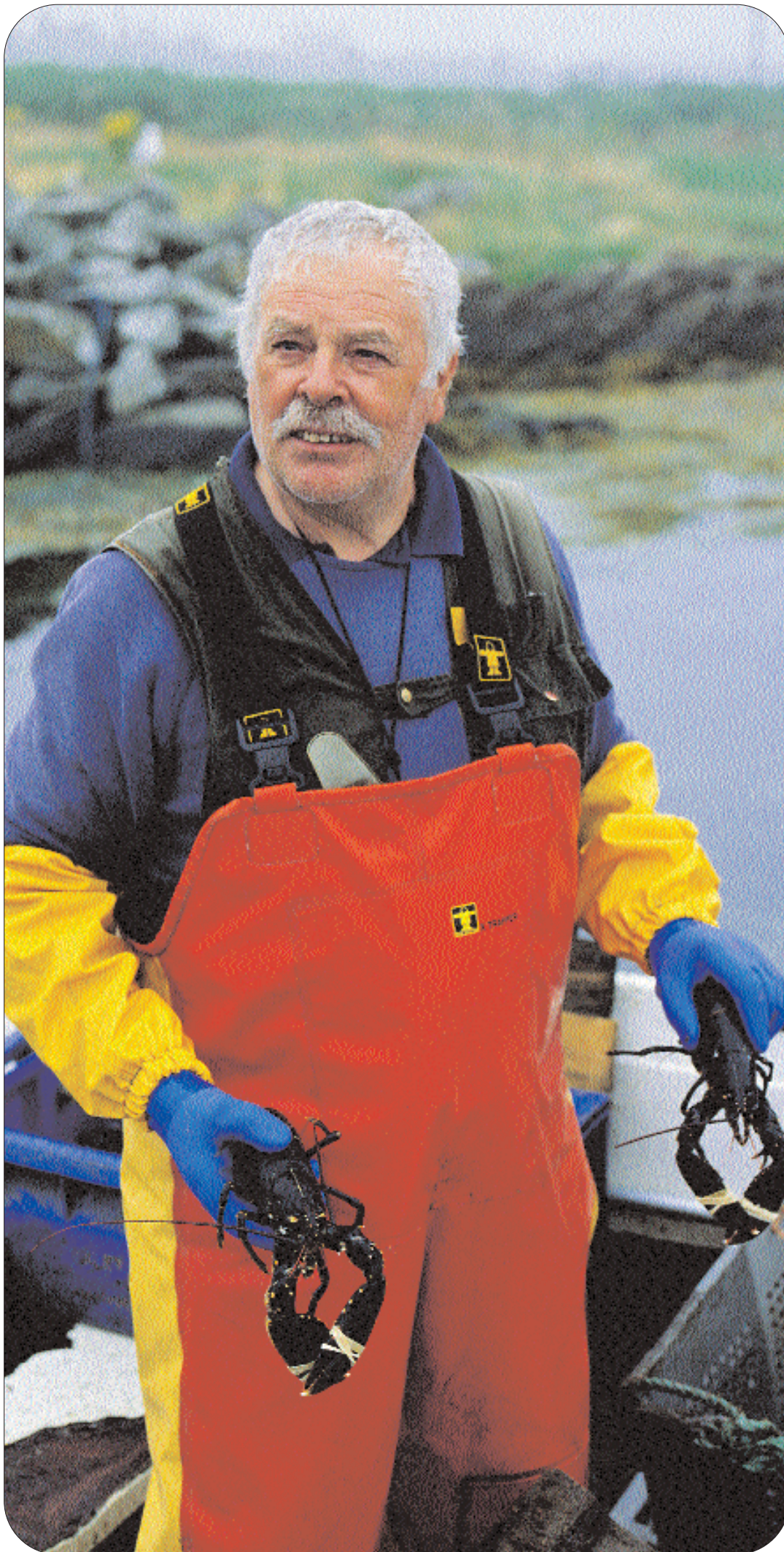
Table 6: New Opportunities Fund funding by initiative (as set out in the policy directions)

