



# Corporate Plan 2010/11



Corporate Plan 2010/11

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### Accessibility

Please contact us to discuss any specific communications needs you may have.

### Our equality principles

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

### We care about the environment

The Big Lottery Fund seeks to minimise its negative environmental impact and only uses proper sustainable resources.

### Our mission

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

### Our values

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

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

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# Introduction by the Chair and Chief Executive

In June 2009, BIG published its Strategic Framework, Big Thinking, which described what you could expect from us as a funder over the period to 2015. Our Corporate Plan sets out our budget and the objectives and targets for delivering that vision and our overall mission to bring real improvements to communities and the lives of people most in need.

This will be an important year for BIG as we continue to deliver on the promises set out in Big Thinking in the context of immense pressure on public spending and the initial stages of the new government's reform of the National Lottery. We recognise that, more than ever, we will need to be flexible, responsive and focused to adapt to the times and deliver effectively. We will continue to manage our operating costs to deliver value for money. We have been commended by the Public Accounts Committee for our high quality and cost-efficient outreach work.

Our achievements, our people and the strong relationships we enjoy with partners and customers stand us in good stead for the period ahead. We will continue to work closely with them to improve the way we do things and share our research, learning and evaluation of what we fund. We increasingly gain valuable learning from the people who benefit from the projects that we fund.

Our plan demonstrates how this year BIG will meet its purpose of making a positive and sustainable difference to local communities. We have £390 million of agreed grant budget to distribute this year and will be investing this through improvements to existing programmes as well as beginning to make available a mix of programmes across all four UK countries.

**Peter Wanless**  
Chief Executive

**Sir Clive Booth**  
Chair

# About us

The Big Lottery Fund is the largest of the Lottery distributors. Our mission is to bring real improvements to communities and the lives of people most in need. We are responsible for giving out half the money raised for good causes by the National Lottery. We were set up in June 2004 by the administrative merger of two Lottery distribution bodies, the New Opportunities Fund and the Community Fund. We were fully established as a legal entity on 1 December 2006 when the relevant sections of the National Lottery Act 2006 commenced. On this date we also inherited the responsibilities of the Millennium Commission.

## Corporate governance

As a non-departmental public body the Big Lottery Fund is answerable to the Department for Culture, Media and Sport (DCMS) and its Principal Accounting Officer. We can be required to give evidence to Parliamentary committees and the devolved administrations.

Our governance framework is provided by DCMS in consultation with the devolved administrations. It includes:

- Policy Directions, which set out the matters that we should take into account in deciding how to spend Lottery money;
- Financial Directions and the Statement of Financial Requirements, which set out how we should manage Lottery money; and
- Accounts Directions, which set out how we account for our use of Lottery money.

The Management Statement defines the relationship between the Big Lottery Fund and DCMS as drawn up by joint agreement and sets out the broad framework within which we operate. We also take account of guidance issued by Treasury and DCMS. All these directions are put into effect through our internal policies and procedures.

We have a wide funding power that enables us to make grants (or loans) to many different types of organisation in the charitable, voluntary and

community, public and private sectors. We also can distribute non-Lottery funding on behalf of other organisations.

## Organisation

The Big Lottery Fund is headed by Chief Executive Peter Wanless. He is the Accounting Officer and chairs the Senior Management Team (SMT), which maintains an overview of the day-to-day operations of the organisation and ensures Board decisions are implemented. The Senior Management Team considers policy and key strategic and operational matters ahead of any changes that the Board might approve. It is also responsible for identifying and managing corporate risk. The organisation has offices in England, Wales, Scotland and Northern Ireland. The directors who are members of the SMT and their responsibilities for 2010/11 are shown in an organisation chart at annex A.

## Internal governance

The Big Lottery Fund Board ensures that the organisation complies with legislation and any Directions, approves overall strategy and policy, and agrees and oversees the operational budget and budgets for funding programmes. The Board decides on and oversees, at a strategic level, how all our grant-making programmes will be run. It is responsible for overseeing the administration of the organisation, including the appointment of the Chief Executive. The Board comprises a Chair, four members who chair the four Country Committees and seven general members. All are non-executive posts appointed by the Secretary of State for Culture, Media and Sport. The Board has decided to have a Vice-chair, currently one of the general board members. Board powers are delegated as appropriate to a number of committees, each chaired by a Board member, as set out below.

