Big Lottery Fund

New Opportunities Fund Annual Report and Accounts and Policy Directions

For the financial year ended 31 March 2006

	October, 2006
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)

Awarding funds from
The National Lottery™

New Opportunities Fund

ANNUAL REPORT AND ACCOUNTS AND POLICY DIRECTIONS

For the financial year ended 31 March 2006

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 of Culture Media and Sport.

Accounts prepared pursuant to Section 43D(4) of the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998) and presented by the Comptroller and Auditor General.

Ordered by the House of Commons to be printed on 31 October 2006.

Laid before the Scottish Parliament by the Scottish Ministers on 31 October 2006.

HC 1598 London: The Stationery Office £32.50.

SE/2006/202

New Opportunities Fund

Annual Report and Accounts and Policy Directions 2005/06

Contents

Introduction

by the Chair and Chief Executive

This Annual Report sets out the achievements of the Big Lottery Fund during 2005/06. Last year we reported on the successful administrative merger of the New Opportunities Fund and Community Fund, which came together to form the Big Lottery Fund. Until the legislation to formalise this administrative merger is enacted, we will formally report separately on the activities of the two statutory bodies. This report sets out the development and performance of the Big Lottery Fund as it relates to the New Opportunities Fund, including how those resources made available to the New Opportunities Fund have been used.

2005/06 has seen several key developments for the Big Lottery Fund – the preparation of our strategic plan for the period to 2009, planning and launching a range of new programmes UK-wide and the implementation of a major change programme designed to deliver business efficiencies.

In continuing to integrate the structures of the two legacy funds and to develop our new business, we have used the results of two major UK-wide consultations with our stakeholders and the wider public to develop the strategic plan for the Big Lottery Fund. Details are set out in section 2 of this report.

During 2005/06, a significant amount of effort has been devoted to developing new grant programmes reflecting the themes and outcomes that emerged from our consultations. We have developed a mixed portfolio approach to funding, both strategic and demand led. We have introduced full cost recovery on legitimate overhead costs for voluntary and community organisations, and more flexibility in the length of our funding.

We have also developed an evaluation, research and learning strategy for 2005 to 2009. In all, we have launched 16 programmes, including the demand-led, lightly prescribed Reaching Communities programme in England, People and Places in Wales and the Young People's Fund programmes in Scotland, Wales and Northern Ireland. We are currently working up a number of other programmes and will launch a further 23 in 2006/07. Details of our existing and new programmes are set out in this report.

At the same time, we have also successfully integrated and restructured our offices in Scotland, Wales and Northern Ireland, opened the Newcastle Centre and refocused our regional presence in England, with an expanded remit for regional intelligence, outreach and partnership working. The Birmingham Centre is expected to open by the end of 2006. The two new centres in Newcastle and Birmingham will deliver the large majority of our grant management functions in England. A phased transition of many of the functions currently based in London and in the previous England Regional Offices is being undertaken and will be substantially completed during 2007.

During 2005/06, we have made the final awards under many of the New Opportunities Fund's legacy grant programmes. Through these legacy programmes and our new Big Lottery Fund programmes, we have, in 2005/06, committed £297 million of funding. We have worked with our key partners and grant holders to ensure that the funding awarded is reaching beneficiaries as quickly as possible; during the year we have paid out £597 million in grants.

Introduction

Finally, we have continued to lead the way in taking forward the agenda for joint working, public involvement and promotion of the benefits of the National Lottery, spelt out by the Secretary of State in 2003. We have set up the framework for a capital centre of excellence and redesigned the joint distributor website, supported the work of the National Lottery Promotions Unit, including the drive towards common branding, launched a programme (People's Millions) which enables people to vote for their favourite projects as seen on TV and engaged young people in decision-making on grants under our Young People's Fund.

We would like to express our thanks to all those who have played a part in the Big Lottery Fund's considerable achievements this year. They could not have happened without the leadership and direction of the Board and Committee members and the hard work, professionalism and dedication of the staff, for many of whom it has been a year of significant personal uncertainty.

We believe that the new, different and better funder promised last year is emerging; a more intelligent funder, that will bring real improvements to communities and the lives of people most in need.

Sir Clive Booth
Chair

Stephen Dunmore
Chief Executive

12 October 2006

Section one

About us, our framework and what we do

Our history and statutory framework

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 the New Opportunities Fund to come together to create a new Lottery distributor, building on the strengths of both organisations. In November 2003, Stephen Dunmore was appointed Chief Executive of both bodies and he put together a joint management team to lead the new distributor. With the appointment of a Chair and Board, the Big Lottery Fund was administratively created on 1 June 2004.

We expect the Big Lottery Fund to be formally commenced on 1 December 2006 subject to the Parliamentary timetable. The new Big Lottery Fund Board is likely to meet for the first time in December 2006. Until this point, both 'legacy' organisations will continue to work as an administratively merged body and lay the foundations for the new organisation. Until the legislation is in place the statutory powers of the Community Fund and the New Opportunities Fund will continue to be used and we will report separately on the work, performance and finances of each of the two bodies. This report deals with the New Opportunities Fund.

The Department for Culture, Media and Sport has responsibility within Government for National Lottery policy and sets the policy and financial framework within which the distributing bodies work. There are currently 15 independent distributing bodies responsible for awarding Lottery grants.

The New Opportunities Fund was established by the National Lottery Act 1998. The New Opportunities Fund is a UK-wide-non-departmental public body, regulated in accordance with the Management Statement, Financial Directions and Policy Directions issued by the Secretary of State for Culture, Media and Sport.

What we do – grant making

The New Opportunities Fund was set up to make National Lottery grants to education, health and environment projects under initiatives specified by the Government.

We receive policy directions from Government which define the scope and value of our grants programmes. These Policy Directions are set out in section seven of this annual report.

New policy directions were issued in 2005 for the transformational grants initiative, now established as the Living Landmarks and People's Millions programmes.

In 2005, the Government also agreed with the Big Lottery Fund a set of strategic themes and outcomes. These are less prescriptive than previous policy directions, allowing us to develop policies and programmes in consultation with key stakeholders.

Our new funding programmes follow three broad themes that allow us to support a wide range of projects across the UK:

- supporting community learning and creating opportunity
- promoting community safety and cohesion
- promoting well-being.

We have also set out a number of outcomes for our programmes. The outcomes – what will be achieved with our funding – are the result of separate consultations in each UK country. They are therefore different in each country, reflecting the unique challenges and demands in England, Scotland, Wales and Northern Ireland.

During 2005/06, we have been developing the new programmes derived from these themes and outcomes.

We have launched a number of programmes including:

- Reaching Communities, Parks for People and Children's Play in England
- Young People's Fund in Scotland
- People and Places and the Young People's Fund in Wales
- Change UR Future in Northern Ireland.

We are currently working up a number of other programmes and will launch a further 23 programmes in 2006/07.

As well as developing Big Lottery Fund programmes, we have continued the work of our legacy programmes through offering a high quality service to our applicants, grant holders, key partners and stakeholders. During 2005/06, we made the final awards on many of the New Opportunities Fund's legacy programmes, including PE and Sport in Schools, Positive Activities for Young people and Veterans. We also made the final payments and closed a number of programmes, including the ICT Training and Digitisation programmes and the People's Network programme.

In 2005/06, we made awards of £297 million. We have worked with our key partners and grant holders to ensure that the funding awarded is reaching the beneficiaries as quickly as possible; during this year we paid out £597 million in grants.

You can find details of all our programmes in section three of this report.

Our restructuring

Last year, we reported on the successful administrative merger between the New Opportunities Fund and Community Fund. During 2005/06 we have continued the programme of integration and restructuring to deliver the expected savings and efficiencies from this merger.

The offices in Scotland, Wales and Northern Ireland were successfully integrated and restructured during 2004/05.

Within England we have implemented a major change programme; the "Structural Review". We looked at how and where we want to administer our England grant-making activities and corporate support functions to achieve operational efficiencies and improved customer service.

Grant assessment and grant management activities within England will be consolidated within two centres in Newcastle and Birmingham. We will retain and enhance our regional presence to maintain and develop local stakeholder links and outreach activities. Corporate support functions will be located either in London or within the Birmingham Centre.

Section one

We started to implement these decisions during this reporting year. During 2005/06, we consulted with the two recognised Trades Unions about the loss of posts in our regional offices. We recruited 87 staff to our Newcastle Centre and we moved into our new building in March 2006. Our Birmingham Centre will open during 2006/07

Our Lottery Funding

Our income comes from the National Lottery. The New Opportunities Fund receives 33.33 per cent of all income raised by the National Lottery for the good causes. This income is invested in the National Lottery Distribution Fund (NLDF), which is under the stewardship of the Secretary of State for Culture, Media and Sport. We receive interest earned on our NLDF balances.

The Board has approved grant budgets totalling £2.2 billion for new programmes for the period to 31 March 2009 based on forecast available funds. In setting these budgets, the Board took into account the risk that our income might go down, should ticket sales for the National Lottery decline. The Lottery will also contribute to the cost of the 2012 Olympic Games. We also considered the possible impact of the end of the current National Lottery licence in 2009.

Relationships with key stakeholders

Following on from the wide-scale consultations in 2004, the Big Lottery Fund has continued to build relationships with key stakeholders. We have organised a number of meetings to review our funding policies and to review our undertaking to give 60-70 per cent of our funding to the voluntary and community sector. In England, we held a joint forum with the ACEVO to disseminate our full cost recovery policy and encourage other funders to adopt full cost recovery principles. We remain committed to being a listening organisation, using feedback to shape our policies, procedures and funding programmes.

Our mission and values

Our mission at the Big Lottery Fund is to bring real improvements to communities and the lives of people most in need.

We have identified seven values that underpin all our work. They are:

- Fairness – putting equality and diversity at the heart of our work.
- Accessibility – making it easier to access our funding and providing help to grant applicants and recipients.
- Strategic focus – working in partnership and joining up with existing strategies, developing programmes that are focused on the outcomes and the difference they make for communities.
- Involving people – involving local communities in our work and making sure the public know and care about our work.

- **Innovation** – building evidence-based programmes, sharing what we learn and considering new ways of making grants.
- **Enabling** – working with communities, partners and other funders to help achieve lasting change.
- **Additional to Government** – ensuring our funding is distinct from Government funding and adds value.

We have also consulted widely with staff to establish a set of internal values: accountability, valuing people, teamwork and service excellence. These express the type of employer the Big Lottery Fund intends to be and what we expect from our staff.

Looking forward

We are looking ahead to a number of developments affecting our funding and the way we are organised to deliver it.

The Big Lottery Fund recently announced its new programmes for England, Scotland, Wales and Northern Ireland. It will distribute £2.2 billion between 2006-2009. Programmes are divided into two broad areas: demand-led programmes and strategic programmes. The demand-led programmes encourage organisations to bring their own ideas to us for funding. The strategic programmes focus more specifically on the outcomes that the Big Lottery Fund wants its funding to achieve.

As well as our new programmes we have announced a range of measures to help communities get funding from us more easily. We will:

- have different approaches to funding, with at least a third of our grant income going to demand-led, lightly prescribed, accessible programmes, including the expanded Awards for All scheme
- be more flexible in the length of funding, making grants available for up to five years
- adopt the principle of full cost recovery by allowing voluntary and community organisations to recover the cost of their legitimate overheads
- ensure that 60-70 per cent of our funding will go to the voluntary and community sector
- focus the work of our regional offices on policy development, regional intelligence, outreach, partnership working and external relations
- establish two centres for England in Newcastle and Birmingham to ensure a strong, unified funding policy
- make efficiency savings of 10-20 per cent (£6-£12 million) on the running costs of the two legacy organisations to be ploughed back into funding of projects
- introduce a two-stage application process, where appropriate, to reduce the administrative burden on applicants.

Public involvement in the National Lottery is an important priority for the Government and for us. We are looking at new ways of involving the public in deciding where money

Section one

for good causes should go. Under the Young People's Fund, we recruited young people to sit on national and regional committees to help make funding decisions. We have consulted widely on our new programmes, including commissioning research on how Lottery players think Lottery money should be spent.

We have also launched in 2005 our People's Millions programme, which allowed TV viewers to vote for their favourite small community based project. In 2005 we awarded 50 grants of £50,000 under this scheme and launched a programme to award one large grant of up to £1.5 million which will be voted on by the public.

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

Where appropriate, we will work in partnership with Government and complement Government priorities and programmes to achieve maximum impact with our money. We have affirmed our commitment to helping people and communities in need, even if that means funding projects that may be unpopular with some people.

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, focused not on whom we give the money to (whether specific sectors or priority groups) but on outcomes – what we fund and who benefits from it.

Section two

How we work, our strategy and structure

Our strategy

The years 2004-2006 have been transitional. Against a background of merger, restructuring, delivery, closure of existing programmes and development of new programmes we have been laying a solid foundation for the Big Lottery Fund to become a new, different and better funder.

During this period, we have established annual plans rather than a longer-term strategy. In our 2005/06 corporate plan we identified the following challenges for the year:

- to develop and launch new grants programmes that meet our main themes, outcomes and priorities
- to meet delivery targets on all existing grant programmes, while restructuring the England regional offices, our grant management and our corporate services
- to design and develop a strategic and corporate business planning model and process for 2006-09, strengthening the management and improving the performance of the new organisation
- to continue to integrate the New Opportunities Fund and the Community Fund, and to implement coherent strategies and policies to deliver our business.

We set ourselves six objectives supported by 23 performance indicators. In section four of this report we set out how we have performed against these objectives.

We can now consider our longer-term strategy. We are finalising our strategic plan for the period April 2006 to March 2009. This will be the Big Lottery Fund's first Strategic Plan.

The Strategic Plan will set out who we are, where we are now and where we want to be in 2009. It will include the following.

- Our mission, values and legislative framework. These describe who we are and what we stand for. It differentiates us from other grant-making bodies.
- Our key achievements in the past two years, which establish where we are at the beginning of this Strategic Plan period.
- Our consultations, new policy directions and our destination statement, which set out where we want to be in 2009.
- Our funding frameworks and new programmes explaining the difference we would like to make to communities and the lives of people most in need.
- Our annual corporate plan reflecting our priorities and resources for each year to move us towards our goals for 2009.

The annual corporate plan will contain our corporate objectives, key performance indicators and the grant and operating budgets for that year.

Our performance against these objectives and targets are monitored and reported to the Board every three months and will be published each year in our Annual Report and Accounts.

The Strategic Plan will be published in hard copy and will also be available from the Big Lottery Fund website at: www. biglotteryfund.org.uk

How we are run

The Board

We have a single Board for both organisations of 17 members (including a Chair, Vice-Chair, three members each from Northern Ireland, Scotland and Wales and six general members). All Board members served for the whole of the financial year.

The Board is responsible for the overall strategic direction and performance of the Big Lottery Fund, including our accountability to Government and other stakeholders. To fulfil its accountabilities the Board has committees (the Resources Committee, the Audit and Risk Committee and the Remuneration Committee), advisory panels (the Equalities Forum and the Evaluation and Learning Panel) and committees for advising and making funding decisions for specific programmes. The full list of Board members and their responsibilities for chairing committees of the Board are set out below.