Initiative	Total funding allocated (gross) £m	Target date for commitment to projects as set out in policy directions	% of net funding available to be committed in the plan period
First round			
Healthy living centres	300.00	Sept 2002	Fully committed ³
Out of school hours learning, including sport related activities	205.00 25.50	Dec 2001 Dec 2004	Fully committed Fully committed
Out of school hours childcare	220.00	Sept 2003	Fully committed
ICT training for teachers and school librarians, including ICT training for home and hospital service teachers	230.00 1.00	Sept 1999 ⁴ Dec 2004	Fully committed Fully committed
ICT training for public library staff	20.00	May 2000 ³	Fully committed
Digitisation of learning materials	50.00	May 2001 ³	Fully committed ³
Second round			
Cancer detection, prevention, treatment and care	150.00	Sept 2001	Fully committed
Green spaces and sustainable communities	130.00	Dec 2002 ⁵	Fully committed except for 4% relating to the Scottish Land Fund
Fairshare	50.00	Dec 2005	Fully committed
Community access to lifelong learning	200.00	Dec 2002	Fully committed
Third round			
Opportunities for young people – PE and sport including Community sport initiative	750.25 100.00	Dec 2005 Dec 2005	61% to be committed during the next 2 years
Opportunities and activities for young people	55.75	Dec 2004	Fully committed ³
Reducing the burden of coronary heart disease, stroke and cancer	213.5	Dec 2004	Fully committed ³
Palliative care	84.00	Dec 2004	Fully committed ³
Childcare	198.50	Dec 2006	7% of funding to be committed
Transforming communities	159.00	March 2004	Fully committed ³
Small scale grants schemes	60.00	Dec 2005	30% to be committed during 2004/05

3. A small contingency is retained.

4. Date not set out in policy directions; the target has been set by the Fund's Board.

5. Scottish Land Fund to be committed by December 2007.



3.3 The policy directions specify how the total funding should be committed across the countries. With certain exceptions specified in the policy directions funding is allocated as 77.5 per cent to England, 11.5 per cent to Scotland, 6.5 per cent to Wales and 4.5 per cent to Northern Ireland.

3.4 During 2004/05 the New Opportunities Fund will make commitments of:

- £419 million on the New opportunities for PE and sports programme
- £65 million on the Community sport initiative
- £27 million on the Childcare programme
- £16 million on Awards for All
- £14 million on Transforming communities
- £12 million utilising contingency funding on various programmes

SECTION 3:

Income

3.5 Total income will be determined by the level of sales of Lottery tickets over the plan period and, to a lesser extent, by the returns rate the National Lottery Distribution Fund (NLDF) receives on the balance invested in its account. The figures for income (set out in Table 7 below) are based on the projection for income flows provided by the Department for Culture, Media and Sport (DCMS) in January 2004. The projection assumes ticket sales will remain constant at the 2003/04 levels, and that an Olympic Lottery fund will be established after July 2005 if London is successful in its bid to host the Olympics. The substitution effect of the Olympic Lottery is estimated to reduce funds going to the good causes by £126 million over the lifetime of the existing licence.

3.6 We will monitor closely actual income generated for the good causes against this projection and will make adjustments to cashflow plans as required.

3.7 From August 2001, the New Opportunities Fund has received 33.3 per cent of all good cause Lottery revenue.

Table 7: New Opportunities Fund income estimates – DCMS projection 9 January 2004

	2003/2004 £m	2004/2005 £m Projections
Income from the National Lottery (including share of interest)	447	452
Investment performance assumptions	2.8%	4.25%

Grant commitments

3.8 Paragraph 3.4 above sets out our forecast of grant commitments by existing programme areas. Table 8 below compares this forecast with available funds.

Table 8: New Opportunities Fund commitment forecasts

	2003/2004 £m	2004/2005 £m
Grant commitments brought forward	1,257	1,237
New commitments made	552	546
De-commitments	–	–
Grants met (paid out)	(572)	(545)
Grant commitments carried forward	1,237	1,238
Over commitment (outstanding commitments less available NLDF balance)	£514	£651
Over commitment represented in months of income	14 months	17 months

3.9 The New Opportunities Fund has committed funds in excess of available funds. This policy is considered to be prudent because: the risks associated with the certainty of income streams have been identified and are being closely monitored, and the majority of the New Opportunities Fund's grant programmes fund projects over three to five years. Therefore a certain level of commitment can be funded from future income.

Cashflow

3.10 The balance in the National Lottery Distribution Fund (NLDF) was £780 million (31 January 2004), unpaid commitments at that date were £1,255 million.

3.11 Although the balance in the NLDF is over-committed, the Fund is looking to reduce its balance, while maintaining adequate cash to meet existing grant commitments. The Fund is actively investigating appropriate mechanisms to enable grant recipients to start their approved projects as soon as possible and to promptly draw down the cash they have been awarded.

