

Big Lottery Fund



New Opportunities Fund Annual Report and Accounts
For the financial year ended 31 March 2005



October, 2005

Code	© Big Lottery Fund, 2005
Design	Graphicsi.com
Print	Belmont Press
Copies	Further copies are available by telephoning: 0845 4 10 20 30 quoting the references given above: Or email us on enquiries@biglotteryfund.org.uk Textphone 0845 0390204 8am to 6pm Monday to Friday. Also available on request in Braille, on audio-cassette, on disc, in large print, in Welsh and community languages
We care about the environment	The Big Lottery Fund seeks to minimise its negative environmental impact and only uses proper sustainable resources
Our equal opportunities commitment	The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grant maker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applications and recipients, stakeholders, job applicants and employees are treated fairly. It is the responsibility of all staff and Board members to uphold and implement our equality policy Big Lottery Fund is the joint operating name of the New Opportunities Fund and the National Lottery Charities Board (which made grants under the name of the Community Fund)

New Opportunities Fund

ANNUAL REPORT AND ACCOUNTS

For the financial year ended 31 March 2005

ANNUAL REPORT PRESENTED IN COMPLIANCE WITH SECTION 34(3) OF THE NATIONAL LOTTERY ETC ACT 1993 (AS AMENDED BY THE NATIONAL LOTTERY ACT 1998) BY THE SECRETARY OF STATE FOR THE DEPARTMENT FOR CULTURE, MEDIA AND SPORT.

ACCOUNTS PREPARED PURSUANT TO SECTION 43D(4) OF THE NATIONAL LOTTERY ETC. ACT (AS AMENDED BY THE NATIONAL LOTTERY ACT 1998) AND PRESENTED BY THE COMPTROLLER GENERAL AND AUDITOR GENERAL.

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED ON 31 OCTOBER 2005.

LAI D BEFORE THE SCOTTISH PARLIAMENT BY THE SCOTTISH MINISTERS ON 31 OCTOBER 2005.

New Opportunities Fund

Annual Report and Accounts 2004/2005

Contents

Introduction: Chair's and Chief Executive's report	2
1. Performance against 2004/05 objectives	4
2. Grant programmes and awards	13
3. Big Lottery Fund – looking ahead	52
4. Customer care	54
5. Equalities	56
6. Register of interests	59
7. Financial review	60
8. Contact us	62
9. Board and Committee members	63
10. Annual accounts	66

Introduction

Chair's and Chief Executive's report

The annual report 2004/05 celebrates the successful administrative merger of the New Opportunities Fund and the Community Fund, which became the Big Lottery Fund on 1 June 2004. A tremendous amount has been achieved since the merger.

The Big Lottery Fund has set up a new governance structure including a co-terminous Board, developed a new mission and values, completed the assimilation of existing staff to the interim structure, and implemented coherent policies and strategies to further align our resources to support the delivery of our new business. In January 2005, the Millennium Commission co-located with the Big Lottery Fund in London, as a first step towards, eventually, passing its responsibilities to us.

Against this backdrop, we have kept the work of the legacy organisations on track by maintaining high quality services to our applicants, grant-holders, key partners and stakeholders. During 2004/05, we have committed £749 million of funding through various UK-wide grant programmes (£550 million from the New Opportunities Fund and £199 million from the Community Fund). Amongst the existing programmes reported in section two, we launched the Young People's Fund in September 2004 to promote the well being and personal development of young people across the UK.

In addition, the Big Lottery Fund conducted two major UK-wide consultations with our stakeholders and the wider public between June 2004 and January 2005. The first focused on what kind of funder we should be and how we should fund, and the second on the themes, outcomes and priorities that will shape our future work. As a result, an initial policy framework was announced in March 2005 to support the delivery of new grant programmes worth approximately £2.3 billion for 2006-09.

We would like to express our thanks to the Board, Committee members and staff who have contributed to these achievements. They have laid a solid foundation for the Big Lottery Fund to become a new, different and better funder, bringing real improvements to communities and the lives of people most in need.

Sir Clive Booth
Chair Big Lottery Fund

Stephen Dunmore
Chief Executive

Section one

Performance against 2004/2005 corporate objectives

The Big Lottery Fund Corporate Plan 2004/05 sets out the corporate objectives and related performance indicators. They are summarised below, with details of the performance levels that have been achieved.

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

a) Inducting all Board members within three months of joining.

Performance Indicator

Induct new Chair and Board members and develop induction programme.

End of year report

The new Chair and Board members were inducted within three months of joining by an induction programme/packs.

b) Preparing a Board forward plan and governance structure by May 2004.

Performance Indicator

Integrate the Community Fund and the New Opportunities Fund Boards into the new co-terminous Board. Prepare Board forward plan and governance structure.

End of year report

The new co-terminous Board was formed with a Board Forward Plan prepared in June 2004. The new Committee structure, Committee Chairs and membership were agreed by the Board in July 2004.

c) Preparing the ground for the Big Lottery Fund through administrative merger by March 2005.

Performance Indicator

Agree structure and assimilate staff into new structure.

Create timetabled project plan for integrating Millennium Commission under a service level agreement to the Big Lottery Fund by January 2005.

End of year report

The administrative merger of the Community Fund and the New Opportunities Fund was completed on 1 June 2004 with the launch of the Big Lottery Fund (subject to legislation). Most directorate structures were reviewed and agreed with the assimilation of existing staff and recruitment of new staff to fill vacant positions. The England and Operations restructuring will continue in 2005/06.

The Big Lottery Fund and the Millennium Commission entered into a Service Level Agreement in January 2005. The Millennium Commission moved into Plough Place of the Big Lottery Fund.

d) Delivering integrated communications strategy for Big Lottery Fund by March 2005.**Performance Indicator**

Develop integrated communications strategy for Big Lottery Fund.

End of year report

An interim communications strategy was approved by the Board in June 2004. The communication strategy will be finalised in 2005/06.

e) Developing vision, values and strategic plan by January 2005.**Performance Indicator**

Develop vision, values and corporate business plan 2005/06. Prepare an action plan for the production of a strategic plan.

End of year report

The Big Lottery Fund's vision and values were developed and agreed by the Board in June 2004 with a further update in March 2005. An outline framework and proposed milestones for the strategic planning process were also agreed. In March 2005, the Board approved the Business Plan 2005/06.

f) Integrating corporate procedures by March 2005.**Performance Indicator**

Set up, co-ordinate and manage new project teams working on integration of corporate procedures and programme development.

End of year report

The Management Boards were set up in June 2004 to co-ordinate and manage project teams working on integration of corporate procedures. Integration work is in progress.

g) Reviewing progress against corporate objectives every three months.**Performance Indicator**

Put in place systems to ensure that directorates report on their plans every three months, and prepare a report for the Senior Management Team.

Co-ordinate and prepare 2003/04 Annual Report and Accounts for the Community Fund and the New Opportunities Fund.

End of year report

The Business Plan 2004/05 was agreed in May 2004 with quarterly progress reports submitted to the Senior Management Team and the Board.

The Annual Report and Accounts for the Community Fund and the New Opportunities Fund 2003/04 were laid in Parliament in October 2004.

Section one

h) Developing and delivering a consultation and briefing plan by October 2004.

Performance Indicator

Develop and deliver a consultation and briefing plan.

End of year report

A consultation and briefing plan was developed in April 2004 with two major public consultations completed by January 2005.

i) Developing and introducing a transparent Staff Change Policy by April 2005.

Performance Indicator

Develop and introduce a Staff Change Policy.

End of year report

The Staff Change Policy was first agreed in the first quarter and it was further updated and agreed in March 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.

Performance Indicator

Meet agreed commitment targets and develop contingency plans to ensure all funds are committed by the required date.

End of year report

Met commitment targets in this reporting period.

b) Meeting published timescales for assessment and decision-making.

Performance Indicator

Meet the agreed timescales for assessment and decision-making.

End of year report

Met published timescales for assessment and decision making in this reporting period.

c) Setting and meeting targets for grant management.

Performance Indicator

Meet all grant management targets.

End of year report

Partly met the targets for grant management in this reporting period.

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.

Performance Indicator

Developing programme options/framework for Board and ensure internal and external consultation on programme options.

End of year report

A policy framework was agreed by the Board in March 2005. Sustainable development was not included in this policy framework but it will be developed in 2005/06. Public consultations have already been reported in key performance measure 1h above.

b) Developing funding delivery models for all future grant making and identifying operational implications by October 2004.

Performance Indicator

Develop project team to look into early development of delivery models taking an early look at procedural and system requirements.

End of year report

Programme Development Toolkit Project was approved by the Grant Management Board in January 2005 and a Programme Development Project Team was subsequently set up. The Team will continue to review and develop range of delivery models for new programmes in 2005/06.

c) Continuing to develop and deliver post award relationship strategies for all relevant grant programmes (applies to NOF programmes).

Performance Indicator

Provide a framework of delivery options and evaluation/costing for Board.

End of year report

The post award relationship management strategies (PARMS) were completed for the relevant programmes in this reporting period.

d) Completing strategy on outcome funding by March 2005.

Performance Indicator

Consider outcome funding models in context of Big Lottery Fund programmes.

End of year report

Outcome funding models were subsumed into the broader consideration of development of a new funding programme framework in this reporting period.

Section one

e) Completing and evaluating GM04 pilot by August 2004 and make decision on rolling out by October 2004.

Performance Indicator

Complete and evaluate GM04 pilot and, if successful, implement process across open grant programmes.

End of year report

The final external evaluation of the GM04 pilot was completed in the third quarter and the report was presented to the Project Board. The findings of the report will be fed into the delivery mechanisms for new programmes of the Programme Development Toolkit Project.

f) Agreeing an integrated research and evaluation strategy and beginning its application by March 2005.

Performance Indicator

Produce a research and evaluation strategy for Big Lottery Fund.

End of year report

The draft research and evaluation strategy was completed. The research and evaluation strategy will be finalised in 2005/06.

g) Progressing work on joint distributor working through relevant forums throughout the year.

Performance Indicator

Progress joint working with other lottery distributors through relevant forum.

End of year report

The Chief Executive and relevant staff regularly attended Lottery Forum meetings in all four countries in this reporting period.

4 To be accountable and financially efficient by:

a) Achieving efficiency savings of at least 10 per cent over 2003/04 on corporate business unit costs (excluding grant making activities):

Performance Indicator

Review resources over the course of the year to contribute to overall savings of at least 10 per cent.

End of year report

The Big Lottery Fund has achieved a saving of 9.6 per cent.

b) Reducing National Lottery Distribution Fund (NLDF) balances to between £575 million and £625 million (New Opportunities Fund) and £50 million and £100 million (Community Fund), by developing relevant targets and strategies for all programmes:

Performance Indicator

Provide monthly cashflow details to inform Senior Management Team of progress against NLDF targets.

End of year report

NLDF balances reduced to £691m (NOF) and £174m (CF). (Please refer to Section 7 for more information)

c) Ensuring a single risk strategy is in place by December 2004.

Performance Indicator

Agree a corporate risk strategy.

End of year report

A corporate risk register was produced in September 2004. A single risk strategy will be produced in 2005/06.

Section one

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.

Performance Indicator

Developing strategies for Freedom of Information and Data Protection Acts, covering all relevant areas of the Big Lottery Fund's business.

Implement joint audit plan as agreed by Audit Committee in March 2004.

Revise Welsh language scheme.

Produce Annual Report on Section 75 for the Equality Commission.

End of year report

An action plan was developed during the first quarter to enable the Fund to address requirements under the Freedom of Information and Data Protection Acts. Training was provided for staff throughout 2004/05. Corporate Information Adviser was appointed in January 2005.

The joint audit plan was implemented and self-assessment of the internal controls was undertaken in this reporting period.

The Welsh Language Board agreed to accept the scheme as a voluntary one in this reporting period.

The Annual Report on Section 75 for the Equality Commission was produced in August 2004.

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.

Performance Indicator

Support all project teams across the organisation to ensure a consistent approach to project management, providing staff with the necessary training, processes, documents, tools and techniques.

End of year report

Programme and Project Management Team supported project teams as required to enable delivery within required timescales. A new Programme Development Framework, designed to reflect good practice in project management, was agreed by the Management Boards in developing new funding programmes. Training on-going.

b) Identifying an appropriate organisational performance management model that will meet business needs by September 2004.

Performance Indicator

Researching performance management models and making recommendations to Senior Management Team to inform 2005/06 planning.

End of year report

The Balanced Scorecard was agreed to be the performance management model to inform strategic business planning for the 2006/09 Strategic Plan. It was also agreed the 2005/06 business planning be conducted on a similar basis to the 2004/05.

c) Developing and implementing a customer care policy by December 2004.

Performance Indicator

Review the way both Community Fund and New Opportunities Fund survey their customers and agree how and when the Big Lottery Fund should survey.

Standardise a customer charter and complaints system with the other distributors.

End of year report

Review of surveys conducted by both Community Fund and New Opportunities Fund was completed in September 2004.

Common Charter and Complaints Process was agreed by all distributors in March to be launched on 1st April 2005.

Section one

6 To make continuous improvement in being a good employer (people objective) by:

a) Developing HR policies that fit with business need and promote equality of opportunity by March 2005.

Performance Indicator

Develop and implement a harmonised set of HR policies, processes, procedures and terms and conditions.

End of year report

A harmonised set of HR processes and terms and conditions was agreed in March 2005.

b) Conducting a comprehensive staff satisfaction survey by March 2005 and develop an action plan to address issues arising.

Performance Indicator

Undertake a staff survey regarding the whole range of issues that will affect the Big Lottery Fund and develop an action plan to address any issues arising.

End of year report

A decision has been made to defer the staff survey until the completion of the Structural Review.

c) Developing a harmonised set of monitoring systems and addressing any outstanding issues from current action plans.

Performance Indicator

Develop a harmonised set of monitoring systems and addressing any outstanding issues from current action plans.

End of year report

The review of Community Fund and New Opportunities Fund approach to existing HR equality monitoring systems was completed in this reporting period. The findings will be adopted in 2005/06. Outstanding issues in current equality action plans will also be reviewed against the findings in 2005/06.

Section two

Grant programmes and awards

In this section we review the progress of each of the programme launches by the New Opportunities Fund. The programmes are broadly encompassed under three themes that represent our funding priorities. The broad focus of our education programmes is to create community learning opportunities; whilst at the core of our health initiatives is the desire to reduce health inequalities; and finally we aim to improve local environment and quality of life through our environment programmes.

Each programme is summarised according to the policy directions received from Government. As well as the overall description and progress made on each programme we include monitoring activity and an evaluation report.

Our commitment to monitoring

The Fund has developed a set of procedures for managing grant contracts. The procedures are used to ensure that timely payments are made to recipients and that each scheme delivers the benefits set out in the grant contract. Desk-based monitoring is applied to all grants. We have a number of monitoring tools that we use to ensure our grants are being correctly managed. Monitoring phone calls and/or visits usually occur on either a six monthly or annual basis. In addition, more in-depth compliance visits take place to verify that schemes are complying with their contractual terms and conditions. We also have comprehensive capital monitoring procedures that are used for all capital grants.

Our commitment to evaluation

The Fund attaches considerable importance to conducting evaluation and research in order to understand the impact of its programmes and to improve its grant making. We commission evaluations of our programmes to support internal learning of this sort. But the evaluations also have wider audiences: they may focus on providing examples of good practice and lessons for current grantholders and practitioners; they may look at content, outcomes and impact to provide lessons for policy-makers and opinion-formers. We aim to share evaluation and research findings widely with internal and external audiences.

Community learning opportunities

Community learning opportunities mainly fall into two categories.

Firstly, improving access to good quality out of school activities for school age children and young people. With the launch of sports and activities related programmes as part of our round three initiatives, the Fund has extended its active education portfolio.

Secondly, our range of programmes relating to the improvement of information and communications technology (ICT) aims to provide new opportunities to communities by increasing access to ICT technology.

Section two

Out of School Hours Childcare

£285.4 million was available to create 432,500 new and sustainable out of school hours childcare places UK wide by 2003. Grants were for one year in most cases, although extended start-up funding (up to three years) was available in disadvantaged areas and for all areas in Scotland during the final two rounds of the programme. A wide range of activity has been supported, including before and after-school clubs, holiday and weekend provision and childminding. The programme closed for applications for start-up funding in 2003, having created 555,340 new childcare places (England 468,500; Northern Ireland 14,494; Scotland 48,139; Wales 24,207). Limited continuation funding is still available for projects in eligible areas. However, this is not applicable to applicants in Scotland.

The team is focused on maintaining a high level of grant management and working with grant holders to ensure that projects open in time. Workshops were held across the UK to enable grant holders and case officers to discuss monitoring requirements and to share best practice.

Since the programme began, hundreds of monitoring visits and telephone monitoring calls have been made. Any replacement project applications have to be set up and in operation by no later than 1 March 2006. By April 2005, nearly 2,400 award files were closed. From April through to July 2005, the grant management for projects in Wales, Scotland & Northern Ireland is being transferred to the respective national offices.

In 2002, the Fund extended the contract with SQW Ltd, in partnership with Brunel University to evaluate the OOSHC programme for a further three years. This evaluation has focused more on providers who operate in areas of disadvantage and has built on the previous work from the first three years. It has focused on the issue of sustainability and the extent to which continuation funding promotes more sustainable provision. Further issues include the factors affecting take up and use of new places, the impact on parents and their children and the perceived quality of the service.

Initial findings from the evaluation show:

- there was some evidence that difficulties found by childcare providers are more acute for those clubs operating in areas of disadvantage
- there was an indication that families in areas of deprivation have more complex and difficult-to-meet childcare needs. This has implications in terms of developing sustainable services since such provision is not as simple, cheap or affordable to run as provision in more affluent areas
- 40 per cent of parents identified a positive change in their employment activity, most commonly by those already in employment being able to work longer hours (16 per cent)
- 85 per cent of parents were very satisfied and 15 per cent were satisfied with the quality of service, 45 per cent reported less need to rush from work and 55 per cent were better able to make future work or study plans
- the issue of respite care was more acute among parents in disadvantaged areas (19 per cent).



Third round childcare programmes

Broadly, the third round childcare programmes set out to fund capital projects that would predominantly benefit pre-school children and support the creation, development and long-term sustainability of out of school hours childcare. Programmes with this focus were developed in each of the countries.

Building Neighbourhood Nurseries (England)

£100 million was made available for the capital and development costs of new nurseries in disadvantaged areas. The programme complemented the Department for Education and Skills (DfES) Neighbourhood Nurseries Initiative, helping to create 45,000 high quality, affordable daycare places in England's most disadvantaged communities. The programme has now closed for applications and £99 million has been committed to 913 projects, which are at different stages of completion. The Fund has worked closely with colleagues at the DfES to ensure the programme is delivered efficiently and effectively.

The DfES is undertaking an in-depth evaluation of the Neighbourhood Nurseries Initiative and therefore the Fund has not commissioned any further research.

New Opportunities for Quality Childcare (Scotland)

£14.5 million was made available to provide capital support to childcare projects, outdoor play, workforce development, projects which support children with special needs, projects which provide support to families and those combining care and learning. This programme has committed £8.6 million and made 153 awards. The deadline for receipt of all applications was 30 June 2005.

Section two

In March, SQW Ltd were commissioned to undertake a three-year evaluation of this programme. The aim of the evaluation is to focus on the impacts of the programme against its three outcomes that look to improve the quality of new and existing childcare provision, to increase access to childcare for disadvantaged groups, and to demonstrate a holistic approach by combining different activities in after school care. SQW will be using a number of research methods including a telephone survey of all childcare partnerships, postal surveys to grant holders; and case study visits to 12 projects including interviewing project managers, postal survey to parents and possible observation of children.

Building Quality Childcare Programme (Northern Ireland)

£6 million was made available for capital costs to build, extend, modernise and refurbish childcare provision.

This two-stage programme is now at the second stage of delivery. The programme has committed £5 million and made 84 grant awards. The deadline for receipt of all capital applications was 1 November 2004. The programme is now closed to new applications however, a number of bids are still in assessment.

The Integrated Children Centres Programme (Wales)

£11 million was made available to support the capital costs of building an integrated children's centre in each local authority area. Each centre must include four key elements – early year's education, childcare, open access play and training/community development. The programme is now closed and has committed £10.3 million and made 25 awards.

The Fund are developing evaluation priorities for the programmes in Wales and Northern Ireland and expect to commission research in 2006.

Funding facilitators

Delivered in Scotland and Wales, this programme solicited applications to provide teams of funding facilitators to advise and support childcare providers about sustainability.

In Scotland, an application for the three-year programme was solicited from the Scottish Out Of School Care Network. The programme complements the OOSHC and New Opportunities for Quality Childcare programmes on an ongoing basis and is due to end in September 2005.

In Wales, an application was solicited from Clybiau Plant Cymru to provide a team of funding facilitators to help secure – through expert support and advice – the long-term sustainability of out of school hours childcare clubs funded under the Out of School Hours Childcare (OOSHC) programme. To date the facilitators have raised more than £1 million in additional funding for clubs in Wales.

Out of School Hours Learning

£205 million, including £25 million for summer schools, has been made available to provide out of school hours learning activities across the UK. The programme aims to provide learning activities that encourage and motivate pupils, build their self-esteem and help them to reach higher standards of achievement.



