



Corporate Plan 2011/12



Corporate plan 2011/12

Further copies available from:

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

Accessibility

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

Our equality principles

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

We care about the environment

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

Our mission

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

Our values

We have identified three values that underpin our work: being supportive and helpful, making best use of Lottery money and using knowledge and evidence.

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

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

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Introduction by the Chair and Chief Executive

In June 2009, we published our Strategic Framework, Big Thinking, which described what you could expect from us as a funder up to 2015. Our Corporate Plan sets out our budget and the objectives and targets for realising that vision and our overall mission to bring real improvements to communities and the lives of people most in need. We are an outcomes funder and want to be judged on the difference our money makes for good causes throughout the UK.

The change of government in 2010 heralded some reforms to the Lottery. Even with the reduction in our share of the National Lottery Distribution Fund, reduced from 50 per cent to 46 per cent in April 2011, we remain the largest general grant maker in the UK and we continue to deliver on the promises set out in Big Thinking. Sales of National Lottery tickets have continued to rise, and this year we potentially have up to £800 million to commit to good causes.

The new government has laid down a challenge to all Lottery distributors to reduce their core distribution costs to 5 per cent of income received, in our case by 2014/15. This has given us a robust business imperative for bringing in an integrated new funding management system, and we were delighted to get the government's go-ahead to proceed with an investment in this system that will transform our business over the next few years. Increasingly our services will move online, including the process of applying for grants.

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

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

Peter Wanless
Chief Executive

Peter Ainsworth
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 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 came into effect. 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 sponsored by the Cabinet Office. We can be required to give evidence to Parliamentary committees and the devolved administrations.

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

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

The Management Statement defines the relationship between the Big Lottery Fund 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, Cabinet Office and the Office for Civil Society that sits within the Cabinet Office. All these directions are put into effect through our internal policies and procedures.

We have a wide funding power that enables us to make grants (or loans) to many different types of organisation in the charitable, voluntary and community, public and private sectors. We 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, 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 2011/12 are shown in an organisation chart at annex A.

Internal governance

The Big Lottery Fund Board ensures that the organisation complies with legislation and any Directions, approves overall strategy and policy, and agrees and oversees the operational budget and budgets for funding programmes. The Board decides on and oversees, at a strategic level, how all our grant-making programmes will be run. It is responsible for overseeing the administration of the organisation, including the appointment of the Chief Executive. The Board currently comprises a Chair, four members who chair the four country committees and seven general members. All are non-executive posts appointed by the Minister for the Cabinet Office, who will consult the devolved administrations about appointing country members. 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

About this plan

that we describe below. Each committee is chaired by a Board member.

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

The Board recently appointed an eight-member UK funding committee to oversee the governance of grant programmes that operate at UK level.

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

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 considers the performance and remuneration of the Chief Executive and directors.

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

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

This plan outlines our priorities and our targets for 2011/12, the third year of our 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. It can be downloaded from our website at www.biglotteryfund.org.uk

Strategic objectives for 2011/12

The Big Lottery Fund has three strategic objectives to drive 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 2011/12 and a set of performance measures. These are summarised in the following pages.

Strategic objective 1: Efficiency

We are managing public funds efficiently.

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

Key performance indicators:

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

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 projects needing capital grants for works that take more than a year to build. The fact that many of our grants will be paid to projects several years after the award for the project is approved means we can, and do, make awards of grants from money that we don't yet have. At 1 April 2011 we had £894 million of outstanding commitments but only had £492 million in the National Lottery Distribution Fund with which to meet them. The balance of payments will be met out of future income.

BIG operates in the context that its future income is uncertain and we must therefore be prudent; no one can know how much Lottery income there will be. DCMS produces projections of future income and their latest projection is that Lottery ticket sales will remain broadly at their current level into the future – we call this the 'central scenario' 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 scenario' because we estimate that it has about a 5 per cent chance of actually happening. We set grant budgets so that even on the 5 per cent

scenario we still have enough money to fund our published programmes. 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 proposals to change the Big Lottery Fund's share of income. We used to have a 50 per cent share of National Lottery income; this reduced to 46 per cent from 1 April 2011 and will fall again to 40 per cent from 1 April 2012. This reduction in income required us to review thoroughly our existing and future plans.