Table 9: New Opportunities Fund cashflow projections

	2003/2004 £m	2004/2005 £m
		Forecasts
NLDF balance brought forward	878	722
Income from the Lottery	447	451
Other income	2	1
Grant payments	(572)	(546)
Non grant payments	(33)	(44)
NLDF balance carried forward	722	586

SECTION 4: Looking ahead to the Big Lottery Fund

4.1 The Big Lottery Fund will receive the income currently allocated to the New Opportunities Fund and Community Fund. It will take on the legacy activities of these two organisations and the Millennium Commission. For the purposes of this plan we have assumed that the Big Lottery Fund comes into being on 1 April 2005.

4.2 For planning purposes we have assumed that the grant budgets available from the legacy Community Fund programmes will be available for Big Lottery Fund programmes. The draft policy directions for the Young People's Fund will also be a Big Lottery Fund programme, although it is expected that some commitment and spend will occur on this programme during 2004/2005.

4.3 Income receivable to the Big Lottery Fund as projection by DCMS is set out in the table 10 below.

Table 10: Big Lottery Fund income estimates – DCMS projection⁶

	2005/2006 £m	2006/2007 £m	2007/2008 £m	2008/2009 £m
Income from the National Lottery (including share of interest)	654	632	626	616

6. Figures based on Department for Culture, Media and Sport projections net of the Olympic Lottery effect.



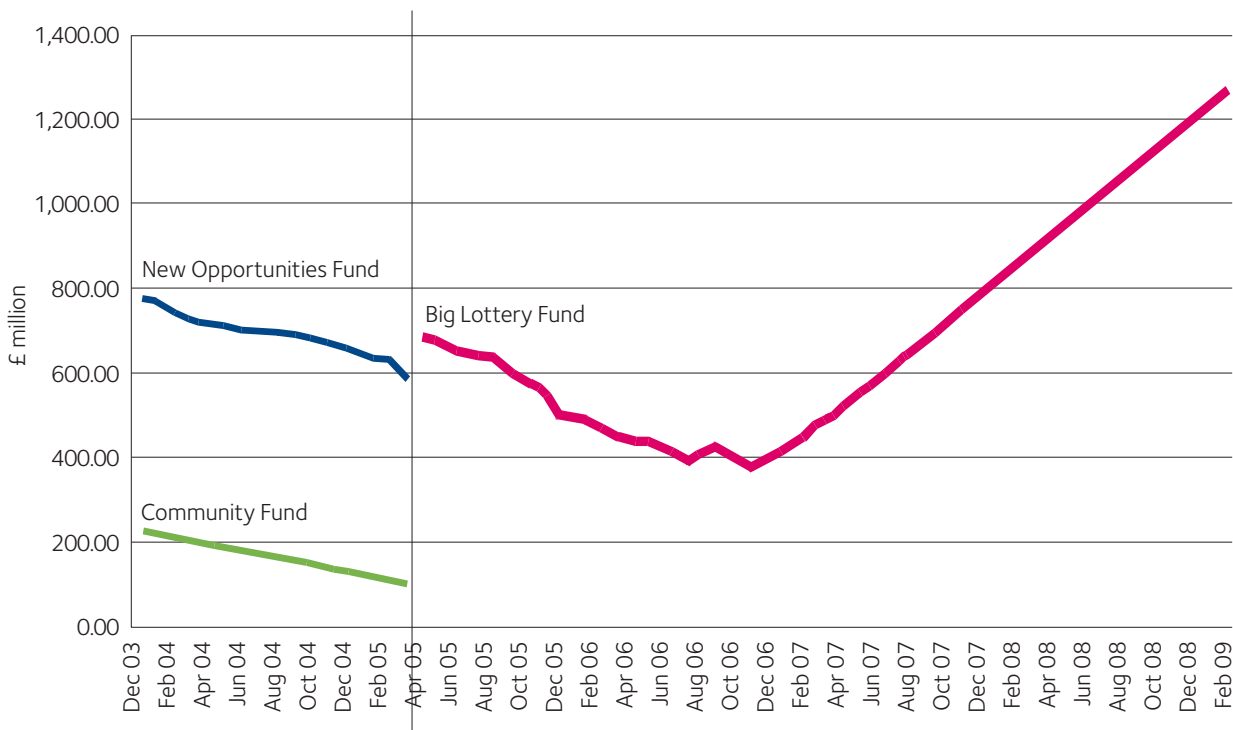
4.4 This income is not wholly available to the Big Lottery Fund for the following reasons:

- i.** The Community Fund 2004/05 grants budget is based on a £209 million over commitment of available funds at 31 March 2005.
- ii.** £651 million of income receivable beyond 31 March 2005 is ring-fenced for existing New Opportunities Fund policy directions.

iii. The Young People's Fund has ring-fenced a further £200 million of future income.