The programme was launched in spring 1999 and awards were made from the end of 1999 until 2002, with some projects running until 2007. The programme has been very successful in increasing the number of schools providing out of school hours activities and has exceeded the targets set out in the policy directions for primary and secondary schools. Funding will reach 35 per cent of all primary schools (target: 25 per cent), 56 per cent of all secondary schools (target: 50 per cent) and 47 per cent (target: 50 per cent) of all special schools.

The focus of the funding was on tackling disadvantage and promoting social inclusion. Over 80 per cent of the schools identified as 'target schools' based on free school meal data have now been funded through the programme.

The £25 million summer school element exceeded its target of helping to create summer school places for an extra 250,000 pupils by 2002.

As of 31 March 2005, there are 605 grants in management UK-wide. Scotland grants are now managed from the Fund's Glasgow office and grants in Wales and Northern Ireland are being transferred to the respective national offices. From 1 April 2004 to 31 March 2005, six formal compliance monitoring visits to high monitoring level projects were completed. In addition approximately 175 general monitoring visits and a large number of telephone monitoring calls were made.

The National Foundation of Educational Research has now completed the evaluation of the programme. Reports on both the term time and summer schemes can be found on the evaluation and research pages of the Fund's website. The legacy document for this programme 'Building the future of learning' was launched at a high profile DfES/QiSS conference on the future of study support in November 2004.

Section two

Out of School Hours Learning (OSHL)/School Sport Co-ordinators (SSCo)

A Policy Direction was agreed in 2002, which extended the OSHL programme. This provided for £25.5 million to be committed by the end of 2004 to OSHL physical activity projects across the UK. In response to a DfES request and with the approval of the Fund's Board, the programme actually committed £26.49 million. The additional funding is sourced from £1.29 unutilised grants from the main England OSHL term-time programme and from £200,000 unutilised grants from the Wales OSHL term time and summer schools programmes.

In England, the funding supports the joint DfES/DCMS School Sport Co-ordinator (SSCo) programme and was fully committed and allocated by September 2004. The original target of 1000 school clusters was exceeded with activities funded in 1,086 SSCO school clusters. A further policy direction was agreed in England in early 2004, as part of the Young People's Fund. This provided £28.4 million to be committed to expand existing out of schools hours' physical activity projects and for 93 new projects. By the end of 2004/05 £12.8 million had been allocated to the expansion of 81 projects (249 clusters) and provision for 93 new projects (429 clusters) with £2.2 million committed to the first 33 expansions.

In Scotland, the Fund awarded sportscotland a grant to manage and co-ordinate the OSHL/SSCO programme. Sportscotland is delivering the programme through its existing network of school-based SSCos. There is a strong commitment to the programme in Scotland. Significant additional funding is available both directly from the Scottish Executive and from other former New Opportunities Fund funding programmes.

In Wales, the Fund continued to deliver its programme to primary schools and pupils in transition to secondary schools through the Local Authority study support co-ordinators. All projects are now underway and the Fund has identified an additional £200,000 to expand this programme through existing projects. The projects continue to complement the Sports Council for Wales 'Dragon Sport Initiative'.

In Northern Ireland, the five Education and Library Boards continued to deliver activities that targeted pupils who normally do not take part in sport activity, with a particular focus on pupils in rural areas. The five Boards worked closely with Sports Council Northern Ireland in developing plans for sustainability. As part of The European Year of Education through Sport the five Education and Library boards in partnership with Belfast City Council and Sports Council Northern Ireland organised a conference. This aimed to generate discussion towards the coordination of education, health and sport that would result in the expansion and long term sustainability of youth sport

Grant management is being undertaken in conjunction with the sports councils and other partner organisations in each of the countries.

Sport England have appointed the Institute of Youth Sport to evaluate the main SSSCo programme in England. The OSHL/SSCo programme is part of the overall SSSCo programme. The year one evaluation report has recently been finalised and findings show that:

- school Sport Partnerships have, in the majority of cases, received strong local support and have generated considerable enthusiasm and goodwill for the programme
- school Sport Partnerships have had a substantial positive impact on the range and quality of opportunities for participation by pupils
- through their support for primary school teachers Partnerships have had a substantial impact on the quality of PE and sport teaching in primary schools.

Further information about the evaluation can be found on the evaluation website at:
<http://www.lboro.ac.uk/departments/sses/institutes/iys/pages/research3.6.htm>

In Scotland, the OSHL/SSCo programme is being evaluated as part of sportscotland's evaluation of the Active Schools programme. The Institute of Youth Sport is leading on the evaluation of the programme. Further details can be found on the Sport Scotland website at:
www.sportscotland.org.uk.

Extended Schools (YPF)

The Extended Schools programme supports schools that wish to provide activities out of normal school hours that meet the needs and wishes of young people, develop partnerships with the wider community and aim to achieve one or more of the five outcomes specified in the green paper Every Child Matters.

£14 million has been made available to 78 local education authorities across England to develop extended school activities, based on consultation with young people. This allocation programme was open to either LEA's themselves or their schools to apply directly.

The programme was designed to complement the DfES Extended School Strategy and allocations were based on those LEA's receiving funding for one full service school as of May 2004. Allocations to LEA's were also weighted for deprivation indices and pupil numbers. The programme was launched in 2004 and 110 conditional awards were made at the end of 2004.

At the end of 2004 application surgeries were run for applicants. Applicants have also been offered support from allocated grants officers and are signposted to ContinYou for additional support, where appropriate.

The Extended Schools programme is not being evaluated by the Big Lottery Fund. However, the Department for Education and Skills is conducting a two-year evaluation of their Extended Schools programme during 2004/05. A member of the Fund's Evaluation and Research team is a part of the steering group for this evaluation.

This allows us to contribute to the direction of the research and also to relay findings back to our grant holders. Findings from the first year of the evaluation will be available towards the end of 2005.

Section two

New Opportunities for PE & Sport (NOPES)

The New Opportunities for PE & Sport programme is making £750.75 million available across the UK for building and modernising PE & sports facilities, primarily in schools, and for activities that promote community use of these facilities. The Fund intends this programme to bring about a step-change in the provision of sporting facilities for young people and for the community generally. The programme is on course to have the great majority of new facilities developed by spring 2006 in line with the original timetable.

England

In England, 98 per cent of grants have been awarded. As at 31 March 2005, 1,465 grants have been approved by the committee, meaning that a total of £464 million has been committed under the NOPES programme in England. The programme is on target to ensure that all facilities will be completed in line with timing set out in the policy directions.

Space for Sports and Arts

The Fund has contributed £25 million from the allocation to the £130 million Space for Sports and Arts programme that is jointly funded by Sport England, the Arts Council for England, DfES and DCMS. The vast majority of projects have been completed (230 projects) or are on site (31 projects). Sport England is managing the programme on behalf of the partners and is responsible for the full development of projects and grant management.

Football Foundation

£30 million from the allocation for England has been set aside for football projects and is being distributed via the Football Foundation to support capital projects for schools and the community. All of the allocated money has now been committed to projects.

Active Places

£2 million has been contributed to the development and delivery of an online database of sports facilities in England designed to help people get active. The programme is joint funded by the Big Lottery Fund and Sport England.

Scotland

In Scotland, nearly £34 million is also being made available for an activities programme that provides a broader range of out of school hours sports and cultural activities and sports-based projects that divert young people from crime. All of the funding available under the activities programme in Scotland has been committed.

To date, the NOPES Scotland Facilities Committee has approved 170 Stage Two projects under the Facilities Programme. As at 31 March 2005 170 grants had been approved and were in grant management. The final decision making committee meeting was held 25 May 2005, 16 final projects were considered.

In addition, 33 revenue grants were in management/monitoring under the Activities Programmes

Wales

In Wales, the NOPES programme has made £48.75 million available to improve school sport and outdoor adventure facilities.

By 31 March 2005, 166 project grants worth £43,840,568 had been awarded. In addition 15 development grants were awarded worth £1,714,634. It is anticipated that all funding will be committed by the end of 2005.



Northern Ireland

In Northern Ireland, £33.75 million has been made available under the NOPES programme to be committed by 2005. The programme aims to bring about a step change in the provision and use of PE and sports facilities for young people and for the community in general throughout Northern Ireland.

By the 31 March 2005, 113 grant offers worth £19,029,975 had been committed, including five development grants and 108 projects awarded. The final deadline for receipt of stage two applications was 31 March 2005. Applications under stage two of the programme continue to be assessed and the final decision making committee is scheduled for October 2005.

Evaluation

In February 2005, the Loughborough Partnership submitted the end of year two report to the Fund. Findings from the report show that:

- in the first six months of fast track projects opening, there has been a dramatic and positive impact on the quantity and quality of PE offered and an increase in provision of extra-curricular opportunities
- findings from baseline surveys show that across the UK 97 per cent of larger projects are aiming to improve collaboration, co-operation and partnership between schools and their communities. 57 per cent of smaller projects are aiming to achieve this outcome
- pupils' participation in two hours of PE and sport a week is generally around the national average where comparison figures are available
- other initiatives such as the School Sports Co-ordinators programme will be key to the success of the NOPES programme.

For further information about the evaluation please visit www.nopesevaluation.org.uk.

Section two

Community Sport Investment Programmes

Active England (England)

Active England is a jointly funded programme between New Opportunities Fund and Sport England which aims to encourage creative approaches that will begin to drive up physical activity level's and sports participation rates in England. Funding for the programme is £108.5 million. The Fund is providing £77.5 million and Sport England is providing £31 million.

Active England will seek to create and support sustainable, innovative multi-activity environments in areas of social, sport, and health deprivation in England by 2005, and to increase participation in sport and physical activity among all sections of society, but particularly those sections of society that are typically under represented in sport and physical activity participation. The programme covers both capital and revenue projects.

In total, 247 projects were approved for support by the programme, and the total amount committed is £99,209,684 as at 31 March 2005.

Sport England are managing the programme on behalf of the Fund and appointed Hall, Aitken and Bearhunt in September 2004 to evaluate the programme. Sport England and the Big Lottery Fund have developed an inclusive monitoring and evaluation process, with the focus on the individual projects being central to the monitoring and evaluation process. The aim is to develop a culture of self-evaluation and reporting supported by bespoke monitoring and evaluation packages, developed in consultation with the evaluators and the projects. This will be complemented by bringing together project data to build up a bigger picture about the impact of the programme as a whole. Further information can be found on the evaluation website at: www.aelz.org

Active Futures (Scotland)

This programme was launched on 17 November 2004 and was the Big Lottery Fund's first grant programme in Scotland.

The programme will provide new opportunities for inactive 17-24 year olds to become active by providing a total of £5.5 million of mainly revenue funding to partnerships willing to open up existing facilities and activities specifically to this target group. Alternatively, partnerships may be given a one, two or three year grant to introduce new activity sessions and programmes for 17-24 year olds who currently take no exercise, perhaps by taking their activities and programmes out to young people on their own, local communities.

Although Active Futures is aimed at 17-24 year olds in general, the Fund is particularly interested in receiving applications that target young women, young people with disabilities, young people from black and minority ethnic communities, and communities disadvantaged by rurality, or social and economic deprivation. Active Futures is a two stage, open grants programme and the deadline for stage one applications is 29 April 2005. It is intended to award all grants by 31 May 2006 and that all projects will be complete by 29 May 2009.



Mentro Allan (Wales)

£6.5 million has been earmarked for the Mentro Allan programme in Wales. It will support the delivery of the priorities identified in Climbing Higher, The Welsh Assembly Government's strategy for sport and active recreation, insofar as they relate to health, education and the environment. Specifically, the programme will improve access to sport and activity within the natural environment, by removing barriers to participation within certain hard to reach groups.

It is a two stage programme in which the first stage is to establish a national partnership that will work with local organisations to develop a portfolio of projects across Wales. The programme was launched in the autumn of 2004 and the successful national partnership will be announced in June 2005.

Northern Ireland

The Fund has £4.5million to commit to projects in Northern Ireland that provide (or improve), develop, operate and promote the use of sport facilities or activities that contribute to the improvement of health, education or the environment in local communities.

There are two distinct strands to the Community Sport programme in Northern Ireland. These are:

Strand one – valued at £2.4 million will be delivered through the Sports Council for Northern Ireland, to extend and enhance the Council's existing pilot Community Sport Programme to 18 additional areas (which are both geographical or thematic) using revenue funding over a three year period. This strand will see the appointment of a number of Sports Development Officers and Sports Co-ordinators.

Strand two – valued at £2.1 million and known as Active Lifestyles is an open grant programme managed by Big Lottery Fund. This strand will provide mostly revenue grants over a maximum of three years. It will support projects aiming to expand the involvement of sedentary populations in all forms of physical activity.

Active Lifestyles comprises three grant sizes: small (up to £1,000), medium (£6,000-£30,000) and large (£30,000-£100,000). The small grants are being assessed and grant managed by Awards for All staff in the Belfast office. The medium and large grants will be assessed and grant managed by Big Lottery Fund staff. By end of March 2005, £32,482 has been committed to 36 small grants. Assessment of medium and large applications is ongoing with the first decision making committee scheduled for July 2005.

Section two

Activities for Young People

The Fund has allocated £55.75 million to Activities for young people across England, Wales and Northern Ireland. The programme does not run in Scotland, although we offer some similar activities under New Opportunities for PE and Sport.

In England, the programme aims to re-engage young people at risk of social exclusion in education, employment or training by offering them a programme of challenging activities, backed by professional information and guidance. The Policy directions specified that the Fund should work closely with the Connexions National Service Unit to ensure that its personal advisers played a part in the provision of good quality advice and guidance. We allocated funds – on the basis of population and deprivation – to each summer activity partnership to run projects during the summers of 2002/2004. At the 31 March 2005, a total of £34,755,962 has been committed.

In Wales, the programme aims to re-engage disaffected 14-18 year olds in education, training and / or employment and to promote social inclusion. It reflects the guidance set out in Extending Entitlement, which established Young People's Partnerships. These work with young people to plan and deliver a coherent range of services for all young people in each local authority area. The Fund invited each Partnership to develop a pilot project that would meet the needs of young people and provide a varied and structured programme of challenging activities. The Fund has employed consultants 'Arad' to help each project undertake a self-evaluation. A training seminar was held in February 2005 to assist this process. Two projects have already finished but most projects still have over a year to run. At the 31 March 2005, a total of £3,087,500 has been committed.

In Northern Ireland, the programme aims to reduce the number of young people at risk of exclusion, through inclusion in education, training and work related activities using an effective partnership approach. It focuses on the early identification of disaffection and consequently the age range covered is 11 to 16 years. The programme provides support for one grant scheme that includes a small number of innovative projects in each Education and Library Board area. The initiative is linked to the Targeting Social Need policy and complements the Department of Education's Alternative Education programme. At the 31 March 2005 a total of £2,850,000 has been committed.

Amendments to the policy directions for the initiative have enabled the Fund to increase the funding to £2.85 million in Northern Ireland. An application was submitted from each of the five Education and Library Boards in June 2002 and funding was initially to provide activities in 2003, 2004 and 2005. All five grants have been given a six month extension into 2006. At the end of March 2005, £1,254,659 had already been spent on the programme.

The evaluation has reported that the programmes have been popular with participants, and in particular they have helped them to develop their social skills in all countries. In England, there had been some challenges in recruiting and retaining the young people most at need, but the approach did make a positive difference to those who were undecided about their options. In Northern Ireland, the programme has complemented existing provision, and projects keen to network and share good practice. In Wales, the projects were developed at a timely point in the development of wider policies on youth provision, and the "demonstration" projects funded under the programme have successfully responded to local need and priorities.

Positive Activities for Young People

In 2004, a further £12.5 million was made available to target young people at risk of offending and exclusion by providing a broad range of developmental and constructive recreational activities over the holiday periods. The programme has now concluded its second year, with one more year of lottery funding available. In association with the Big Lottery Fund the programme is jointly managed through the Home Office, the Department for Education and Skills, the Youth Justice Board, the Office of the Deputy Prime Minister and the Department for Culture, Media and Sport. At 31 March a total of £36,999,691 has been committed.

In Wales, £1.4 million was awarded to the Youth Justice Board to provide a range of summer scheme and youth intervention activities through local Youth Offending teams aimed at diverting young people away from anti-social behaviour and crime.

The evaluation was commissioned by DfES and is being conducted by CRG Research. The second year of the evaluation highlighted several issues:

- ▶ Without an existing pool of trained Key Workers to select from, some delays were experienced in recruiting. Also, initially there was some uncertainty about the Key Worker role; however, this has been reduced through awareness raising efforts directed at partners and other stakeholders.
- ▶ The programme builds on a number of previous programmes developed in isolation by each of the sponsoring departments but which essentially targeted similar groups of young people. This has led to some early confusion among lead delivery agents regarding PAYP's primary objectives.

- ▶ The programme has allowed regional autonomy because the sponsoring departments did not want to dictate a "one size fits all" approach and recognised the need for regions to organise themselves and to adapt to local needs. However, this flexibility resulted in significant variability in how the programme has been delivered. There is evidence that implementation practices are changing as deliverers at the local level are learning, sharing good practice and streamlining processes and procedures.
- ▶ After significant initial problems with the Monitoring Information System, an improved system is currently up and running and local projects are entering data more systematically and with increased regularity than was initially the case.

Do it 4 Real

Do it 4 Real (originally called Get Real) is the national roll out of the programme and builds on the Get REAL pilots of 2003 and 2004. Do it 4 Real will run over the summers of 2005 and 2006.

£1 million was made available to extend the pilot programme first run in 2003. In 2004, over 1,900 young people around the country took part in weeklong residential courses offering activities ranging from sports and outdoor adventure to arts, media and cultural programmes.

In 2004, EKOS Consulting were appointed by the Big Lottery Fund to undertake a three-year evaluation of programme. The principal objectives of the evaluation of the summer 2004 programme were to address the:

- extent to which a full social mix of young people was achieved
- impact of the programme on the skill development and experiences of young people
- level of fees that parents would be willing to pay for their child to participate.

Section two

ICT for Teachers and School Librarians

The ICT Teachers and School Librarians programme made £231 million available. The aim of the programme was to raise the standards of pupil's achievement by increasing the expertise of serving teachers in the use of ICT in subject teaching, and by improving the competence and confidence of school librarians in their use of ICT. The funding for the programme was allocated to education authorities during 1998/1999. An amendment was issued to the Fund's Policy Directions in November 2001, providing an additional £1 million to fund ICT training for home and hospital tuition service teachers. Training of these staff has been fully incorporated into the existing programme.

All training being delivered through the scheme had been completed by the end of December 2003. By this point 487,000 teachers and school librarians had signed up for training and of these 444,000 had completed their training. The sign-up level has exceeded the estimate given in the Policy Directions for the programme.

The Audit Commission in England and Wales, Audit Scotland and the Northern Ireland Audit Office undertake monitoring on this programme. Certified returns are due from each authority's external auditors by 31 December 2004.

When the programme was being developed, Ofsted in England, Estyn in Wales and HM Inspectorate of Education in Scotland had made commitments to evaluate the impact of ICT in schools. The evaluation of the ICT training programme was envisaged as being a central part of all these reviews. It was therefore decided that the Fund would not duplicate this work by developing a separate evaluation programme.



ICT Training for Public Library Staff

£20 million has been made available for training around 40,000 public library staff in the use of ICT. The majority of the UK's library services have now completed their training. The funding for the programme was allocated to library services during 2000/2001.

There were a total of 55 grants in management at 31 March 2005. From April 2004 to March 2005, a total of eight compliance monitoring visits had been completed, as well as a large number of telephone monitoring calls. The recipients were overall compliant with the terms and conditions of grants. We have shared best practice information with libraries and library services based on the information we have gained from monitoring visits. The programme is now in the final closure stage and the remaining 55 grants are scheduled to close soon.



This programme was evaluated together with the People's Network programme. The evaluation ran from April 2002 to October 2004. The findings indicate that:

- the scale of roll-out, achieved within timescale and budget, was remarkable
- the people's network facilities are heavily used: a recent MORI survey found that 16 per cent of the public aged 16 and over have used the internet at a public library
- the people's network has been markedly successful in broadening the library's user base: young people and teenagers are a major user group

- the credibility of the library service has been enhanced helping libraries to reposition themselves at the heart of the local community
- users are overwhelmingly positive about ICT in libraries, especially the free internet access, speed of the connection and state-of-the-art technology
- in addition to developing users' ICT competence and confidence, the people's network is enabling value-added services such as portals to validated information sources and interactive reader development initiatives
- staff report positive benefits from completing ICT training but also a number of limitations with it, such as it not being strongly connected to work roles and activities
- the biggest challenge facing the further development of the people's network is the need for organisational capacity to drive forward the vision of ICT within the modern public library.

Digitisation

£50 million has been made available for the Digitisation of learning materials. The materials digitised through this programme are available free to the public through the programme portal www.EnrichUK.net. All the projects funded through the programme had materials online by 1 April 2003.

Most grants on the digitisation programme closed during 2004/2005. There were three grants in management at 31 March 2005. Between 1 April 2004 and 31 March 2005, five compliance monitoring visits were completed as well as some telephone monitoring calls. Overall most projects were compliant with the terms and conditions of the grant although technical compliance is an ongoing issue until projects are completed.