The Board meets every two months; members of the Senior Management Team attend meetings. The Audit and Risk Committee meets every three months. It approves the internal audit programme, endorses the risk register and scrutinises the outcome of internal and external audit reports. The Resources Committee meets every three months. It approves the annual budget and oversees expenditure. The Remuneration Committee meets at least once a year and is responsible for overseeing the performance and salaries of the Chief Executive and the Senior Management Team.

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

Dame Valerie Strachan
Vice Chair
Chair, Strategic Grants Committee

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

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

Section two

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

John Gartside OBE
England Member
Douglas Graham
Scotland Member
Chair, Active Futures Scotland Committee
Chair, Audit and Risk Committee
Chair, Reaching Communities Committee.

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

Taha Idris
Wales Member
Chair, Mentro Allan Wales Committee

Roland Doven MBE
General Member
Chair, Equality Forum

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

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

John Naylor OBE – Resigned 31 March 2006
Scotland Member
Chair, Developing Communities Scotland Committee
Chair, Evaluation and Learning Advisory Panel (to March 2006)
Chair, Young People's Fund

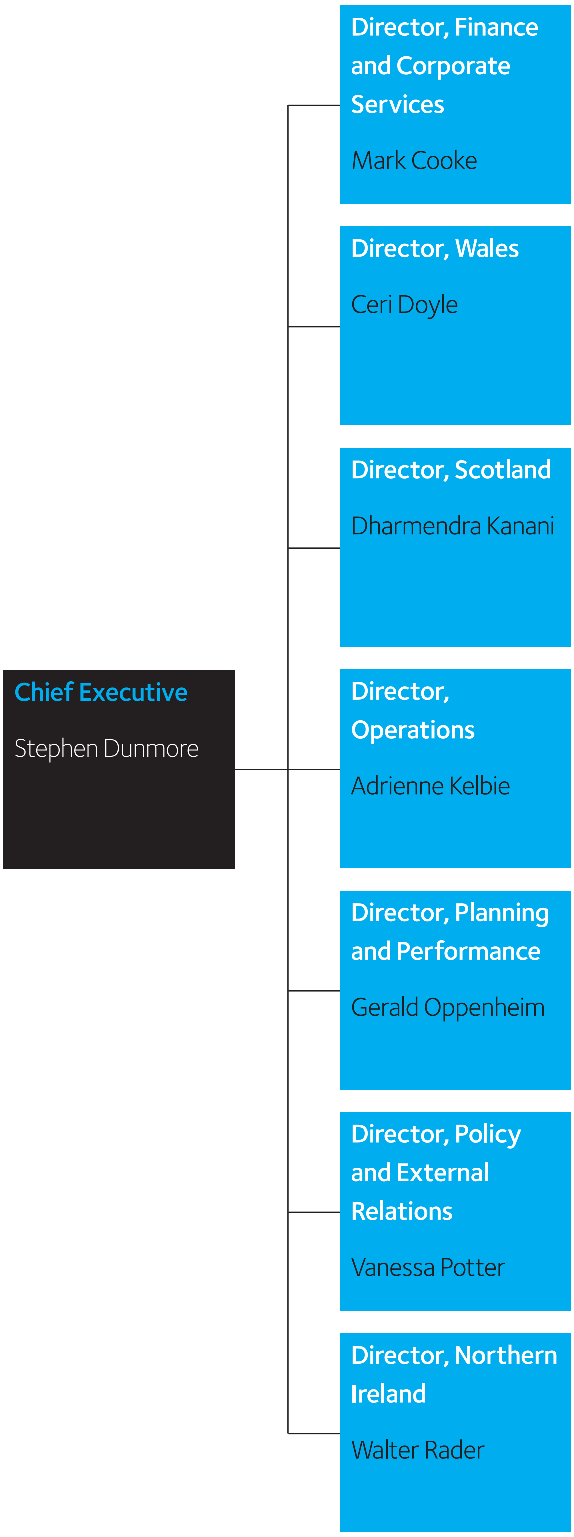
Esther O'Callaghan
General Member
Chair, Young People's Fund National Grants England Committee

Anna Southall
General Member
Chair, Living Landmarks Committee

Huw Vaughan Thomas
Wales Member
Chair, Voluntary and Community Funding Programme, Wales Committee. Chair, Young People's Fund Wales Committee
Chair, Evaluation and Learning Panel (from March 2006)

Diana Whitworth
General Member

Section two



The Senior Management Team

The Chief Executive is appointed by the Board and is also the Accounting Officer. He chairs the Senior Management Team, which supports the Board in the strategic management of the Big Lottery Fund. The Senior Management Team consider policy and key strategic and operational matters which require the approval of the Board and its main committees. The Senior Management Team also maintain an overview of the day-to-day operations of the organisation.

The Senior Management Team is made up of the Chief Executive and seven Directors. Each Director's remit is set out in the organisation chart left.

The Big Lottery Fund has two Management Boards (Organisational Management Board and Grant Programme Board) which are responsible for oversight of cross Directorate activities, making recommendations to, and implementing decisions made by, the Senior Management Team and the Board. They report to the Senior Management Team.

Register of Interests

All Big Lottery Fund Board and committee members, assessors and members of advisory panels must declare any relevant interests under our code of ethics. This code complies with the Cabinet Office code of practice for Board members of public bodies.

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

All staff must complete an annual declaration setting out any relevant interests. Training ensures that all staff know they must report any conflicts of interest that arise in their day to day work.

The public can look at the register of declared interests and hospitality declarations by writing to the Director of Planning and Performance. Board members' declarations of interest are published on the Big Lottery Fund's website.

Section three

Our Grant Programmes

In this section, we review the progress of each of the programmes launched by the New Opportunities Fund.

The application date for most New Opportunities Fund programmes has now passed and spending on most programmes is fully committed. The programmes come under three initiatives that represent our funding priorities: education, health and the environment.

Our education programmes aim to create community learning opportunities; our health initiatives to reduce health inequalities; and our environmental programmes aim to improve local environment and quality of life. Each programme is summarised according to the policy directions received from government.

Since the administrative merger of the Community Fund and New Opportunities Fund we have been working on a wide variety of new programmes under the Big Lottery Fund banner. Our new programmes were developed following wide consultation and come under our themes. Details of those programmes we have launched are also set out in this section.

Financial highlights

During 2005/06, the New Opportunities Fund has made £297 million of grant awards and has paid out £597 million to grant recipients.

Monitoring projects

The New Opportunities Fund has developed a set of procedures for managing grant contracts. The procedures ensure that we pay grant holders on time and that each scheme delivers the benefits set out in the grant contract. We monitor every grant using standard forms that grant holders have to fill in regularly. We have a number of monitoring tools that we use to ensure our grants are correctly managed. Monitoring phone calls or visits usually occur either every six or 12 months. We may visit projects to check that they are complying with their contractual terms and conditions. We also have comprehensive monitoring procedures that are used for all capital grants.

Evaluating programmes

The New Opportunities Fund attaches considerable importance to carrying out evaluation and research to understand the impact of our programmes and to improve our grant-making. We commission evaluations of our programmes to learn from how they have worked. But the evaluations also have wider audiences: they may focus on providing examples of good practice and lessons for current grant holders and practitioners; they may look at the policies, outcomes and impact of programmes 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 fall into two categories.

First, improving access to good out of school activities for school age children and young people, including active education through the New Opportunities Fund's sports and activities related programmes.

Secondly, our range of programmes for improving information and communications technology (ICT) gives new opportunities to communities by increasing access to ICT technology.

Childcare

Out of school hours childcare

We made £285.4 million available to create 442,500 new and sustainable out of school hours childcare places UK wide by 2003. In most cases, grants were for one year, although start-up funding for 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 childcare 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. (This is not available in Scotland.)

During 2005/06, the focus has been on complying with monitoring requirements, closing grants where the project has been completed and re-directing any unspent money towards other programmes.

Section three

In Scotland, seminars and project visits have been held to focus on project start ups, explaining monitoring requirements and the need to claim grant payments on time. Replacement projects were up and running by 31 March 2006 in line with the UK deadline.

SQW Ltd has now completed evaluating the programme. The final report, available on our website, highlights the findings from the evaluation and considers implications for future policy and practice. Key evaluation findings include the following.

- The programme has played a major role in expanding childcare across the UK with more than 555,000 places created.
- There have been a number of economic and social benefits to the provision of extra out of school hours childcare, particularly for parents living in disadvantaged 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)
- Policy developments over the five-year period of the evaluation mean that the provision of out of school hours childcare provision has grown more important and more people are reliant on it.
- Childcare clubs working in disadvantaged areas face a number of barriers to creating viable and sustainable childcare provision.
- Measures need to be taken to ensure that childcare clubs are sustained and that the benefits of their groundwork are not lost.

Third round childcare programmes

The third round childcare programmes set out to fund capital projects that would predominantly benefit pre-school children and bring about long-term sustainable out of school hours childcare. Programmes with this focus ran in each of the four UK countries.

Building Neighbourhood Nurseries (England)

We made £100 million 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 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. We have worked closely with the DfES to ensure the programme is delivered efficiently and effectively.

The DfES is evaluating the Neighbourhood Nurseries Initiative and therefore we have not commissioned any further research.

Section three

New Opportunities for Quality Childcare (Scotland)

We made £14.5 million available for capital funding projects to childcare, outdoor play, and workforce training projects, projects that help children with special needs, and those that support families and those combining care and learning.

The deadline for stage two applications was extended from June 2005 to November 2005. We finished assessing applications in March 2006. We have made a total of 255 awards worth £14.2 million. We have established regular contact with grant holders, making sure grants start up, and payment claims, are made on time, and supporting larger, more complex projects.

In March, 2005 SQW Ltd were commissioned to carry out a three-year evaluation of this programme. The evaluation will look at the impact of the programme against its three outcomes: to improve the quality of new and existing childcare; to increase access to childcare for disadvantaged groups; and to demonstrate a holistic approach by combining different activities in after school care. Findings at this time are limited as most of the work will take place in the second year. SQW have identified some early emerging themes, including what is quality in childcare; they have found that sustaining services is the chief concern for local childcare partnerships and projects.

Building Quality Childcare Programme (Northern Ireland)

We made £6 million available for the Building Quality Childcare programme to pay for the capital costs of childcare facilities, mostly for pre-school children, covering new build, modernisation and refurbishment. This two-stage programme is now at the second stage of delivery. By March 2006 more than £5.8 million has been awarded to 95 projects (including 13 development grants) across Northern Ireland. The final date for projects to start was December 2005 and projects must be completed by December 2006.

The Integrated Children Centres Programme (Wales)

We made £11 million available to pay for the capital costs of building an integrated children's centre in each local authority area. Each centre must include four parts: early years' education, childcare, open access play and training and community development. The programme is now closed, having made 25 awards worth £10.3 million.

The Institute of Welsh Affairs has produced report on ICCs in Wales, which commented favourably on the projects funded under the programme. We are developing evaluation priorities for the programme and expect to commission research in 2006.

Childcare Funding Facilitators

Delivered in Scotland and Wales, these programmes invited applications to set up teams of funding facilitators to advise and support childcare providers about sustainability.

In Scotland, we invited the Scottish Out of School Care Network (SOSCN) to apply to us to run the three year programme. The programme complemented the Out of School Hours Childcare and New Opportunities for Quality Childcare programmes and it ended in December 2005. The programme provided support to the childcare sector through a team of staff employed by SOSCN who helped organisations to apply to us for grants. SOSCN also developed and delivered training and gave information and advice to support the long-term sustainability of out of school hours childcare in Scotland.

In Wales, we solicited an application 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 programme. So far the facilitators have raised more than £6 million in additional funding for clubs in Wales. The project has been extended for another year.

Section three

Out of school hours learning

We made £205 million available to provide out of school hours learning activities across the UK, including £25 million for summer schools. The programme provided learning activities designed to 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 we made awards between 1999 and 2002. The programme ends in March 2007 with all funded activities completed by then.

The programme has been 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. We gave funding to 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. More than 80 per cent of the schools identified as 'target schools' based on free school meal data have now been funded through the programme. By 31 March 2006 there were 125 grants still in management.

The £25 million summer school element is on target of helping to create an extra 250,000 summer school places. So far 237,732 places have been created. There will be approximately 18 summer schools funded by the Big Lottery Fund in the summer of 2006 before the programme ends.

The National Foundation of Educational Research has now completed the evaluation of the programme. You can find reports on both the term time and summer schemes on the evaluation and research pages of our website. The legacy document for this programme, 'Building the future of learning', was launched at a DfES/QiSS conference on the future of study support in November 2004.

There has been one grant of over £5 million awarded through the out of school hours learning programme.

Organisation:	Birmingham LEA
Grant scheme name:	Birmingham LEA
Grant awarded:	£5,245,360

This project provided two programmes of activity: individual school or cluster-based provision and citywide activities delivered in partnership with University of the First Age (UFA), Birmingham Children's University and Leisure Services. Over 100,000 children and young people from over 200 schools have benefited from the programme. The grant closed in 2006 with total expenditure of £5,075,337. The grantee's sustainability plan reflects the Council's commitment to the continued development of out of school learning activities in the city.

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

In 2002, the Out of School Hours Learning programme was extended. We planned to make £25.5 million available by the end of 2004 for OSHL physical activity projects across the UK. Responding to a request from DfES the Board actually committed £26.49 million.

A further policy direction was agreed in England in 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.

A third policy direction agreed in May 2005 allocated up to £19 million to fund up to 140 additional new projects and 231 existing projects that will be expanded. Plans have been made to commit this funding to these projects by September 2007.

The Institute of Youth Sport at Loughborough University are evaluating the main SSCo programme in England on behalf of Sport England. The year two evaluation report has recently been completed. Findings show that the number of boys and girls taking part in OSHL has increased from 54 per cent and 57 per cent last year to 70 per cent and 78 per cent this year. Now 82 per cent of schemes run 20 or more activities, compared to 70 per cent in year one. Head teachers have confirmed that there is improved pupils' behaviour and attitude towards school. The number of pupils seeking Sports Leaders UK Level One Award in Community Sports Leadership and NGB coaching has increased.

More 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, this programme is being delivered through a grant contract with **sports**cotland. A conference in Glasgow in Spring 2006 brought together grant holders, policy makers and school children to showcase good practice and debate the legacy of the programme. The conference was organised in partnership with the Scottish Executive and the Scottish Out of School Hours Learning Network.

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

In Wales, we continue to deliver our 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 we have allocated an additional £200,000 to expand this programme through existing projects. All projects are scheduled to be completed by December 2008. The projects complement the Sports Council for Wales's 'Dragon Sport Initiative'.

In Northern Ireland, we have committed all our available funding for the Out of School Hours Learning/School Sports Co-ordinators programme. Projects are being delivered in partnership with the Education and Library Boards.

Section three

Extended Schools (Young People's Fund) England

The Extended Schools programme supports schools that want 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'. These outcomes were to be delivered based on building a culture of participation and developing multi-agency services. Consultation and working in partnership have therefore became fundamental to our Extended Schools programme.