4.5 The Big Lottery Fund will be able to develop and launch new programmes on receipt of directions from Parliament. Cash flow to projects funded through these new programmes will need to be managed to ensure that no more than £200 million is paid out before autumn 2006. The graph below shows forecast balances available to the Big Lottery Fund.

Graph 1: Cashflow forecast – NLDF balances



4.6 The graph illustrates the predicted NLDF balances of the Community Fund and the New Opportunities Fund until 31 March 2005 and then aggregates the NLDF balance for the Big Lottery Fund. Balances cannot be aggregated until the legislation creating the Big Lottery Fund is passed. NLDF balances are predicted to go up post autumn 2006, this represents the funds available to distribute through new policy directions.

SECTION 5: Operating expenditure for 2004/05

5.1 The operating cost budgets for 2004/05 were prepared by managers from Community Fund and New Opportunities Fund working together to identify the costs required to deliver services in 2004/05. The budgets were produced based on business plans as at 31 December 2003. The business planning guidance set out the working assumption that non-merger business activity in 2004/05 will be a steady-state continuation from 2003/04. Corporate business units and country office administration and support functions were tasked to make savings of 10 per cent of baseline costs, excluding property and depreciation. The budget for 2004/05 has met these requirements.

5.2 The operating cost budget for 2004/05 totals £68.4 million, which is 11 per cent higher than the 2003/04 baseline.

5.3 This rise in expenditure comprises:

- Additional activities over baseline causing a £7.2 million increase
- Savings of £4.5 million arising from efficiencies and economies of scale
- Merger costs of £4.1 million added to the budget

5.4 This budget is apportioned between the New Opportunities Fund and Community Fund using a methodology with attributes direct costs to the relevant organisation and apportions joint costs based on share of income, headcount or baseline expenditure as appropriate.

5.5 The budget for the Community Fund is £25.9 million (2003/04 £ 24.1 million), which represents 11.8 per cent of annual income or 7.5 per cent of income over the lifetime of the Community Fund.

5.6 The budget for the New Opportunities Fund is £42.5 million (2003/04 £40.0 million), which represents 9.3 per cent of annual income or 6.1 per cent of income over the lifetime of the New Opportunities Fund.

Changes in baseline activity

5.7 Changes in baseline activity totalling £7.2 million can be quantified as follows:

- a. £1.6 million for the move from St Vincent's House, which would have taken place even if there had not been a merger and therefore this has been treated as a change in business activity. Including dilapidation, it is estimated to cost £1.4 million plus the six-month loss of rent receivable from the 1st floor of Plough Place is £0.2 million.
- b. £2.6 million extra budget for building monitors and capital facilities support assessors to support the New Opportunities for PE and Sport programme. This includes £2.3 million of costs that have slipped from 2003/04. The costs are based on expected applications to be assessed for the autumn deadline and estimated numbers of projects due to start on site.
- c. £0.3 million has been added to the research and evaluation baseline budget. This represents the full year effect of evaluation contracts let in 2003/04 on the CALL content, Scottish Land Fund and Transforming Communities programmes. This budget also includes £0.2 million for new contracts that are to be let for evaluation of Active England, Young People's Fund and the Veterans programmes.
- d. £0.3 million increase in costs arising from the introduction of the micro grants programme. The increase in costs to the Fund arising because of the reduction in recharges of England Awards for All costs to Sport England because of their 50 per cent reduction in grant budget are offset by savings.



- e. £0.9 million extra operations cost as result of the Veterans programmes. These costs include the Awards for All charge (£700,000) for managing the Heroes Return programme and Home Front Recall programmes and (£178,000) for extra staff complement within New Opportunities Fund operations.
- f. £0.4 million reduction as depreciation charges have reduced as a result of a number of regional leasehold improvements being fully written down.
- g. £0.6 million has been added to deliver the Active England and extension of the School Sports Co-ordinators programmes. The costs of delivering these programmes are based on estimated increased staff resources.
- h. £0.3 million to undertake Magic development work that formerly would have been capitalised. Note: the baseline already includes an equivalent figure for Merlin development.
- i. £1 million provision for the 2004/05 pay award has been included. This is based on three per cent uplift from budgeted salaries.
- j. The assumption in this budget is that the development and delivery of the Young People's Fund programmes will be largely cost neutral. Staff are expected to become free from other programmes to resource this new initiative.