Section two

Education for Change was appointed in January 2004 to undertake a two-year evaluation, which also covers community grids for learning funded through the community to access lifelong learning programme. The evaluation focuses on impacts of web-based content on lifelong learning and community access to ICT, as well as the organisational impacts of the programme. The preliminary findings from the first year of the evaluation, which is based primarily on surveys of project managers, include:

- ▶ Projects appear to have experienced significant positive shifts in attitudes towards the use of ICT and web services; a legacy of staff skills and technical development; higher profiles for the project organisations; and significant challenges in sustaining developments and living up to new expectations of their users.
- ▶ Many projects in consortia experienced delays in implementation; increased bureaucracy, staff time and administrative pressures; and compromise decisions leading to unsatisfactory results; however, enthusiasm for working in partnership remains strong.
- ▶ The targeting of users was very broad and often was simply “adults;” targeting was often content-driven as opposed to user-driven.
- ▶ There was relatively low levels of structured learning content created, rather than broad-based factual and contextual text.

Community Access to Lifelong Learning – People’s Network

The People’s Network programme has made £100 million available to equip the UK’s 4,000 public libraries with internet-connected PCs. At 31 March 2004, 100 per cent of the UK’s public library services had installed People’s Network equipment.

There were three grants in management at 31 March 2005. The large majority of grants closed during 2004/2005 and the remaining three grants are scheduled to close shortly.

The People’s Network programme is being evaluated together with the ICT Training for Public Library Staff programme. Further details of this evaluation are given in the section on the ICT for Public Library Staff programme.

Community Access to Lifelong Learning

The Community Access to Lifelong Learning programme has made £100 million available to fund activities at ICT learning centres and to develop community grids for learning (which provide learning materials and opportunities for communities through the internet). By April 2003, the programme’s budget had been fully committed to over 1,000 projects running activities in over 2,500 ICT learning centres.

There were 559 grants in management at 31 March 2005. From 1 April 2004 to 31 March 2005, 11 compliance monitoring visits had been completed, as well as a large number of telephone monitoring calls and standard monitoring visits.



ICT learning centres and community grids for learning are being evaluated separately.

The ICT Learning Centres Evaluation focuses on assessing impacts on access to and take-up of lifelong learning opportunities, and the impact of access on users. In July 2002, we appointed Hall Aitken Associates to undertake the three-year evaluation. The results from the second year, which is based primarily on initial and follow up surveys of users, were quite positive:

- a broad range of users were attracted to the centres, but the centres were especially effective at reaching people returning to learning
- centres offered a useful mix of internet access and learning opportunities, flexible and responsive learning approaches, and an informal atmosphere with drop-in access in community venues
- staff were friendly and helpful, encouraged and supported users, and often did outreach work
- centres provided users with: the opportunity to learn new skills they would not have gained elsewhere, courses with progression to more advanced ICT courses, and a means to help improve literacy and numeracy skills for those with a lot of difficulty
- centres contributed to wider social benefits, including a means of helping people to get more involved in their communities and a chance for users to meet other people. Perhaps most importantly, users felt supported and comfortable in the centres, which resulted in significant increases in confidence, especially for those who continued using the centres regularly.

The programme also faced challenges in some areas:

- many projects cannot find funding to meet the continuing demand that the programme stimulated; this is especially troubling because the centres seem to be offering a distinct service that users prefer to other, more mainstream options
- some centres were underdeveloped and offered only a limited number of courses and only part-time learning support
- there was continued difficulty reaching some target groups.

The community grids for learning programme is being evaluated along with the Digitisation programme by Education for Change. Emerging findings from the first year of fieldwork include:

- community grids for learning projects were user-focused in their development and often demonstrated effective engagement with their communities
- a broad range of learning outcomes were identified and there was considerable confidence and expertise in learning development among project teams
- the hands-on involvement of Becta as technical and learning adviser was effective and valuable. Also, the majority of projects have had project managers with good learning technology skills and experience
- community grids for learning partnerships were voluntarily pursued, planned, changed and sustained, and, despite some issues with partner change, the partnership process seems to have been a positive experience for most projects.

Section two

Veterans Reunited

The Fund launched its Veterans Reunited programme in early 2004; the New Opportunities Fund is providing £35.2 million to support the programme (in addition, the Community Fund is providing £1 million and the Heritage Lottery Fund is contributing a further £1.1 million). The programme supports projects and activities that commemorate and remember the events of the Second World War, and provide opportunities for new generations to learn from the experience of veterans.

The programme comprises three schemes. The Their Past, Your Future scheme is focused on providing educational activities, primarily for young people and schools. The Heroes Return scheme provides funding for veterans, their partners and present-day carers to return to the areas where they saw active service overseas. The third scheme, Home Front Recall provides funding for commemorative projects and activities that take place in the UK.

During 2004/05, 8,885 Heroes Return awards were made totalling £10,079,664. These awards enabled 12,710 veterans, 6,088 spouses, 935 widows/widowers and 7,063 carers to travel to overseas destinations where veterans saw active service during the Second World War. In addition, three UK-Wide strategic grants had been awarded totalling £230,000.

By 31 March 2005, 834 Home Front Recall awards had been made totalling £5,769,397. In addition, three UK-wide strategic grants had been awarded totalling £400,000.

On the Their Past, Your Future scheme, in the year ending March 2005, one direct and four umbrella grants totalling £7.2 million had been awarded

(UK wide £4.2 million; England £2 million; Scotland £500,000; Wales £300,000; Northern Ireland; £200,000). 141 awards to Local Education Authorities has been made totalling £1,625,128 from a total budget of £2,300,102.

All grant holders (excluding Heroes Return grants for travel) are required to fill in an end of grant monitoring forms on completion and all the strategic grants will be subject to monitoring visits in 2005/06. At least three per cent of all Their Past Your Future local authority projects will receive monitoring visits. 10 per cent of all Heroes Return grant holders will be selected to submit evidence (receipts and invoices) of their travel costs. In the year ending March 2005 no end of grant reports had been received.

In partnership with the Museums and Libraries Archive (MLA) and the Imperial War Museum (IWM), the Big Lottery Fund agreed a one-year evaluation of the Veterans Reunited Programme. The primary focus of the evaluation is to consider the impact on individuals of participation in one or more of the programmes and activities. A second focus of the evaluation is the impact on organisations of their participation in the programme. In April 2005, Morris Hargreaves McIntyre, a Manchester-based consultancy specialising in the creative arts sector, were appointed and initial meetings with key stakeholders have taken place. It is anticipated that an interim report will be available in October, with a final report scheduled for May 2006.



Section two

Young People's Fund (YPF)

The YPF in England was launched on 23 September 2004. In total £200 million has been allocated to the YPF across the UK. Based on deprivation and population size £157.5 million of this has been allocated to England, £20.1 million to Scotland, £13.2 million to Wales and £9.1 million to Northern Ireland.

England

In England, the policy directions required that YPF should support projects that involve young people from start to finish, specifically by providing facilities and activities for young people in both after school and holiday periods, and that aim to achieve the outcomes in the 'Every Child Matters' green paper.

In total, seven strands of work make up the Young People's Fund in England. A total of £77.6 million has been made available to three programmes that are open for applications, and a further £79.9 million to fund four national programmes which complement Government policy and support the framework for the YPF.

The Demand-Led programmes

After consulting with young people, key stakeholders in the voluntary and public sector, and with Government departments we decided the Demand-Led element of the YPF would be delivered in the following way:

Grants to Organisations

£40 million was set aside for this programme which was launched in September 2004. It is a demand-led programme that makes grants to voluntary and community organisations that fully involve young people (11-18 years) and meet two or more of the five outcomes of the green paper. An England committee considered three applications on 28 February 2005 and as of 31 March 2005 two awards had been made, totalling £225,986.



Each committee includes three young people and representatives from the voluntary and statutory sector in the region. YouthBank UK, an organisation run by and for young people and specialising in empowerment through grant-making, was appointed by the Fund in January 2005 to facilitate all committee meetings and secure the involvement of the young people.



National Grants

£27.6 million has been set aside to make grants to registered charities for projects that are of national significance and demonstrate interesting and innovative ways of meeting the outcomes of the green paper. Projects should be for people aged 11–25.

A two-stage process was agreed for the programme. The first round of applications for this programme closed in December 2004. A total of 14 applicant organisations were invited to submit a Stage 2 application. All these organisations have been offered development grants of up to £30,000 to help them prepare their second stage applications. Applicants will have four months to come back to the Fund with full applications that will be assessed by the Fund's officers before a final decision is made on them by the Chair of the National Grants Committee.

The second round of funding, which is currently set to distribute just under £13 million, is due to be held towards the end of this financial year. We expect significant interest in this round and anticipate that the number and quality of applications will be higher than in round one.

Grants to Individuals

We are making £10 million directly available to young people and small groups of young people to fund community activities that help meet the outcomes from the green paper. Young people between the ages of 11–25 may apply for grants of between £250 and £5,000.

UnLtd (The Foundation for Social Entrepreneurs) and their partners will give out this money on behalf of the Big Lottery Fund. They were chosen to deliver this programme because they have experience of giving grants and supporting young people in carrying out projects.

The national programmes

The four national programmes supported by the Young People's Fund are:

- Out of School Hours Learning: school sport co-ordinators – £28.4 million
- Positive Activities for Young People – £25 million
- Extended Schools – £14 million
- Do it for Real (formally Get Real) – £12.5 million.

Wales

The Young People's Fund in Wales aims to help young people to:

- enjoy life and achieve their potential
- develop skills and contribute to their communities
- chose positive activities which discourage anti-social behaviour.

There is £13.2 million to commit between 2005 and 2009. For this period the programme will focus on young people between 10 and 19 years old and has three strands:

- Make it happen – £1 million for small grants for projects developed and run by young people (opened on 31 January 2005)
- Bridging the Gap – £6.2 million for outreach and support services for the most disengaged and disaffected young people (opened on 14 March 2005)
- Reducing Out – £6.2 million for development projects that meet a clear gap in local services for young people at risk of becoming disaffected and disengaged (opened on 25 April 2005).

It is a requirement of each strand that young people are involved in the design, delivery and implementation of the project.

Section two

Reducing health inequalities



Our health programmes now span the full continuum of prevention, diagnosis, treatment and care, with a particular focus on tackling health inequalities. They are contributing to the Fund's strategic funding priorities by:

- strengthening partnership working
- complementing and adding value to mainstream policies and programmes
- targeting areas of greatest need
- supporting innovation
- improving quality of life in communities.

Healthy Living Centres

This programme has made £300 million available to promote good health in its widest sense, to reduce health inequalities and to improve the health of the most disadvantaged through the establishment of healthy living centres (HLCs).

The Fund completed the award process for this programme in September 2002 and moved into the grant management cycle. There were a total of 344 grants currently in management as at 31 March 2005, with three having completed during the year. During the 2004/2005 a total of 35 formal monitoring visits were conducted as well as a large number of telephone monitoring calls and annual monitoring report reviews. By end March 2005, 52.1 per cent of committed funds had been paid to grant recipients.

In March 2003, the Fund announced the establishment of a support and development programme for HLCs across the UK. The programme is responsive to the needs of HLCs both individually and collectively and delivers activities that support HLCs helping them to network and become sustainable.

In England, the support programme has successfully completed the first year of activities. The other country contracts are working to a slightly later timetable but all have completed scoping exercises in order to tailor support to country needs and priorities

During 2004/2005, the programme evaluators, the Bridge Consortium, have focused on the continued implementation of the Health Monitoring System and on the Intensive Case Study visits (to 20 healthy living centres). The Fund's evaluation of the HLC programme has been extended, and will now run until December 2006 instead of its planned end date in March 2005. This will allow for a more robust assessment of the impact of HLCs on the health and well-being of their users and communities, on their local funding environments and partnership working, on countering health inequalities and on the local and national health sector (both as individual projects and as a nation-wide programme).

The Annual Reports of the evaluators and the Year One and Year Two Evaluation Summaries are all available from the evaluation and research section of the Fund's website.

Living With Cancer

This programme aims to reduce the inequalities in provision of, and access to, cancer services by providing home care, support for carers, and information about cancer and cancer services. £23.25 million was available in England. Our consultation showed that, while many groups do not receive adequate cancer care or information, this is particularly true of people from black and minority ethnic and socially disadvantaged groups and therefore this programme is targeted specifically at these groups. This programme funds projects that improve cancer prevention, aid cancer detection, improve cancer diagnosis and treatment and improve cancer care.

At 31 March 2005, awards had been made to 91 services operating across England. Visits to high-risk projects are undertaken as part of the annual monitoring review process. Awards were made for a maximum of three years, so we expect most projects to have finished by 2006. As of 31 March 2005 a total of 41 projects have been closed although we know that the vast majority will continue in some form.

The evaluators, a partnership between City University (London) and the University of Warwick, submitted their second report in July 2004. The findings from the second year of the evaluation were disseminated in a summary published by the Fund in November 2004. The report documents the transition as projects move from the initial start-up phase to the delivery of services. An extension to the evaluation has been agreed which means that all black and ethnic minority grant schemes will be subject to detailed analysis.

Section two

Scotland, Northern Ireland and Wales cancer care

A total of 23 umbrella grants (16 in Scotland and 7 in Northern Ireland) and 50 direct grants (Wales) have been funded. Visits have been undertaken as part of the compliance monitoring programme and where concerns are raised as grant management or disputes procedures. The programme is due to end by December 2006 and as of 31 March 2005 16 schemes (all capital) have closed.

Cancer Equipment (England)

Our investment of a further £92 million on cancer equipment also enables patients to be seen faster, reducing the time spent waiting for diagnosis, and helping people receive first class treatment. 611 pieces of equipment had been funded. As of 31 March 2005, all but three of the grants have received full payment.

Palliative Care for Adults and Children (England)

In total, £70 million was available for this programme of which £48 million was for children's palliative care services and £22 million was for adults' palliative care provision. The maximum grant length was 36 months with an operational four-month lead – in time, so most schemes are expected to be in operation until 2006/2007.

Adults' Palliative Care

The aim of this programme is to improve the quality of life of adults with a life limiting or life threatening condition. It was targeted at areas of the country with the highest palliative care need. Awards have been made to multi professional teams to enable them to care for people in their homes. The teams will offer therapeutic, nursing and emotional support and a number will also make use of complementary therapies. A number of these will also be extending the availability of care for longer periods of the day.

56 grants were in management at 31 March 2005. Visits are undertaken as part of the compliance monitoring programme and where concerns are raised as part of grant management or disputes procedures. The majority of grants are in their first year and formal compliance visits have not yet commenced.

Children's Palliative Care

The aim of this programme is to improve the quality of life of children with life threatening or life limiting conditions and their families. At 31 March 2005 there were 135 grants in management. The grants are distributed against three strands: hospice provision: 25 grants; home based care: 70 grants and bereavement services: 40 grants. The vast majority of grants have completed their first year and all were found to be compliant. Grant underspend was found to be a general trend for the first year due to recruitment difficulties

The home based palliative care teams will provide a range of services to enable children to be cared for in their own homes. The multi-professional staff teams could include nurses, social workers, and play, art or music therapists, as well as some consultant session time. In some cases these teams will also provide respite care services to enable parents and other unpaid carers to take a break. This could also involve looking after, or playing with, siblings to allow parents to spend more time with their ill child.

The bereavement teams will provide services for families who have experienced, or will go through, the death of a child, following a period of palliative care. The teams will consist of counsellors or therapists as well as a co-ordinator to ensure that families who need this support are able to receive it at the right time.

The evaluators, a partnership between the University of Warwick and City University (London) submitted their first report in July 2004. An update was published in April 2005 by the Fund to disseminate the findings from the first year of the evaluation. The first year concentrated on mapping the location of projects against indicators of need for palliative care services and concluded that the majority of projects are located in the areas most likely to be in need of such services. The second report is expected at the end of May 2005.

Palliative Care for Adults and Children (Scotland)

This programme supports schemes that build on existing strategies to provide both increased and improved effective palliative care and associated support and information services for children and adults in Scotland suffering from cancer and other life threatening conditions. During 2004/2005 these 19 grant schemes have been in grant management/monitoring. Grant holders submit quarterly monitoring reports to the Fund and are visited six monthly by their Grants Officer. The monitoring visits provide an excellent opportunity for Grants Officers to meet third party projects.

Early in 2005, the Chair of the Fund approved grant variations to a few of the programme's voluntary sector grant holders that needed additional funds to pay for increases brought about by changes to the NHS superannuation system. As the Palliative Care Programme was already overspent, the necessary funding was vired from the cancer strand of the CHD, Stroke and Cancer Programme.

Section two

Palliative Care (Northern Ireland)

£4.1 million was made available to increase and improve palliative care for children and adults diagnosed with cancer and other life threatening or life limiting conditions. The programme not only provides care for the patient but also provides support for their families. In September 2003, the Fund approved 25 projects under four umbrella schemes across Northern Ireland. All projects were successfully launched in the past year and have now moved into the grant management stage. The Fund is working with the four Health and Social Services Boards across Northern Ireland to deliver this programme and meet local needs through quarterly networking meetings.

Palliative Care (Wales)

The 10 schemes that were funded under this programme will benefit patients, visitors and staff through a wide range of improvements to facilities from refurbishing a patients' waiting room to complete replacement of inadequate premises. The building schemes are progressing well.

New Opportunities for Health: CHD, Stroke and Cancer

Policy directions require the Fund to commit £16.5 million for coronary heart disease (CHD), stroke and cancer projects in England by 2004. The programmes are collectively known as the New Opportunities for Health initiative and include the following programmes:

Five-a-Day community projects (England only)

The aim of this programme is to support community based initiatives to promote the consumption of fruit and vegetables. These will increase the availability and acceptability of fruit and vegetables making it easier for people to eat more.

In total, £10 million was available for the Five-a-day programme, which was launched in May 2002. The closing date for applications was September 2002 and 66 Primary Care Trusts (PCTs) have received funding of up to a maximum of £150,000 over two years.

Projects funded have included school-based activities such as smoothie days and growing schemes; community food services such as delivery service for those most in need; workplace schemes; allotment schemes and cook and eat sessions.

The Fund completed the award process for this programme in December 2003 and there are currently 65 schemes in grant management with one having completed in March 2005. Two compliance visits were carried out during 2005 and the schemes were found partly compliant with the grant term and conditions with a few minor issues raised by the Risk and Compliance team which are being resolved. A number of visits have taken place to ensure the schemes are receiving the necessary support to carry out their planned activities and achieve their objectives. Extensions of three to six months have been agreed with five schemes that had major problems with recruiting co-ordinators and starting their activities. The last scheme is due to finish in September 2006.

The evaluator, TNS, have completed a process review of the Five-a-Day initiatives taking place in the 66 Primary Care Trust (PCT) areas in England as well as case studies in 14 of the PCT areas. The review looks at activities that have taken place in the PCT areas, challenges faced and lessons learnt. The review is available on the Big Lottery Fund website. A report based on the case study work will be available in July 2005.



The final stage of the evaluation is to send out the Five-a-Day consumption and evaluation tool (FACET questionnaire) to those that replied to the first mail out of the questionnaire two years ago. These will be analysed and compared to the first questionnaire looking at how attitudes to and consumption of fruit and vegetables, has changed.

School Fruit Pilots (England only)

The aim of this programme is to help improve the diet of children and to reduce risk of heart disease and cancer later in life. Although it is available to all children, it is of particular benefit to children from low-income households, whom surveys have shown may otherwise eat no fresh fruit in an average week. With the support of the Fund the programme was rolled out to five regions, replacing small-scale grants where they previously existed. The regional pilots were rolled out as follows: West Midlands (started April 2002), London (October 2002), North West (March 2003), East Midlands (May 2003) and North East (March 2004). £42 million was available for the school fruit pilots. In England, over 1.1 million children aged four to six received free fruit each school day.

The Department of Health (DoH) is now funding the national programme and the last scheme funded by the Fund in this programme ended in April 2005. In order to ensure continuity of the programme, the Fund agreed to continue funding the schemes until autumn 2004 when DoH was able to extend the scheme from schools in our pilots to all eligible schools in the region.

The National Foundation for Education Research (NFER) and the University of Leeds have completed the evaluation of the National School Fruit and Vegetable Scheme (NSFVS). The final report is currently being written and findings will be available in August. Reports based on the findings from phase one and phase two are currently available on the Big Lottery Fund website.

The aim of the evaluation is to look at the impact of the Fund's pilot of the NSFVS on children and schools. The research used a food diary and a pictorial pupil questionnaire during all three phases, as well as doing case studies during phase two. Findings from phase one and two show:

- 35 per cent of pupils reported to eat at least five portions of fruit and vegetables over the 24-hour period compared with 27 per cent during phase one
- girls were significantly more likely to have eaten five-a-day
- as pupils got older the less likely they were to consume five-a-day
- schools with a higher number of pupils with English as an additional language were more likely to eat five-a-day
- snack consumption remained constant
- case studies showed the scheme was popular with staff and pupils.

Section two

Equipment (England)

The aim of this programme is to tackle the burden of heart disease, stroke and cancer by making it easier for patients to be able to use services. It aims to address the inequalities in use of services between different groups and across different parts of the country. It is providing MRI and cardiac angiography equipment for NHS Trusts, and portable heart monitors and defibrillators for Ambulance Trusts, to enable all ambulance services and hospital cardiac services to reach accepted standards across the country. In total, £89.5 million was available for this programme.