We made £14 million available from the Young People's Fund to 78 local education authorities across England to develop extended school activities, based on consultation with young people. The programme was designed to complement the DfES Extended School Strategy. We have made 106 awards, 59 through LEAs and 47 directly to schools.

We are not evaluating our Extended Schools programme, as the DfES is carrying out a three-year evaluation of their Extended Schools programme. Findings from the first year of the evaluation can be found at: http://www.teachernet.gov.uk/wholeschool/extendedschools/research/

PE and Sport in schools

The New Opportunities for PE and Sport programme is making £750.75 million available across the UK for building and modernising PE and sports facilities, mostly in schools, and for activities that encourage the community to use these facilities. We intend this programme to improve the quality of sporting facilities for young people and for the community generally.

New Opportunities for PE and Sport (NOPES)

In England , 1,667 grants had been approved by the committee, worth £499 million by 31 March 2006. All facilities are on target to be completed in line with the timescales set out in the policy directions. In England 2,284 facilities will be built under the programme.

By its last meeting in May 2005, the NOPES Scotland Facilities Committee had approved a total of 185 facilities projects worth £49.2 million. Since then, local authorities have had to withdraw four projects to accommodate rising costs in other projects, but so far £26.7 million has been paid out.

Nearly £35 million has also gone to activities projects within Scotland. These projects are co-ordinated by the country's 32 local authorities and provide a broad range of out of school hours sports and cultural activities, as well as sports-based projects that divert young people from crime. Nearly £25 million has been paid out to local authorities for this.

In Wales, the NOPES programme has made £48.7 million available to improve school sport and outdoor adventure facilities.

By 31 March 2006, all available funding was committed to 182 projects worth £44.2 million and 15 development grants worth £1.8 million. Of these 63 projects have been completed and 27 still have to start. A small programme underspend has been reallocated across the local authority areas to secure existing projects and to improve playgrounds in primary schools across Wales.

In Northern Ireland, £33.7 million has been made available under the NOPES programme. The programme aims to improve the quality and use of PE and sports facilities for young people and for the community in general throughout Northern Ireland. By 31 March 2006, we had awarded 136 grants worth £31.9 million, and made seven conditional offers .

The year three evaluation report from the Loughborough Partnership says that the programme is on target to improve physical education and sport in schools and enhance community use. Most projects aim to increase the levels of physical activity among schoolchildren and local communities. The report says that NOPES facilities are seen to be of high quality and suitable for the needs of the school and community. They complement other strategies such as the School Sports Partnerships in increasing physical activity and have given priority to disadvantaged young people by putting strategies in place to re-engage those who are disaffected.

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

Section three

There has been one grant of over £5 million awarded through the PE and sport in schools programme.

Organisation:	Glasgow City Council Education Services
Scheme name:	Active Glasgow
Grant awarded:	£6,642,436

Activities funded under this grant continued to provide opportunities for young people in Glasgow to participate in a range of new sporting and physical activities, including dance, cheerleading, and outdoor activities. Successful projects included Be-Active, targeting young people most at risk of obesity. £6,365,688 of the grant has been paid out. The grant is due to end in December 2006, having been granted a six month extension to run activities over the summer break and autumn term and complete sustainability plans for Glasgow City Council to mainstream a significant proportion of programme activities.

Space for Sports and Arts England

We have contributed £25 million from our NOPES 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. Most projects (230) have been completed, and construction is underway on the remaining 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 England

We set aside £30 million from the NOPES allocation for England for football projects. Distributed through the Football Foundation, this money will support capital projects for schools and the community. All of the allocated money has now been awarded to projects.

There has been one grant of over £5 million awarded through this programme.

Organisation:	Football Foundation
Grant scheme name:	Grassroots Development for Schools
Grant awarded:	£30,000,000

The £30 million allocation will support 113 football projects at schools across England, with grants ranging from £600 to almost £1 million pounds. Many of the facilities are complete and enjoying good use, while the majority of the remainder are in construction and due to be completed during 2006. To date, £21 million of the grant has been paid to the Football Foundation, with the remainder due to be paid by the end of 2006.

Active Places England

We have contributed £2 million from the NOPES allocation to developing and managing an online database of sports facilities in England designed to help people get active. The programme is jointly funded by the Big Lottery Fund and Sport England.

Active England

Active England is a jointly funded programme between the New Opportunities Fund and Sport England, which aims to encourage creative approaches that will increase physical activity levels and sports participation in England. Funding for the programme is £108.5 million. We are giving £77.5 million and Sport England is giving £31 million.

The programme approved 244 projects for funding. The total amount awarded was £103.7 million by 31 March 2006. All projects are now up and running.

Sport England are managing the evaluation of the programme on our behalf. The evaluation will examine if and how the programme has increased participation in sport and physical activity for all sections of society, but in particular those sections of society that typically do not take part in sport and physical activity. The second annual report for the Active England programme is available on the Active England evaluation website at: www.aelz.org.

Active Futures (Scotland)

The £5.5 million Active Futures programme encourages inactive 17-24 year olds to become active by getting them to take part in sport and physical activity. It also encourages people in this age group to keep on playing sport and being physically active.

By 31 March 2006, the Active Futures Committee had approved 23 of the projects invited to proceed to stage two of the programme with a total grant value of £4 million. The remaining stage two applications were considered by the committee in April 2006.

Hall Aitken have been appointed to evaluate the Community Sport initiative in Scotland, Northern Ireland and Wales. The evaluation will assess the impact of the programmes in meeting their aims and our core values and to examine ‘what works’ in increasing physical activity among people who are discouraged from taking part in sport and physical activity. The evaluation started in October 2005 and will run for five years. Annual reports and evaluation updates will be available under the publications section of our website.

Mentro Allan (Wales)

We earmarked £6.5 million 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. The programme will improve access to sport and activity within the natural environment, by removing barriers to participation among certain hard to reach groups.

The programme was launched in 2004. It is a two-stage programme. The first stage was to establish a national partnership to work with local organisations to develop a portfolio of projects across Wales. This partnership was announced in June 2005 and is made up of the Wales Council for Voluntary Action, Wales Centre for Health, National Public Health Service, the Sports Council for Wales and the Welsh Local Government Association.

All applications for individual portfolio projects are due in by the end of June 2006.

Section three

Community Sport Northern Ireland

We have £4.5 million available for projects in Northern Ireland that will develop and promote sports facilities or activities that will improve health, education or the environment in local communities. There are two distinct strands to the Community Sport programme in Northern Ireland.

Strand one – £2.4 million is delivered through the Sports Council for Northern Ireland, to extend and improve the Council's existing pilot Community Sport programme to additional areas (both geographic or thematic) using revenue funding over a three year period. We had made all our awards by August 2005, with 20 projects benefiting.

Strand two – £2.1 million is distributed through Active Lifestyles. This strand has funded revenue grants up to three years. It supports projects that will expand people's involvement in all forms of physical activity. By 31 March 2006 we gave £132,000 to 145 small grants, £1.2 million to 45 medium-sized projects and £296,000 to three large projects.

Activities for young people

We allocated £55.7 million to the Activities for Young People programmes 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 funded projects that took place during the summers of 2002 to 2004. During 2005/06 this programme was completed with all grants closed.

In Wales, the programme aims to re-engage disaffected 14-18 year olds in education, training and employment and to promote social inclusion. It reflects the guidance set out in Extending Entitlement, which set up Young People's Partnerships to co-ordinate services for young people in each local authority area. We invited each partnership to develop a pilot project that would meet the needs of young people and offer a varied and structured programme of challenging activities. A total of 28 projects were funded totalling £3.1 million.

In Northern Ireland, the programme aims to reduce the number of young people at risk of exclusion, through involving them in education, training and work related activities using an effective partnership approach. It focuses on identifying disaffection early; so 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. By 31 March 2006, a total of £2.85 million had been awarded with projects scheduled to complete activities in June 2006.

The main evaluation of the programme has now ended. All three programmes were popular with those taking part, who felt that they had helped them to develop their social skills. In England, there were some challenges in recruiting and retaining young people, but the approach helped those who were undecided about their options.

Section three

In Wales, the projects funded under the programme have successfully responded to local need and priorities at a time when new arrangements for delivering youth provision were being implemented. We have provided additional support for self evaluation which will report on and share the outcomes of the projects in 2007.

In Northern Ireland, the programme has complemented existing services. We are funding some extra work to highlight what has been learnt and how the activities and approaches we have funded can be continued.

For more information on the evaluation please visit:
http://www.biglotteryfund.org.uk/assets/er_ayp_finalreport1.pdf

Positive Activities for Young People England

In 2005, an extra £25 million was made available to target young people at risk of offending and exclusion by providing a broad range of recreational activities during the school holidays. The programme has now closed. The programme was 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. By 31 March 2006 we had made grants worth £37 million.

There have been two grants of over £5 million awarded through this programme.

Organisation:	Government Office London
Grant scheme name:	Positive Activities for Young People
Grant awarded:	£12,211,599

The project has progressed well with the overall numbers of participants in London improving from the previous year. This is reflected by improvements in targeting of programmes and young people by the local delivery agencies. It is anticipated that the scheme will utilise their entire award. The scheme closed in April 2006.

Organisation:	Government Office North West
Grant scheme name:	Positive Activities for Young People
Grant awarded:	£8,434,277

The project was more targeted in 2005/6 and the anticipated target of 11,346 young people was exceeded with 13,481 young people participating in the scheme. The project is likely to underspend in the region of £250,000. The scheme closed in April 2006.

Do it 4 Real England

The Do It 4 Real programme provides structured residential activities during the school holidays for young people aged 11 to 17. The programme will bring young people from a variety of backgrounds together. We hope they will have memorable experiences and develop a range of skills.

In 2005, the Do It 4 Real programme offered 13 different courses in 23 places. Most of the courses ran for each of the five or six weeks of the programme in a range of urban and rural areas. A total of 8,803 young people took part in Do It 4 Real courses in 2005; 84 per cent of the target number.

In 2006, the programme hosted a small selection of courses over Easter.

There is one grant of over £5 million awarded through this programme.

Organisation:	Youth Hostels Association (England and Wales) Ltd
Grant scheme name:	Get Real – YHA Summer camps project
Grant awarded:	£11,500,000

The scheme progressed well in its first year with 8,803 young people having attended the summer activities, of which 25 per cent were from financially disadvantaged families. The YHA has submitted their plans for the current year, and is on track to deliver the target of 12,000 young people. They have claimed £11,073,552 to date. The scheme is due to close in December 2006.

Section three

ICT training and content creation

ICT for Teachers and School Librarians

The ICT Teachers and School Librarians programme made £231 million available. All training delivered through the scheme was completed by the end of December 2003. By this point, 487,000 teachers and school librarians had signed up for training and 444,000 had completed it. The sign-up level has exceeded the estimate given in the Policy Directions for the programme. During 2005/06 this programme was completed and all grants closed.

ICT Training for Public Library Staff

We made £20 million available for training about 40,000 public library staff in using ICT. Most of the UK's library services have now completed their training. The funding for the programme was allocated to library services during 2000/2001. During 2005/06 this programme was completed and all grants closed.

Digitisation

We made £50 million 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. During 2005/06 this programme was completed and all grants closed.

Education for Change was appointed in January 2004 to carry out a two-year evaluation of the Digitisation programme and the Community Grids for Learning (CgfL) programme funded through the Community to Access Lifelong Learning programme (see below). They evaluated the effect of web-based content on lifelong learning and community access to ICT, as well as the organisational impacts of the programme. The evaluation has now finished. The findings show that Digitisation projects were successful in producing good digitised content and textual materials, which added to the range of online learning resources. The programme has preserved at-risk collections and opened previously inaccessible collections. Involvement in Digitisation or CGfl projects has benefited organisations, including raising public awareness of the organisation. In user sessions the annual take up rate and use of digitised content and learning materials has been shown to be in the millions. The most successful projects were those that had a robust institutional partnerships, strong project direction and management and key knowledge and experience within the project team.

For more information on the evaluation please visit:
http://www.biglotteryfund.org.uk/assets/er_digi_final_rep.pdf

Community Access to Lifelong Learning

Community Access to Lifelong Learning – People's Network

The People's Network programme that made £100 million available to equip the UK's 4,000 public libraries with internet-connected PCs closed on 31 March 2006 having achieved its objectives. All grants have now been closed.

Community Access to Lifelong learning – ICT Learning Centres and Community Grids for 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 more than 1,000 projects running activities in more than 2,500 ICT learning centres.

There were 120 grants in management at 31 March 2006.

ICT Learning Centres and Community Grids for Learning are being evaluated separately.

The Community Grids for Learning programme was evaluated by Education for Change, along with the Digitisation programme. The evaluation has now finished. See the digitisation evaluation for a summary.

Section three

Veterans Reunited

We launched our Veterans Reunited programme in early 2004. Initially, the New Opportunities Fund gave £25.2 million to support the programme (the Community Fund also gave £1 million and the Heritage Lottery Fund £1.1 million). In February 2005, the New Opportunities Fund agreed to give an extra £10 million to the programme and in June 2005, because of a large increase in demand, an extra £12 million was made available. The programme supported projects and activities that commemorate the events of the Second World War, and gave children and young people the opportunity to learn from the experience of veterans.

The programme had three schemes. 'Their Past Your Future' focused on educational activities, mostly for young people and schools. 'Heroes Return' funded veterans, their partners and carers to return to the areas where they saw active service overseas. The third scheme, 'Home Front Recall' gave money for commemorative projects and activities to take place in the UK.

During 2005/06,192 Heroes Return awards were made totalling £6.3 million. These awards paid for 5,466 veterans, 2,864 spouses, 614 widows/widowers and 3,511 carers to travel to overseas battlefields where veterans saw service during the Second World War. By 31 March 2006, 2,517 Home Front Recall awards had been made totalling £13 million. Awards totalling £442,000 were made to support national commemorative events in Cardiff, Edinburgh and London on 10 July 2005.

On Their Past Your Future additional awards were made to the umbrella grant organisations to extended the educational activities, digitisation and commemorative trips programmes.

In partnership with the Museums and Libraries Association and the Imperial War Museum, the Big Lottery Fund agreed a one-year evaluation of the Veterans Reunited programme that started in 2005. The evaluation will consider the impact on individuals who took part in one or more of the programmes and activities. The second focus of the evaluation is the impact on organisations of their participation in the programme. Morris Hargreaves McIntyre were appointed to evaluate the programme. The final evaluation report was published in May 2006 and is available on our website.

For more details on the evaluation please visit: http://www.biglotteryfund.org.uk/assets/veteransnotforgotten.pdf

Reducing health inequalities

Our health programmes cover prevention, diagnosis, treatment and care, with a particular focus on tackling health inequalities. They contribute to our 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).

We finished making grants for this programme in September 2002. By the end of March 2006, 71 per cent of the money for this programme had been paid to grant recipients.

In March 2003, we announced 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. This programme is being delivered by different partners in each country. In England the support programme, delivered by Accenture, will end in December 2006.