Savings

5.8 Savings total £4.5 million can be quantified as follows:

- a. There is a net staff reduction of 43 from March 2004 to March 2005. This has generated savings of £1.6 million. The staff reduction is made up of an extra nine grants staff and a loss of 52 administrative staff.
- b. £0.6 million saving in Communications due to rationalisation of publications and design contracts and the use of communications agencies. Additionally, a further £0.2 million has been saved on a combined telemarketing contract.
- c. £0.3 million saving in property costs achieved through the move of the Northern Ireland offices to one site. Additional savings will be achieved when vacant property in Cardiff and Belfast is let.
- d. £0.2 million savings have been identified in the recruitment budgets reflecting the current recruitment freeze.
- e. £0.2 million of savings has been cut from professional fees representing savings on the legal budget reflecting efficiencies from the availability of the Community Fund in-house legal team and reduction of budgets held within organisational development.
- f. £0.4 million of savings have been identified through IT contract rationalisation.
- g. The Newcastle Childcare programme has reduced costs by £0.5 million reflecting the end of the assessment phase for those programmes. The other England regional offices have identified savings of £0.3 million.

SECTION 5:

Merger costs

5.9 The cost of the merger is budgeted at £4.1 million. These are provisional estimates of costs and can be quantified as follows:

- a. £0.5 million cost of staffing the merger integration team.
- b. £0.7 million for staff redundancy payments.
- c. £0.3 million professional fees to support internal communications, cultural integration, policy and programmes changes and HR changes.
- d. £0.3 million provision for fees for the Scotland Office move.
- e. £0.6 million for work to initiate IT work on a joint grant-making system.
- f. £0.1 million Big Lottery Fund for initial print of stationery and other publications.
- g. £0.7 million for Plough Place fit out to accommodate all CF staff.
- h. £0.5 million for public consultation on Big Lottery Fund.
- i. £0.2 million for web design and development.
- j. £0.1 million for Big Lottery Fund branding.
- k. £0.2 million added to HR staffing budget to support delivery of the staff change policy.

Other matters

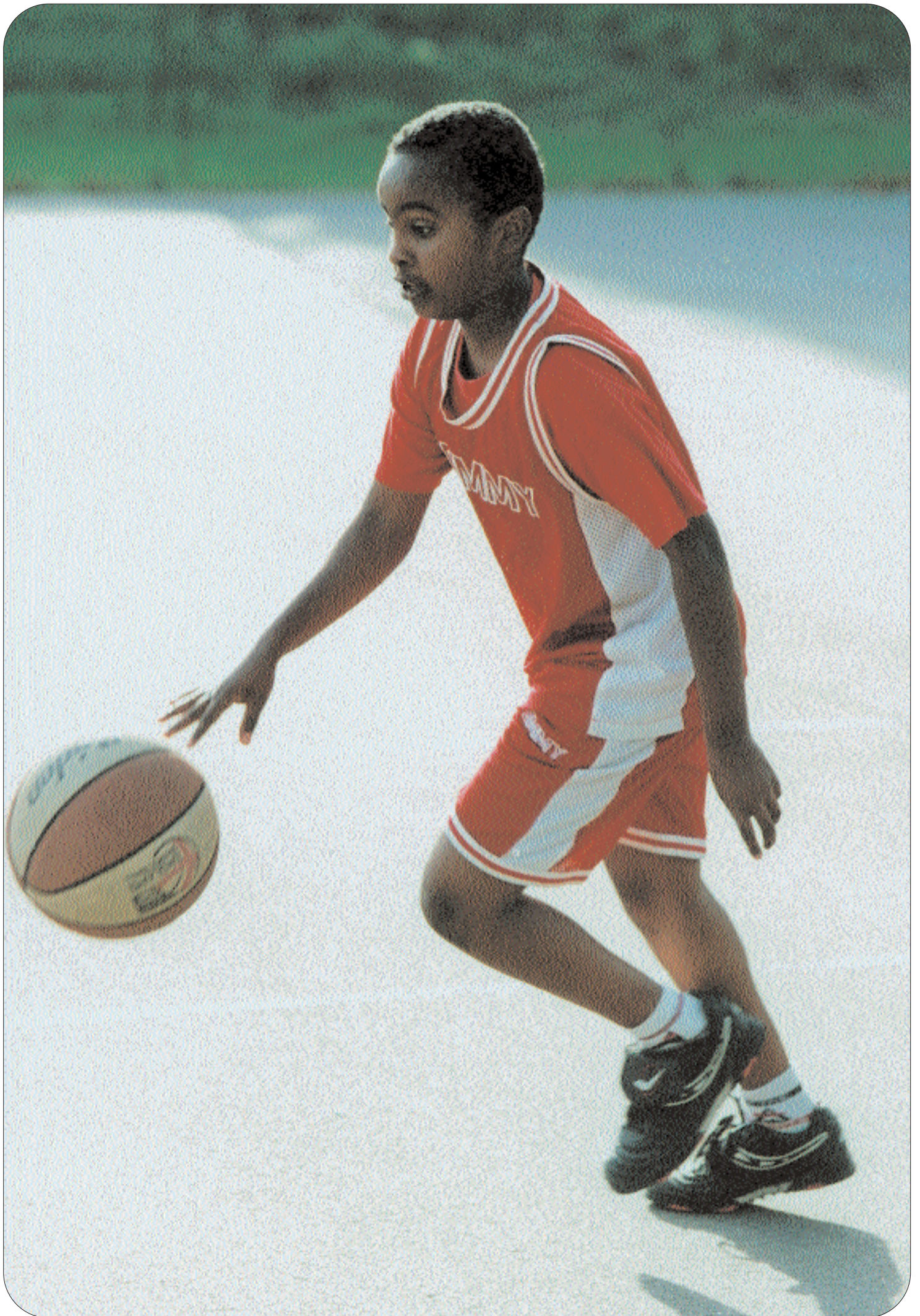
5.10 In addition, the following points should be noted:

- a. The staff savings shown of £1.6 million are not the full year benefit since many of the staff reductions take effect from June or later. It is estimated that the full year saving will be £2.1 million.
- b. Capital Expenditure during 2004/05 is budgeted at £0.5 million. This is for Scotland fit out (£250,000) and IP Telephony (£240,000).
- c. Recharges comprise recovery of costs from other distributors for occupancy at the Nottingham office and for service provision on Awards for All. Although Lottery Forum has been included in the budget (£60,000) no recharge has been assumed, nor has any recharge been allowed for Futurebuilders.

5.11 Business issues not allowed for in the budget include the following:

- a. Any costs or savings that might arise if IT support were to be changed from the current mix of New Opportunities Fund being supported by Logica-CMG and CF being supported by CF staff.
- b. Any conclusions from the Regional Review.
- c. Any potential costs of harmonisation of pay and benefits.
- d. Any savings from reducing surplus property at Cardiff and Belfast.
- e. The budget excludes Arrangements, which are expected to be £2.0 million (£2.2 million 2003/04). Arrangements include the continuation of the Doomsday Book and the final year of the contracts with the Sports Councils for applicant support for the New Opportunities for PE and Sport programme.

5.12 Finally, it is expected that by mid 2004/05 organisational structures and the business strategy will be far better defined than at present. It will therefore be appropriate to review the budgets half way through 2004/05 to align them with the new vision for the Big Lottery Fund.



SECTION 5:

Table 11: Directorate summary of operating expenditure

					Schedule 1
	2004/05 Total budget	Chief executive	Policy and external relations	Finance and corporate services	Planning and performance
<u>Staff costs</u>					
Salaries, NI and pension	30,162,667	211,837	3,193,599	3,786,814	1,667,448
Travel, subsistence and benefits	1,762,157	11,009	143,623	151,660	151,785
Recruitment	584,994	–	–	523,580	16,000
Training and conferences	974,774	16,000	59,769	360,072	101,152
Total staff costs	33,484,592	238,846	3,396,991	4,822,126	1,936,385
<u>Other controllable costs</u>					
Assessor and external support	10,551,288	–	50,000	224,400	–
Research and evaluation	1,975,286	–	1,931,786	–	–
Professional fees	1,102,366	5,000	75,000	496,816	241,800
Telemarketing	927,100	–	463,200	36,000	–
IT supplies and support	3,751,099	–	1,000	3,724,603	–
Publicity and communications	1,972,296	–	1,283,716	22,000	33,500
Publications	1,006,548	–	721,008	75,500	–
Office expenses	1,992,480	1,350	46,912	1,031,068	2,680
Other controllable costs total	23,278,463	6,350	4,572,622	5,610,387	277,980
<u>Non controllable costs</u>					
Property costs	7,840,175	–	–	7,387,245	–
Other property costs	2,074,344	–	–	1,938,932	–
Depreciation	2,081,622	–	–	2,042,946	–
Internal recharges	–	–	(14,137)	(1,197,734)	(59,388)
Contingency	1,242,500	–	–	1,000,000	–
Total non grant costs	70,001,697	245,196	7,955,476	21,603,903	2,154,977
Merger costs	3,394,000	–	840,000	–	2,554,000
External recharges	(5,031,639)	–	–	(1,704,551)	–
Total 04/05 budget	68,364,057	245,196	8,795,476	19,899,352	4,708,977
Changes in baseline activity	(7,209,421)	–	(335,551)	(2,500,842)	–
Merger costs	(4,073,556)	–	(840,000)	(195,666)	(3,037,890)
Savings	4,476,805	236,646	1,157,624	1,122,742	103,375
Saving as a percentage of 03/04 baseline	7.3%	49.1%	13.2%	6.1%	5.8%
Base line	61,557,885	481,842	8,777,549	18,325,585	1,774,462
Total staff Mar 2004	971.2	5.0	98.1	106.8	28.8
Total staff Mar 2005	928.1	3.0	90.1	92.0	32.0
Decrease/(increase) in staff	43.1	2.0	8.0	14.8	(3.2)