The country committees for England, Northern Ireland, Scotland and Wales are provided for in the legislation. They are responsible for four country-based funding programmes and associated policies as well as decisions about awards within the common policy framework

# About this plan

agreed by the UK Board. Members are appointed by the Board subject to consent from Ministers in the Devolved Administrations or the Secretary of State for Culture, Media and Sport for England.

The Board also sets up Committees as needed from its membership for grant programmes that operate at UK level.

The Audit and Risk Committee approves the internal audit programme, endorses the risk register and scrutinises the outcome of internal and external audit reports.

The Resources Committee considers the annual budget, oversees expenditure and monitors the staffing complement and structure, staff pay and conditions and other aspects of human resources management.

The Remuneration Committee meets at least once a year to consider the performance and remuneration of the Chief Executive and directors.

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

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

This plan outlines our priorities and our targets for 2010/11, the second year of our new Big Thinking strategic framework. The strategic framework sets the course of our journey from 2009 to 2015 and should be read in conjunction with this annual plan because it is shaping and influencing the funding arrangements and activities described here. A copy of the Big Thinking strategic framework can be downloaded from our website at [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)

# Strategic objectives for 2010/11

The Big Lottery Fund has developed three strategic objectives for 2010/11 to drive our business planning. The objectives are:

## **Strategic objective 1: Efficiency**

We are managing public funds efficiently.

## **Strategic objective 2: Customer focus**

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

## **Strategic objective 3: Effectiveness**

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

Underneath each strategic objective we have identified the priorities for delivery in 2010/11 and a set of performance measures. These are summarised in the following pages.

## **Strategic objective 1: Efficiency**

**We are managing public funds efficiently.**

### **Key performance indicators:**

- **Through the award of grants we commit 100 per cent of our grant budget for the year.**
- **Operating costs as a percentage of income.**

### **Grant budgets**

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

In response to what the voluntary sector has asked of us, we now make grants for longer periods. Grants that run for five years are now common. And of course we fund capital works that take several years to build. The fact that many of our grants will be paid out several years after they are committed means we can, and do, make commitments from money that we don't yet have. At 1 April 2010 we had £1,122 million of outstanding commitments but only had £474 million in the National Lottery Distribution Fund with which to meet them. The balance of payments will be met out of future income.

Our future income is, however, uncertain because no one knows how much Lottery income there will be. For this reason BIG has to be prudent. DCMS produces projections of future income based on the assumption that Lottery ticket sales will remain broadly at their current level into the future – we call this the 'central case' and use it for our long-term planning of likely future spending. But we cannot make grant commitments on this basis – if we did, and Lottery income fell, we might be unable to meet all our commitments. So we produce a more cautious projection which we call the '5 per cent case' because we estimate that it has about a 5 per cent chance of actually happening. We set grant budgets so that on the 5 per cent case we aim to have no balance at the lowest point in the future. Planning several years ahead allows us to make any changes to our programmes with minimum disruption, in the unlikely event that our forecasts show we may not meet future commitments.

In May 2010 the Secretary of State for Culture, Olympics, Media and Sport announced his intention to consult on proposals to change the Big Lottery Fund's share of income. Subject to consultation and parliamentary approval, the proposal will reduce our share of income from the National Lottery to 46 per cent from 1 April 2011 and to 40 per cent from 1 April 2012. This potential reduction in income will mean that we will have to review our existing and future plans. However, although we currently have a significant level of over commitment, provided that Lottery ticket sales remain at projected levels, we will be able to meet all existing commitments.

In Big Thinking we identified the expected funding available for distribution during 2009-2015 taking into consideration the level of Lottery ticket sales at that time and the assumption that our percentage share of funding from the National Lottery remained the same. The indicative budgets we published at that time were based on our view of balancing the requirement to maximise grant awards with a desire to provide relatively stable annual grant budgets during the early part of this plan. If income changes as proposed we will need to review the affordability of these indicative budgets.

The Board, on the advice of the four country committees, has completed its budget review for 2010/11. It approved grant budgets for the period to 31 March 2011 for new and existing funding programmes, and these are shown in the table below (all figures are 'up to' amounts). There are some budgets for programmes currently being developed. When these are approved by the Board we will announce them through our website. The Board also remains committed to honouring the undertaking it made in Big Thinking that, across the UK as a whole, the voluntary and community sector (VCS) should receive at least 80 per cent of our funding between now and 2015.