The Scotland Healthy Living Support and Development programme became fully operational in 2005/2006. Currently workshops and training on sustainability, planning and evaluation are being delivered.

In Wales, we are working with the Wales Centre for Health, which has been sub-contracted by Momenta to deliver the Welsh element of the development and support contract. Momenta and the Health Promotion Agency are delivering the Support and Development programme in Northern Ireland; networking and training opportunities are currently being provided.

The latest findings from the evaluation show that HLCs are benefiting both individuals and communities. A survey of more than 5,000 HLC users indicates that regular attendance at a HLC improves individuals' mental and physical health, changes their smoking and dietary habits and general well-being.

HLCs successfully engage with their target communities, and sustain the relationship in a number of ways. HLCs support their communities by improving skills, strengthening local networks, influencing local services and delivery, providing focal points for community activity and improving the local environment.

Life beyond Lottery funding is now a critical issue for all HLCs, and only a few have yet found the means necessary to continue their current activities.

The evaluation of the HLC programme is now in its final year. The next and final report is due in January 2006.

Section three

For more information on the evaluation findings please visit:
http://www.biglotteryfund.org.uk/assets/hlc_4th_annual_report.pdf

There is one grant of over £5 million awarded through this programme.

Organisation:	The Countryside Agency
Grant scheme name:	The Walking the way to Health initiative
Grant awarded:	£6,400,000

This grant scheme, which includes projects in all England regions, is well on target to complete by June 2006, with a total of £5,859,708 grant having been paid to date. The scheme has provided support for over 206 local walking schemes, including training of some 2,330 volunteers, mostly to become walk leaders. 210,000 people have used the service and participated in funded activities in the year ended March 2006.

Cancer

Living with cancer England

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.

Awards were made to 91 services working across England. Awards were made for up to three years, so we expect the remaining projects to finish during 2006/07.
By 31 March 2006, 89 grants have been closed although we know that most projects will continue in some form.

The evaluation is now complete, and the final report was submitted in February 2006. The main findings show that the initiative was successful in stimulating partnership working and extending cancer services, many of which would not have taken place without Lottery funding. Funded services gave practical help and support to users and carers, going beyond medical needs and complementing statutory services. Voluntary sector schemes were seen as a consistent and trusted support at every stage. The initiative in England was targeted at people from black and minority ethnic communities (BME); these schemes were successful in raising awareness of the cancer related needs of BME communities. Overall, 83 per cent of schemes were sustained in some way, either by continuation or alternative sources of funding.

The final report is now available from http://www.biglotteryfund.org.uk/assets/er_living_cancer_report.pdf

A summary will be published shortly.

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. The programme will end in December 2006. By 31 March 2006 43 grants (both capital and revenue) have closed.

Cancer Equipment (England)

Our investment of £92 million on cancer equipment allows patients to be seen faster, reducing the time spent waiting for diagnosis, and helping people receive first class treatment. We funded 611 pieces of equipment. By 31 March 2006, all grants have been closed.

Palliative care

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. The maximum grant length is three years with an operational four-month lead – in time, so most schemes are expected to be operating until 2006/07. The aim of these programmes are to improve the quality of life for adults and children with a life limiting or life threatening illness.

Section three

Palliative Care for Adults and Children (Scotland)

This programme supports schemes that build on 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 limiting or life threatening illness.

During 2005/06, the 19 schemes awarded grants under this programme have continued in grant management.

Palliative Care (Northern Ireland)

We made £4.1 million 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. There are 25 projects under four umbrella schemes across Northern Ireland. Projects are successfully delivering across each of the four Health and Social Services Boards in Northern Ireland.

The University of Warwick, in partnership with City University (London), is evaluating the palliative care initiative in England, Scotland and Northern Ireland. Findings from the second year show that there have been some issues with referrals, largely due to the difficulties in providing services that are intended for the final days of life. Often referrals were either received too early or too late, where in some cases, patients died before the service could reach them. There were also issues about terminology, and it was found that words like 'hospice' and 'palliative care' could discourage people from using services.

The second year interim evaluation report, together with a summary, is available from our website.

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: coronary heart disease, stroke and cancer

Policy directions required us to give £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 programme encourages community based initiatives to promote eating fruit and vegetables.

In total, £10 million was available for the Five-a-day programme. So far, 66 Primary Care Trusts (PCTs) have received funding of up to £150,000 over two years.

There are currently 47 schemes running, with 20 having completed by March 2006. The last scheme is due to finish in September 2006.

The Five A Day evaluation shows there have been many successful approaches to getting across the Five A Day message. A large-scale survey showed an increase in people's consumption of fruit and vegetables with a more noticeable increase among those in deprived areas and those living in areas where Five A Day projects took place.

The evaluation provides valuable learning about ways of working with some of the groups who do not eat much fruit and vegetables as well as highlighting good practice.

Section three

School Fruit Pilots (England only)

The programme aims to improve the diet of children and to reduce risk of heart disease and cancer later in life.

The Department of Health (DoH) is now funding the national programme and the last scheme we funded in this programme ended in April 2005. During 2005/06, all grants closed.

The National Foundation for Educational Research (NFER) and the University of Leeds has completed the evaluation of the School Fruit and Vegetable Scheme (SFVS). Key findings are that children ate more fruit while taking part in this scheme. The amount of fruit and vegetable eaten by children having school dinners was greater than those who had packed lunches; over the course of the evaluation fruit and vegetable consumption went down at home and increased in school.

There was some evidence to suggest that the scheme changed the attitudes, knowledge and awareness of pupils. Children were encouraged to try unfamiliar fruit and vegetables, and over time they were increasingly likely to identify the healthiest option from a choice of snacks.

For more details on the evaluation please visit: http://www.biglotteryfund.org.uk/assets/er_sfp_final_report2.pdf

Equipment (England)

This programme aims to tackle the burden of heart disease, stroke and cancer by making it easier for patients to use services. It aims to address the inequalities in the 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.

We have awarded 146 grants to NHS Trusts and Ambulance Service NHS Trusts in England. The first machines have been operational since the second half of 2002. So far, 125 of the machines have been fully paid and are operational.

Heart programmes with the British Heart Foundation as an award partner

We have joined with the British Heart Foundation (BHF) to manage the delivery of three heart programmes. BHF was 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 help people manage the disease better, helping them keep more mobile and independent for longer. Specialist nurses can also help to control symptoms and alleviate the distress caused, for example, by shortness of breath. This new £10 million programme will increase the number of nurse-led community management programmes for people with heart failure. All the money has been allocated.

The evaluation of this programme is managed by the British Heart Foundation, who commissioned the University of York to carry out the evaluation. Work in the first year of the evaluation centred on obtaining ethical approval and training the nurses. The second report is due shortly.

National Defibrillators Programme (England only)

Our £6 million funding for this programme pays for 2,300 automated external defibrillators (AEDs) in public places to improve survival rates for people whose hearts stop beating. It will also increase the numbers of people with basic life support skills and the ability to use an AED. All the money has been allocated.

Section three

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 need to be improved and modernised. We are spending £4.7 million on this programme.

Awards were made to 36 Primary Care Trusts in October 2004.

There are two evaluations for this programme. The British Heart Foundation are funding and managing a quantitative evaluation to be conducted by the University of York. The BHF and us are jointly contributing towards the cost of a qualitative evaluation (managed by us), which the University of York is also running. Both evaluations started in the summer of 2005 and both first year reports are expected by July 2006.

There are two grants of over £5 million awarded through this programme.

Organisation:	British Heart Foundation
Grant scheme name:	Heart failure Support Networks
Grant awarded:	£9,459,819

This award partner grant scheme, based in England, is on track to complete by December 2008. £4,727,614 of grant has been paid to date, representing 50 per cent of the overall grant award. BHF has awarded grants to recruit 84 specialist nurse posts (with an additional five posts currently unfilled) through 30 lead Primary Care Trusts. Emerging findings from the second year evaluation indicate high levels of satisfaction with the care received and small improvements in both patient and carer quality of life measures.

Organisation:	British Heart Foundation
Grant scheme name:	National Defibrillator Programme
Grant awarded:	£5,676,181

This award partner grant scheme, based in England, is making good progress in line with the target completion date of December 2006. Grant payments of £3,600,400 have been made to date, representing 64 per cent of the overall award. Through grants by BHF to 31 primary care and ambulance trusts, a total of 1,145 defibrillators have been installed to date and 6,646 people have been trained in their use. Matrix has been commissioned to carry out a short evaluation of the programme focusing on the community defibrillator officer role, to be completed in Autumn 2006.

Coronary Heart Disease, 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 good services and facilities for diagnosis and treatment by tackling inequalities in services.

During 2005/06, the 26 awards made through this programme continued in grant management. In recognition of the number of personnel changes within the grant holders' organisations, further "LEAP for Health" training was rolled out in early 2006 to support evaluation of grant schemes.

A partnership led by Tribal Secta was awarded the contract for the evaluation of this programme in February 2005. The evaluation covers Wales, Scotland and Northern Ireland. The first round of case study visits are now complete and the first interim report is currently being finalised. Early findings show that most projects are working well with their partners and fitting in with relevant local and national strategies. There are a number of examples of good practice in terms of delivery. We expect to publish the report on our website shortly.

Coronary Heart Disease, 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. This programme has three distinct strands.

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 people recovering from stroke and their carers.

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. Several trusts are 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 and cancer prevention and rehabilitation strand, such as helping people to give up smoking, promoting good diets, community lymphodema drainage services and cardiac rehabilitation exercise programmes. Schemes are progressing well.

The Welsh Assembly Government is looking to build on the success of those CHD projects that piloted exercise referral schemes by establishing six similar projects in areas of greatest need later this year.

Section three

Coronary Heart Disease, Stroke and Cancer (Northern Ireland)

We made £9.4 million in Northern Ireland for the CHD, stroke and cancer programme through four umbrella grants funding 51 projects across Northern Ireland. All projects are now running. 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.

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. The programme offers 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 by funding schemes specifically designed to address gaps in local services.

We have provided total funding of £9.6 million for 58 projects, spread throughout Scotland. The funding was based on two rounds of applications. Better Off is now closed to applications and most projects are now running, with two projects completed. The programme ends in 2008.

The evaluation of Better Off reports that the programme is succeeding in getting organisations to work together more effectively and to offer more tailored approaches for individual clients, 84 per cent of whom had not been in touch with similar rehabilitation services before. As a result, there have been major improvements in clients' self-esteem, motivation and confidence. A smaller proportion have reduced or stopped offending, stabilised their drug problem, and improved their finances or housing situation.

For more details on the evaluation please visit: http://www.biglotteryfund.org.uk/assets/betteroffeval.pdf

Improving the local environment and 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 own and 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 our first environmental programme, and the first to delegate grant-making authority to award partners. It will 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.

Section three

In England, 2,873 projects have been funded and all funds (£90.8 million) have been awarded. The popularity of the programme was reflected by how quickly money was awarded.

In Scotland, 317 projects have been funded through the Fresh Futures programmes managed by a partnership of Scottish Natural Heritage and Forward Scotland.

In Wales, 341 projects worth £6.4 million have been funded through the Enfys partnership led by Wales Council for Voluntary Action. Most projects are now complete with the last project due to close in July 2006.

In Northern Ireland, the Creating Common Ground Consortium led by the Northern Ireland Housing Executive was appointed as the award partner. They delivered the programme in two separate strands, an open grants scheme with almost £2 million available and an umbrella scheme of £3.2 million. The open grants scheme is now complete and all funding has been awarded. The umbrella scheme funding has been committed with 28 of the projects having been completed. The remaining 12 projects will be completed before the end of 2006.

The evaluation of the Green Spaces and Sustainable Communities programme focuses on its impact on social exclusion and the value of using award partners to deliver the programme. The evaluation runs to October 2006. Latest findings, which focus on the benefits of using award partners, show that the use of award partners has increased access to open space, developed strategies for improved local environments, and improved and increased community involvement. The practical support offered by award partners was crucial for smaller community groups. The benefits to award partners included developing new programmes, contributing to policy initiatives and networking. Challenges for award partners included managing their relationship with the Big Lottery Fund, infrastructure funding, risk-taking and long-term sustainability.

For more details on the evaluation please visit:

http://www.biglotteryfund.org.uk/assets/er_greenspaces_y3.pdf

There are eight grants of over £5 million awarded through this programme.

Organisation:	Barnados
Grant scheme name:	Better Play
Grant awarded:	£10,777,410

Barnardo's and the Children's Play Council managed the £10.8 million Better Play grant programme. The programme aims to fund distinctive and innovative children's play projects. Barnardo's have funded 221 projects. All payments have been made and the programme was completed in September 2005.

Organisation:	English Nature
Grant scheme name:	Wildspace!
Grant awarded:	£6,231,235

English Nature's £6 million Wildspace! scheme is involving local communities in improving, caring for and enjoying their local environment. Local councils, wildlife trusts and charitable groups are receiving grants to develop Local Nature Reserves, particularly in disadvantaged areas where local people cannot access natural open space. 174 grants have been awarded to date, and by March 2006, we have paid out £5.9 million to English Nature. The programme is expected to end 31 December 2006.

Organisation:	Countryside Agency
Grant scheme name:	Doorstep Greens
Grant awarded:	£12,899,846

The £12.9 million Doorstep Greens programme, run by the Countryside Agency, has funded 194 projects around England to create their own new green spaces, or to transform existing open spaces, to meet their needs. We have paid out £11 million to 31 March 2006. The programme completion date is March 2006.

Organisation:	RWST
Grant scheme name:	SEED
Grant awarded:	£15,136,395

RSWT is the lead partner of a consortium delivering the £15.1 million SEED programme. The programme awarded grants to a range of sustainable development projects, including local food growing and marketing, waste management, energy efficiency, environmental education and sustainable transport. All payments have been made and the programme ended 31 March 2005.

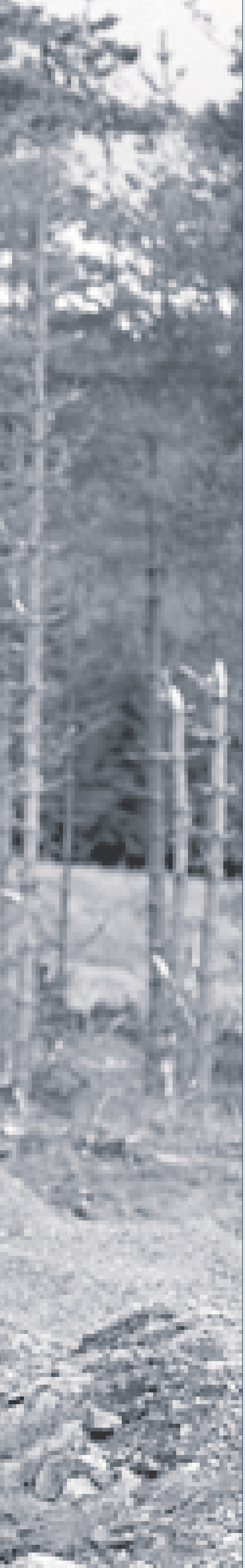
Organisation:	BTCV
Grant scheme name:	People's Places
Grant awarded:	£6,774,813

BTCV's £6.7 million People's Places grant programme awarding grants to 719 projects to support the creation and renovation of green spaces across England. We have released all payments and the programme was completed by 31 May 2006.