Table 11: Directorate summary of operating expenditure (continued)

	Schedule 1				
	NOF operations	CF operations	Scotland	Wales	Northern Ireland
<u>Staff costs</u>					
Salaries, NI and pension	6,629,980	10,395,344	1,637,712	1,300,208	1,339,725
Travel, subsistence and benefits	447,500	575,446	128,566	93,288	59,280
Recruitment	–	38,014	6,000	400	1,000
Training and conferences	140,225	222,632	33,925	24,600	16,400
Total staff costs	7,217,705	11,231,435	1,806,203	1,418,496	1,416,405
<u>Other controllable costs</u>					
Assessor and external support	8,434,090	197,840	677,208	554,850	412,900
Research and evaluation	43,500	–	–	–	–
Professional fees	190,000	91,750	–	–	2,000
Telemarketing	–	370,000	30,000	13,500	14,400
IT supplies and support	–	22,000	2,496	1,000	–
Publicity and communications	23,500	410,033	113,188	48,819	37,540
Publications	–	133,650	41,019	27,871	7,500
Office expenses	5,200	615,083	125,478	88,104	76,606
Other controllable costs total	8,652,790	1,883,856	989,389	734,144	550,946
<u>Non controllable costs</u>					
Property costs	–	371,878	24,019	14,075	42,957
Other property costs	–	92,230	23,644	12,404	7,135
Depreciation	–	20,760	15,516	–	2,400
Internal recharges	–	1,094,955	83,461	34,593	58,249
Contingency	–	242,500	–	–	–
Total non grant costs	15,870,495	14,937,614	2,942,232	2,213,712	2,078,092
Merger costs	–	–	–	–	–
External recharges	–	(2,724,822)	(312,455)	(98,814)	(190,997)
Total 04/05 budget	15,870,495	12,212,792	2,629,777	2,114,897	1,887,095
Changes in baseline activity	(3,030,880)	(1,012,380)	(47,548)	(174,300)	(107,920)
Merger costs	–	–	–	–	–
Savings	10,915	1,314,008	238,345	216,008	77,143
Saving as a percentage of 03/04 baseline	0.1%	10.5%	8.5%	10.0%	4.2%
Base line	12,850,530	12,514,420	2,820,574	2,156,605	1,856,318
Total staff Mar 2004	178.6	390.9	67.7	45.9	49.3
Total staff Mar 2005	190.1	366.9	60.5	45.7	47.8
Decrease/(increase) in staff	(11.5)	24.0	7.2	0.2	1.5

SECTION 5:

Table 12: 2004/05 budget expenditure summary

	Schedule 2			
Total Non expenditure grant by dept. £	2004/05	2003/04 budget	Variance baseline better/(worse)	Percentage vs. baseline better/(worse)
Eastern	594,371	627,466	33,095	5.3%
East Midlands	597,520	621,922	24,402	3.9%
London	1,027,926	1,182,135	154,209	13.0%
North East	534,357	531,990	(2,367)	(0.4%)
North West	885,896	851,078	(34,818)	(4.1%)
South East	792,755	822,620	29,865	3.6%
South West	658,179	694,025	35,846	5.2%
West Midlands	688,726	735,023	46,297	6.3%
Yorkshire and the Humber	729,733	762,948	33,215	4.4%
England AFA Regions	0	39,551	39,551	100.0%
England AFA (incl micro grants and veterans)	1,884,643	832,712	(1,051,931)	(126.3%)
New Opportunities Fund childcare	1,624,639	2,095,892	471,252	22.5%
UK and England admin	8,803	174,849	166,046	95.0%
Strategic grants	537,442	673,020	135,578	20.1%
Research	352,521	340,988	(11,533)	(3.4%)
International	441,018	456,946	15,928	3.5%
Operations development	558,692	668,269	109,578	16.4%
Project teams	295,571	402,986	107,415	26.7%
Total Community Fund operations	12,212,792	12,514,420	301,628	2.4%
New Opportunities Fund operations	15,393,390	12,362,510	(3,030,880)	(24.5%)
New Opportunities Fund programme support	477,105	488,020	10,915	2.2%
New Opportunities Fund operations	15,870,495	12,850,530	(3,019,965)	(23.5%)
Scotland	2,502,155	2,689,410	187,255	7.0%
Scotland Awards for All	127,623	131,164	3,541	2.7%
Scotland directorate	2,629,777	2,820,574	190,797	6.8%
Wales	2,044,868	2,078,261	33,393	1.6%
Wales Awards for All	70,029	78,344	8,315	10.6%
Wales directorate	2,114,897	2,156,605	41,708	1.9%
Northern Ireland	1,777,309	1,775,359	(1,950)	(0.1%)
Northern Ireland Awards for All	109,786	80,958	(28,827)	(35.6%)
Northern Ireland directorate	1,887,095	1,856,318	(30,777)	(1.7%)