The Fund has completed an assessment of need for ambulance equipment based on a survey of Ambulance Trust services carried out by the Department of Health in 2001. As part of the needs assessment exercise, all Ambulance Trusts were invited to submit information about their current provision and needs. Members of the Department of Health's Coronary Heart Disease and Winter Emergency Services Team reviewed the result. The needs assessment also captured information about the size of Ambulance Trusts, the possibilities and costs through any other capital replacement programmes or budget and particular local difficulties.

The first 53 NHS Trusts were notified of their awards in November 2001. Trusts will work with the NHS Purchasing and Supplies Agency to plan for delivery of the equipment at the most appropriate time for the Trust. Equipment commissioning and installation often takes a number of months.





The Fund has awarded 146 grants to NHS Trusts and Ambulance Service NHS Trusts in England. Compliance monitoring is achieved through paper-based systems rather than visits under this programme.

The first machines have been operational since the second half of 2002. To date, 62 of the machines have been fully paid and are operational.

Heart programmes with the British Heart Foundation as an award partner

The Fund has joined with the British Heart Foundation (BHF) to manage the delivery of three heart programmes. BHF has been selected as the award partner because of its expertise in the area, strong links with stakeholders, and track record in running similar grant programmes. BHF was responsible for designing the programmes in detail, assessing applications from third parties and making grants under the programme.

Heart Failure Support Networks (England only)

Currently, only a minority of patients have access to a specialist heart failure support team to enable them to receive care at home. Home care can provide better management of the disease, helping patients keep more mobile and independent for longer. Specialist nurses can also help to control symptoms and alleviate the distress caused by shortness of breath for example. This new £10 million programme will increase the number of nurse-led community management programmes for people with heart failure.

These nurse networks will provide information, support and care to patients and their carers, as well as building stronger links with primary care services and existing palliative care schemes. Their specialist support will enable people to enjoy a better quality of life, remain at home for longer, and reduce the number of emergency hospital admissions and re-admissions. The projects supported will particularly benefit older people and people living in very rural communities as well as high-risk populations, such as Southern Asian communities.

The Heart Failure Support Networks programme was launched in June 2003. At 31 March 2005 the 26 awarded grants were in management. Quarterly monitoring meetings with British Heart Foundation commenced in January 2004.

To date, 75 out of 76 nurse posts have been appointed and have started setting up the projects and seeing patients. The Fund is working closely with BHF to ensure that the programme meets its objectives. The first year compliance visit took place in October 2004 and the grant was found compliant with a few minor recommendations for improvements.

This evaluation is managed by the British Heart Foundation, who commissioned the University of York to undertake the evaluation. A short summary of progress in the first year was produced in April 2004 by the evaluators that documented the lengthy process of obtaining ethical approval and recruiting nurses. However, the majority of nurses are now in post and patients are starting to be recruited to the study.

Section two

National Defibrillators Programme (England only)

The Fund's £6 million funding for this programme will support the purchase and maintenance of around 2,300 automated external defibrillators (AEDs), in public places to improve survival rates for people whose hearts stop beating, and will increase the numbers of people with basic life support skills and the ability to use an AED.

The Fund worked with the Department of Health and the British Heart Foundation (BHF) to identify ways in which the programme will benefit disadvantaged communities. The aim of the programme is to increase access to early defibrillation for people who have a cardiac arrest out of hospital in England by providing automated external defibrillators in more places and improving survival rates for out of hospital cardiac arrest by increasing the number of people trained in basic life support and the use of a defibrillator. The siting of defibrillators has been chosen so that they are serving places used by disadvantaged, high risk groups.

British Heart Foundation was appointed an Award Partner for the National Defibrillation Programme in September 2003 and the programme launched in October 2003. The application process opened in April 2004 and BHF received 32 applications from Ambulance Trusts. Following a thorough assessment by BHF, third party awards to 31 Ambulance Trusts were made in June 2004.

Procurement process for the 2,300 AEDs was completed in September 2004. All Ambulance Trusts have now received their allocation of AEDs and are currently working on installing them. 28 out of 31 Ambulance Trusts have recruited Community Defibrillation Officers with the remaining three appointments imminent. The programme is monitored through quarterly monitoring meetings between the Fund, BHF and DoH.

Cardiac Rehabilitation

Cardiac rehabilitation services help people recovering from heart attacks or heart surgery to make lifestyle changes that will reduce their risk of further illness, and improve their physical, mental and social well-being so that they can return to as full a life as possible. Cardiac rehabilitation services vary in quality and scale around the country and in many areas they are in need of improvement and modernisation. Services are not always delivered conveniently or in ways that give patients what they feel they need. The Fund is committing £4.7 million to this programme.

This investment will help to shift the focus from 'patients' towards 'people'; by supporting cardiac rehabilitation programmes in convenient locations offering a tailored package of services. It will fund good quality learning material for users, and some facilities improvements to create safe, welcoming environments (although we do not intend to fund new build capital projects). We hope to see more choice being offered about which services to attend, and when. In particular, we hope to see services tailored to the needs of groups and communities whose needs are not met well by existing services.

BHF was made award partner for this programme in November 2003. The programme was launched in March 2004 and all Primary Care Trusts in England were sent funding applications and guidance notes. BHF received 94 applications and following a thorough assessment process, awards were made to 36 Trusts in October 2004.

The programme is monitored through quarterly monitoring meetings. The first year compliance visit took place in October 2004 and the grant was found compliant with a few minor recommendations for improvements.

There are two evaluations relating to this programme. The British Heart Foundation are funding and managing a quantitative evaluation to be conducted by the University of York. Both the Fund and BHF are contributing towards the cost of a qualitative evaluation, managed by the Fund, which will be undertaken by the same contractor. The quantitative evaluation is now starting to get underway and it is expected that the qualitative evaluation will begin in July 2005.



CHD, Stroke and Cancer (Scotland)

This programme aims both to reduce the risk of people in Scotland succumbing to these diseases by providing effective, evidence-based prevention programmes, and to improve access to high quality services and facilities for diagnosis and treatment by specifically tackling inequalities in provision.

During 2003/2004, grants totalling £13.7 million had been awarded to 110 third party grant schemes managed by Scotland's 15 NHS Boards and £1.2 million had been awarded to two Scotland-wide grant schemes of national significance in respect of coronary heart disease and stroke. Almost £8 million had been awarded to the 75 third party grant schemes submitted by Scotland's three Regional Cancer Advisory Groups and £1.4 million was shared among four Scotland-wide grant schemes of national importance in respect of cancer.

During 2004/2005, a further two awards totalling £250,000 were made in respect of coronary heart disease and stroke. One of the awards was made to the Scottish Community Development Centre who have been providing training and support to umbrella grant holders so that they can plan and implement the evaluation of their schemes using the Centre's 'LEAP for Health' planning and evaluation toolkit. Two-day training sessions were run in both Edinburgh and Glasgow during September and October 2004, and were attended by all but two of Scotland's 15 NHS Boards.

All the awards are now in grant management and are providing quarterly reports to the Fund and being visited six monthly.

Section two

CHD, Stroke and Cancer (Wales)

The overall aim of this £15 million programme in Wales is to reduce the risk of people developing CHD and cancer through evidence-based prevention activities and to increase the availability and quality of CHD and cancer rehabilitation services. The programme has three distinct strands:

- £0.5 million to develop stroke support networks
- £5 million for angiography equipment in hospitals across Wales
- £9.5 million for CHD and cancer prevention and rehabilitation projects.

The Stroke Association was awarded a grant to develop a range of community-based stroke schemes across Wales to reduce isolation and achieve significant increase in quality of life for carers and people recovering from stroke.

The angiography strand is providing equipment in six sites across Wales. This equipment will improve cardiac services in Wales, speeding up diagnosis, and leading to earlier treatment and improved health outcomes for patients. We worked closely with the Welsh Assembly Government to ensure that the supporting capital build and revenue costs were in place and we were able to approve the six sites in March 2004. Several trusts are in the process of building the facilities to house the equipment and all the equipment is due to be installed by August 2006.

Thirty-five grants were awarded in October 2003 under the open CHD/cancer prevention and rehabilitation strand, such as smoking prevention, dietary promotion, community lymphoedema drainage services and cardiac rehabilitation exercise programmes. Schemes are progressing well.



CHD, Stroke and Cancer (Northern Ireland)

£9.4 million was available in Northern Ireland for the CHD, stroke and cancer programme. In August 2003, four umbrella grants funding 51 projects across Northern Ireland were announced. All projects were successfully launched in the past year and have now moved into the grant management stage. The Fund is working with the four Health and Social Services Boards across Northern Ireland to deliver this programme and meet local needs through quarterly networking meetings.

The projects funded focus on community-based preventative measures, and include encouraging people to stop smoking, to eat healthy food, to exercise and be safe in the sun.

A partnership led by Secta was awarded the contract for the evaluation of this programme in February 2005. The evaluation covers Wales, Scotland and Northern Ireland. In this first year, the evaluators will apply for ethical approval, produce a background paper to detail the policy context in each country and select projects as case studies, with the aim of starting visits before the end of the 2005.



Better Off (Scotland)

The main aim of the Better Off programme is to support people who misuse or have misused drugs and who are trying to make changes to their lifestyle and circumstances in order to turn away from drug misuse. The programme seeks to offer holistic support that is tailored to the needs of individual service users, with the intention that more people will enter and remain on rehabilitation programmes. Better Off complements Scotland's national drug strategy Tackling Drugs in Scotland - Action in Partnership by funding schemes specifically designed to address gaps in local service provision. Indicative allocations were made for Scotland's 22 Drug Action Team areas, and the Fund has worked closely with Drug Action teams (DATs) to deliver the programme during the application stage and provide support post-award.

Better Off is now closed to applications and all grant schemes are now in grant management. Over the two application rounds of the programme, a total of 63 grant schemes, spread throughout every DAT area in Scotland, were awarded a total of £9.4 million. The total number of grant schemes has now fallen to 59, as several projects were merged and one grantee from Greater Glasgow DAT area withdrew due to their inability to secure sufficient match funding to deliver the project. It is intended that the money initially awarded to this organisation will be re-distributed to other projects in the Greater Glasgow area that can demonstrate appropriate need within the original aims of the programme.

The Fund has held or attended a number of events for grant recipients that gave information and guidance on monitoring requirements for their grant and on carrying out a self-evaluation, provided opportunities for networking and sharing best practice, and enabled them to feed into the external evaluation of the programme.

We have received the first annual report from the evaluators of Better Off. While the evaluation is still at an early stage, it has found that projects have welcomed the Fund's general approach to setting up the programme, particularly the comparative freedom for applicants to identify and respond to specific needs. At the same time, the focus on partnerships in the programme has helped them to think at an early stage about possibilities for closer integration of their services.

Section two

Improving the local environment/quality of life

Programmes funded under the quality of life banner aim to support communities to improve their environment. A wide range of initiatives from enabling Scottish communities to manage local land through to the expansion of the community recycling sector are included under this banner. In addition, the Fair Share Trust, launched in June 2003, is designed to target disadvantaged areas that have not yet received their fair share of lottery money.

Green Spaces and Sustainable Communities (GSSC)

The £130 million Green Spaces and Sustainable Communities programme was the first at the Fund to offer dedicated resources to the environment, and the first to delegate grant making authority to award partners. It is set to run until 2007.

The aim of the programme is to help urban and rural communities throughout the UK understand, improve or care for their natural environment.

Of the 11 award partner schemes, seven are in England, two in Scotland, one in Wales and one in Northern Ireland. The number of funding rounds differ between award partners, as does the level of grant made and the way in which funds are drawn down.

A total of 3,625 projects have been funded (2,918 England, 129 Northern Ireland, 257 Scotland, 321 Wales). This brings the total committed by our award partners to £99 million. The final Enfys panel meeting will be held in July 2005, meaning that the Scottish Land Fund is the only grant scheme that remains open. All Scottish Land Fund grants will be committed by March 2006.

The popularity of the programme is reflected in the early commitment of funds by several of the award partners.

Scottish Land Fund

The Scottish Land Fund is now a well-established and successful grant scheme, and is strongly associated with rural regeneration. At the end of the financial year, £11.6 million had been awarded to 135 projects, including, in March 2005, a high profile grant to the Assynt Foundation to enable that community to pursue its aspiration of acquiring the Assynt Estate. If successful, this will be the biggest community land buy-out in Scotland.

The Land Reform (Scotland) Act 2004 has now been implemented, including provisions for the community right to buy. This enables rural communities to formally register an interest in and buy land when it comes to be sold. The legislation provides a right to buy registered land which will contribute to the sustainable development and well being of the local community. Once an interest is registered, the land cannot be sold without the community's interest being taken into account. The Scottish Land Fund has received its first 'right to buy' funding applications.

In addition, in line with the revised definition of rural land in the Land Reform (Scotland) Act 2004: Part 2: The Community Right to Buy, the Fund agreed to raise the population threshold for rural communities from 3,000 to 10,000, making an additional 117 settlements eligible to apply for Scottish Land Fund assistance.

Over the second year of the four-year programme evaluation, the evaluators completed visits to 71 case study projects and continued to review progress being made by the award partners. The interim findings suggest that, overall, projects are of a very high standard and the programme is successfully reaching communities in greatest need. A summary of findings from the first year's work will be published in summer 2005.

Transforming Waste

As part of the wider transforming communities initiative, the Fund received Policy Directions for Transforming Waste in 2001. The directions specified that the Fund should support projects that contributed to community sector waste re-use, recycling and composting. Across the UK, the composting sector is under-represented. Efforts are being made to redress the balance by targeting this sector in England, where there are still funds available to be committed.

The £49.5 million funding was split across the four countries, and one award partner appointed in each. By April 2005, £34.8 million of funding had been committed by our award partners to 225 projects.

In England, following a slower start to the Community Recycling and Economic Development programme than originally envisaged, Royal Society of Wildlife Trusts (RSWT) was granted an extension to its contract with the Fund for one year until March 2008. Since the beginning of 2004 application rates have increased significantly and so far £26 million has been committed to 148 projects. In England, all funds are expected to be committed by December 2005 with three panel meetings remaining. RSWT will be announcing the closure of the programme to new applicants on 11 May 2005. The final date by which applications must be received by RSWT will be 1 August 2005.

In Scotland, 47 projects have been supported, with grants totalling £4.46 million. Funds in Scotland are now fully committed.

In Northern Ireland, one further application round has been held with decisions expected in June 2005. So far nine projects have been supported, with grants totalling £1.43 million.

In Wales, the programme has been run by the Cleanstream partnership and has proven enormously popular. 21 projects have been supported, with grants totalling £1.43 million.

In November 2003, Environmental Resources Management and Eunomia Research and Consulting were appointed to evaluate this programme. The evaluation, which will run until 2006, will focus on environmental impacts, the effectiveness and impact of community participation and long-term impacts (project sustainability). The evaluators will be using a range of methods including case study visits to 30 projects and an assessment of programme outputs.

Initial findings from the evaluation show:

- a larger proportion of the projects are located in areas with lower recycling/composting performance. 33 per cent of projects are located in the worst performing local authorities and 15 per cent fall within the best performing
- a larger proportion of the projects are located in areas with more severe levels of deprivation. 37 per cent of projects are located in the most deprived local authorities and only eight per cent are in the least deprived.

Section two

Renewable Energy

As part of Transforming Communities, £50 million was made available for renewable energy projects throughout the UK. The Government directed that this be split between three key priorities, with the minimum share indicated for each priority:

- at least £33 million to fund large-scale electricity generating projects fuelled by energy crops
- at least £10 million to build offshore wind projects
- at least £3 million for small-scale biomass heating schemes.

The monies allocated to the Fund are part of an overall strategic funding package targeting these particular sectors of the renewable energy industry. The Department for Trade and Industry (DTI) provides the balance of this package.

Under the small-scale biomass heat strand seven grants were offered. All have now been accepted. By April 2005 46 installations had been completed. One large biomass project has now accepted their grant offer of £10.4 million. Approval of Board has been secured to offer another large biomass grant of £18 million.

There has been one significant declined offer which has resulted in there being £4.9 million still available for allocation to projects. Options for the utilisation of these remaining funds has been secured from the Director of Operations.

The renewable energy programme supports projects whose beneficiaries are extremely difficult to define. For this reason, the Fund chose not to undertake an evaluation of this programme.



Fair Share Trust

The Fair Share Trust is a £50 million expendable endowment that provides assured funding for communities in 69 areas across the UK. It forms part of the UK-wide fair share initiative, established jointly by the New Opportunities Fund and the Community Fund to target Lottery money at disadvantaged communities which had not yet received their fair share of funding. It aims to build capacity and sustainability in communities, develop social capital, and enhance quality of life.



The programme was officially launched in June 2003 when the £50 million endowment was passed to Community Foundation Network (CFN) and associated networks in each country. CFN is the trustee responsible for distributing funding through its network of local agents. Local agents work with communities at grass root level. In each area, a panel of local people is responsible for determining area priorities, developing a funding strategy (outlined in a priorities document) and making recommendations on grants to the local agent.

By 31 March 2005, 44 priorities documents had been approved by CFN and £2.8 million had been committed by local agents to programme development and projects.

A five-year evaluation of the joint Fair Share initiative has been commissioned from a partnership between Baker Associates and InterAct. Work began in summer 2003. Overall the evaluation will assess the success of the initiative in meeting our shared aims. The evaluation will investigate the capacity and sustainability of the voluntary and community sectors within Fair Share areas at various stages of the initiative. It will also study how effectively the initiative engages individuals in the management of participation in funded projects, as well as in the funding process itself. As part of this, the evaluation will highlight emerging good practice. We have agreed 10 case-study areas with the evaluators; fieldwork began in spring 2004.

Section two

Transforming Your Space

The main aim of this £49.5 million programme is to provide communities with the opportunity to take responsibility for their local environment, and make it safer, greener, cleaner, more pleasant to use and accessible to all.

In England, the Fund chose to complement the Fair Share programme by allocating Transforming Your Space funding to the 51 Fair Share areas. Each area received an allocation of between £200,000 and £2.2 million and local authorities led strategic applications for funding. 50 out of the 51 contracts have now received a first payment. One contract has successfully concluded.

In Wales, each Community Strategy Partnership was invited to develop a project in its area that demonstrated sustainable development. Twenty-two projects were approved at committee meetings in July and September 2003. One grant offer has lapsed and therefore been withdrawn with the agreement of the applicant. New project proposals to reallocate the funding have been submitted and are being considered by officers.

In Scotland, the programme is run under contract to an award partner, the Fresh Futures partnership and continues to experience very high levels of demand. In the first eight of nine scheduled award panel meetings, the Fresh Futures partnership received 398 applications seeking assistance worth £26.7 million against an available budget of £4.54 million. A further 78 applications are currently set to go to the first panel meeting. To date, funding has been committed to a total of 78 projects in Scotland and payments have been made to the Fresh Futures partnership of £2.35 million. Four projects have withdrawn from the programme. The award partner remains on target to fully commit funds by May 2005 when the final panel meeting will be held.

In Northern Ireland, the Fund ran an open application programme, which closed in February 2003. In total, £2.1 million was committed to 14 projects. 13 out of the 14 projects have received a first payment and it is expected that the final project will draw down their first payment in the next couple of months.

The first year of the evaluation by SQW reported great enthusiasm for the programme across the UK. Local communities had been positively engaged in identifying priorities and in working with others to develop and run projects, thereby helping to develop social capital as well as improving the environment. Projects are interested in networking and sharing good practice, and the Fund and the evaluators will work to support them in this.



Awards for All

The New Opportunities Fund had £60 million available between 2001 and 2005 for small-scale grants schemes in each UK country, making awards up to £5,000 for projects which involve people in the local community in health, education and environment activities.

In Wales, Scotland and Northern Ireland, New Opportunities Fund has made agreements, along with other Lottery Distributors, for the Community Fund to administer the funding available through the Awards for All scheme in each country. In 2004/05, the value of New Opportunities Fund funding awarded by each of the Awards for All schemes was as follows: Wales – £1,094,897, Scotland – £1,955,940, Northern Ireland – £776,630.

In England, Awards for All is a joint scheme between the Lottery Distributors established by Statutory Order. In 2004/05, New Opportunities Fund awarded £10,640,439 of funding through the Awards for All England scheme.

Section three

Big Lottery Fund- Looking ahead

In this section we look ahead to a number of developments affecting our funding and the way we are organised to deliver it.

The Big Lottery Fund conducted two major UK-wide consultations with its stakeholders and the wider public in June 2004 and January 2005. Since March 2005, the Board has been making decisions about its future grant programmes.

The March announcement in England included the following:

- ▶ £155 million to develop and improve play facilities and activities.
- ▶ £354 million to enhance rural and urban environments which communities are better able to access and enjoy, including £90 million to fund parks.
- ▶ £163 million to projects promoting well being, including tackling mental health issues, improving physical activity and preventing alcohol abuse (this sum includes £45 million to projects promoting healthy eating for children and their communities).
- ▶ £155 million to help develop the voluntary sector by providing funding advice workers, resource centres and support to areas which have little or no voluntary and community sector capacity. In addition, the funding will help organisations to share learning and get involved in local partnerships and strategies and will promote good governance in the sector.
- ▶ £160 million to Awards for All.

- ▶ £140 million to a Transformational grants programme supporting large capital projects across the whole of the UK.

- ▶ £60 million for projects which help people in need overseas, again as a UK-wide programme.

We are working up the first new programmes expected to open for applications in early 2006. Consultations and liaison with key organisations and partners will continue as the programmes are developed. The aim is to be an intelligent funder, adopting a variety of different delivery methods and ensuring that accessibility and support for applicants and recipients is at the heart of our approach.