## Strategic objectives for 2010/11

**Budget  
2010/11  
£m**

### UK wide

Partnership and public engagement	
Heroes Return 2	4.80
The People's Millions (round 6)	3.80
Community Wildlife	2.00
The BIG Lunch	0.32
Village SOS Additional Grants	2.00
Village SOS learning campaign	1.00
International Communities	1.25
Replication and Innovation	
Social Impact Bond	0.80
Unallocated budget (Programmes in development)	3.00
<b>Total</b>	<b>18.97</b>

### England

Reaching Communities 10/11	125.45
Reaching Communities 10/11 (Capital)	0.15
Capital Support (contract)	1.75
Forces in Mind	0.2
Financial Capability Social Housing	4.00
BIG Local programme	1.6
Sustainable development	4.00
BASIS	2.50
Changing Spaces	3.75
Parks for People	0.87
Advice	1.50
Awards for All	45.00
<b>Total</b>	<b>190.77</b>

### Scotland

Awards for All	10.70
2014 Communities	1.00
Investing in Ideas	1.00
Investing in Communities 2	14.00
Jessica Fund	10.00
Investment fund	50.00
Future Interventions	4.00
Section 43	0.70
Growing Community Assets	8.40
Venture Fund	1.95

## Strategic objectives for 2010/11

	Budget 2010/11 £m
<b>Scotland continued...</b>	
Young People's Fund	0.02
Our Place Arrangement	0.45
Our Place	0.55
Volunteering support contract	0.50
<b>Total</b>	<b>103.27</b>
<b>Wales</b>	
Community Asset Transfer (CAT)	2.00
Awards for All	2.90
People and Places	23.15
Life Skills	3.80
AdvantAGE	20.00
Child's Play	2.00
Futures Fund	0.95
<b>Total</b>	<b>54.80</b>
<b>Northern Ireland</b>	
Awards for All	3.50
Reaching Communities	2.61
Cross Border	0.30
Headroom	0.50
Young People at Risk	5.00
Community Planning Pilot	0.57
Older People at Risk	5.00
Advice Services	0.80
Live and Learn & Safe and Well (base-lining contract)	0.09
Energy Efficient Venues	1.73
Unallocated Budget (Programmes in development)	1.90
<b>Total</b>	<b>22.00</b>
<b>total</b>	<b>384.91</b>
Unallocated budget total	4.9
<b>total</b>	<b>389.81</b>

Please note that all figures stated in this table are 'up to' amounts.

## Strategic objectives for 2010/11

### Operating cost budget

In March 2010 the Big Lottery Fund Board approved an operating cost budget, excluding the costs of the business process engineering programme (BPR), as follows:

figures exclude BPR costs	Budget 2010/11	Forecast outturn 2009/10	2010/11 budget expressed as a % of expected Lottery income
Directorate spend	57.80		7.8
Programme Contingency	2.55		
<b>Total</b>	<b>60.35</b>	<b>60.35</b>	<b>8.2</b>

BIG aims to control costs tightly. In the financial year 2009/10 our operating costs were 7.4 per cent of income received, down from 8.6 per cent in the previous financial year. In part the 2009/10 outturn is due to 'windfall' refunds received during that year. Overall, we are aiming to keep our Lottery distribution costs down to below 8.5 per cent of our lottery income over the longer term. Costs fluctuate over the programme cycle, and therefore from year to year. Lottery income also fluctuates outside our control, so the percentage will inevitably rise and fall in the short term.

While we do not want unnecessary bureaucracy, we need to ensure that we fund accessibly and fairly, manage the risks of fraudulent applications, provide a good customer service and, most importantly, ensure that our programmes achieve their intended outcomes. In addition significant parts of our operating costs are not just 'administration' – designing excellent and accessible programmes, supporting grant applicants and holders in their work through outreach. Making widely available well-designed and customer-friendly application materials and conducting evaluation and research are vital to achieving our outcomes. So we are not aiming to minimise these costs; rather to ensure that they offer value for money.

The programmes through which we make large numbers of small grants are more expensive for us to run than the

programmes that focus on one sector and make a few large grants. The type of programme we build is driven by what best achieves the desired outcomes, not the cost of delivery.

We have planned for an operating cost budget that is no higher in cash terms than last year. During 2010/11 we expect to launch a tranche of new programmes. The costs of these are not yet fully known; therefore, the setting of robust operating cost budgets to achieve efficiency targets has proved challenging. We also continue to absorb pay increases and other inflation.

The 2010/11 operating cost budget set out above excludes the budget for investment to improve our grant management systems and processes (known as the BPR project). We expect this investment to bring about greater efficiency and customer service improvements from late 2010/11 by supporting the range of ways in which we will award money in the future. Though a significant proportion of this is investment to be set against savings in future years, there will be some one-off revenue costs incurred in this period for implementing the new system, migrating data and training staff.