Table 12: 2004/05 budget expenditure summary (continued)

				Schedule 2
Total Non expenditure grant by dept. £	2004/05	2003/04 budget	Variance baseline better/(worse)	Percentage vs. baseline better/(worse)
Chief executive	245,196	481,842	236,646	49.1%
Chief executive directorate	245,196	481,842	236,646	49.1%
Policy	1,214,253	1,357,435	143,183	10.5%
Publications and information	2,513,446	2,638,149	124,703	4.7%
Marketing and press	1,904,415	2,000,705	96,290	4.8%
Research and evaluation	2,395,036	2,028,441	(366,596)	(18.1%)
New Opportunities Fund regions	768,325	752,819	(15,506)	(2.1%)
Policy and external relations directorate	8,795,476	8,777,549	(17,927)	(0.2%)
Corporate resources	134,449	299,845	165,395	55.2%
Finance	2,777,270	3,309,730	532,460	16.1%
Office services	9,128,310	7,595,609	(1,532,701)	(20.2%)
Human resources (incl Org dev)	1,922,808	2,004,034	81,226	4.1%
IT	4,148,653	4,155,867	7,214	0.2%
Learning and development	432,821	537,221	104,400	19.4%
Nottingham office management	0	1,989	1,989	100.0%
New Opportunities Fund risk and compliance	355,040	421,290	66,250	15.7%
Finance and corporate services directorate	18,899,352	18,325,585	(573,767)	(3.1%)
Performance and quality	658,248	578,649	(79,599)	(13.8%)
Audit	306,576	306,172	(404)	(0.1%)
Main board	656,393	820,106	163,712	20.0%
Equalities	49,870	69,536	19,666	28.3%
Planning and performance directorate	1,671,087	1,774,462	103,375	5.8%
Merger costs NDCO	3,037,890	0	(3,037,890)	
Contingency	1,000,000	0	(1,000,000)	
Total 2004/05 budget	68,364,057	61,557,885	(6,806,172)	(11.1%)

SECTION 5:

Table 13: Summary of operating expenditure by category

	Schedule 3		
Non grant expenditure by category	Total budget 2004/05	Total base line 2003/04	Total variance
<u>Staff costs</u>			
Salaries, NI and pension	30,162,667	30,744,267	581,600
Travel, subsistence and benefits	1,762,157	1,906,530	144,373
Recruitment	584,994	774,731	189,737
Training and conferences	974,774	1,065,414	90,640
Total staff costs	33,484,592	34,490,943	1,006,350
<u>Other controllable costs</u>			
Assessor and external support	10,551,288	7,900,357	(2,650,931)
Research and evaluation	1,975,286	1,636,235	(339,051)
Professional fees	1,102,366	1,146,568	44,202
Telemarketing	927,100	1,041,500	114,400
IT supplies and support	3,751,099	3,834,840	83,741
Publicity and communications	1,972,296	2,266,636	294,340
Publications	1,006,548	1,372,599	366,051
Office expenses	1,992,480	2,285,632	293,151
Other controllable costs total	23,278,463	21,484,367	(1,794,097)
<u>Non controllable costs</u>			
Property costs	7,840,175	7,718,419	(121,756)
Other property costs	2,074,344	734,376	(1,339,968)
Depreciation	2,081,622	2,493,246	411,624
Internal recharges	–	(315,366)	(315,366)
Contingency	1,242,500	–	(1,242,500)
Total non grant costs	70,001,697	66,605,985	(3,395,712)
Merger costs	3,394,000	–	(3,394,000)
External recharges	(5,031,639)	(5,048,099)	(16,460)
Total 04/05 budget	68,364,057	61,557,885	(6,806,172)
Total staff Mar 2005	928.1	971.2	43.1