The Board, on the advice of the four country committees, has completed its budget review for 2011/12. It approved grant budgets for the period to 31 March 2012 for new and existing funding programmes, and these are shown in the table below (all figures are 'up to' amounts). In the table we identify some budgets for grant programmes that will be designed during the year, and once these programmes receive Board approval we will announce them through our website. 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 2011/12

Programmes	Approved Budget 11/12 £m
UK-wide	
Partnership and Public Engagement	
The People's Millions	3.57
Heroes Return 2	1.00
Village SOS Learning	6.60
Forces In Mind	34.80
The Media Trust	1.90
International Communities	24.94
Improving Futures	19.90
Realising Ambition	25.00
Total	117.71
England	
Reaching Communities	130.00
Reaching Communities Capital	29.50
Reaching Communities Capital Support Contract	1.00
Awards for All	45.00
Parks for People 10/11	7.30
Improving Financial Confidence	30.00
The BIG Local	199.53
Youth in Focus	30.00
Sustainable Development	0.80
Total	473.13
Scotland	
Awards for All	10.15
2014 Communities	0.69
Investing in Ideas	0.91
Investing in Communities	50.00
Jessica Trust	5.00
Life Changes Trust	50.00
Life Transitions and 21st Century Life Interventions	6.00
Our Place	4.66
Community Spaces	1.50
Support to Investing in Communities (1) grant holders	1.00
2014 Legacy	0.50
Total	140.41

Strategic objectives for 2011/12

Programmes	Approved Budget 11/12 £m
Wales	
Awards for All	2.90
People and Places	19.80
Lifeskills arrangement	1.18
Futures Fund	4.00
Community Asset Transfer	2.17
Community Voice	0.35
Innovation funding	1.65
Total	32.05
N Ireland	
Awards for All NI	3.50
Reaching Out Connecting Older People	4.90
development and support contracts	0.53
Reaching Out Empowering Young People	10.50
Energy Efficient Venues	1.80
Alcohol and Related Harm	6.79
Healthy Minds	0.18
Space and Place	15.00
Total	43.20
TOTAL BUDGET	806.50

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

Strategic objectives for 2011/12

Operating cost budget

BIG aims to control its core costs tightly and has been asked by Government to reduce core distribution costs to 5 per cent of lottery income received by 2014/15. Our Board will set out a medium term plan to achieve these savings.

In all areas of managing our business we regularly review our structures and processes to see if they can be made more effective. It is standard practice for us to seek to learn from other organisations in the public and private sectors. Our grant processes are regularly reviewed but we always ensure that we fund accessibly and fairly, manage the risks of fraudulent applications, provide a good customer service and, most importantly, ensure that our programmes achieve positive impact. Independent assessments of Big Lottery Fund, including Investors in People,

the European Foundation of Quality Management (EFQM) Excellence Model, and the Cabinet Office Customer Service Excellence matrix encourage continuous improvement and tell us how well we perform compared to other organisations. In 2010 we achieved an EFQM 4-star rating, a rise from 3-star in 2008.

The 2011/12 operating cost budget approved by the Board in March 2011 is £53.3 million. This excludes a £13 million budget BIG will set aside to invest in building a new funding management system. We intend this investment to deliver against its agreed business case: to bring about greater efficiency and customer service improvements from 2012/13 by supporting the range of ways in which we will award money in the future.

Annual target:

more than 80 per cent of the total agreed grant budget for 2011/12 is committed.