**We will measure our success against this objective by continuously monitoring budget expenditure against target.**

**Annual target:  
operating costs are less than 8.5 per cent of Lottery income.**

**Annual target:  
100 per cent of agreed grant budget committed.**

### **Strategic objective 2: Customer focus**

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

#### **Key performance indicator:**

#### **Customer satisfaction measured by regular surveys.**

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

In the year to March 2010 our staff across the UK had contact with more than 100,000 people who enquired about a grant from BIG. Staff in our operational centres responded to more than 4,000 outline proposals and nearly 29,000 applications for grants, and supported more than 26,000 organisations that hold a grant from BIG.

Our new Customer Service Strategy for 2010-2015 will ensure we deliver consistently high quality services. As a result of consultation and a series of customer surveys, plus testing ourselves against the government's customer service excellence standards, we have a strong evidence base to justify four priorities in the year ahead:

- ▶ We will develop an insight framework to ensure that all of our communications activities are designed with insight into the customer perspective and experience. An extranet will be created and we will promote the use of social media for our applicants and grant-holders to share knowledge, contacts and advice.

- ▶ We will let customers (and other stakeholders) know how they have contributed to our learning by publishing headline findings and responses as appropriate.
- ▶ We will ensure that our workforce policies encourage an attitude and behaviour that puts customers first. All staff training will be strengthened and two new in-house courses will be developed for managers and support staff to develop understanding of customer service excellence centred around our BIG Six standards.
- ▶ All our programmes will embrace Big Thinking intelligent funding principles. We will pilot new ways of working, including seeking specialist advice on the ease of use of our application materials and processes, and conduct a trial of on-line forms with built-in feedback mechanisms.

We will measure our success against this strategic objective by conducting customer satisfaction surveys across the UK at regular intervals during the year, comparing the results with subsequent years when our new systems are in place. For this survey our samples are drawn from all applicants that have received a decision on their grant, and all grant holders.

We also set internal indicators for our handling of complaints and assessments and awards.

#### **Annual target:**

**Maintain our 90 per cent customer satisfaction rating.**

## **Strategic objective 3: Effectiveness**

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

**Key performance indicator: every BIG funding programme rates positive overall on accountability, learning and impact (based on in-house annual review beginning one year after launch).**

Evaluation and research allows us to understand the impact of our funding, and helps us to improve the quality and effectiveness of our programmes. It is important to us that our funding makes a widespread, effective and sustained change in line with our mission. This year we are investing in work that will improve how we measure this.

We will continue to spend time on research and maintain a dialogue with people who are interested in our work, experts, policy-makers and customers. We will monitor and evaluate our past and current programmes. We currently have around 15 evaluations and 12 research projects underway. The Research and Learning Strategy for 2009 to 2015 will ensure that as we shape our new funding we are gathering, synthesising and presenting the evidence from our past programmes and external research to inform who and what we fund and how we get the most out of the money we give. Evaluation reports are published externally and can be found on our website at [www.biglotteryfund.org.uk/evaluationandresearch-uk](http://www.biglotteryfund.org.uk/evaluationandresearch-uk).

At the end of March 2010 we had 26,134 Lottery grants in management across the UK; some of these grants sit within programmes that are now closed to application. They are now in the project delivery phase and are drawing funds down from their grant allocation. When projects are completed they send in a report on how well they achieved their outcomes.

This year our popular Awards for All programme across the UK will remain open for applicants, and the Reaching Communities programme has been re-launched in England with a larger budget and new guidance. As an indication of the scale of our operations, more than 8,000 Awards for All grants and 481 Reaching Communities grants were awarded in England in 2009/10. The total number of awards we made exceeded 13,000 over the year.

As set out under Strategic objective one, BIG has a £390 million grant budget for 2010/11. This will allow us to continue to invest in delivering over the long-term the outcomes set out in Big Thinking and achieving our commitment that the VCS receives at least 80 per cent of our funding between now and 2015. The whole Big thinking portfolio for 2010–2015 will offer new funding to support projects to achieve these outcomes.