Organisation:	Sustrans
Grant scheme name:	Green Routes, Safe Routes
Grant awarded:	£7,424,922

Through the £7.4 million "Green Routes, Safe Routes" scheme, Sustrans has completed 87 projects. We have released all payments and the programme was completed by 31 March 2005.

Section three



Organisation:	Sport England
Grant scheme name:	Playing Fields and Community Green Spaces
Grant awarded:	£31,551,479

Sport England is running the £31.5 million Playing Fields and Community Green Spaces umbrella scheme. Sport England funded 662 projects which help communities access playing fields, green spaces, school playgrounds and community play areas. We have released all payments and the programme was completed by 31 March 2006.

Organisation:	Wales Council for Voluntary Action
Grant scheme name:	Enfys
Grant awarded:	£7,624,687

The Enfys scheme aims to dramatically increase the quality and quantity of green spaces, playing fields and sustainable development projects in communities throughout Wales. 31 projects have been funded, £7.2 million has been paid to date and the programme closed 31 July 2006.

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, £13.9 million had been awarded to 239 projects, with £1.2 million remaining to be allocated. We had expected to commit all funds by March 2006. However, additional panel meetings have now been set for the first half of 2006/07 to allocate the rest of the money.

The Scottish Land Fund committee recently approved funding of £510,000 towards the purchase of the 53,000 acre Galson Estate in North Lewis by Urras Oighreachd Ghabhsainn (Galson Estate Trust). While not the largest community buyout in terms of monetary value, this is so far the largest buyout supported through the Scottish Land Fund in terms of population size. The Trust is now developing plans for a range of activities including tourist accommodation, affordable housing, and renewable energy.

The second report from the evaluators identifies that the programme is bringing major social benefits to communities by building skills, knowledge, networks and confidence. Economic benefits are growing too, with the creation of new jobs and business start-ups in a number of projects. The final report will be available by early 2007.

For more details on the evaluation please visit: http://www.nof.org.uk/documents/live/7370p__SLF_Yr1_report.pdf

Section three

Transforming communities

Transforming Waste

We have £49.5 million to support projects that contributed to community sector waste re-use, recycling and composting. The funding was split across the four countries, and one award partner appointed in each.

In England, our award partner, RSWT, have now committed their entire available project budget of £33.5 million to 205 projects, 195 of which are currently running. Most of the projects are progressing well and achieving their stated outcomes in terms of tonnage of materials recycled and the numbers of participating households. A major project related issue has arisen this year with regard to the availability of match funding for the third party projects. A number of projects have relied on income derived from the implementation of the WEEE (Waste Electrical and Electronic Equipment) Directive for their match funding. The implementation of this Directive has been delayed by DEFRA and as such the income stream has not materialised. We, together with RSWT, are managing this issue on a case-by-case basis.

In Scotland, Forward Scotland have now committed all available funds, with £4.5 million allocated to 53 projects.

In Wales, the programme has been run by the Cleanstream partnership and has proven enormously popular. Twenty projects have been supported, with grants totalling £2.8 million. All projects should be completed by January 2007.

In Northern Ireland, our award partner, Community Resource Consortium led by the Arena Network, have committed the programme budget of just over £2.1 million to 13 projects. Ten of the projects have received their first payment with all projects due to be completed before March 2008.

Projects are progressing well and achieving their stated outcomes. A positive impact of this programme is the success by projects in securing additional funding which has enabled them to increase their impact through raising awareness and understanding the benefits of recycling and reuse.

The evaluation, carried out by Environmental Resources Management and Eunomia, is now in its final year. Interim findings show that the programme has played a key role in the development of sustainable waste management infrastructure and has helped to support the UK's capacity to meet its sustainable waste targets. It has contributed to raising awareness and understanding of the benefits of recycling and reuse and encouraged them to become a part of people's life style. In addition, the programme is beginning to provide opportunities in terms of employment, volunteering and training generally and for local people in deprived areas or marginalised groups.

For more details on the evaluation please visit: http://www.biglotteryfund.org.uk/assets/er_trans_waste_finalrep.pdf

There is one grant of over £5 million awarded through this programme.

Organisation:	RSWT
Grant scheme name:	Community Recycling and Economic Development
Grant awarded:	£36,580,975

RSWT have committed 99 per cent of the available project funds to 202 third party projects. The remaining funding, totalling £250,000, is to be competitively distributed to existing projects to extend their grant length. RSWT have currently paid out the sum of £18.6 million to the third party projects, 55 per cent of currently committed funding. The Fund has currently paid out to RSWT the sum of £24.7 million including development and administration costs. The contract end date is 31 March 2008.

Renewable Energy

£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.

Section three

The money allocated to us is 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.

We have now awarded 11 grants under the programme and the amount of funding awarded is £43.8 million. We have yet to award £3.4 million.

The two largest grants are now well into their construction phases and the third is due to begin installation in summer 2006. So far, 85 installations have now been completed under the small grant schemes.

The renewable energy programme supports projects whose beneficiaries are extremely difficult to define. For this reason, we chose not to evaluate this programme.

There are three grants of over £5 million awarded through this programme.

Organisation:	SembCorp Utilities
Grant scheme name:	Wilton 10
Grant awarded:	£11,900,000

The Wilton 10 project is currently well into its construction phase. The fourth of six key construction milestones has recently been achieved and the completed installation is due to be commissioned by April 2007. We have currently paid out the sum of £7.7 million to SembCorp. The final three payment milestones are linked to the provision of annual post commissioning reports. The last of these is expected in April 2010 when the final payment under the grant is expected to be made.

Organisation:	SeaScape Energy Ltd
Grant scheme name:	Burbo Offshore Wind Farm
Grant awarded:	£10,000,000

All contracts for the installation have now been tendered and awarded. Construction of the facility is due to commence in August with the installation of the offshore pilings. The first payment milestone has been achieved, that of securing a turbine supply and installation contract, and £6.5 million has been paid against this milestone. The installation is currently expected to be completed and commissioned by July 2007. The final three payment milestones are linked to the provision of annual post commissioning reports. The last of these is expected in July 2010 when the final payment under the grant is expected to be made.

Organisation:	E.ON UK plc
Grant scheme name:	Biomass scheme, Lockerbie
Grant awarded:	£18,000,000

E.ON commenced the construction of the facility in November 2005. The first payment milestone has been achieved and we are currently expecting the first claim to be submitted. No payments have currently been made. Construction is due to be completed and the facility commissioned in December 2007. The final three payment milestones are linked to the provision of annual post commissioning reports. The last of these is expected in December 2010 when the final payment under the grant is expected to be made.

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, we 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. All 51 contracts have received at least one payment, with 19 having been paid in full. Four grant holders have now successfully completed their grants.

In Wales, each Community Strategy Partnership was invited to develop a project in its area that demonstrated sustainable development. Twenty-two projects were approved in 2003. Several grants are entering their final year of funding and all projects except one are due to have finished by July 2007.

In Scotland, the programme is run under contract to an award partner, the Fresh Futures partnership, and there have been high levels of demand. All funding has now been awarded under this programme. There are 97 projects running.

In Northern Ireland, we awarded £2.1 million to 14 projects through an open application programme. All 14 projects have received at least one payment, with one project having been completed and the remaining projects due to complete their grants by April 2007.

The second evaluation report has found continued enthusiasm for the programme and the projects it has funded across the UK. Social and environmental impacts have begun to become apparent, while in some cases wider economic and health benefits are emerging. Many projects are increasingly focusing on sustaining those benefits after our support ends. In some cases, local authorities have agreed to absorb continuing running and maintenance costs, while other projects are beginning to generate their own revenue. Many projects have risen to the challenge of sustaining community involvement, for instance by establishing friends' groups and involving children from local schools.
The final report from the evaluators is due in spring 2007.

For more details on the evaluation please visit: http://www.biglotteryfund.org.uk/assets/er_trans_space_update.pdf

Section three

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. Fair Share targets Lottery money at disadvantaged communities across the UK, which had received below average levels of Lottery funding. Fair Share aims to build capacity and sustainability in communities and enhance quality of life.

The Fair Share Trust was officially launched in June 2003 when a £50 million endowment was passed to Community Foundation Network (CFN). CFN is the trustee responsible for distributing funding through its network of local agents and its partner agents in the three countries: Community Foundation in Wales, the Scottish Community Foundation and Community Foundation Northern Ireland.

In each Fair Share area, local agents work directly with communities, supporting local people in taking responsibility for distributing funding. Panels of local people have been established to take responsibility for deciding on area priorities, developing a funding strategy (outlined in a priorities document) and making recommendations on grants to the local agent.

By 31 March 2006, all priorities documents had been approved by CFN and local panels were making progress in distributing funding. In line with revised targets for the Fair Share Trust, more than £4 million had been committed to programme development and projects.

The first evaluation report found that the process of setting up local endowments had been a long and sometimes challenging experience, but that the effort involved may help to ensure that grants have a greater impact. In addition, many involved have found the process useful in developing their own capacity and in building stronger and more effective local partnerships. We will report more fully on progress early in 2007.

For more details on the evaluation please visit: http://www.biglotteryfund.org.uk/assets/TYS.pdf

There is one award of over £5 million awarded through this programme.

Organisation:	Community Foundation Network
Grant scheme name:	Fair Share Trust
Grant awarded:	£50,035,000

During 2005/06, activities funded under this grant continued to provide opportunities for disadvantaged communities across the UK to access Lottery funding.

The payment of £50 million was made into the Fair Share Trust in 2003, the balance of £35,000 was paid during 2005. By the end of the financial year 2005/06, the Trust had received £4.6 million in investment income and £6.6 million of the grant had been disbursed by Community Foundation Network. £4.6 million in grants and £3 million on administration and support costs. The grant is due to end in 2013 (earlier in Scotland).

Section three

Big Lottery Fund programmes

Our aim is to fund projects and organisations that make a difference. Instead of focusing on what an organisation is or does, we focus particularly on what the organisation aims to achieve with our funding. In other words, the outcome of our funding.

Therefore, in each UK country, we have developed three or four national outcomes to support our strategic themes, which explicitly set out what we hope our funding will achieve. These outcomes are the result of separate consultations in each UK country. They are therefore different in each country reflecting the unique challenges and demands in England, Scotland, Wales and Northern Ireland.

In this section, we provide details of those Big Lottery Fund programmes that we launched in 2005/06.

UK-wide programmes

As well as our national programmes in England, Scotland, Wales and Northern Ireland, the Big Lottery Fund will run a small number of grants programmes right across the UK.

People's Millions

Up to £16.5 million has been made available to fund projects that improve the lives of local communities through transforming the local environment by making the local environment cleaner, safer and greener; improving the local natural environment; and improving the design, appearance and accessibility of local amenities.

Fifty grants of up to £50,000 were made in 2005. More awards will be made in 2006 and 2007 within a 2005-07 budget of £15 million. One grant of up to £1.5 million will be awarded. A single grant of between £25 million and £50 million will be awarded through the Living Landmarks programme (see below).

Living Landmarks

The Living Landmarks programme aims to capture the imagination of communities and increase their involvement with the Lottery and to inspire them to transform the places where they live, through social and community projects and major infrastructure investments. Up to £140 million has been allocated to this programme, which will award a small number of grants of between £10 million and £25 million to regional projects.

One grant of between £25 million and £50 million will be awarded through People's Millions to a major national or regional project. The successful project will be decided by a televised public vote.

International Grants programme

This programme, with a budget of up to £72 million aims to fund effective projects that tackle the causes of poverty and deprivation and bring about a long-term difference to the lives of the most disadvantaged people in the world. The annual budget will be split 50/50 between demand-led and strategic programmes.

The International programme will be delivered through three streams: a demand led stream – the International Communities programme – which includes a separate pot of funding for post-tsunami reconstruction; a strategic stream – the International Strategic programme; and a stream to support initial feasibility studies – the International Small Grants programme.

These programmes were launched in March 2006.

England programmes

Awards for All (England)

In 2005/06, we handed out 12,743 grants worth nearly £53 million in England. The money for Awards for All comes from five Lottery distributors: Arts Council England, the Community Fund, the New Opportunities Fund, Heritage Lottery Fund and Sport England. The New Opportunities Fund's contribution to this pot was £27 million. We fund projects for people to take part in art, sport, heritage and community activities, as well as projects that promote education, the environment and health in the local community.

We have been looking at different ways of making micro grants up to £500, some involving local people making decisions on grants. A pilot was delivered, with four schemes running in three regions for a nine-month period. It ended in the summer of 2005. A review concluded that micro-grants would provide added value and benefit local communities in a highly visible way.

The positive findings from the pilot evaluation together with the overall success of the programme led to programme changes being agreed for 2006.

From April 2006, applicants can make one application at a time for a grant from £300 to £10,000. Organisations cannot get more than £10,000 of Awards for All grants in any two-year period, from the date of first award (either through single or multiple awards) and projects still have to be completed within a 12-month period, starting from the date of award.

Section three

Young People's Fund

In England, we made £157.5 million available to support projects that involve young people from start to finish, specifically by providing facilities and activities for young people both after school and in the holidays, 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 (YPF) in England. A total of £79.9 million was made available to fund four national programmes which complement government policy and support the framework for the YPF.

- Out of School Hours Learning: School Sport Co-ordinators – £28.4 million (see page 25).
- Positive Activities for Young People – £25 million (see page 32).
- Extended Schools – £14 million (see page 26).
- Do it for Real (formally Get Real) – £12.5 million (see page 32).

After consulting with young people, key stakeholders in the voluntary and public sector, and with government departments, a further £77.6 million went to fund the following three programmes.

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, but up to 25 if they find the transition to adulthood difficult) and meet two or more of the five outcomes of the Green Paper. As of 31 March 2006, 182 awards had been made, totalling £17.7 million.

Decisions on this programme are made regionally. Each of the nine committees 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 in January 2005 to run all committee meetings and involve young people.

National Grants

We have set £27.6 million aside to make grants to registered charities for projects that are of national significance and show new and interesting ways of meeting the outcomes of the Green Paper. Projects should be for people aged 11-25.

This programme is being delivered in two rounds. The first round of applications closed in December 2004 and a total of 14 organisations were awarded grants worth £15.2 million. Round two closed for applications in January 2006.

Grants to Individuals

Through this programme, known as the Big Boost, we are giving individual and small groups of young people aged 11-25 grants of £250 and £5,000. These grants will fund young people to deliver community activities that help meet the outcomes from the Green Paper.

There is one grant of over £5 million awarded through this programme.

Organisation:	UnLtd
Grant scheme name:	The Big Boost
Grant awarded:	£10,000,000

We have given £10 million to UnLtd (The Foundation for Social Entrepreneurs) and their partners to deliver this programme on our behalf. By 31 March 2006, we had made 150 awards, totalling £457,000.

In May 2005, we allocated an extra £100 million to the Young People's Fund. Of this, £19 million will support the final roll out of activities linked to the Out of School Hours Learning and School Sport Co-ordinators programme. In June 2006, we announced how the remaining £81 million will be allocated.