Annual target:

the VCS receives at least 80 per cent of our funding

Annual target:

total operating costs are less than 7.1 per cent of Lottery income

Annual target:

the funding portfolio has an operating cost of less than 5% of the programme budget

Annual target:

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

Strategic objective 2:

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

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

Key performance indicators:

- customer satisfaction
- customer service excellence
- relationships with key stakeholders

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

In the year to March 2011 our staff across the UK had contact with more than 180,000 people who enquired about a grant from BIG. Staff in our operational centres responded to nearly 30,000 applications for grants, and supported more than 21,000 organisations that hold a grant from BIG.

This is the year in which we begin the build of the new funding management system that will transform us as a business over the next few years. More of our customer services will move online. In the year ahead we will be building and testing the system, redesigning

our website, consulting other businesses that have moved online, training our staff and our network of funding advisers, and promoting dialogue about the planned changes with audiences of customers and stakeholders and via press articles and social media. We will also be ensuring that our customers, largely charities and individuals and communities at greatest disadvantage, can equip themselves for the change. It matters to us that their problems are not compounded by a lack of access or understanding as to what is possible via the internet. A number of the grants we've already awarded are about building capacity and enabling charities to harness technology better.

Annual target:

At least 74 per cent of customers are satisfied with our service

Annual target:

At least 33 per cent of customers say they receive excellent customer service

Annual target:

At least 84 per cent of MPs perceive BIG as effective

Annual target:

At least 80 per cent of media coverage is favourable

Strategic objective 3:

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

Key performance indicator:

Programme effectiveness: We will carry out an annual review of grant programmes to assess their effectiveness across three key areas: programme management, learning and impact. For each programme there will be an

in-house annual review beginning one year after launch. From this we can determine where the programme has made a difference and capture learning. These reviews will include a peer review element and draw on available research, including evaluation findings.

Our guiding principle is that to be a highly effective funder our funding must enable positive social change and make a real difference for communities and individuals in need. In addition to the outcomes achieved through our projects and programmes, we aim to be a distributor of know-how as well as a distributor of funding. Big Thinking 2009 to 2015 commits us to creating opportunities for exchanging knowledge, learning and ideas between the projects we fund, and this is strongly reflected in the activities we will undertake in the year ahead.

BIG Lottery Fund is the largest general grant maker in the UK. At the end of March 2011 we had 21,766 Lottery grants in management across the UK and the total number of awards we had made exceeded 14,000 over the year.

During the year we will further develop the BIG online community on our website and via social media outlets, to give projects better access to support, information, ideas and voluntary and community sector research. New forms of learning activity include facilitating peer to peer learning, better research, better measurement of impact, and use of research evidence. In parallel, we continue to improve how we harness and apply internal learning at BIG so that we continuously improve our own work and the way that we fund.

Continuing what we began to do in 2010, we will be commissioning partner organisations to identify best practice and to select projects that may be eligible for replication or scaling up, and to seed and incubate promising new approaches. We have set aside a larger budget for 2011/12 to allow us to significantly expand beyond what we achieved in 2010, directing

the funds at specific deep-rooted social problems that affect the lives of individuals and communities. We will appoint a preferred UK partner to deliver Realising Ambition, supporting projects that can be replicated and which have proven their effectiveness in the field of diverting young people away from pathways into offending. We aim for the first projects to be set up and running by February 2012. We have set aside funding for impact evaluations in these types of programmes.

As set out under strategic objective one, BIG has an £806.5 million grant budget for 2011/12. 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. We will make our funding available through a mixed portfolio of programmes across the UK:

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, Investing in Ideas, and 2014 Communities. Our flagship programmes: - Reaching Communities in England and Reaching Out in Northern Ireland, People and Places in Wales and Investing in Communities in Scotland, are open programmes. International Communities provides funding for UK-based organisations that run projects in disadvantaged communities overseas by working with local partners.
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

Strategic Objectives for 2011/12

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 of strategic interventions are given below.