We will make our funding available through a mixed portfolio of programmes across the UK. The portfolio will consist of:

1. Open programmes that respond to the needs of communities that they themselves identify. This includes support for easily accessible small grants through programmes like Awards for All, but also our flagship programmes: – Reaching Communities in England and Northern Ireland, People and Places in Wales and Investing in Communities in Scotland.
2. Programmes that get funds to places otherwise disadvantaged by bidding processes. They will include Big local in England and Our Place in Scotland. Programmes of this type allow us to target funding to parts of the UK requiring intense support while enabling some of the most disadvantaged areas to tackle issues that are most important to them.
3. Targeted, strategic interventions that focus on a particular issue or geographic area where research tells us we can make a difference. Some examples are given below.
  - a) Forces in Mind (England) will fund projects that support the psychological wellbeing and successful and sustainable transition of veterans and their families into civilian life.
  - b) Youth in Focus (England) will fund projects that support young people to achieve independent living after being in care or in youth offending institutions, and also projects that support young carers through major changes in their lives; and projects that help people take control of their finances.

# Strategic Objectives for 2010/11

c) AdvantAGE in Wales will fund projects that support older people, and targeted funding to support change within communities in Northern Ireland.

d) Replication and Innovation (R&I) is a targeted UK-wide programme that aims to tackle specific deep-rooted social problems that affect the lives of individuals and communities. Through R&I, BIG will commission a small number of organisations to replicate or scale-up highly effective practice and work with others to seed and incubate promising new approaches. It will also support the VCS sector through a number of learning and research opportunities.

By offering this mix and range of funding we continue a strategy of being adaptable, flexible and responsive in a way that is highly effective in achieving an impact.

During the year we will welcome the opportunity to deliver funding on behalf of other organisations, if this funding can be used to help achieve our mission and values.

We already have several programmes under management for clients including **myplace** for the Department for Education (formerly Department for Children, Schools and Families) under which we awarded £272 million to 70 grants, and Community Assets on behalf of the Office for Civil Society (formerly Office of the Third Sector) under which we awarded up to £30 million to 37 grants.

In a partnership arrangement with the Welsh European Funding Office we run a Lifeskills (Wales) programme, jointly-funded by Lottery funds and European Social Funds. This year we will launch a £13 million Community Asset Transfer programme joint funded in partnership with the Welsh Assembly Government.

We have been nominated as the body responsible for distributing funds derived from dormant bank and building society accounts to good causes throughout the UK and in the year ahead we will continue to work with relevant Government departments to understand better what is expected of us and to help move this forward.

**We will measure our success against this strategic objective by monitoring the projects we fund and by carrying out an annual review of each programme to measure it against delivery of the outcomes we published for it. From this we can determine where the programme has made a difference and capture learning. These reviews will include a peer review element and draw on available research, including evaluation findings.**

Annual target:  
set a baseline from the data of programmes reviewed by  
March 2011