Reaching Communities

Reaching Communities is our main demand-led programme. It aims to improve communities and to the lives of people most in need, including those who are hard to reach, and support projects that respond to the needs of communities and actively involve them. Up to £100 million has been made available for the first year; budgets will be set annually.

Parks for People

The Parks for People programme, launched in January 2006, will aim to:

- provide better parks which are accessible to all and relevant to the needs of their communities
- increase community involvement and pride in parks
- improve safety
- increase the number of skilled rangers, conservation officers and volunteers
- ensure long-term maintenance and management by local authorities and communities.

We are running this programme in partnership with the Heritage Lottery Fund, building on their long-standing expertise in providing Lottery funding for public parks projects. Up to £90 million is available for this programme.

Changing spaces

The Changing Spaces programme, launched in January 2006, has three priority areas:

- community spaces – developing good quality, accessible community spaces, which local people can take pride in
- local community enterprises – making the links between food, exercise and health, encouraging the sustainable use and reuse of resources and building sustainable local economies
- access to the natural environment – improving the natural environment and encouraging access.

Funding will be delivered through a number of award partners, which will run grant schemes on our behalf, and Portfolio Partners, which will provide funding to a pre-determined ‘portfolio’ of projects. Up to £234 million is available for this programme.

Section three

Children's Play

The initiative will be delivered through three programmes:

- the Children's Play programme, with funds of up to £124 million available to every local authority area in England
- a separate Playful Ideas programme, with a budget of up to £16 million, focusing on innovation
- a £15 million grant to the Children's Play Council, part of the National Children's Bureau, to fund England-wide development and support infrastructure.

This programme will support activities that are self-directed, creative and fun. The programme aims to:

- create, improve and develop children and young people's free local play spaces
- develop innovative practice
- create a support and development infrastructure
- promote the long-term strategic development of play
- promote a long-term changes in attitude about the importance of children's play
- ensure that all relevant local stakeholders are involved in developing play strategies.

In February 2006, the Children's Play Council was awarded a grant of £15 million, to set up the support and infrastructure body. Children's Play and Playful Ideas were launched on March 28 2006.

Scotland programmes

Young People's Fund

The Young People's Fund in Scotland was launched on 30 August 2005. It is a £20 million grant programme to help young people aged 11-25 learn new things and take part in healthy and positive activities that make them feel good about themselves. We have invested £1 million to ensure that young people have a say in what the money is spent on. This money has helped to set up a local panel of young people in every local authority area in Scotland who will decide which projects should be considered for funding in their area. Young people will also be involved in deciding what will be funded throughout Scotland. All the applications for funding will go to a Young People's Fund National Committee and three quarters of the members of this committee are under 25 years of age.

We have split the money available for the Young People's Fund three ways.

Local projects

Most of the grants will be made to local projects. We expect to spend about £11.4 million on local projects that young people have said are important for their area. We have currently made 11 awards totalling £811,000.

Wider inclusion projects

We are making around £2.85 million available for wider inclusion projects involving groups of young people who share common concerns, experiences or issues but where the projects might not be needed, or have enough support, locally. These projects will be spread across more than one local authority area. We have so far made one award for £195,000.

New ideas

We want to fund new ways of engaging young people and projects that could have a big impact on young people. These kinds of projects might try out new approaches or adapt approaches that have been tried successfully elsewhere. We aim to make grants worth up to £4.75 million for these kind of new approaches. We have not yet made any 'new ideas' awards.

Young people's involvement is a key aim of the programme. Projects must show how they have been involved in all stages of the project, from planning through to evaluating how well the project has worked.

Awards for All (Scotland)

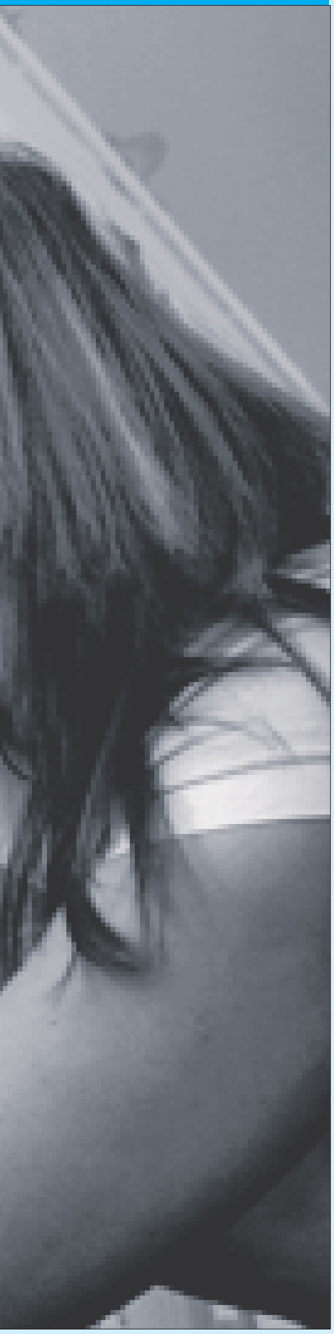
Awards for All Scotland is run by the Community Fund, the New Opportunities Fund, Heritage Lottery Fund, Scottish Arts Council and **sport**scotland. In 2005/06, we handed out 2,190 grants worth more than £8 million in Scotland. The New Opportunities Fund's share of this was worth £3.6 million.

Awards for All Scotland projects help people get involved in their community. They help people take part in arts, sports, heritage, social, environmental, health related, educational, and other community activities. Awards for All Scotland was more popular than ever this year, with a 23 per cent increase in the number of applications to the scheme.

Section three

An independent study in summer 2005 found out that the scheme is working well but that there is chance to build on its success. As a result the four Lottery distributors decided to make some changes to Awards for All Scotland. These will make Awards for All Scotland a bigger and better way to make small Lottery awards to communities in Scotland.

From mid 2006, we have raised the upper limit of awards to £10,000 and increased the budget for Awards for All Scotland.



Wales programmes

People and Places

People and Places is a new demand led programme launched in November 2005 with a budget of up to £66 million. It aims to bring people together to make their communities better places to live and improve rural and urban environments. It supports projects that achieve one or more of the following programme outcomes:

- revitalised communities
- improved community relations
- enhanced local environments and community amenities.

The programme is open to the community, voluntary and public sectors and funding is available for capital and revenue projects. It will support projects that work with communities of place or communities of interest at a local, regional or all-Wales level.

Young People's Fund

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
- choose positive activities which discourage anti-social behaviour.

There is £13.2 million available between 2005 and 2009. The programme focuses 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. Up to March 2006, we have received approximately 100 applications and approved 46 projects totalling £186,000. This strand is currently open for applications.

Bridging the Gap – £6 million for outreach and support services for the most disengaged and disaffected young people. This programme was closed for applications from June 2005. Six projects were funded from various voluntary, community and public sector organisation across Wales.

Reaching Out – £6.2 million has been committed for development projects that meet a clear gap in local services for young people at risk of becoming disaffected and disengaged. 12 projects have been approved to date.

It is a requirement of each strand that young people are involved in designing, delivering and implementing the project.

Section three

Awards for All (Wales)

Awards for All Wales awards grants of between £500 and £5,000 to local communities in a simple and straightforward way. Projects bring people together within their local communities to take part in heritage and community activities, as well as promoting education, the environment and health. The scheme was supported by three Lottery distributors in Wales: the Community Fund, the New Opportunities Fund and the Heritage Lottery Fund. Since the programme was launched in June 2001, more than £10 million has been awarded to more than 3,000 groups.

In 2005/06, the New Opportunities Fund made a total of 316 grants worth £1.1 million through the scheme.

During the summer of 2005, we consulted with stakeholders about the future direction of the programme. The resounding response was to keep the programme as accessible to as many groups as possible through simple processes and small grants. Awards for All Wales will therefore maintain its £5,000 upper limit to continue to support community activities in Wales at a local level.

Northern Ireland programmes

Young People's Fund

The Young People's Fund, valued at £14.8 million, is Big Lottery Fund's first programme in Northern Ireland. The aim of the programme is to target resources at young people at greatest risk of exclusion or offending. The Young People's Fund puts young people at the centre of creating, planning and delivering projects that will achieve four main outcomes.

The Young People's Fund programme is being delivered through two strands.

The first strand, Change UR Future, is valued at £10.8 million. The programme was launched in September 2005 and the first applications were received in March 2006.

The second strand of Young People's Fund is valued at £4 million. Big Lottery Fund will appoint an award partner to deliver both a small grants programme to support young individuals, and groups of young people, and develop strategic programme(s) that will support young people, aged 0-25 years, as decision-makers.

Awards for All (Northern Ireland)

Awards for All Northern Ireland is run by the Community Fund, the New Opportunities Fund, Heritage Lottery Fund, the Arts Council of Northern Ireland and the Sports Council for Northern Ireland. In 2005/06, we handed out 862 grants worth almost £3.3 million. The New Opportunities Fund's share of this was 351 grants worth £1.4 million.

Awards for All Northern Ireland remains a popular, well known programme that helps people to get involved in their community in arts, sports, heritage, social, environmental, health related, educational, and other community activities.

We are introducing some changes to Awards for All Northern Ireland to ensure the programme will retain its position as the funder of choice for many small groups. From April 2006, we will raise the upper limit of awards to £10,000 and the Awards for All budget will be increased to £5.35 million. The overarching aims of Awards for All remain the same but the changes we have implemented will make the programme even more relevant to communities in Northern Ireland.

Section four

Our operational performance

As a result of our administrative merger with the Community Fund we have brought together our performance management, customer service and equalities monitoring procedures. This section sets out the performance of the Big Lottery Fund encompassing both Community Fund and New Opportunities Fund activities.

Our performance against our corporate objectives

The 2005/06 Corporate Plan sets out the corporate objectives and related performance indicators. These are summarised below, with details of the performance achieved.

1. To achieve a new organisation which is fit for its purpose by:

a) creating a coherent governance structure.

Performance Indicator	End of year report
▶ Ensure Board and committees/panels function within the agreed governance structure and terms of reference.	▶ The Board or Board Chair signed off terms of reference for committees and panels.

b) developing a strategic plan with approved performance management model and process for 2006-09 by March 2006.

▶ Develop the 2006-09 strategic plan with approved performance management process incorporating balanced scorecard.	▶ The Strategic Plan 2006-09 and Corporate Plan 2006/07 were developed with an approach derived from the balanced scorecard as our corporate performance management model. The Board approved the combined Strategic Plan and Corporate Plan in May 2006.

c) developing and applying consistent management and quality standards by October 2005.

▶ Review progress against corporate objectives on a quarterly basis, and prepare a report for the Senior Management Team and the Board.	▶ The Business Plan 2005/06 was agreed in May 2005 with quarterly progress reports submitted to the Senior Management Team and the Board.
▶ Co-ordinate and prepare 2004/05 Annual Report and Accounts for the Community Fund and the New Opportunities Fund.	▶ The Annual Report and Accounts for New Opportunities Fund and Community Fund 2004/05 were laid before London and Edinburgh Parliaments in October and December 2005 respectively.
▶ Launch and implement the Common Charter and Complaints Process agreed by all Lottery distributors from April 2005.	▶ The Common Charter and Complaints Process was launched in April 2005 with all the Lottery distributors. It has since been implemented.

d) applying the programme and project management frameworks to support the management of the organisation.

Performance Indicator	End of year report
Plan and manage a set of Management Boards to underpin the organisational strategic, corporate and business planning. Plan in place for Intelligent Funder work.	The forward plans of both Management Boards and the agreed Intelligent Funder approach were established in April 2005. The Senior Management Team considered the portfolios of both Management Boards to inform corporate prioritisation of resources. Project assurance reviews were conducted regularly. The programme development framework was developed and applied to new funding programmes from May 2005 onwards.

e) carrying out the England and Operations restructuring.

To achieve a smaller office in London, two operations centres located in Newcastle and Birmingham and nine smaller and refocused regional offices.	Staff recruitment in Newcastle was successful and the Newcastle Centre was opened in March 2006. The Birmingham Centre is expected to open by the end of 2006. The new structure of the England regional offices was approved and recruitment for vacancies was completed. A phased transition of some of the functions currently based in London was agreed to take place during 2006/07. It was also agreed that NESTA and the Olympic Lottery Distributor will be co-located with the Big Lottery Fund in its London office from July 2006.

f) consolidating HR policies and procedures by September 2005.

Complete integration of HR policies and procedures.	The full package of staff terms and conditions was launched in October 2005 following the consolidation of all HR policies and procedures.

Section four

g) providing training for staff.

Performance Indicator	End of year report
▶ Develop and deliver training for staff in line with business needs identified by the Learning and Development Strategy.	▶ The development programme for 2005/06 was agreed. A new HR Strategy including workforce development was developed to support the delivery of the Strategic Plan.

2. To develop and manage new and existing programmes and deliver them throughout 2005/06 by:

a) launching a new portfolio of grant programmes throughout 2005/06.

Performance Indicator	End of year report
▶ Advise Board in Spring/Summer 2005 on overall framework and streams within it and launch new programmes to timetables across the UK.	▶ The Board approved the portfolio of new programmes for England, Wales, Scotland and Northern Ireland in the first and second quarters. All nine new programmes were launched to the agreed timetables in 2005/06: England programmes – People's Millions, Living Landmarks, International and Tsunami, Changing Spaces, Reaching Communities, BASIS, Children's Play Wales programme – People and Places Scotland programmes – Investing In Ideas.

(b) meeting delivery targets on all grant programmes.

▶ Meet agreed commitment and spend targets.	▶ Partly met the agreed commitment targets. Exceeded the spend targets.
▶ Meet the agreed timescales for assessment and decision-making.	▶ Partly met published timescales for assessment. Met timescales for decision making in this reporting period.
▶ Meet all grant management standards.	▶ Met the grant management standards for this reporting period.

3. To make continuous improvement in being an effective and intelligent funder by:

(a) developing overarching themes, outcomes and priorities by December 2005.

Performance Indicator	End of year report
▶ Develop framework to provide basis of future funding programmes and ensure that correct framework is reflected on policy directions issued by Government.	▶ In November 2005, the Department for Culture, Media and Sport (DCMS); the Minster for Culture, Sport and Welsh Language; the Scottish Executive and the Department of Culture, Arts and Leisure of Northern Ireland approved the new interim policy directions of England, Wales, Scotland and Northern Ireland respectively and DCMS issued those applying generally and across the UK.

b) re-developing and delivering the grants programmes by aligning them with the organisational outcome framework by December 2005.

▶ Advise Board on future of Research Grants programme.	▶ The Board meeting in July 2005 approved a paper on the new Research Grants programme with its programme framework and delivery options.

c) identifying best practice in funding to ensure internal learning.

▶ Feedback overall recommendations from the two public consultations to Board and advise on key funding/strategic issues.	▶ The overall recommendations were fed back to the Board leading to decisions on key funding/strategic issues such as monitoring the voluntary and community sector commitment, the full cost recovery work and sustainability. The Board also approved an approach to targeting which is being used to inform our approach to equality. Meetings were held with other funders to discuss their approaches to being an Intelligent Funder.