- a) Improving Futures will provide funding to create more joined-up support for families with multiple and complex problems. It will be delivered by up to 20 partnerships across the UK, that bring together voluntary sector organisations and public services. They will work with families with children aged five to ten years old. BIG will fund a robust evaluation to understand how success can be replicated elsewhere.
- b) 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.
- c) Improving Financial Confidence (England) will fund social housing providers to set up projects to give advice about debt and finances to people on low-incomes to help them take control of their lives.
- d) Bright New Futures (Wales) will fund projects that build the emotional resilience of young parents and young disabled people so they have the skills, knowledge and ability to manage key transitions in their lives.
- e) Our Community Voice programme will help communities in Wales influence the planning and running of the services provided to them so that their needs can be better met.
- f) Impact of Alcohol (Northern Ireland) will be delivered through voluntary and community sector bodies in Health and Social Care Trust areas. We will fund projects that focus on the misuse of alcohol at individual, family and wider community level
- g) The Life Changes Trust (Scotland) will benefit young people leaving care and older people with dementia and their carers
- h) JESSICA Trust (Scotland) will support disadvantaged communities most affected by serious economic decline and invest alongside a programme from the Scottish Government and European Investment Bank for regeneration in Scotland's most disadvantaged communities

4. BIG programmes that profile BIG's work, make applicants more IT- and media-savvy to promote their projects, and raise public awareness about good causes funding; for example we will work with partners to promote broad public participation in voting for Lottery projects such as The People's Millions, or those that encourage communities to come together, for example Millennium Now (£11 million to commit) and The Big Lunch 2011 which has a budget of £3.55 million to commit. Since 2005 The Peoples Millions has received more than 2.5 million votes from viewers of ITV regional news programmes.

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

Big Lottery Fund and other income

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

There is a statutory requirement on the Big Lottery Fund to manage the distribution of funds to good causes from dormant bank and building society accounts, and this is an important factor in planning our resources for the year ahead. We have been dependent on government to create the necessary infrastructure for our involvement and we now know that dormant funds will transfer to BIG from the Reclaim Fund, an FSA-authorized non-profit body set up by Co-operative Financial Services Ltd. In England we have policy directions for spending a budget of £5 million by March 2012, and we have established an Investment Committee for this; Its work will be superseded in due course by a Big Society Bank being established by the Office for Civil Society. Dormant accounts funds in Northern Ireland, Wales and Scotland will be distributed directly by BIG. We are awaiting formal policy directions from the Scottish Government and Northern Ireland Assembly. Our policy directions from the Welsh Assembly Government state that 80 per cent be used to support children and young people to achieve their full potential, and the balance to tackle climate change and promote sustainable development. Through consultation, Scottish Ministers have identified four themes for us: opportunities for children and young people; addressing health inequalities through increased activity; strengthening inter-generational activities; and creating community-based employment opportunities.

Annual target:

At least 95 per cent of grant programmes achieve their agreed effectiveness rating