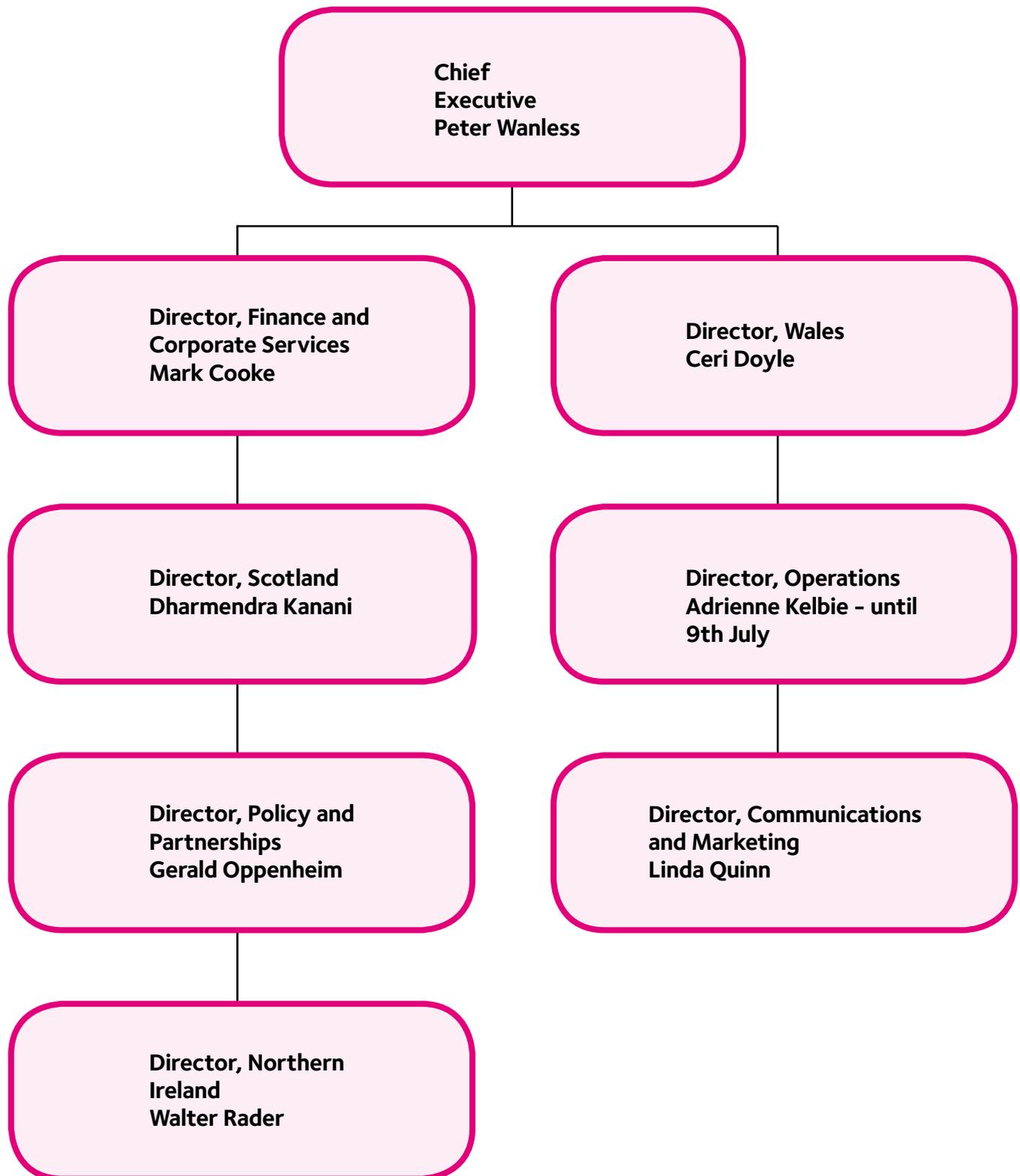
# Risks for 2010/11

We face a range of risks to the delivery of our strategic objectives and other commitments. The most important of these are set out in our corporate risk register. In the coming year our plans to reshape the Big Lottery Fund around new systems and improved customer experience will bring about major changes to our corporate structure and business processes. We will carefully monitor the exposures to risk within this programme of change.

Our approach for risk identification and management is set out in our Risk Management Policy Statement. Identifying and managing corporate risks is the responsibility of the Senior Management Team. Where necessary we will audit the measures put in place to contain or reduce our exposure to risk. The areas that may require testing during the year are taken into account in our audit plan for 2010/11. The Audit and Risk Committee receives regular reports on our risk management and audit findings during the year.

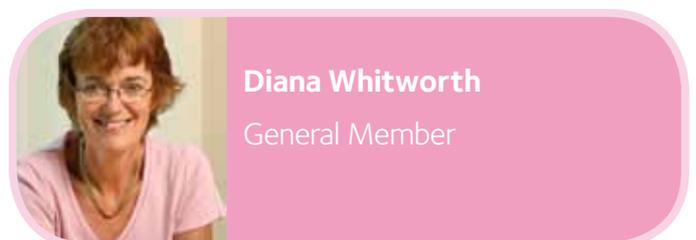
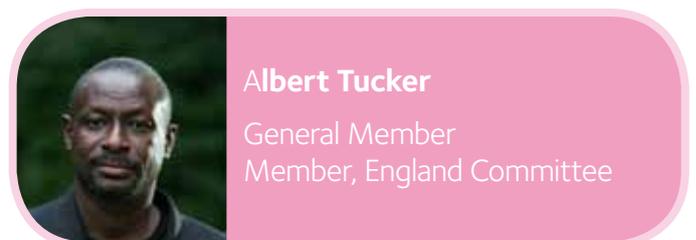
# ANNEX A

## Organisation chart



# ANNEX B

## Board and committee members



## ANNEX B

### Board and committee members

#### **Country committees**

##### **England Committee - Sanjay Dighe (Chair)**

The members are Alan Billings, Sue Charteris, John Gartside, Margaret Hyde, Daniel Silverstone, Albert Tucker, Nalini Varma and Geoffrey Wilkinson.

##### **Northern Ireland Committee – Frank Hewitt (Chair)**

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

##### **Scotland Committee - Alison Magee (Chair)**

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

##### **Wales Committee - Huw Vaughan Thomas (Chair)**

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