Section four

d) developing a grant programmes development toolkit by December 2005.

Performance Indicator	End of year report
▶ Develop toolkit modules for use with new programmes.	▶ The Toolkit Project team was established in April/May 2005. Some modules were completed in 2005/06 and the others were re-phased into 2006/07 to match the priority of programme launches.

e)developing the potential delivery of non-Lottery funding by December 2005 (subject to legislation).

▶ Prepare non-Lottery funding strategy.	▶ This key performance indicator will be carried to 2006/07 due to the delay in implementation of new legislation until autumn 2006.

f) developing an evaluation and research strategy (for individual programmes and whole) by July 2005.

▶ Produce a strategy for Board approval.	▶ A four-year Evaluation, Research and Learning Strategy was approved by the Board in May 2005.

g) ensuring high quality publications that deliver organisational objectives.

▶ Develop branding corporate identity for all publications and develop new internet site.	▶ Research on how customers relate to our brand was conducted. New application materials were revised based on the research findings. Phase one of the new internet site was launched in March 2006. This activity will be continued in 2006/07.

4. To continue being an accountable and financially efficient organisation by:

a) planning for a more effective organisation and achieving 10-20 per cent saving on running costs by the end of 2007/08, by meeting target savings agreed by Senior Management Team (SMT) and the Board for 2005/06.

Performance Indicator	End of year report
▶ Meet target savings agreed for 2005/06.	▶ We have achieved a saving of 6.5 per cent.

b) attaining minimum balances consistent with agreed risks.

Performance Indicator	End of year report
▶ Regularly update forward planning models to inform commitment targets and provide monthly information on progress against NLDF targets.	▶ As at 31 March 2006, we exceeded the target reduction in the NLDF balance for the New Opportunities Fund. We failed to achieve the target reduction in the NLDF balance for the Community Fund due to higher than expected income from the NLDF of £20 million and lower than expected grant payments of £11 million.

(c) developing and operating effective risk management throughout 2005/06.

▶ Develop risk management framework.	▶ A new risk management policy outlining an overall approach for risk management for the organisation was approved for implementation in 2006/07. A new corporate risk register was developed by SMT for 2006/07.

5. To work in partnership by:

a) developing and delivering a public involvement strategy throughout 2005/06.

Performance Indicator	End of year report
▶ Develop general public involvement strategy and negotiate broadcast opportunities for engaging public.	▶ We piloted a public involvement technique with other Lottery distributors in Tyneside in October/November 2005. 178,000 people voted for their favourite projects via ITV Regional News for the People's Millions programme in October. The BBC was engaged in a constructive dialogue on small grant programmes to support Breathing Places.

Section four

b) developing decision making and public involvement mechanisms for grants programmes by September 2005.

Performance Indicator	End of year report
▶ Develop proposals alongside programme papers.	▶ As shown in 5a above, the public involvement opportunities were developed on a programme by programme basis when launching new programmes in 2005/06 and 2006/07. This activity will be continued in 2006/07.

c) developing and maintaining a good working relationship with stakeholders including other Lottery distributors.

▶ Progress joint working with other Lottery distributors through relevant forum.	▶ The Chief Executive and relevant staff regularly attended Lottery Forum meetings in all four countries in this reporting period. For example, we worked with other Lottery distributors to launch a single telephone hotline and joint web site for the general public to make enquiries about all Lottery funding in March 2006.

6. To comply with legislative requirements and apply good practice in equality by:

a) developing and delivering an integrated equality strategy by March 2006.

Performance Indicator	End of year report
▶ Produce an equality strategy.	▶ The Board approved the Equal Opportunities Policy and Equality Principles in November 2005. The new Equality Strategy has been considered by the Senior Management Team and its final approval will be in June 2006.

Customer care matters

Customer care continues to be central to our way of working and this year we have promoted customer care standards throughout the organisation and made customer care a key requirement when recruiting new staff.

Unfortunately, we have not been able to satisfy all of our customers and the following highlights the type of complaints we have received and how they have been dealt with. We also set out, where relevant, how we are learning from the matters raised.

There are three stages to our complaint 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 advisor will arrange for the Chief Executive to reply.

Stage three, if customers are still not satisfied then they may refer their complaint 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 2005/2006, the Big Lottery Fund recorded 27 stage one complaints, which is fewer than last year. We believe that many complaints remain unrecorded, as they are quickly resolved on the telephone or as an integral part of the assessment process. In addition, some complaints are escalated immediately to stage two due to the nature of the complaint.

Here are some examples of complaints we received:

- Some people found it difficult to download the electronic application form. This was resolved.
- There were claims that we have not properly investigated mismanagement of funding. These were often local disputes where we have no remit to act once we found that the outcomes of the project that we are funding were being delivered satisfactorily.
- There were complaints about clarity of information. We have made changes to guidance to explain things clearly in plain English, we have also amended the message on our national enquiry line.

Stage two complaints

There were 46 stage two complaints – a major increase from previous years. Seven were upheld in full, seven were upheld in part and 32 were not upheld.

Those upheld in full can be broadly divided into three categories:

- Three where our actions have led to the application missing a deadline.
- Two where we misinterpreted information contained within the form.
- Two where our application form was not clear.

In all cases we apologised and, where possible, reassessed the application. If it was not possible to reassess due to the nature of the programme (public voting) then we offered to fast-track into the next year's programme.

Section four

Those complaints upheld in part were primarily about delays, either in responding to the applicant or in assessing their application. The elements we did not uphold were mostly allegations we had not assessed the application properly.

The majority of complaints not upheld were from rejected applicants who felt we had not understood their application, had not assessed their application properly, or should have allowed them to submit more information before they were rejected. When we looked into these claims, they were unsubstantiated or we found the applicants had not understood the application process. We offered further clarification of the reasons for rejection and the way we assess applications.

We also had a number of complaints from organisations whose funding had been suspended during investigations of allegations of misuse of funding. They felt we were in breach of their human rights in acting this way. We strongly deny this and all our funding agreements contain a clause that allows us to safeguard public money in this way.

Stage three complaints

In the past 12 months, nine complaints have been taken to the ICR, one of which was withdrawn by the complainant and one that the ICR did not investigate as it was an appeal against a properly made decision. Two complaints were upheld, three partly upheld and two were not upheld.

The two complaints that were upheld related to very different issues:

- Lack of clarity in our application materials regarding the number of grants to each individual that we would fund. As the programme was non competitive, the ICR felt that the applicant had a reasonable expectation of success. We agreed that our application materials were defective and agreed to recompense the applicant for their expense.
- A grant recipient had miscalculated the funding they required. The ICR agreed that the main responsibility for the error lay with the applicant; however he felt that given the failure of our commissioned third party assessor to follow proper assessment procedures it would be right for us to acknowledge some share of responsibility. We offered to contribute towards the shortfall.

The three complaints that were partly upheld related to allegations that we had not assessed an application properly, that we had rejected an application for reasons not given in the application pack, and we had contributed to the failure of a project through unnecessary delays.

The ICR found against the main elements of these complaints and found that we had properly assessed the applications. In two cases he criticised us for the clarity of our rejection letters and how they relate to application guidance. We are currently reviewing our guidance on rejection letters. In one case the ICR felt we were unsympathetic in our approach to the complainant and recommended that we arrange an appropriate meeting with relevant representatives. This meeting has taken place and a single point of contact has now been identified.

Freedom of Information

The Freedom of Information Act has been in force for over a year now. The Act gives individuals the right to look at any information held by the Big Lottery Fund, subject to exemptions.

Between 1 April 2005 and 31 March 2006, the Big Lottery Fund received and answered 140 Freedom of Information requests. All of them were answered within 20 working days. There has been some information withheld under exemptions, but only two appeals have been received. Both decisions were upheld after internal review and neither case has been referred to the Information Commissioner for an independent review of our decision.

Requests have come from a variety of sources, including journalists, grant holders, and members of the public with an interest in Lottery funding.

The Big Lottery Fund will continue to be open and transparent and will only use exemptions if necessary.

Our employment policies

Our arrangements for pay and conditions are based on best practice in the public sector and we have established a range of employment policies that demonstrate our commitment to be a fair employer. The arrangements and policies for the New Opportunities Fund were reviewed during 2005/06 with those of the Community Fund and from August 2005 common terms and conditions for all Big Lottery Fund staff were introduced.

Employees are covered by the provisions of the Principal Civil Service Pensions Scheme or, since 1 October 2002, new starters may choose to join a money purchase stakeholder based arrangement. More details are given in notes 1.5 and 22 of the annual accounts.

We appreciate the importance of staff training and development and make sure that we give staff the chance to develop new skills.

To encourage communication and good relations between the Board, management and staff at all levels the Prospect and Amicus trade unions have been recognised jointly for the purpose of collective bargaining for all employees, excluding Directors. Prospect and Amicus are the representatives of staff for consultation and negotiation.

The nature of our work means that a number of staff work closely with the senior management team and the Board, for example, through the developing and evaluating programmes, through assessment and decisions on applications. Some members of staff attend meetings of the Board, which enable them to be aware of the thinking about the development of the Big Lottery Fund and its operations. Board minutes are available on our intranet.

Additionally, staff are consulted on a number of matters and a business improvement group has been established which draws the views of staff from across the organisation on any and all operational matters.

Our senior management make sure that information is cascaded throughout the organisation.

Section four

Our commitment to equality

We are committed to valuing diversity and promoting equality of opportunity, both as a grant maker and as an employer. We adopt an inclusive approach to ensure that grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.

The Equality Forum was set up by the Board to provide advice and to act as a sounding board on equality and diversity issues relating to our funding programmes. The Forum is made up of four Board Members and external advisors each with a different area of expertise. The Forum is a valuable source of experience for Board members and officers to draw on in developing and implementing funding policies to support the range of new funding programmes.

This year the focus of our work has been on building equality issues into all of our new programmes and policies. Our Equality Project Team developed an Equality Assurance Process to help staff think about and address the potential equality issues involved in all of our new business. Equality assurance in practice means, for example, that groups seeking funding are now asked in the application process to show how both their organisation and project show a commitment to equality. This process, which is currently being independently evaluated, will play a key role in helping us meet our requirements under Section 75 of the Northern Ireland Act 1998 (see report on the work of the Office for Northern Ireland), the Race Relations Amendment Act 2000 and Disability Equality Duty.

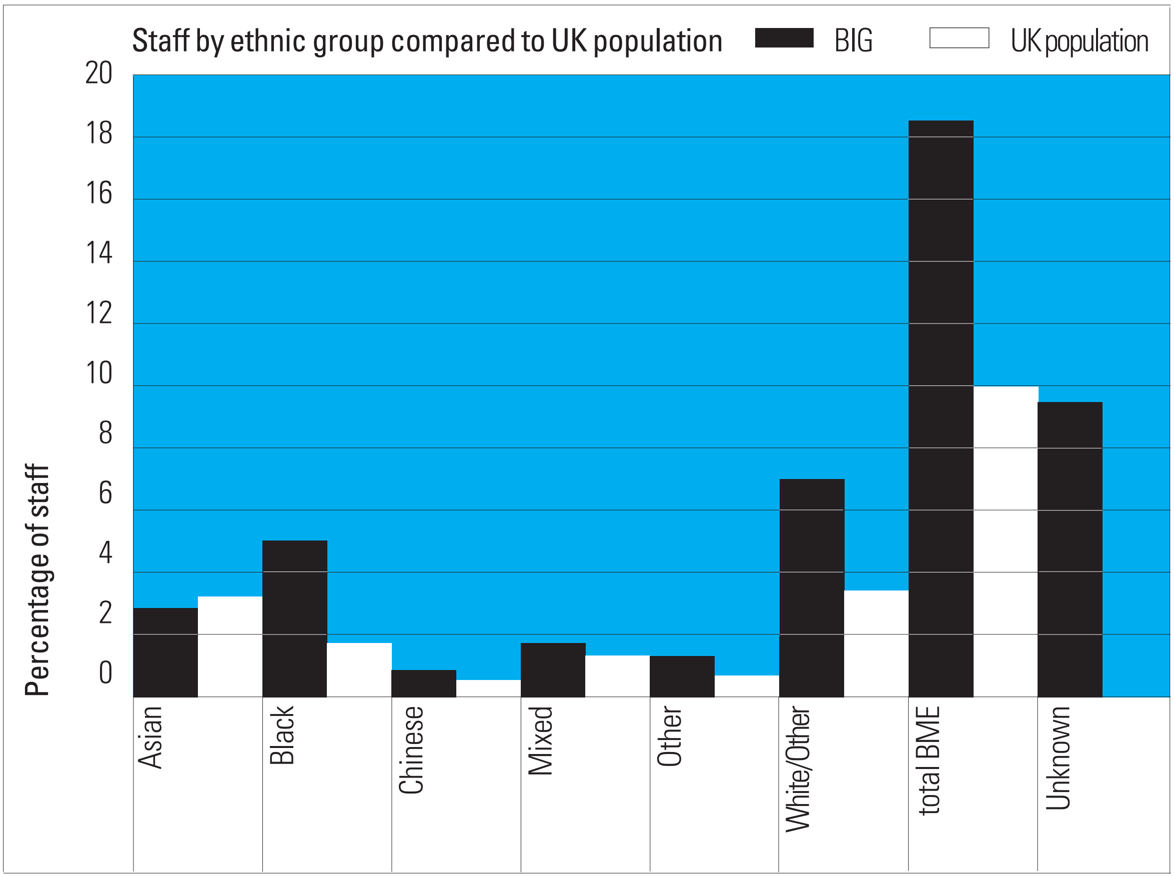
We have developed an equal opportunities policy, which sets out a series of commitments that apply to our internal and external work, covering our employment practices as well as all aspects of our grant-making from programme development through to how we publicise successful awards. The policy highlights that each individual member of staff is responsible for promoting equality of opportunity in their relations with their colleagues as well as in the delivery of services to our customers. We will ensure that the policy is regularly monitored and reviewed and kept up to date with developments in legislation and good practice.

We have developed and commenced roll-out of a comprehensive Equality Learning and Development Plan, to support the needs of our staff, Board and Committee members in meeting the commitments set out in our equal opportunities policy. Our focus has been to ensure that all new staff receive mandatory equality training as part of their induction process.

We know that our funding should support those most in need, but that it should also benefit the wider community. We have decided to adopt a tailored approach to targeting on a programme-by-programme and country-by-country basis, which is overlaid by an emphasis on equal opportunities that cuts across all our programmes. In line with our approach to targeting, we will use monitoring data to ensure that there is a good spread of funding both to geographic communities and to communities of interest. Analysis of this data will enable us to redress areas, which we think are under-represented in our funding.

This year we became a holder of the Disability Symbol quality mark. This is a visible sign that we are committed to taking positive steps in employing and developing disabled people. We have continued to monitor all aspects of our employment practice with a view to identifying areas requiring particular attention.

The high level of staff change this year, as a result of the merger process, has however made it difficult to arrive at any firm conclusions. Key equality statistics are presented below. Our organisation profile continues to be ethnically diverse. There has also been a small improvement in the per cent of disabled staff, increasing from 2.5 per cent last year to 3.4 per cent.