Similar announcements are to be made later in 2005 setting out the new grant programmes in Scotland, Wales and Northern Ireland.

We have also announced a series of measures for new programmes which will help communities access funding. We will:

- adopt a mixed portfolio approach to funding with no less than one third of income distributed through demand-led, lightly prescribed, accessible programmes, including the expanded Awards for All scheme
- introduce more flexibility in the length of funding
- adopt the principle of full cost recovery by allowing all legitimate overhead costs to be recovered by voluntary and community organisations
- ensure that 60-70 per cent of our funding will go to voluntary and community organisations
- strengthen our regional offices to increase the emphasis on policy development, outreach, partnerships and external relations

- establish two operational centres for England in Newcastle and Birmingham to make it easier to access funding and to ensure a strong, unified funding policy
- make efficiency savings of 10-20 per cent on running costs to be ploughed back into funding of projects.

Public involvement is an important development for us and new ways are being piloted to involve people in deciding where money for good causes should go. Under the Young People's Fund we have recruited young people to sit on national and regional Committees to help make funding decisions. We have conducted extensive consultation on new programmes, including commissioning research into how Lottery players think Lottery money should be spent. We are also exploring how we can encourage wide-scale public involvement in deciding which projects will be funded under our Transformational grants programme.

We are committed to evaluation and learning, sharing good practice and influencing policy nationally and locally.

Where appropriate, we will work in partnership and complement Government priorities and programmes to achieve maximum impact. Our

commitment to helping people and communities in need has been reaffirmed. We recognise this will continue to mean making tough choices to support projects which improve the lives of people in need, even if that means funding projects which are unpopular in some quarters. At the same time, we will support popular causes and be proud to do so.

Most important of all, the Big Lottery Fund will be neither the Community Fund nor the New Opportunities Fund. It will be a new and different funder concerned not with who we give the money to (whether specific sectors or organisations) but what we fund and who benefits from it.

Section four

Customer Care

During 2004/2005 the Big Lottery Fund developed a new Customer Service Charter. We developed this in conjunction with seven other Lottery distributors to give more consistency to the way Lottery distributors work. You can complain if we fail to meet the standards that are set out in the charter.

We are currently developing ways to monitor and report on our success in meeting these standards. A new survey to monitor how well you think the Big Lottery Fund is performing will be developed for 2005/06.

This year nine members of staff began a seven-month course to obtain a BTEC qualification in Customer Care. These members of staff will act as customer care champions, spreading good practice throughout the organisation.

To complement the existing customer service email address, a dedicated customer service phone line has been set up for your complaints and comments about our service.

Complaints

There are three stages to our complaints procedure: Stage one is where we invite customers to contact the person or department that they are unhappy with. We try to resolve complaints as quickly as possible this way.

If customers remain unhappy, they may proceed to stage two, where the customer care and quality adviser will arrange for the Chief Executive to reply.

Stage three – if the customers are still not satisfied then they may refer their complaints to our Independent Complaints Reviewer (ICR). The ICR is not part of our organisation and their investigations and recommendations are impartial and unbiased.

Stage One Complaints

During 2004/2005 the Big Lottery Fund recorded 44 stage one complaints, although on more detailed inspection many of these were simply requests for further clarification or complaints about organisations we have funded rather than the service that the Big Lottery Fund itself has provided.

We believe that many complaints remain unrecorded, as they are quickly resolved on the telephone or as an integral part of the assessment process. We are reviewing the way we record this data to provide more accurate information in the future.

Stage Two Complaints

During 2004/2005, the Big Lottery Fund received 15 stage two complaints, ie those that had been unsatisfactorily resolved at officer level and so were reviewed by the Chief Executive.

Stage Two Complaints

Total	Upheld	Partially Upheld	Not Upheld
15	3	3	9

Upheld:

Incorrect information had been given out about an application outcome and we identified this was because the on-screen information available to the member of staff taking the call was laid out poorly. A checking procedure has been put in place to prevent this happening again.

There were two complaints about the abrupt closure of a programme. We apologised for this and explained the circumstances.

Partially Upheld:

We apologised for not replying to a letter, but did not accept that we had not informed the organisation of changes to the programme.

In another case, we apologised for poor communication and failure to give acceptable customer care, but did not accept that this had affected the outcome of the assessment.

In the final case, we apologised for realising belatedly that an organisation was ineligible to apply for funding, thus resulting in wasted work for the applicant. We try very hard to avoid such mistakes, but unfortunately they do occasionally happen. Procedures have now been tightened to try to prevent it happening again.

Not Upheld:

These were primarily from disappointed applicants who felt we had failed to assess their applications properly. These were either unsubstantiated or because of the applicants misunderstood the application process. In these cases we offered further clarification of the reasons for rejection.

In one case, it was alleged we had given out personal information. However we could find no evidence that we had ever possessed the information in question so the complaint was not upheld.

Independent Complaints Reviewer – annual report

I received no complaints for review from the Fund this year.

During the course of the year the Big Lottery Fund invited my help in its review of complaints procedures and handling in preparation for the adoption of common procedures across all National Lottery Distributors then being developed by the Lottery Forum. I was also very pleased to be appointed by the Forum, along with Sir David Yardley, to act as Independent Complaints Reviewers for all the Lottery Distributors from the start of 2005/06.

Clive Wilson, Independent Complaints Reviewer

Freedom of Information

The Freedom of Information Act 2000 came into force on 1 January 2005. The Act gives individuals the right to request any information held by the Big Lottery Fund, subject to exemptions. This information must then be provided within 20 working days.

Between 1 January 2005 and 31 March 2005, the Big Lottery Fund received 45 requests, responding in an average of just over nine working days. Some information has been exempt from release and there have been no appeals against decisions.

Requests have come from a variety of sources including journalists, grant applicants and members of the public interested in projects.

The Big Lottery Fund will continue to be open and transparent and encourage publication of its records through its Publication Schemes.

Section five

Equalities

We are committed to ensuring that equality is at the heart of our business both as a grant-maker and as a UK-wide employer. The values that underpin our work include a number that highlight this approach. They are Fairness, Accessibility and Involving people. We aim to create a culture where these values are realised. We have also agreed a set of principles to help us understand how we might put equality into practice. These principles are promoting accessibility, valuing community diversity, promoting participation, promoting equality of opportunity, promoting inclusive communities and contributing to the reduction of disadvantage and exclusion.

The needs of disabled people have been a focus for us as an employer. To this end we are seeking to become a holder of the Disability Symbol quality mark. Achievement of this mark will demonstrate that we are positive about disability. It will be a visible sign that we are taking steps to employ and develop disabled people.

We believe it is important to listen to the views of people external to the organisation when shaping our business. Our Equality Forum includes advisers expert in and representing a broad range of equality issues. We also believe that strong leadership is essential. For this reason our Forum also includes members of our Board.

We have been working hard to build equality issues into all of our new programmes and policies. This process is called mainstreaming. We recognise that this is a long-term process. It requires our staff to consider what impacts our policies and programmes might have on people from different backgrounds. Our staff then must consider whether those impacts are fair and equitable. If not, they then need to consider what changes may need to be made to remove or reduce them.

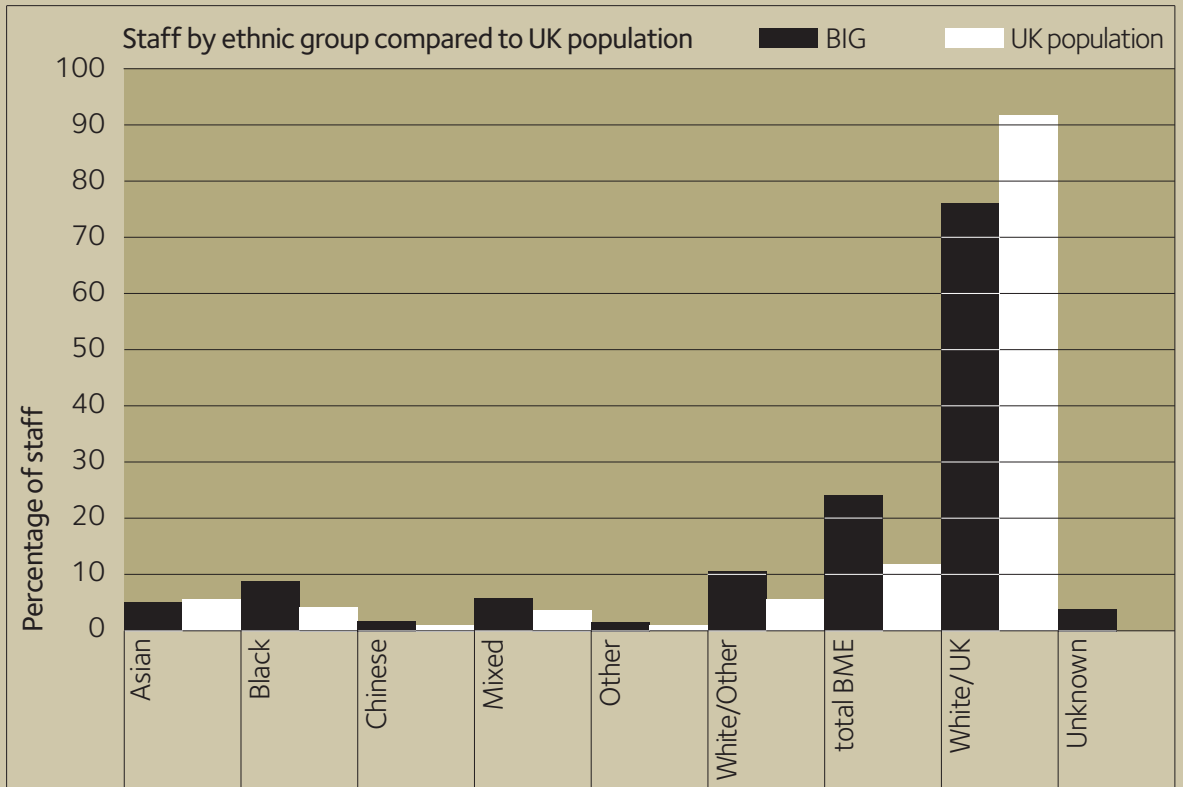
We also recognise the importance of using the views and experiences of those affected by our business to inform our judgements.

We have established a dedicated project team to drive our equality mainstreaming work forward. This team has been tasked with developing systems and support to enable our staff to make equality mainstreaming an everyday reality. To support their efforts, we have integrated equality into our business planning and reporting arrangements. We have also agreed an approach to measuring our equality performance in the future. This approach includes the requirement that all staff produce a personal equality objectives linked to their job and our strategic objectives. Their performance in meeting this objective will be measured as part of the performance appraisal process.

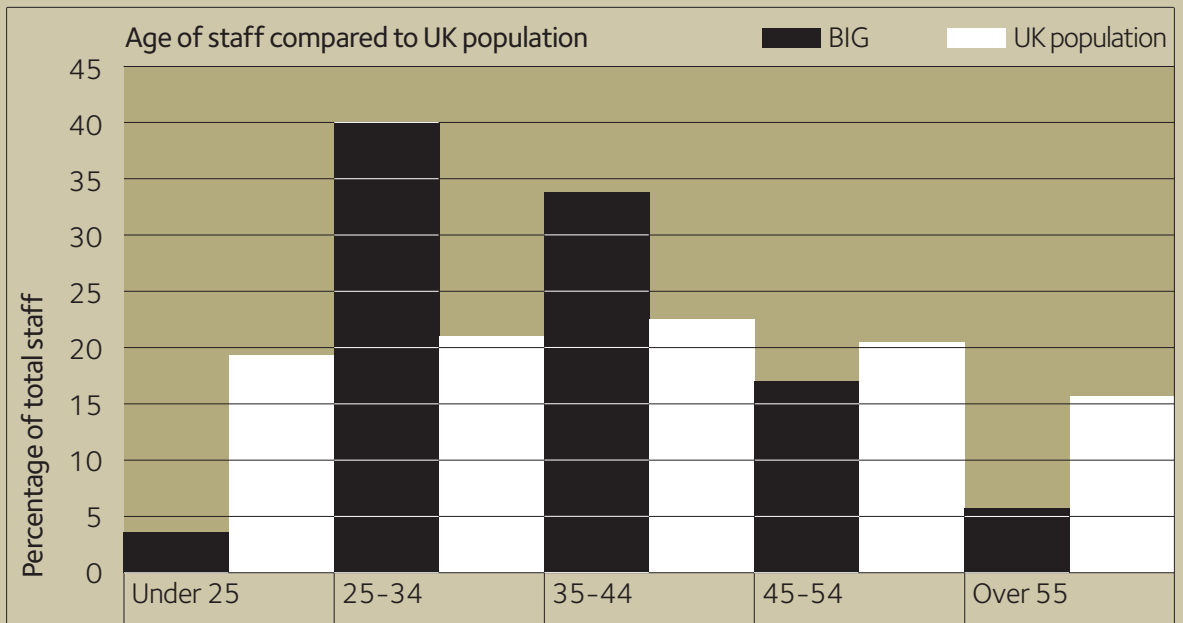
Our equality mainstreaming work also enables us to comply with our duties under Section 75 of the Northern Ireland Act 1998 (see report on the work of the Office for Northern Ireland). We have also continued to make progress in meeting requirements under the Race Relations Amendment Act 2000. Key findings and planned action from employment data collected during the previous year are presented overleaf.

We will continue to monitor relevant equality statistics and develop policies and programmes that will widen access to our funds and address inequalities within our practices.

Equalities Statistics



UK population relates to economically active data



Section five

Staff composition by gender

	BIG	Civil Service	UK Population
Male Staff	32.3%	47.7%	56.1%
Female Staff	67.7%	52.3%	43.9%

UK population relates to economically active data

Staff composition by disability

	BIG	Civil Service	UK Population
Staff with disability	2.5%	3.6%	12.2%
Staff with no disability	97.5%	96.4%	87.8%

UK population relates to economically active data

Welsh Language Scheme

In accordance with the Welsh Language Act 1993, we have a published Welsh Language Scheme, approved by the Welsh Language Board, which details how we provide an equitable service to English and Welsh speaking members of the public. The fund recognises that enabling people to engage with the organisation through their preferred language is a matter of equality of opportunity and good practice.

It is the responsibility of staff at the Wales office to monitor the implementation of the Welsh Language Scheme and the Director for Wales submits an annual report to the Welsh Language Board on our performance against the published targets.

Notable achievements during 2004/05 were:

- the new Big Lottery Fund website was launched in both English and Welsh on June 1 2004.

Staff from the Community Fund and New Opportunities Fund have been working in close partnership with the Welsh Language Board before and after the merger to form the Big Lottery Fund on the process and development of a new Welsh Language Scheme for the Big Lottery Fund. The new scheme will build on the strengths and experiences gained from the previous Welsh Language Schemes.

Section six

Register of interests

We require all Big Lottery Fund Board and Committee members and staff to declare any relevant interests under our Code of Conduct. The Board and Committee Members declarations of interest are held by the Board Secretariat. They are available for public inspection by writing to the Chief Executive of the Big Lottery Fund.

Board members' declarations of interest are posted on the Big Lottery Fund website.

Transparency and accountability

We are covered by the procedures of the Parliamentary Ombudsman. We also operate the Government's Code on Access of Information.

Section seven

Financial review

The New Opportunities Fund's results for the year to 31 March 2005 and the financial position at the year end are set out in the annual accounts in Section ten.

The New Opportunities Fund receives 33.3 per cent of the money raised through the National Lottery for the good causes. The New Opportunities Fund received £452 million in Lottery income and £25 million in investment income during the year. This is invested in the National Lottery Distribution Fund. Over its lifetime the New Opportunities Fund has received £2.9 billion from the Lottery. The New Opportunities Fund's Board do not have control over the investment of Funds; stewardship is with the Secretary of State for Culture, Media and Sport. Further details are provided in note 12 to the annual accounts. Note 20 to the annual accounts sets out why the Board considers that the Fund is not exposed to significant interest rate risks.

During 2004/05, the New Opportunities Fund made new grant offers totalling £550 million. At the year end there were £1,130 million hard grant commitments for offers accepted and awaiting payment with a further £64 million soft commitments for awards awaiting acceptance. Over its lifetime the New Opportunities Fund has awarded £3 billion grants. Full details about grant programmes and awards made are set out elsewhere in this Annual report.

A total of £491 million was paid to grant recipients during 2004/05. Payments are made to grant recipients on the basis of claims received from recipients and evidence of past or imminent expenditure.

In accordance with its policy, the New Opportunities Fund's balance in the NLDF has continued to decline from £737 million at the beginning of the financial year to £691 million at the year end. However, the Fund is committed to pay grants of £1,194 million an over commitment position of £503 million representing approximately 14 months of predicted income.

The long-term target NLDF balance is £240 million (see note 1.3). The target balance reported in last year's annual accounts for 31 March 2005 was £580 million. This target was not achieved because:

- the receipt of £47 million more income than predicted
- £9 million less expenditure on operating costs than forecast
- £70 million less grant payments than expected
- offset by an increase in locally held bank balances of £19 million.

The shortfall in grant payments were almost wholly within the PE sport in schools programme and due to both delays in grant recipients starting projects for example through delays in planning permission; shortages in building contractors and through optimism by the Fund in the speed in which building projects would be undertaken.

During the financial year under review the New Opportunities Fund's operating costs were £35 million. Note 8 to the annual accounts reports the financial performance indicator. This expenditure is an increase of £2.8 million on last year, which reflects one off costs associated with the administrative merger with the Community Fund and the costs of delivering the veterans and Young People's Fund programmes.

Due to its policy of over commitment the New Opportunities Fund made a deficit for the year of £53 million. This deficit is added to the cumulative net deficit from previous years and the New Opportunities Fund now has a deficit on retained reserves of £407 million. This financial position was approved by the New Opportunities Fund's Board and endorsed by the Department for Culture, Media and Sport after taking into consideration the cash flow requirement of grant awards, a number of which are to fund three to five year projects. Cashflow projections are set out in Note 20 to the accounts.

Section eight

Contact us

Corporate office

1 Plough Place
London
EC4A 1DE
Tel: 020 7211 1800

Northern Ireland

1 Cromac Quay
Cromac Wood
Ormeau Road
Belfast
BT7 2JD
Tel: 028 9055 1455

Scotland

1 Atlantic Quay
1 Robertson Street
Glasgow
G2 8JB
Tel: 0141 242 1400

Wales Cardiff

6th Floor
1 Kingsway
Cardiff
CF10 3JN
Tel: 029 2067 8200

Wales Newtown

2nd Floor
Ladywell House
Newtown
Powys
SY16 1JB
Tel: 01686 611700

East Midlands

Chiltern House
St. Nicholas Court
25-27 Castle Gate
Nottingham
NG1 7AR
Tel: 0115 934 2993

Eastern

Elizabeth House
2nd Floor
1 High Street
Chesterton
Cambridge
CB4 1YW
Tel: 01223 449000

London regional office

1 Plough Place
London
EC4A 1DE
Tel: 020 7842 4000

North East

6th Floor
Baron House
4 Neville Street
Newcastle upon Tyne
NE1 5NL
Tel: 0191 255 1100

North West

Ground Floor
Dallam Court
Dallam Lane
Warrington
WA2 7LU
Tel: 01925 626827

South East

3rd Floor
Dominion House
Woodbridge Road
Guildford
GU1 4BN
Tel: 01483 462900

South West

Beaufort House
51 New North Road
Exeter
Devon
EX4 4EQ
Tel: 01392 849700

West Midlands

Edmund House
8th Floor
12-22 Newhall Street
Birmingham
B3 3NL
Tel: 0121 200 3500

Yorkshire & Humber

2nd Floor
Carlton House
34 St. Pauls Street
Leeds
West Yorkshire
LS1 2AT
Tel: 0113 290 2902

Section nine

Board and Committee Members

The Board is responsible for developing and implementing the Fund's programme of grants in the context of the Policy Directions; for delivering the targets specified for initiatives in those directions; for ensuring, with the advice of the Chief Executive, that the highest standards of public accountability are observed and for providing high quality services to applicants and grant recipients.

The following New Opportunities Fund Board members served between 1 April 2004 and 31 May 2004 until the co-terminous Board for the New Opportunities Fund and the Community Fund came into being on 1 June 2004.