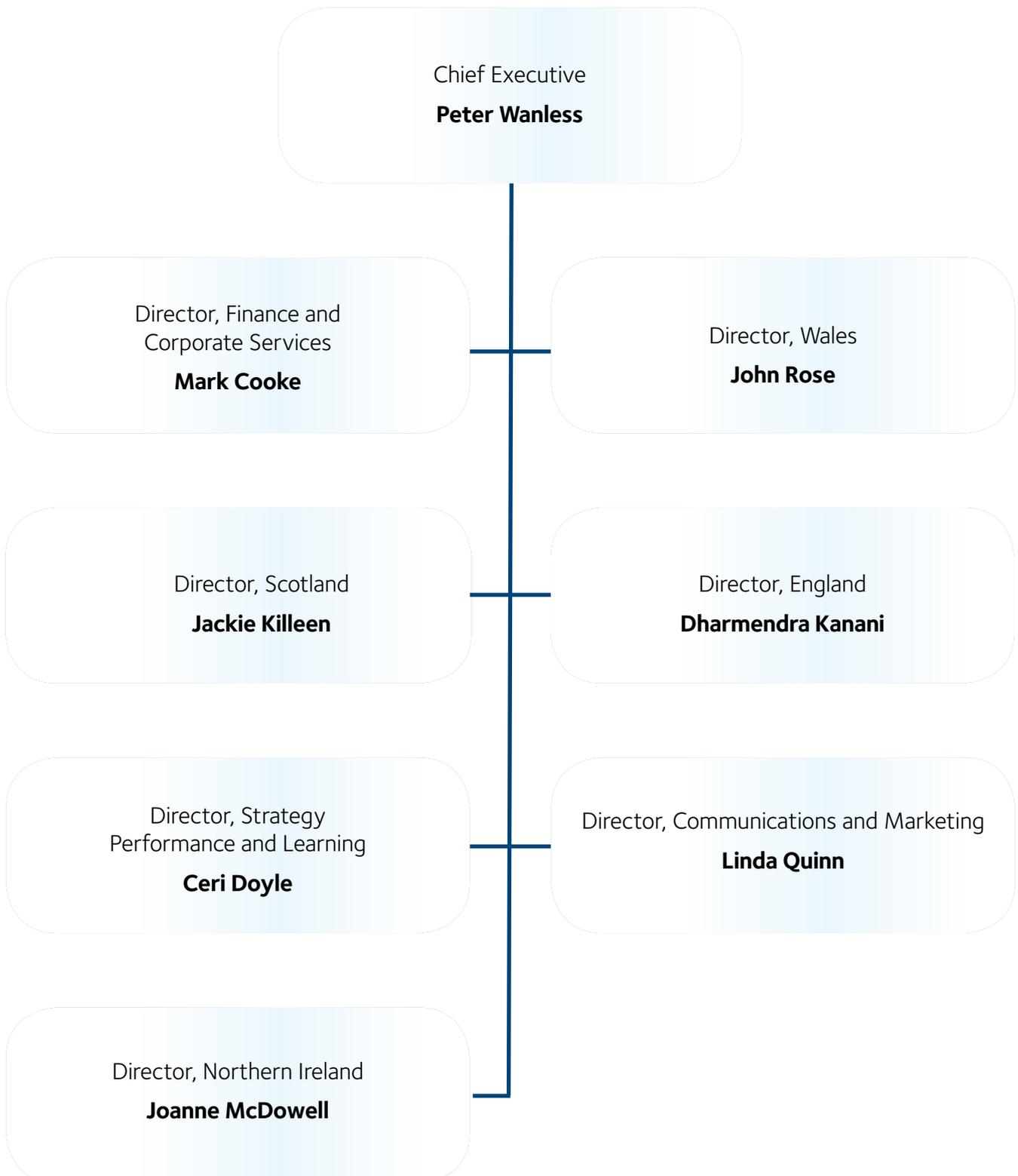
Risks for 2011/12

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

Our approach for risk identification and management is set out in our Risk Management Policy Statement. Identifying and managing corporate risks is the responsibility of the Senior Management Team. Where necessary we will audit the measures put in place to contain or reduce our exposure to risk. The areas that may require testing during the year are taken into account in our audit plan for 2011/12. 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



Peter Ainsworth

Chair, Remuneration Committee
(from June 2011)



Judith Donovan CBE

General Member
Chair, Resources Committee



Anna Southall

Vice Chair



Roland Doven MBE

General Member
Chair, Audit and Risk Committee



Nat Sloane

Chair, England Committee



John Gartside OBE

General Member
Member, England Committee



Frank Hewitt

Chair, Northern Ireland
Committee



Rajay Naik

General Member



Alison Magee

Chair, Scotland Committee



Albert Tucker

General Member
Member, England Committee



Jan Reed

Interim Chair, Wales Committee



Diana Whitworth

General Member

ANNEX B

Board and committee members

Country committees

England Committee - Nat Sloane (Chair) from June 2011

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 - Jan Reed (Interim Chair)

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

UK Funding Sub-Committee – Rajay Naik (Chair)

The members are Judith Donovan, Roland Doven, Frank Hewitt, Lucy McTernan, Mike Theodoulou, Diana Whitworth and Geoff Wilkinson