Baroness Jill Pitkeathley OBE

Chair

Professor Eric Bolton CB

Deputy Chair

Chair Schools + Evaluation Steering Group

Jill Barrow

England Member

Chair New Opportunities Fund for P E & Sport

England Committee

David Campbell CBE

Scotland Member

Chair New Opportunities Fund for P E & Sport

Scotland Facilities Committee

Chair Scottish Land Fund Committee

Tom Davies

Wales Member

Chair Activities for Young people Wales Committee

Chair New Opportunities Fund for P E & Sport

Wales Committee

Chair Transforming Your Space Wales Committee

Professor Breidge Gadd CBE

Northern Ireland Member

Chair New Opportunities Fund for P E & Sport

Northern Ireland Committee

Chair Childcare Evaluation Steering Group

David Carrington

General Member

Professor Siân Griffiths OBE

General Member

Chair Health Evaluation Steering Group

Polly Hudson

General Member

Dugald Mackie

General Member

Chair Community Access to Lifelong Learning + Evaluation Steering Group

Section nine

Big Lottery Fund Board Members from 1 June 2004



Sir Clive Booth
Chair
Joint Chair Big Lottery
Forum/Millennium Commission
Committee
Chair Remuneration Committee



Tom Davies
Wales Member
Chair New Opportunities for P E &
Sport Wales Committee



Dame Valerie Strachan DCB
Vice Chair
Chair Strategic Grants Committee



Roland Doven MBE
General Member
Chair Equality Forum



Dr Samuel Burnside
Northern Ireland Member
Chair Active Lifestyles Northern
Ireland Committee



Professor Breidge Gadd CBE
Northern Ireland Member
Chair New Opportunities for P E &
Sport Northern Ireland Committee
Chair Voluntary and Community
Funding Programme Northern Ireland



David Campbell CBE
Scotland Member
Chair New Opportunities for P E &
Sport Scotland Committee
Chair Scottish Land Fund Committee



John Gartside OBE
England Member



Paul Cavanagh
Northern Ireland Member
Chair Young People's Fund Northern
Ireland Committee



Douglas Graham
Scotland Member
Chair Active Futures Scotland
Committee
Chair Audit and Risk Committee



Taha Idris
Wales Member
Chair Mentro Allan Wales Committee



Huw Vaughan Thomas
Wales Member
Chair Voluntary and Community
Funding Programme, Wales
Committee
Chair Young People's Fund Wales
Committee



Dugald Mackie
General Member
Chair New Opportunities for P E &
Sport England Committee
Chair Resources Committee



Diana Whitworth
General Member



John Naylor OBE
Scotland Member
Chair Developing Communities
Scotland Committee
Chair Evaluation and Learning Panel
Chair Young People's Fund
Scotland Committee



Esther O'Callaghan
General Member
Chair Young People's Fund England
Committee



Anna Southall
General Member

Section ten

New Opportunities Fund Annual Accounts for the financial year ended 31 March 2005

Foreword to the Accounts

The New Opportunities Fund was established by the National Lottery Act 1998 to make National Lottery grants to education, health and environment projects under initiatives specified by the Government. The New Opportunities Fund is a UK-wide non-departmental public body, regulated in accordance with the Management Statement, Financial and Policy Directions issued by the Secretary of State for Culture, Media and Sport.

In February 2003, the Secretary of State for Culture, Media and Sport asked the Community Fund (the operating name of the National Lottery Charities Board) and New Opportunities Fund to come together to create a new lottery distributor, building on the strengths of both existing bodies. In November 2003, Stephen Dunmore was appointed Chief Executive of both bodies and started to put together a joint management team to lead the new distributor. This administrative merger has continued during 2004/05 and on 1 June 2004 the Big Lottery Fund was launched with a new Chair and Board. The Big Lottery Fund is the joint operating name for the Community Fund and New Opportunities Fund; both bodies remain separate statutory entities until new legislation is approved by Parliament.

The Governing Board of the New Opportunities Fund prior to 1 June 2004 consisted of 12 members and the Chair, all of whom were appointed by the Secretary of State for Culture, Media and Sport. At 31 May 2004, all members of the Governing Board resigned. A new co-terminus Chair and Board for the Big Lottery Fund was appointed on 1 and 15 June 2004 (as the Board of both legacy organisations). Names of all the members of the Board are contained elsewhere in this publication. A register of Board members interests is maintained and is open to the public. Access to the register is obtained in writing to the Chief Executive.

Results for the year

The New Opportunities Fund made a deficit for the year of £53 million. This is added to the cumulative net deficit from previous years and the New Opportunities Fund now has a deficit on retained reserves of £407 million. This financial position was approved by the New Opportunities Fund's Board and endorsed by the Department for Culture, Media and Sport after taking into consideration the cash flow requirement of grant awards, a number of which are to fund three to five year projects. Cashflow projections are set out in Note 20 to the accounts.

A full financial review for the year is included in section seven of the Annual Report.

Review of activities and future developments

The principal activity of the New Opportunities Fund is to give grants mainly to help the needs of those at disadvantage across the UK. During 2004/05 the New Opportunities Fund continued to make awards, pay out grants and monitor grant recipients compliance with terms and conditions of grant. The application date for the majority of the New Opportunities Fund's programmes has now passed and many of the programmes are fully committed. Full details of these programmes are set out in Section three of the Annual Report. During this year the New Opportunities Fund received Policy Directions providing funding for the Young People's Fund and Transformational Grants. Several programmes under the Young People's Fund initiative have been launched and awards made.

Wherever possible the New Opportunities Fund has made the best use of appropriate bodies for the delivery of specific services through use of its powers of delegation provided by the National Lottery Act 1998. A number of grant programmes are delegated to Award Partners, these schemes are listed on Page 71 of these accounts

In 2004/05, the assimilation of the corporate functions and country offices of the New Opportunities Fund and Community Fund was completed. Plans for the assimilation of grant making operations were developed and will be implemented during 2005/06. Additionally the Big Lottery Fund has considered its future accommodation requirements and the number of properties it will occupy will be rationalised over the next three to four years.

In the next financial year the New Opportunities Fund operating as the Big Lottery Fund will continue the delivery of the Fund's current initiatives and the delivery of new programmes in the context of revised Policy Directions issued by the Secretary of State. Future developments for the Big Lottery Fund are set out in section three of the annual report.

Fixed assets

The movements in fixed assets during the year are set out in Note 10 to the accounts. During the year fixed asset additions amounted to £0.3 million (2003/04 £0.5 million) which relate to the refurbishment of offices in London.

Post balance sheet events

There have been no significant events having a financial impact on these annual accounts between 31 March 2005 and the signing of these financial statements.

Employees, equal opportunities and consultation

As an employer, the New Opportunities Fund is committed to equal opportunities. This is described in further detail in the Annual Report.

The arrangements for pay and conditions have been based on best practice in the public sector and the New Opportunities Fund has established a range of employment policies that demonstrate its commitment to be a fair employer. The Board appreciates the importance of staff training and development and comprehensive arrangements have also been established. These arrangements and policies are all currently being reviewed in conjunction with those of the Community Fund in order to establish common terms and conditions for all Big Lottery Fund staff. To encourage communication and good relations between the Board, management and staff at all levels the Prospect trade union has been recognised.

Section ten

The nature of operations of the New Opportunities Fund means that a number of staff work closely with the senior management team and the Board, for example, through the development and evaluation of programmes. Some members of staff attend meetings of the Board, which enables them to be aware of the thinking about the development of the New Opportunities Fund and its operations. Additionally, staff are consulted on the corporate plan and the revision of the strategic plan. The senior management of the New Opportunities Fund, through cascaded group meetings and their accessibility, ensures that matters of concern to staff are readily addressed.

Statement of payment policy and practice

The New Opportunities Fund aims to pay all its creditors within 30 days of receipt of an invoice, unless alternative terms and conditions have been negotiated. This is in accordance with the Better Payment Practice Guide. In the year under review 88 per cent (2003/04 94 per cent) of all creditors were paid within thirty days of receipt of an invoice.

Euro

The New Opportunities Fund has assessed the impact of the Euro on its operations. The introduction of the Euro is not expected to have a material effect on the New Opportunities Fund's operations or its relationships with customers and suppliers.

Auditors

Under the National Lottery Act 1998, the New Opportunities Fund is required to have its annual accounts examined and certified by the Comptroller and Auditor General. Hence the National Audit Office undertake the external audit of the New Opportunities Fund.



Stephen Dunmore
Chief Executive and
Accounting Officer of
the New Opportunities
Fund

3 October 2005



Sir Clive Booth
Chair of the New
Opportunities Fund

Statement of Board's and Chief Executive's responsibilities

Under Section 35(3) of the National Lottery Act etc. 1993, (as amended by the National Lottery Act 1998), the New Opportunities Fund is required to prepare a statement of accounts for the financial period in the form and on the basis directed by the Secretary of State for the Department for Culture, Media and Sport.

The annual accounts are prepared on an accruals basis and must show a true and fair view of the New Opportunities Fund's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the Board Members are required to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the annual accounts
- prepare the annual accounts on the going concern basis, unless it is inappropriate to presume that the New Opportunities Fund will continue in operation.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of the New Opportunities Fund as the Accounting Officer for the New Opportunities Fund. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' memorandum issued by the Treasury and published in Government Accounting, and in the Financial Directions issued by the Secretary of State for Culture, Media and Sport under Section 26(3) of the National Lottery etc Act 1993.

Delegated responsibilities

As detailed in the Foreword to the Accounts the New Opportunities Fund has, wherever appropriate, sought to use the powers of delegation and solicitation provided by the National Lottery Act 1998. As a result of this other parties may be accountable for specific elements of programmes.

The New Opportunities Fund has the following framework agreements in place.

- ▶ Between the New Opportunities Fund and the Department of Health with regard to the cancer equipment and the CHD diagnostic equipment programmes in England which sets out the areas that the Accounting Officer of the Department of Health is accountable for, namely:
 - the assessment of need process
 - the solicitation of bids process
 - the recommendations made to the New Opportunities Fund's Board for equipment (and associated building works under the Cancer equipment programme)

Section ten

- the establishment, managing and monitoring of central contracts to enable efficient procurement of equipment (or individual contracts to enable associated building works) within the approved budget.
- ▶ Between the New Opportunities Fund and the Department of Health with regard to the school fruit pilot programme which sets out the areas that the Accounting Officer of the Department of Health is accountable for, namely:
 - the assessment of need process
 - the solicitation of bids process
 - the recommendations made to the New Opportunities Fund's Board for grant awards
 - the establishment, managing and monitoring of central contracts to enable efficient procurement of fruit within the approved budget.
- ▶ Between the New Opportunities Fund and the Department for Education and Skills with regard to the building neighborhood nurseries programme in England which sets out the areas that the Accounting Officer of the Department for Education and Skills is accountable for, namely:
 - the Early Years Development and Childcare Partnerships endorsement of applications for funding, including viability of approved bodies, provided to the New Opportunities Fund
 - the opinion of sustainability on bids which are assessed centrally by the Department for Education and Skills.

The New Opportunities Fund has entered into joint schemes, as defined in the National Lottery Act 1998, to provide funding alongside other bodies to achieve the outcomes defined by the relevant Joint Scheme Order. In these schemes the New Opportunities Fund's Accounting Officer is responsible for: ensuring that Lottery funds allocated by the New Opportunities Fund are applied in accordance with the New Opportunities Fund's legal powers; the economic, efficient and effective use of Lottery funding allocated by the New Opportunities Fund to the programme; satisfying himself that the systems used for operating the programme are robust and fit for purpose and agreeing the mechanism for allocating the administrative costs of the programme between the participating Lottery Bodies.

The Fund is participating in the following joint schemes:

- Awards for All, England, part of the small grants scheme initiative. A scheme administered by the Community Fund on behalf of Community Fund, Arts Council of England, Heritage Lottery Fund, New Opportunities Fund and Sport England
- Spaces for Sports and Arts, part of the PE sport in schools initiative. A scheme administered by Sport England on behalf of Sport England, Arts Council of England, Department of Culture, Media and Sport, Department for Education and Employment and New Opportunities Fund
- Home Front Recall, part of the veterans programmes. A scheme administered by the Community Fund on behalf of Community Fund, Heritage Lottery Fund and New Opportunities Fund
- Active England, part of the PE sport in schools initiative. A scheme administered by Sport England on behalf of Sport England and New Opportunities Fund

- Living Landmarks, part of Transformational Grants initiative. A scheme administered by the Community Fund on behalf of Community Fund and New Opportunities Fund.

The New Opportunities Fund has used the powers provided by the National Lottery Act 1998 to delegate to Award Partners the following grant schemes. The grant offer between the New Opportunities Fund and the Award Partners sets out the responsibility of the Chief Executive of the Award Partner to ensure that the systems implemented to administer Lottery applications and process and monitor Lottery grants are acceptable and fit for purpose and that Lottery funds are distributed with due regularity and propriety.

As part of the green spaces and sustainable communities initiative:

- Barnardo's – Better Play
- BTCV – People's Places
- Countryside Agency – Doorstep Greens
- English Nature – Wildspace!
- Royal Society for Nature Conservation – SEED
- Scottish Natural Heritage and Forward Scotland – Fresh Futures
- Wales Council for Voluntary Action – Enfys Scheme
- Northern Ireland Housing Executive – Creating Common Ground Consortium.

As part of the transforming communities initiative:

- Royal Society for Nature Conservation – Community Recycling and Economic Development
- Scottish Natural Heritage – Fresh Futures (Transforming Your Space)

- Forward Scotland – Transforming Waste in Scotland

- Wales Council for Voluntary Action – Cleanstream Recycling Fund – Transforming Waste in Wales

- Business in the Community (Northern Ireland) – Community Resource Consortium.

As part of the new opportunities for health programme:

- British Heart Foundation – Heart Failure Support Networks
- British Heart Foundation – National defibrillator programme
- British Heart Foundation – Cardiac rehabilitation programme.

As part of the new opportunities for PE and sport in schools:

- The Football Foundation – Grassroots Development for Schools
- The Sports Council for Northern Ireland – Community Sport.

As part of the Veterans programmes:

- Community Fund – Hero's Return.

As part of the Young People's Fund:

- Community Fund – Grants to Organisations
- Community Fund – National Grants.

Stephen Dunmore

Chief Executive
3 October 2005

Section ten

Statement on internal control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the New Opportunities Fund's aims and objectives while:

- safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned through Government Accounting; and
- ensuring compliance with the requirements of the New Opportunities Fund's Management Statement, Policy Directions, Financial Directions and Statement of Financial Requirements.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the New Opportunities Fund's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place throughout the year ended 31 March 2005 and up to the date of the approval of the annual report and accounts and accords with Treasury guidance.

The main elements of the New Opportunities Fund's control framework are set out below.

Control environment

- ▶ The Department of Culture, Media and Sport has designated me, the Chief Executive of the New Opportunities Fund, as Accounting Officer. I hold a separate letter of engagement to this effect that clearly sets out my responsibility and accountability for maintaining a sound system of internal control within the Fund. I am also the Chief Executive and Accounting Officer of the Community Fund.
- ▶ Following the Secretary of State for Culture, Media and Sport's announcement to integrate the New Opportunities Fund and the Community Fund to form the Big Lottery Fund, an administrative Joint Committee of Both Boards was established to oversee aspects of the integration prior to the establishment of the co-terminus Board on 1 June 2004. This committee was composed of members from both legacy boards, supported by two independent members. Whilst actual responsibility for New Opportunities Fund matters remained with the Board of the New Opportunities Fund, a number of decisions were delegated to New Opportunities Fund members on the Joint Committee. Further information on transition arrangements are set out below.
- ▶ A Senior Management Team, with clear terms of reference and defined membership, which meets at least every month to consider the plans and operations of the New Opportunities Fund and compliance with the Management Statement.

- ▶ A Board which meets at least every two months to consider the strategic direction of the New Opportunities Fund. The Board comprises a Chair and, from 1 June 2004, 16 non executive members and is attended by the members of the Senior Management Team. Prior to 1 June 2004 the Board comprised a Chair and 12 non executive members.
- ▶ The Finance and Audit Committee, replaced from 1 June 2004 by the Audit and Risk Committee, whose terms of reference require the Committee to approve the internal audit programme, to endorse the risk register and to scrutinise the outcome of reports by internal and external audit. The Chair of the Committee reports to the Board on the matters discussed by the Committee.
- ▶ The Finance and Audit Committee, replaced from 1 June 2004 with the Resources Committee, whose terms of reference require the Committee to approve the annual budget and to receive regular financial reports to challenge and oversee expenditure.
- ▶ A published corporate plan that sets out the New Opportunities Fund's objectives and performance measures. 2004/05 was identified as a transitional year in which the New Opportunities Fund and Community Fund would work as one administrative body and lay the foundations for the Big Lottery Fund.
- ▶ Quarterly performance management reports to the Senior Management Team reporting progress in achieving these corporate objectives, performance and service delivery targets. These targets have generally been met, as detailed in the Annual Report. Where targets have not been met action is being taken to improve efficiency and effectiveness.
- ▶ Monthly financial summary reports to the Senior Management Team and quarterly reports to the Resources Committee, reporting progress against financial targets, including grant commitment budgets, NLDF balance targets and operating cost budgets.
- ▶ A fraud policy, whereby suspected frauds are dealt with by liaison with Police and other agencies where appropriate. A number of cases are currently under investigation. Throughout the investigation, whether or not fraud is proven, we review procedures and processes to learn lessons and improve systems of internal control, fraud prevention and detection where necessary.
- ▶ A wide range of policies dealing, inter alia, with control issues for corporate governance, financial management, project management, health and safety, training and development, information technology and risk management. During this year many of these policies and procedures have been reviewed and reissued to reflect integrated processes.
- ▶ A wide range of controls to ensure grant assessment and monitoring activity is adequately managed and that losses of Lottery grant are minimised. These controls include written procedures for grant assessment and grant management tasks, defined management supervisory tasks, clear delegations for decision making and a training programme including fraud awareness training.
- ▶ A project management framework, with defined responsibilities including project sponsor, for developing new programmes.

Section ten

- ▶ An internal communications process that ensures that all staff are informed about key decisions on a timely basis through appropriate media, including the use of letters from the Chief Executive, cascaded briefings by line managers and presentations by the Chief Executive and Directors.
- ▶ An external communications strategy that ensures that stakeholders, Parliamentarians, press and members of the public receive appropriate and reliable information. This approach was a contributory factor to ensuring that the New Opportunities Fund was prepared for the implementation of the Freedom of Information Act on 1 January 2005.
- ▶ An Internal Audit Unit that operates to standards defined in the Government internal Audit manual. The work of internal audit is informed by the corporate risk register and an analysis of the risk to which the New Opportunities Fund is exposed. The annual internal audit plans are based on this analysis and are approved by me and endorsed by the Audit and Risk Committee (Finance and Audit Committee prior to 1 June 2004). The Head of Internal Audit meets regularly with me, and on an annual basis meets with the Audit and Risk Committee with no Officers present. The Head of Internal Audit provides me with periodic progress reports building to an annual report on internal audit activity, including the findings of follow up reviews, in the New Opportunities Fund. This annual report includes their opinion on the adequacy and effectiveness of the systems that they have reviewed. This has been reviewed by the Audit and Risk Committee.

Integration with the Community Fund

- ▶ The administrative merger of New Opportunities Fund and Community Fund took effect from 1 April 2004. I was appointed as Chief Executive and Accounting Officer for both organisations from 1 December 2003, and by April 2004 had appointed my Senior Management Team except for the Director for Scotland. The full team was in post from August 2004 and has led the assimilation of corporate and operational functions. By the end of the financial year the staff and processes within Scotland, Wales and Northern Ireland and all corporate functions (including Policy, Communications, Governance, Finance, Human Resources and Information Systems) have been fully integrated or there is a clear action plan on how to complete the integration.
- ▶ A project board, chaired by the Chief Executive, comprising Senior Management Team members with Corporate responsibilities, has been established to oversee the structural review (an in depth review of the internal management structures and physical location of the grant making and regional representation roles of the organisation within England). The main policy decisions have been approved and this project board will now oversee the implementation of the agreed plans particularly with regard to the assimilation of grant making and regional stakeholder management.

Risk management Capacity to handle risk

The main element of the New Opportunities Fund's risk management framework during 2004/05 was quarterly reviews of the risks faced by the organisation undertaken by both the Senior Management Team and Audit and Risk Committee. These reviews have been effective in ensuring that the risk register and our responses are relevant and up to date. The quarterly review of the risk register by each Director on an individual basis, collectively through Senior Management Team and through focused discussion of the top 10 risks with the Audit and Risk Committee, validates the contents of the corporate risk register and confirms the risk appetite of the New Opportunities Fund.

Risk management principles, including consideration of risk and recommendation for appropriate mitigation, are formally built into corporate planning, grant assessment, grant management, new programme development and project management activities. Guidance on risk management has been provided to relevant staff in previous years identifying that risk and its management is a fundamental part of their role, encompassing good management practice and common sense.

The risk management policy for the Big Lottery Fund is currently being developed, based on the policies and experience of the New Opportunities Fund and Community Fund, and will be submitted to the Audit and Risk Committee in October and the Board in November. It will then be launched across the organisation to ensure that all staff are reminded of effective risk management practices. A staff Risk Management Handbook is being developed to support this.

Risk and control framework

Following on from previous work by Board members, management and staff, the New Opportunities Fund has identified the specific risks in achieving its objectives. In April 2004 an exercise was carried out to combine the risk registers of the New Opportunities Fund and Community Fund to form one corporate risk register for the Big Lottery Fund.

The potential impact of each risk and the likelihood of it being realised has been assessed and appropriate controls to mitigate these risks have been determined. This has all been recorded in the corporate risk register. Each quarter all Directors reviewed the risk register and fed in their comments and changes. The Senior Management Team collectively discussed the risk register prior to reports, focusing on the top 10 risks and any changes, being presented to Audit and Risk Committee.

Additionally, as detailed above, risk management is an integral part of our business planning process.

- ▶ The commissioning instructions and templates for the business planning process require all managers to consider the risks associated with the objectives they have identified.
- ▶ All projects, including new programme development, comply with the organisation's project management framework, which requires development and regular review of individual project risk registers.
- ▶ Grant assessment and grant management manuals set out the requirement for each grant to be allocated a risk rating determined by consideration of specific criteria. This risk rating informs decision making and the level of intervention in grant management.

Section ten

During this year the risk priorities have included:

- ▶ Financial risk including consideration of external and internal fraud; a coordinated approach to fraud prevention detection and investigation has been developed.
- ▶ Political risk and in particular the development of the England and Country programmes all with their own requirements and timetables.
- ▶ Grant making risk including consideration of outcomes, achievement of targets and monitoring of third party service providers.
- ▶ Legal and regulatory risk including compliance with new and existing legislation.
- ▶ Organisational risk including integration of disaster recovery and prompt response to problems.
- ▶ People risks, particularly the loss of key staff due to uncertainties around integration; a common set of terms and conditions has been negotiated with the Trade Unions and staff change, relocation and retention policies have all been reviewed.
- ▶ Reputational risk including the risks associated with Ministerial and public perception of high NLDF balances, whilst ensuring that the reasons for large undistributed NLDF balances are understood targets have been drawn up and monitored to ensure that priority continues to be given to facilitating payments. This topic was subject to a Parliamentary Accounts Committee hearing during the year.
- ▶ Technological risks, in particular the management of the transition from part of the service provided by an outsourced supplier back in house.

- ▶ The integration process; management and control frameworks have been put in place to ensure that the integration of functions is properly managed and controlled.

Review of effectiveness of internal control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, the executive managers within the New Opportunities Fund who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the New Opportunities Fund's Board and Audit and Risk Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place. Details of significant internal control issues are set out below.

Awards for All England programme

The New Opportunities Fund provides lottery funds to the Awards for All programme administered by the Community Fund. In 2004/05 the Fund's contribution to the England joint pot programme was £10.9 million, 29.6% of the total funding. In October 2004, the Community Fund identified that the Awards for All programme may have been subject to fraud from applicants who had made multiple applications for small grants.

Early investigations suggest that the estimated maximum loss attributable to New Opportunities Fund for the year ended 31 March 2005 will be £170,000. Based on the proportion of funds we have contributed to the Awards for All programme, the estimated maximum loss attributable to New Opportunities Fund since 1 April 2001, when the Fund joined the programme, would be £584,000.

A full investigation into the suspected frauds is underway and, on completion of this investigation, the Awards for All partners will consider whether recoveries are possible and appropriate. Any remaining losses will then be formally written off and reported to HM Treasury.

Risk management

Internal audit identified that there were some significant actions that need to be addressed to ensure that risk management is fully implemented and embedded throughout the integrated organisation. An action plan has been agreed with Internal Audit to ensure that a more systematic and formal approach to risk management will be developed and rolled out to all relevant staff by 31 March 2006.

Compliance

The New Opportunities Fund has implemented procedures throughout the organisation to ensure that the requirements of the Financial Directions are followed. The Internal Audit Unit checks on a sample basis that all offices and departments are following the agreed procedures and ensures that the procedures are properly documented and disseminated.

The New Opportunities Fund maintains a Register of Interests for all Board and Committee Members and all Fund staff that is open to public inspection. A process to deal with conflicts of interest is in place for decision making committee meetings and procedures exist to prevent any member of staff from assessing a grant application from an organisation with which they are connected.

Losses of Lottery grant have been appropriately handled and where necessary notified to the Department.

It is my opinion that the New Opportunities Fund has made sufficient arrangements to ensure compliance with the requirements of our Management Statement, Policy and Financial Directions.

Stephen Dunmore
Chief Executive and
Accounting Officer of
the New Opportunities
Fund

Sir Clive Booth
Chair of the New
Opportunities Fund

3 October 2005

Section ten

The Certificate and report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

I certify that I have audited the financial statements on pages 80 to 102 under the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 83 to 85.

Respective responsibilities of the New Opportunities Fund, the Chief Executive and Auditor

As described on page 69, the New Opportunities Fund and Chief Executive are responsible for the preparation of the financial statements in accordance with the National Lottery etc Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury, and for ensuring the regularity of financial transactions. The New Opportunities Fund and Chief Executive are also responsible for the preparation of the Foreword and other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the National Lottery etc Act 1993 (as amended) and directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the New Opportunities Fund has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 72 to 77 reflects the New Opportunities Fund's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the New Opportunities Fund's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the New Opportunities Fund and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the New Opportunities Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

1. the financial statements give a true and fair view of the state of affairs of the New Opportunities Fund at 31 March 2005 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998) and directions made thereunder by the Secretary of State for Culture, Media and Sport; and
2. in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and
Auditor General

10 October 2005

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

Income and expenditure account for the year ended 31 March 2005

	Note	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Income			
Proceeds from the National Lottery	12	452,234	433,023
Investment income from the National Lottery Distribution Fund	12	24,590	29,029
Decrease/(increase) on loss on revaluation of investment		6,550	(4,612)
Bank interest receivable		678	690
Recoveries of grant		6,806	4,621
Other income		1,262	236
Total Income		492,120	462,987
Expenditure			
In support of initiatives			
Grant commitments made	15	550,323	633,984
Less lapsed or revoked commitments	15	(42,748)	(39,929)
		507,575	594,055
Direct expenditure in support of initiatives	2	2,938	1,596
		510,513	595,651
Administration costs			
Employee remuneration costs	3	12,608	12,030
Board member remuneration costs	4	118	96
Other operating charges	5	18,341	18,487
Merger costs	7	2,442	—
Depreciation	10	1,105	1,217
Total administration costs	6	34,614	31,830
Total expenditure		545,127	627,481
Deficit before taxation		(53,007)	(164,494)
Taxation	9	(181)	(211)
Deficit for the period		(53,188)	(164,705)
Retained deficit			
Brought forward at 1 April 2004		(353,477)	(188,772)
Deficit for the period		(53,188)	(164,705)
Retained deficit at 31 March 2005		(406,665)	(353,477)

The New Opportunities Fund has no recognised gains and losses other than those above and consequently no separate statement of total recognised gains and losses has been presented. There are no discontinued activities.

The notes on Pages 83 to 102 form part of these accounts.

Balance sheet as at 31 March 2005

	Note	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Fixed assets			
Tangible fixed assets	10	2,305	3,181
Current assets			
Debtors and prepayments	11	14,670	27,212
Cash at bank and in hand		20,473	1,775
Investment balance in National Lottery Distribution Fund	12	690,650	737,276
		<u>725,793</u>	<u>766,263</u>
Creditors: amounts falling due within one year			
Creditors	13	(4,065)	(9,189)
Grants committed for payment	15	(448,754)	(485,121)
		<u>(452,819)</u>	<u>494,310</u>
Net current assets		<u>272,974</u>	<u>271,953</u>
Total assets less current liabilities		<u>275,279</u>	<u>275,134</u>
Creditors: amounts falling due after one year			
Creditors	13	(134)	(502)
Grants committed for payment	15	(680,983)	(628,109)
		<u>(681,117)</u>	<u>(628,611)</u>
Provisions for liabilities and charges	14	(827)	–
Total net (liabilities)		<u>(406,665)</u>	<u>(353,477)</u>
Represented by:			
Retained deficit		<u>(406,665)</u>	<u>(353,477)</u>

Signed on behalf of the New Opportunities Fund Board who approved the annual accounts on 3 October 2005.

Stephen Dunmore
Chief Executive and Accounting Officer of the
New Opportunities Fund

Sir Clive Booth
Chair of the New Opportunities Fund

Cashflow statement for the year ended 31 March 2005

	Note	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Operating activities			
Funds drawn down from the National Lottery Distribution Fund	12	530,000	598,000
Recoveries of grant and cash from other sources		6,806	4,416
Other income		1,100	142
Payments to suppliers		(28,188)	(16,513)
Payments to and on behalf of employees		(12,147)	(11,240)
Payments to grant recipients		(494,031)	(614,823)
Cash paid and held by third parties		15,067	41,122
Net cashflow from operating activities	19	18,607	1,104
Returns on investments and servicing of finance			
Bank interest received		689	702
Capital expenditure			
Payments to acquire tangible fixed assets		(387)	(519)
Sale of tangible fixed assets		–	7
		18,909	1,294
Taxation			
Tax paid on interest received		(211)	(205)
Increase in cash		18,698	1,089
Change in funds resulting from cashflow			
Cash at 31 March 2005		20,473	1,775
Less cash at 1 April 2004		(1,775)	(686)
Movement		18,698	1,089

The notes on Pages 83 to 102 form part of these accounts.

Notes on the accounts

1 Statement of accounting policies

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by reference to their current cost. The accounts have been prepared in a form directed by the Secretary of State for Culture, Media and Sport with the consent of Treasury in accordance with Section 43D(2) of the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998).*

Whilst the New Opportunities Fund's Accounts Directions require the inclusion of Fixed Assets at their value to the business by reference to current costs, for 2004/05 the New Opportunities Fund does not believe that these values are materially different to the historic costs shown in the Balance Sheet. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act and Accounting Standards issued by the Accounting Standards Board insofar as they are appropriate.

1.2 Going concern

The annual accounts have been prepared on a going concern basis. The grant commitments for future years have been entered into after consideration of the cash requirements of grant recipients (these can extend over three to five years) and after taking account of income forecasts provided by the Department of Culture Media and Sport. In taking this view of future income the Board assume as a matter of public policy the continued operation of the Lottery. They also assume the maintenance of the New Opportunities Fund's percentage of the National Lottery Distribution Fund as set out in the National Lottery Act 1998.

* A copy of the Account Directions issued by the Department for Culture, Media and Sport on 28 May 2002 are available on written request to the New Opportunities Fund, 1 Plough Place, London EC4A 1OE

1.3 National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the New Opportunities Fund is as shown in the accounts and, at the Balance Sheet date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by the New Opportunities Fund in respect of current and future commitments.

The New Opportunities Fund aims to reduce its NLDF balances to £240 million as soon as possible, providing the New Opportunities Fund continues to have sufficient assurance that this will neither compromise existing commitment nor unreasonably constrain its ability to make future commitments in accordance with policy directions.

The New Opportunities Fund has agreed the following targets:

- by 31 March 2005 to aim for balances in the NLDF to be £580 million
- by 31 March 2006 to aim for balances in the NLDF to be £551 million
- by 31 March 2007 to aim for balances in the NLDF to be £416 million.

These targets are based on income predictions provided by DCMS and allow for the impact of the proposed Olympic Lottery and reflect expenditure on current and expected Policy Directions.

1.4 Fixed assets

Fixed assets are capitalised in the Balance Sheet at cost except for items costing less than £2,000 which are written off to the Income and Expenditure Account in the year of purchase.

Notes on the accounts

Depreciation is provided at rates calculated to write off the valuation of the assets on a straight line basis over their estimated useful lives as follows:

Leasehold improvements	Over the life of the lease (6 to 20 years)
Grant systems	3 years
Office equipment, furniture and fittings	3 years
IT equipment	3 years

1.5 Pension fund

Employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is an unfunded multi-employer defined benefit scheme. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge on the PCSPS. The New Opportunities Fund pays a charge for each employee calculated on an accruing basis. Pension benefits are provided through the PCSPS. From 1 October 2002, staff who are members of the scheme can be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). New entrants after 1 October 2002 may choose between membership of the premium scheme or can join a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account). The differences between the schemes can be found on the www.civilservice-pensions.gov.uk website.

1.6 Operating leases

The costs of operating leases held by the New Opportunities Fund are charged to the Income and Expenditure Account in the period to which they relate. The benefits of rent-free periods on leaseholds are apportioned over the period to the first rent review on a straight-line basis.

1.7 Expenditure on initiatives

The Lottery etc Act 1993 provides for the New Opportunities Fund to make grants to fund or assist in the funding of projects and to make or enter into arrangements which are designed to give effect to initiatives concerning health, education or the environment as directed by the Secretary of State.

Grant offers and commitments

The Accounts Direction issued by the Department for Culture, Media and Sport requires a distinction to be made between soft commitments and hard commitments.

Hard commitments are defined as the grant sum payable over the life of a scheme on which the New Opportunities Fund has a written contractual agreement with the applicant. Hard commitments are charged to the income and expenditure in the year that the contracts are signed. Hard commitments are shown on the Balance Sheet as a creditor, the balance being reduced as payments to grant recipients are released.

Soft commitments are defined as an agreement in principle by the New Opportunities Fund to fund a scheme and an offer of grant made to the applicant, which the applicant has yet to formally accept. These are shown as a note to the accounts but are not treated as part of the Income and Expenditure Account.

Grants repaid and recovered

The New Opportunities Fund's conditions of grant permit the recovery and repayment of grants paid. This can arise when the grant holder fails to comply with the terms and conditions or where the actual expenditure by a grantee falls below a grant that has been paid based on estimated costs.

Direct expenditure on initiatives

The New Opportunities Fund records as direct expenditure on initiatives costs incurred in making initiatives more effective in accordance with its Section 43 Policy Directions for example provision of support structures and quality assurance for the direct benefit of grant recipients.

1.8 Grant management – delegated partners

The New Opportunities Fund has entered into agreements with a number of delegated bodies to carry out specified grant management processes. Funds advanced to delegated partners for the purpose of payment of hard commitments are recorded as a debtor until the New Opportunities Fund receives confirmation that grant commitments have been met.

Under the conditions of the ICT teachers and school librarians' scheme, both the administration of the formal acceptance of grant offers and the payment of grant commitments are administered, on the New Opportunities Fund's behalf, by Local Education Authorities in England and Wales, Education Authorities in Scotland and Education and Library Boards in Northern Ireland. The hard commitments recorded in the Income and Expenditure Account and grant commitments met have been derived from those audited returns received from these administering bodies at the time of preparation of these accounts. Any adjustments arising from returns submitted after preparation of these accounts will be made in next year's annual accounts.

1.9 Grant management – joint schemes

Where the New Opportunities Fund has entered into a joint scheme, as defined in the National Lottery Act 1998, hard commitments made through the joint scheme are accounted for on the basis of the New Opportunities Fund's share in the scheme.

Funds advanced to the joint scheme for the purpose of payment of hard commitments are recorded as a debtor until the New Opportunities Fund receives confirmation that the grant commitments have been met. Administration costs are included in the Income and Expenditure Account at the amount charged to the New Opportunities Fund.

1.10 Allocation of income and costs

Income and costs incurred by the Big Lottery Fund are allocated between the New Opportunities Fund and Community Fund. Income and costs attributable to a specific Fund are allocated directly. Joint costs are apportioned to each Fund based on an appropriate allocation methodology for example based on income share; staff numbers.

New Opportunities Fund income is allocated to each programme to match the in-year costs of that programme. Income not allocated in the current year will be matched to future costs in following years. The New Opportunities Fund's Policy Directions set out how much income in total is to be allocated to each initiative.

Where possible, costs are charged directly to the relevant programme. Direct staff costs relate to the costs of staff who assess and monitor grant applications. Unallocated costs are apportioned to each programme in proportion to the value of that programme.

1.11 Notional cost of capital

From 1 April 2002, HM Treasury removed the requirement for a notional cost of capital charge to be calculated on assets funded by the Lottery.

Notes on the accounts

2 Direct expenditure in support of initiatives

Costs relating to expenditure for the direct benefit of third party recipients are separately disclosed.

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Quality control of external training	46	49
Consultancy support provided directly to grant applicants and recipients	2,144	1,547
Contribution to the costs of the Active Places register being compiled by Sport England	748	–
	<u>2,938</u>	<u>1,596</u>

Direct expenditure in support of initiatives analysed by each expenditure programme are:

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Healthy living centres	1,411	–
ICT training for teachers and school librarians	46	49
New opportunities for PE and sport	1,481	1,507
Out of school hours – learning	–	40
	<u>2,938</u>	<u>1,596</u>

3 Staff numbers and cost

The total salary cost, excluding Board members, was as follows:

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Wages & salaries	9,794	9,521
Social security costs	819	725
Pension costs	1,294	1,255
Agency staff	701	529
	<u>12,608</u>	<u>12,030</u>

In 2003/04's annual accounts, agency staff were disclosed as part of other operating charges. Comparative figures have been amended to reflect the inclusion of these costs as staff costs.

Recoveries of £35,436 representing staff seconded out to other organisations are included in other income.

The average number of employees (including temporary staff) for 2005 working for the New Opportunities Fund during the year was made up as follows:

	Year ended 31 March 2005 Average no. of employees £'000	Year ended 31 March 2004 Average no. of employees £'000
Planning and Performance	21	13
Finance and Corporate Services	39	29
Policy and External Relations	67	60
Operations	175	156
Country offices	75	67
	<u>377</u>	<u>325</u>

The salary and pension entitlement of the Senior Management Team of the New Opportunities Fund were as follows:

	Salary, including performance bonus, at 31 March 2005	Real increase in pension at 60	Total accrued pension at 60 as at 31 March 2005	Cash equivalent transfer value (CETV)	Real increase in CETV after adjustment for inflation and changes in market investment factors
	£'000	£'000	£'000	£'000	£'000
Stephen Dunmore (Chief Executive)	65 – 70 ¹ (90 – 95)	5 – 7.5 plus 20-22.5 lump sum	45 – 50 plus 145-150 lump sum	852 (711)	116
Mark Cooke (Director of Finance and Corporate Services) from 14 June 2004	65 – 70	0 – 2.5	0- 5	11	9
Ceri Doyle (Director, Wales) from 1 December 2003	75 – 80 (15 – 20)	2.5-5 plus 0 lump sum	10-15 plus 0 lump sum	89 (58)	25
Peter Grant (Director of Operations to 31 May 2004, on secondment to 31 May 2005)	70 – 75 (70 – 75)	0 – 2.5	15 - 20	209 (184)	12
Dharmendra Kanani (Director Scotland) from 27 August 2004	Disclosed in the Community Fund accounts				
Adrienne Kelbie (Director, Scotland to 9 May 2004, Director of Operations)	Disclosed in the Community Fund accounts				
Gerald Oppenheim (Director, Planning and Performance) from 1 January 2004	Disclosed in the Community Fund accounts				
Vanessa Potter (Director, Policy and External Relations)	90 – 95 (80 – 85)	0 – 2.5 plus 5 – 7.5 lump sum	10 - 15 plus 30-35 lump sum	104 (79)	19
Walter Rader (Director, Northern Ireland) from 1 December 2003	75 – 80 (15 – 20)	0-2.5 plus 5 – 7.5 lump sum	5-10 plus 15 – 20 lump sum	112 (60)	42

¹As from 1 December 2003 the Chief Executive's salary is apportioned equally between the Community Fund and the New Opportunities Fund. Pension benefits are retained through his New Opportunities Fund contract.

Notes on the accounts

From 1 December 2003, the Chief Executive took on the role of joint Chief Executive of the Community Fund and New Opportunities Fund. His remuneration for the part of his service contract with the Community Fund is disclosed in that organisation's accounts. Pension entitlement disclosures are based on his total remuneration package. The Chief Executive's contract expires one day after appointment of the Chief Executive of the Big Lottery Fund. The Chief Executive is subject to the New Opportunities Fund's standard terms and conditions of employment.

Directors are appointed to the Senior Management Team of the Big Lottery Fund, the joint management team for the Community Fund and New Opportunities Fund. Directors employed by the New Opportunities Fund are on permanent employment contracts, which allow for them to provide services to the Community Fund and which are subject to the New Opportunities Fund's standard terms and conditions of employment.

The Directors of Scotland, Operations and Planning and Performance are employed by the Community Fund under contracts that allow for them to provide services to the New Opportunities Fund. Their remuneration is disclosed in that organisation's accounts.

Pension benefits are provided through the Principal Civil Service Pension Scheme. Further pension disclosures are made in note 22. Column four of the above table shows the member's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. Column five reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV's are calculated within the guidelines prescribed by the Institute and Faculty of Actuaries.

4 Board members remuneration

The Chair of the New Opportunities Fund's Board is a part-time appointment, two days per week. Baroness Jill Pitkeathley stepped down as Chair of the New Opportunities Fund on 31 May 2004. Baroness Pitkeathley's remuneration includes payment in lieu of notice. Sir Clive Booth became the Chair of the Big Lottery Fund from 1 June 2004.

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Baroness Jill Pitkeathley to 31 May 2004	21,619	25,290
Sir Clive Booth from 1 June 2004	20,319	–

All Board members are appointed for three years, in the first instance by the Secretary of State. The Secretary of State invited all Board members to remain in office until the Board of the Big Lottery Fund was appointed. In some cases this takes them beyond their current term of office.

All Board members are entitled to receive remuneration for the time spent on the activities of the New Opportunities Fund. These activities, for which Board members can claim a daily rate fee of £198 (2003/04 £194), mainly consist of meetings in New Opportunities Fund's offices. No Board member received contributions to pension. Total emoluments paid to Board members to 31 March 2005 were £76,076 (2003/04 £71,054), analysed as follows:

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Jill Barrow to 31 May 2004	2.6	9.3
Professor Eric Bolton to 31 May 2004	2.1	6.9
Dr Samuel Burnside from 15 June 2004	5.5	–
David Campbell	7.2	14.3
David Carrington to 31 May 2004	1.0	2.6
Paul Cavanagh from 15 June 2004	3.0	–
Tom Davies	4.5	5.4
Roland Doven from 1 June 2004	2.2	–
Professor Briedge Gadd	6.5	9.8
John Gartside from 1 June 2004	2.5	–
Douglas Graham from 1 June 2004	3.4	–
Professor Siân Griffiths to 31 May 2004	0.2	1.8
Polly Hudson to 31 May 2004	0.6	2.8
Taha Idris from 15 June 2004	3.5	–
Dugald Mackie	3.5	6.9
John Naylor from 1 June 2004	4.9	–
Esther O'Callaghan from 1 June 2004	1.9	–
Professor Allan Patmore to 31 May 2004	1.5	4.0
Anna Southall from 1 June 2004	2.4	–
Barbara Stephens to 31 May 2004	0.6	2.7
Valerie Strachan (Deputy Chair) from 1 June 2004	7.8	–
Geoff Thompson to 31 May 2004	1.9	4.7
Huw Vaughan Thomas from 15 June 2004	2.5	–
Diana Whitworth from 1 June 2004	4.1	–

The New Opportunities Fund reimburse the travel and subsistence expenses of Board members and meet the tax liability on these expenses.

Notes on the accounts

5 Other operating costs

Included in other operating costs are:

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Travel and expenses		
Staff	559	525
Board members	73	47
Auditors remuneration	34	33
Grant delivery costs	4,027	3,312
Operating lease payments	4,394	3,520
Write down fixed assets	98	129
Other costs	9,156	10,921
	<u>18,341</u>	<u>18,487</u>

6 Total operating expenses

Operating expenses analysed by each expenditure programme are:

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Healthy Living Centres	3,149	3,007
Out of School Hours – Learning	2,323	2,479
Out of school hours – Childcare and Childcare	5,784	4,274
ICT Training for Teachers and School Librarians	613	1,677
ICT Training for Public Library Staff	50	226
Digitisation of Learning Materials	504	700
Cancer	420	1,014
Community Access to Lifelong Learning	2,147	2,215
Green Spaces and Sustainable Communities New Opportunities		
for PE and Sport	7,796	8,226
Activities for Young People	663	625
Reducing the Burden of CHD, Cancer and Stroke	2,401	1,767
Palliative Care	852	934
Transforming Communities	1,711	1,314
Awards for All	1,605	1,605
Veterans Reunited	1,131	–
Fair Share	62	443
Young Peoples Fund	2,058	–
	<u>34,614</u>	<u>31,830</u>

7 Merger costs

Included in other Merger costs are:

	Year ended 31 March 2005 £'000
Consultation	469
IT changes	938
Termination payments	617
Professional fees	41
Property costs	344
Other	33
	2,442

9 Corporation tax

The New Opportunities Fund pays corporation tax on bank interest received. The tax payable is £180,859 (2003/04 £210,818). Moneys held and invested by the National Lottery Distribution Fund on the New Opportunities Fund's behalf are not taxable.

8 Financial performance indicator

The New Opportunities Fund aims to keep operating costs to between five–seven per cent of income received over the lifetime of the Fund. This target continues to be achieved; operating costs are 5.5 per cent of income (2003/04 5.2 per cent). The increase in this indicator is due to increased cost arising from the delivery of current grant programmes particularly new opportunities for PE sport in schools and merger costs.

Notes on the accounts

10 Tangible fixed assets

	Leasehold improvement £'000	IT £'000	Office equipment furniture & fittings £'000	Grant Systems £'000	Total £'000
Cost					
At 1 April 2004	2,437	181	73	2,242	4,933
Additions	244	76	7	–	327
Disposals	(152)	–	–	–	(152)
At 31 March 2005	2,529	257	80	2,242	5,108
Depreciation					
At 1 April 2004	369	165	72	1,146	1,752
Charge for the year	179	26	2	898	1,105
Disposal	(54)	–	–	–	(54)
At 31 March 2005	494	191	74	2,044	2,803
Net cost					
At 31 March 2005	2,035	66	6	198	2,305
At 31 March 2004	2,068	16	1	1,096	3,181

11 Debtors and prepayments

	At 31 March 2005 £'000	At 31 March 2004 £'000
Held by delegated partners for payment of grant commitments	8,043	25,166
Other	1,211	728
Balance with Community Fund	3,601	–
Prepayments	1,815	1,318
	14,670	27,212

Included in the amounts above are the following balances payable by other Government bodies:

Amounts due from Government bodies	6,735	6,313
Amounts due from Local Authorities	4,781	15,993

In accordance with the New Opportunities Fund's accounting policy the payment of grant commitments administered by delegated partners on the New Opportunities Fund's behalf will not be recorded until the New Opportunities Fund has received confirmation from these bodies stating the amount of grant paid.

Balances held by delegated partners include £4,053,255 (2003/04 £15,993,000) held by local Education Authorities in England and Wales, Education Authorities in Scotland and Education and Library Boards in Northern Ireland for payment of grants awarded under the ICT training for teachers and school librarians programme. Audited returns are now due from these delegated partners.

12 Balance held by the National Lottery Distribution Fund

	£'000	£'000
Cost as at 1 April 2004		746,429
Distribution from the National Lottery	452,234	
Investment income earned	24,590	
Cash drawn down	(530,000)	
Net decrease in balance		(53,176)
Cost as at 31 March 2005		693,253
Unrealised loss on investment		(2,603)
Market value at 31 March 2005		690,650

At 31 March 2005, the market value of the New Opportunities Fund's balance held by the National Lottery Distribution Fund (NLDF) was £690,649,601 (2003/04 £737,275,837).

The New Opportunities Fund receives a share of the moneys paid by Camelot Group plc to the NLDF after deduction for the costs of the Secretary of State for Culture, Media and Sport in exercising her functions under the Lottery Act, the costs of the regulator (the National Lottery Commission) and the costs of the investment manager (the National Debt Commissioners).

13 Creditors: amounts falling due within one year

	At 31 March 2005 £'000	At 31 March 2004 £'000
Trade creditors	1,186	2,784
Other creditors	369	2,494
Accruals and deferred income	2,329	3,700
Corporation Tax	181	211
	4,065	9,189

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

	At 31 March 2005 £'000	At 31 March 2004 £'000
Amounts due to other Government bodies	662	3,106
Amounts due to Local Authorities	534	0

Creditors: amounts falling due in more than one year

	At 31 March 2005 £'000	At 31 March 2004 £'000
Deferred income	134	502

Notes on the accounts

14 Provisions for liabilities and charges

	Unavoidable lease payments	Early retirement contributions	Redundancy provisions	Total provisions
	£'000	£'000	£'000	£'000
Brought forward at 1 April 2004	–	–	–	–
Charged to expenditure in the year	223	149	455	827
Payments made	–	–	–	–
Carried forward at 31 March 2005	223	149	455	827

The New Opportunities Fund vacated Linenhall Street, Belfast; this lease could not be cancelled or re-let. FRS12 allows provisions to recognise the best estimate of unavoidable lease payments. The Fund has served notice to terminate the lease on Heron House, London a provision for the contractual liability to meet dilapidations has been set aside.

As part of re structuring arising from the administrative merger with the Community Fund:

- ▶ Certain eligible staff have agreed to take early retirement. As a result of these agreements the New Opportunities Fund is contracted to meet certain pension contributions until the statutory retirement date of these individuals. An estimate of future contributions has been provided for staff who had finalised early retirement agreements prior to 31 March 2005.
- ▶ Certain posts have been identified as no longer required. A provision has been made for the estimated redundancy costs of those staff which the New Opportunities Fund has entered into consultation with prior to 31 March 2005 but for which settlement was not paid by that date. Redundancy payments are made in accordance with contractual arrangements and terms set out in the Civil Service Pension (CSP) arrangements.

15 Hard commitments

The administration of the formal acceptance of grant offers for the ICT training for teachers and school librarians programme is carried out by Local Education Authorities in England and Wales, Education Authorities in Scotland and Education and Library Boards in Northern Ireland. The administering bodies provide the New Opportunities Fund with returns that show the amount of new commitments entered into during the year. The final audited returns for this programme were due to the Fund by 31 December 2004. The New Opportunities Fund has included new commitments recorded on audited returns provided by administering bodies at the time of preparing these accounts. See accounting policy note 1.8. Adjustments to prior years commitments arising from audited returns are reported as part of the current year figures, within the "grant commitments made" figure in the table below.

The payment of grant commitments administered by delegated partners for the ICT training for teachers and school librarians programme are recognised on receipt of audited returns.

	Grant commitments brought forward at 1 April 2004 £'000	Grant commitments made £'000	Lapsed revoked grant commitments £'000	Grant commitments met £'000	Grant commitments carried forward at 31 March 2005 £'000
Healthy Living Centres	183,802	1,409	(–)	(56,483)	128,728
Out of School Hours Learning	77,948	7,680	(1,773)	(40,192)	43,663
Out of School Hours Childcare and Childcare	134,369	25,145	(8,310)	(69,250)	81,954
ICT Training for Teachers and School Librarians	26,343	6,342	(15,413)	(10,008)	7,264
ICT Training for Public Library Staff	1,665	100	(580)	(989)	196
Digitisation of Learning Materials	8,255	10	(239)	(7,716)	310
Cancer	22,634	31	(527)	(15,801)	6,337
Community Access to Life-Long Learning Green Spaces and Sustainable Communities	46,010	1,496	(2,758)	(33,013)	11,735
New Opportunities for PE and Sport	251,824	397,502	(9,803)	(77,906)	561,617
Activities for Young People	23,436	26,432	(872)	(26,330)	22,666
Reducing the Burden of CHD, Cancer and Stroke	129,018	8,230	(1,073)	(50,243)	85,932
Palliative Care	65,292	712	(–)	(16,901)	49,103
Transforming Communities	93,820	21,633	(474)	(23,187)	91,792
Awards for All	267	14,477	(38)	(14,299)	407
Veterans Reunited	–	22,916	(9)	(15,833)	7,074
Young People's Fund	–	13,834	(–)	(1,343)	12,491
	1,113,230	550,323	(42,748)	(491,068)	1,129,737

Notes on the accounts

The hard commitment balance at the year end represents amounts due to recipients in the following periods:

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

	At 31 March 2005 £'000	At 31 March 2004 £'000		At 31 March 2005 £'000	At 31 March 2004 £'000
Grants committed for payment within one year	448,754	485,121	Grants committed for payment to other Government bodies	107,494	57,11
Grants committed for payment in more than one year	680,983	628,109	Grants committed for payment to local authority bodies	613,279	452,357
	<u>1,129,737</u>	<u>1,113,230</u>	Grants committed for payment to the national health service organisations	145,383	216,132
			Grants committed for payment to Public Corporations	1,673	3,706

16. Soft commitments

Soft commitments represent grant offers that have yet to be formally accepted in writing by the applicant. As such these offers are not recognised as a financial commitment within these accounts.

	Offers brought forward at 1 April 2004 £'000	Offers made offers £'000	Lapsed or revoked £'000	Offers made transferred to grant commitments £'000	Offers carried forward at 31 March 2005 £'000
Healthy Living Centres	600	960	(-)	(1,409)	151
Out of School Hours Learning	-	8,819	(-)	(7,680)	1,139
Out of School Hours Childcare and Childcare	4,700	21,805	(-)	(25,145)	1,360
ICT Training for Teachers and School Librarians	6,342	-	(-)	(6,342)	-
ICT Training for Public Library Staff	-	100	(-)	(100)	-
Digitisation of Learning Materials	-	86	(-)	(10)	76
Cancer	-	31	(-)	(31)	-
Community Access to Life-Long Learning	36	2,103	(-)	(1,496)	643
Green Spaces and Sustainable Communities	103	4,201	(119)	(2,374)	1,811
New Opportunities for PE and Sport	9,372	433,428	(-)	(397,502)	45,298
Activities for Young People	-	37,932	(-)	(26,432)	11,500
Reducing the Burden of CHD, Cancer and Stroke	-	8,352	(-)	(8,230)	122
Palliative Care	-	1,105	(-)	(712)	393
Transforming Communities	31,698	1,379	(10,944)	(21,633)	500
Awards for All	-	14,477	(-)	(14,477)	-
Veterans Reunited	-	23,596	(-)	(22,916)	680
Young Peoples Fund	-	14,306	(-)	(13,834)	472
	52,851	572,680	(11,063)	(550,323)	64,145

Notes on the accounts

17 Joint schemes

Included within the hard commitments for the new opportunities for PE and sport initiative is £- (2003/04 £200,000) of new grant commitments and £12.8 million (2003/04 £12.0 million) of grant commitments carried forward at 31 March representing the New Opportunities Fund's contribution to grants made as part of the Spaces for Sports and Arts joint scheme. The New Opportunities Fund will contribute £25 million to the total funding of £130 million. This scheme is administered by Sport England on behalf of all parties to the agreement.

Included within the hard commitments for the new opportunities for PE and sport initiative is £57.4 million (2003/04 £-) of new grant commitments and £51.4 million (2003/04 £-) million of grant commitments carried forward at 31 March representing the New Opportunities Fund's contribution to grants made as part of the Active England joint scheme. The New Opportunities Fund will contribute £77.5 million to the total funding of £107 million. This scheme is administered by Sport England on behalf of all parties to the agreement.

Included within the hard commitments for the small grants scheme are £10.6 million (2003/04 £11.4 million) of new grant commitments and £180,000 (2003/04 £57,000) of grant commitments carried forward at 31 March representing the New Opportunities Fund's contribution to the Awards for All, England joint scheme. During 2004/05 the New Opportunities Fund contributed £10.9 million to the total funding of £36.8 million. This scheme is administered by the Community Fund on behalf of all parties to the agreement.

Included within the hard commitments for the veterans programme are £3.9 million (2003/04 £- million) of new grant commitments and £1.1 million (2003/04 £-) of grant commitments carried forward at 31 March representing the New Opportunities Fund's contribution to the Home Front Recall joint scheme. The New Opportunities Fund will contribute £4.7 million to the total funding of £6.8 million. This scheme is administered by the Community Fund on behalf of all parties to the agreement.

18 Fair Share

In 2002/03, the New Opportunities Fund entered into a grant contract with the Community Foundation Network (CFN) to administer an expendable endowment to provide funding to meet the objectives of the Fair Share Policy Directions. In August 2003, the Fund paid £50 million into the Fair Share Trust established by CFN.

At 31 March 2005, CFN have reported that the Fair Share Trust balance stands at £49.7 million (2003/04 £49 million) and that there is an unrealised capital gain of £678,000 (2003/04 £930,000). Expenditure reflects the management costs of CFN, the investment manager and the local agents managing the programme in the Fair share areas; the first grants were awarded in 2004/05 and £1.4 million has been drawn from the Trust to meet these awards. The Trust's audited accounts are available from CFN, Arena House, 66 - 68 Pentonville Road, London N1 9HS.

Further information about the progress of the scheme is provided in the annual report.

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

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Deficit before tax	(53,007)	(164,494)
Depreciation of fixed assets	1,105	837
Loss on disposal of fixed assets	98	129
Diminution in value of fixed assets	–	379
Interest income	(678)	(702)
Net cost from operating activities	(52,482)	(163,851)
Decrease in debtors	12,531	38,788
Decrease in NLDF balance	46,626	140,560
Increase/(Decrease) in creditors	(5,402)	4,804
Increase in provisions	827	–
Increase/(Decrease) in provision for grant commitments	16,507	(19,197)
Net cash inflow from operating activities	18,607	1,104

20 Financial risks

The New Opportunities Fund is required to disclose the effect that financial instruments have had during the period in creating or changing the risks the New Opportunities Fund faces in undertaking its role.

Liquidity risks

In the year ended 31 March 2005, £452.2 million (92 per cent) of the New Opportunities Fund's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the National Lottery Distribution Fund £31.1 million (six per cent), and from bank interest and other income £8.7 million (two per cent).

At 31 March 2005, the New Opportunities Fund had net liabilities of £406.7 million and soft commitments of £64.1 million. Although the New Opportunities Fund has made commitments in excess of its assets, the Board does not consider that the New Opportunities Fund is exposed to significant liquidity risks as many of these commitments will not be paid until after the next financial year end. This is because the New Opportunities Fund will only allow grant holders to draw down monies once they have proved their need to receive the next tranche of grant funding allocated to them. Due to the timing differences between the date the grant holder accepts the New Opportunities Fund's grant offer, and the date the grant holder draws down these monies, the New Opportunities Fund is encouraged by the Department for Culture, Media and Sport to over-commit the available funds.

Notes on the accounts

Liquid assets at 31 March 2005	£'000
Market value of NLDF investments	690,650
Cash	20,473
	<u>711,123</u>
Forecast cashflows during 2005/2006	
Income from the National Lottery	447,000
Other income	6,000
Administration cost payments	(36,000)
Grant payments	(557,000)
Forecast liquid assets at 31 March 2007	<u><u>571,123</u></u>

The income forecast assumptions are based upon guidance provided by the Department for Culture, Media and Sport. The forecast grant payments are based upon estimated grant draw down profiles submitted by grant recipients at the time of award.

Interest rate risks

The financial assets of the New Opportunities Fund are invested in the NLDF, which invests in a narrow band of low risk assets such as government bonds and cash. The Board has no control over the investment of funds in the NLDF. At the Balance Sheet date the market value of investment in the NLDF was £690.7 million. In the year the average return on these investments was 4.5 per cent.

Cash balances which are drawn down from the NLDF to pay grant commitments and operating costs are held in instant access variable rate bank accounts which on average carried an interest rate of 3.5 per cent in the year. The cash balance at the year-end was £20.4 million. The Board considers that the New Opportunities Fund is not exposed to significant interest rate risks.

Foreign currency risk

The New Opportunities Fund is not exposed to any foreign exchange risks.

21 Financial commitments

Commitments under operating leases

At 31 March 2005, the New Opportunities Fund had the following annual commitments under operating leases.

	Office equipment	Land and buildings	As at 31 March 2005	As at 31 March 2005
	£'000	£'000	£'000	£'000
Expiring in less than 1 year	51	189	240	65
Expiring in 1-5 years	–	84	84	43
Expiring in more than 5 years	–	3,731	3,731	3,946
	<u>51</u>	<u>4,004</u>	<u>4,055</u>	<u>4,054</u>

Capital commitments

	As at 31 March 2005	As at 31 March 2004
	£'000	£'000
Authorised in respect of capital expenditure for operating purpose but not contracted	<u>–</u>	<u>–</u>

22 Pension scheme

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants from 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3-12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee.

The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of three per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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

For 2004/2005, employers' contributions of £1,294,000 were payable to the PCSPS (2003/04 £1,255,346) at one of four rates in the range 12-18.5 per cent of pensionable pay, based on salary bands (as shown below). Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Rates for 2005/06 have increased based on recommendations from the Government Actuary.

Bands	Year ended 31 March 2005
£17,500 and under	12%
£17,501-£36,000	13.5%
£36,001-£62,000	16.5%
£62,501 and over	18.5%

Bands	Year ended 31 March 2004
£17,000 and under	12%
£17,001-£35,000	13.5%
£35,001-£60,500	16.5%
£60,500 and over	18.5%

Notes on the accounts

23 Cash losses and special payments

During the year, £439,403(2003/04 £2,630) of grant payments to 17 grant recipients was written off as irrecoverable.

	Year ended 31 March 2005 £000
Adelphi Playclubs	145
Amounts less than £100,000	294
	439
	439

24 Related party transactions

The New Opportunities Fund is a non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS). The DCMS is considered to be a related party. During the year, the New Opportunities Fund has had various material transactions with the DCMS and other bodies for which the DCMS is regarded as the sponsor Department: British Library, Community Fund, English Heritage, National Maritime Museum, National Museums and Galleries on Merseyside, Sport England, Tate Gallery, Resource.

In addition, the New Opportunities Fund has a number of material transactions with Government Departments and bodies that regard other Government departments as their sponsor department:

- British Educational Communications and Technology Agency sponsored by Department for Education and Skills
- Countryside Agency and English Nature sponsored by Department for Environment, Food and Rural Affairs
- Health Development Agency sponsored by the Department of Health

- National Library of Wales and the National Assembly of Wales
- Public Record Office
- Highlands and Islands Enterprise sponsored by the Scottish Executive.

Board members

The New Opportunities Fund abides by the Cabinet Office code of practice for Board Members of public bodies. As a matter of policy and procedure, Board Members maintain publicly available registers of interests and declare any direct interests in grant applications made to the New Opportunities Fund and commercial relationships with the New Opportunities Fund. Where any committee decisions are taken which would reasonably be seen as giving rise to a conflict of interest, principally over grants to voluntary bodies, the chair of the meeting ensures at the outset that disclosure is made and the committee member withdraws for the duration of any discussion of the relevant item. The New Opportunities Fund's procedures also ensure that grant officers are not engaged on processing applications in which they would have an interest.

A number of Board members have declared interests with public, voluntary and charitable bodies with which the New Opportunities Fund has non-material business interests.

Published by TSO (The Stationery Office) and available from:

Online

www.tso.co.uk/bookshop

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Fax orders 0870 600 5533

Order through the Parliamentary Hotline *Lo-call* 0845 7 023474

E-mail book.orders@tso.co.uk

Textphone 0870 240 3701

TSO Shops

123 Kingsway, London WC2B 6PQ

020 7242 6393 Fax 020 7242 6394

68-69 Bull Street, Birmingham B4 6AD

0121 236 9696 Fax 0121 236 9699

9-21 Princess Street, Manchester M60 8AS

0161 834 7201 Fax 0161 833 0634

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

18-19 High Street, Cardiff CF10 1PT

029 2039 5548 Fax 029 2038 4347

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/General enquiries 020 7219 3890

Fax orders 020 7219 3866

TSO Accredited Agents

(see Yellow Pages)

and through good booksellers

ISBN 0-10-293560-2



9 780102 935608