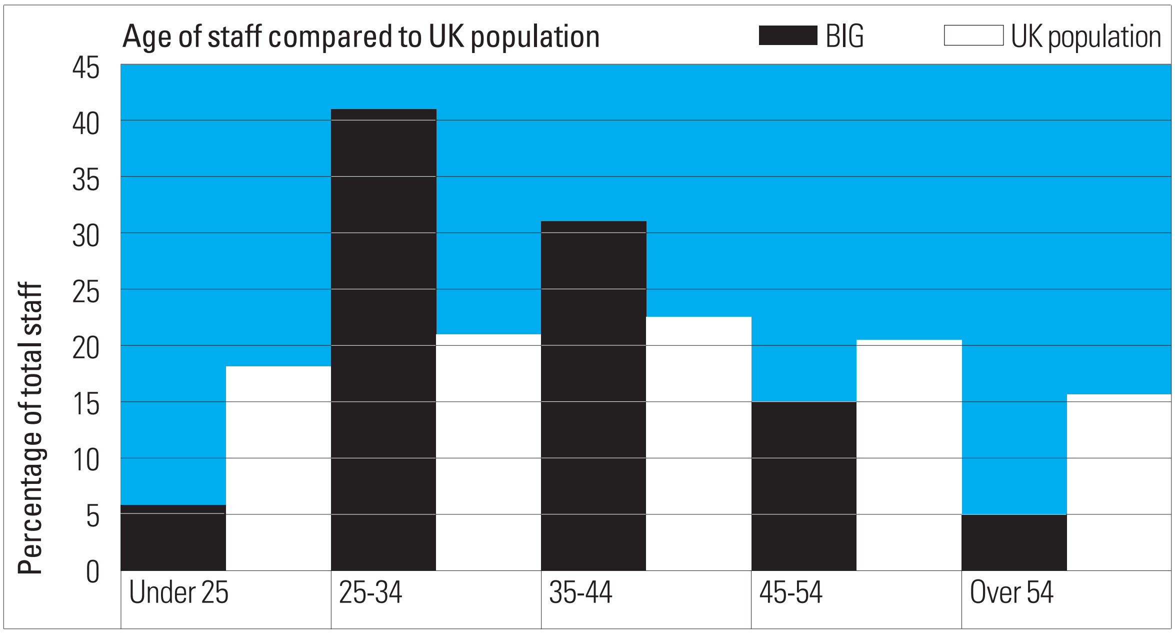


(72 per cent of staff classify themselves as White/UK)

Section four

Staff by Gender	BIG	Civil Service	UK population
Female	65.3%	52.3%	45.4%
Male	34.7%	47.7%	54.6%

Staff by Disability	BIG	Civil Service	UK population
Staff with disability	3.4%	4.2%	13.6%
Staff with no disability	96.6%	95.8%	86.4%



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. We recognise 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 sends an annual report to the Welsh Language Board on our performance against the published targets.

Our approach to sustainable development

Sustainable development is an important factor in our activities and its principles have been applied across our grants programmes and internal practices. We are committed to developing new approaches to sustainable development through our funding and the way we operate.

Last year the Sustainable Development Commission produced a report assessing the level to which sustainable development had been incorporated into our application, assessment and evaluation processes. It identified areas of good practice and opportunities for improvement. This has and will continue to inform the development of our new programmes. As a result we have committed to improving web based guidance for applicants and working with other Lottery distributors to share learning and good practice.

Internally the Big Lottery Fund makes every effort to minimise the consumption of both non-renewable and renewable natural resources in the running of its offices, for example:

- computerised control systems are used to manage both the lighting, heating and cooling systems
- water miser systems are fitted to reduce the amount of water we use in the toilets
- staff are encouraged to use video conferencing facilities to reduce the amount of travel between our 12 offices
- water coolers are plumbed into the mains supply in the catering and staff kitchen areas to avoid the need to supply bottled water for meetings
- recycled paper is used in all our printers and photocopiers and also for our branded stationery, pamphlets, application forms, etc
- office furniture comes from suppliers that are Forest Stewardship Council accredited
- we participate in a number of recycling schemes for paper, plastics, glass and other packaging and printer consumables
- our old electronic equipment – computers, printers, faxes, mobile telephones, etc, are refurbished for use in developing countries.

Our payment policy and practice

We aim to pay all our 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 89 per cent (2004/05, 88 per cent) of all creditors were paid within 30 days of receiving an invoice.

Section five

Our Financial Performance

The New Opportunities Fund's financial results for the year to 31 March 2006 are set out in the annual accounts on pages 101 to 124.

Income

We received £461 million in Lottery income during the year. This is invested in the National Lottery Distribution Fund (NLDF) and we received a further £29 million in investment income. Our Board do not have control over the investment of NLDF balances; stewardship of the NLDF rests with the Secretary of State for Culture, Media and Sport. Further details are provided in note 1.3 to the annual accounts. Note 20 to the annual accounts sets out why the Board considers that we are not exposed to significant interest rate risks.

Over our lifetime we have received £3.4 billion from the National Lottery.

Grant awards and payments

During 2005/06, we made new grant offers totalling £297 million. We planned to make commitments of £434 million. The commitment budget was not achieved because:

- we assumed that all the £200 million Young People's Fund monies would be awarded this year, actual awards to date were £108 million (including grants made under Positive Activities for Young People and the School Sports Co-ordinators programmes) the remaining awards will be made in the next two years
- we assumed that £169 million of NOPES monies, including budgets for Community Sport initiatives, would be awarded when the actual value was £117 million. Some of this budget was committed in advance of this financial year and conditional awards have been made contingent on Local Authorities having available funds
- the grant variation budget was exceeded by £25 million as more programmes are coming to an end and grant recipients are returning unused funding.

Over our lifetime we have made grant awards of more than £3.3 billion.

A total of £597 million was paid to grant recipients during 2005/06. Payments are made on the basis of claims received from recipients with evidence of past or imminent expenditure. At 31 March 2006, commitments still to be paid were £780 million and there were a further £16 million soft commitments for awards awaiting acceptance by the grant recipient.

Operating costs

During the financial year under review, our operating costs, excluding merger and Structural Review, were £36 million. This expenditure is an increase of £4 million on last year, which reflects an increase in staff costs arising from a move to bring certain functions in-house (IT, publications design, public relations, grant assessment and management) and the costs of investing in the development of the new programmes. In addition, there was a step increase in employers pension contributions by an average of 5.4 per cent.

These increases are offset by savings on external contracts. Savings on staff costs will be achieved in future years reflecting the closure of a number of grant programmes. Note 8 to the annual accounts reports the financial performance indicator. Operating costs are 6.0 per cent (2005/06, 5.5 per cent) of income received over our lifetime.

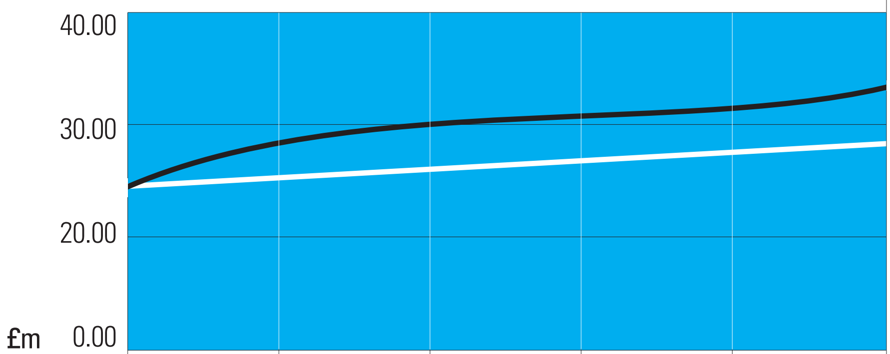
The Structural Review project, a programme of activities to reorganise and relocate England grant making functions and corporate activities, has been undertaken during the 2005/06 financial year. This programme will continue over the next two years with the continued transition of posts from London and other Regional Offices to Birmingham and Newcastle and the disposal of surplus accommodation. Costs of £7 million have been incurred in 2005/06 in staff termination payments and provisions for the part disposal of London property.

It is expected that on completion of the Structural Review we will achieve our stated savings target, to deliver administrative savings of between 10-20 per cent by 2007/08 as a result of our merger with the Community Fund. In 2005/06, the Big Lottery Fund has delivered savings of £4.1 million (6.5 per cent of the pre-merger baseline)of which £2 million has been recycled into new activities.

Five year performance statistics

The table below illustrates how the New Opportunities Fund administration costs (excluding merger and structural review costs) have changed over a five-year period compared with what would have happened if the 2001/02 base figures had simply been subject to inflation.

Actual Adminstration costs vs Inflated 2001/02 base (New Opportunities Fund)



	2001/2	2002/3	2003/4	2004/5	2005/6
	£m	£m	£m	£m	£m
Administration costs - Actual	25.20	28.79	31.83	32.17	35.94
Administration costs - Inflated 2001/2 base	25.20	25.98	26.75	27.48	28.06

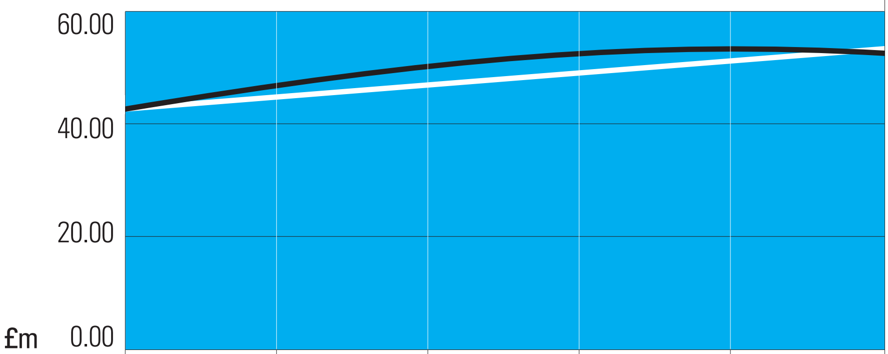
Section five

These figures reflect the changing cost base of the New Opportunities Fund. The baseline year (2001/02) was our third full year of operation and the year that we received our third round policy directions to deliver a further £1.5 billion of grant programmes (ie double its activity). Since 2004/5, the cost base has also been affected as the impact of the administrative merger with the Community Fund is realised. The table below shows the five-year history as if the Community Fund and New Opportunities Fund were merged throughout this period.

NLDF balances

In accordance with our policy, the New Opportunities Fund's balance in the NLDF has continued to decline from £691 million at the beginning of the financial year to £544 million at the year end. The long-term target NLDF balance is £348 million by 31 March 2009 (see note 1.3). The target balance for 31 March 2006 reported in last year's annual accounts was £551 million.

Actual Adminstration costs vs Inflated 2001/02 base (Big Lottery Fund)



	2001/2	2002/3	2003/4	2004/5	2005/6
	£m	£m	£m	£m	£m
Administration costs - Actual	49.11	51.93	55.22	55.76	54.25
Administration costs - Inflated 2001/2 base	49.11	50.63	52.13	53.55	54.69

The target reduction in balances has been exceeded by £7 million which reflects the net effect of the following:

- £60 million more in grant payments than expected
- £1 million more expenditure on operating and Structural review costs than forecast,offset by
- the receipt of £41 million more income than predicted
- a decrease in locally held bank balances of £13 million.

The increase in grant payments were due in part to intervention and active management by our grant management staff, working with grant recipients to assist them to access their awarded funding. Also, the delays in the start of projects in earlier years through delays in planning permission, shortages in building contractors and shortages of staff have also started to be resolved.

As described above, at 31 March 2006 we are committed to make future payments to grant recipients of £780 million. We have funds of £544 million in the NLDF meaning we have over committed our available funds by £236 million. This over commitment represents approximately five months of future predicted income.

Financial position

We made a surplus for the year of £191 million. This surplus is added to the cumulative net deficit from previous years and the New Opportunities Fund now has a deficit on retained reserves of £215 million.

This financial position was approved by our 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.

Fixed assets

The movements in fixed assets during the year are set out in Note 10 to the accounts. During the year we invested £0.2 million in capital expenditure. Through the Community Fund we invested £1.4 million relating to the fit out and equipping of the new office in Newcastle.

Post balance sheet events

There have been no significant events having a financial impact on these annual accounts between 31 March 2006 and the signing of these financial statements. The National Lottery Act 2006 received Royal Assent on 11 July 2006. The main provisions, which will establish the Big Lottery Fund and dissolve the New Opportunities Fund, are expected to be commenced in full by December 2006.

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 carry out the external audit of the New Opportunities Fund.

Section five

Remuneration report

Our Remuneration Committee

Our Remuneration Committee is chaired by the Chair of the Board, Sir Clive Booth, and also comprises the Vice Chair of the Board, Valerie Strachan, the Chair of Resources Committee, Dugald Mackie, and a country Board member David Campbell.

The Committee's main responsibilities are to:

- agree the terms and conditions of employment of the Chief Executive
- decide on the Chief Executive's performance appraisal and related pay
- approve the performance appraisals and related pay for Directors
- decide on severance terms for the Chief Executive and Directors, subject to any necessary clearances by DCMS/Treasury.

Senior staff remuneration policies

Biennially a review of relevant market data is undertaken to assess the relevance of senior staff salary ranges.

The basis of senior staff remuneration is set out in their individual contracts of employment. The Chief Executive receives a performance bonus up to 15 per cent of his annual salary. The value equating to the percentage pay award negotiated by staff is consolidated, the balance of the award is a non-consolidated bonus. Directors receive a consolidated annual pay award as negotiated by staff and a non-consolidated performance bonus of up to eight per cent of their annual salary.

We mirror the arrangements issued by the Cabinet Office with regard to the performance element of the Chief Executive and Directors pay. These arrangement are reviewed by the Remuneration Committee who assess the level of increase to be awarded.

Remuneration of our Senior Management Team

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 charged to that organisation's accounts. The Chief Executive's contract expires one day after appointment of a new Chief Executive of the Big Lottery Fund, following the implementation of the legislation. The Chief Executive is subject to the Big Lottery 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. All Directors are subject to the Big Lottery Fund's standard terms and conditions of employment.

The Directors of Finance and Corporate Services, Wales, Policy and External Relations and Northern Ireland are employed by the New Opportunities Fund on permanent employment contracts, which allow for them to provide services to the Community Fund.

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.

The total salary and pension entitlement of the senior management of the Big Lottery Fund was as set out in the table below. These costs are charged to the New Opportunities Fund and Community Fund based on the appropriate apportionment criteria (see note 1.10 in the accounts). There were no compensation payments or non-cash benefits paid in the year.

2005 comparatives shown in brackets	Salary, including performance bonus, for the year ending 31 March 2006	Real increase in pension at 60	Total accrued pension at 60 as at 31 March 2006	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)	140 - 145 (130 - 135)	2.5 - 5 plus 7.5 - 10 lump sum	50 - 55 plus 155 - 160 lump sum	1,140 (852)	47
Mark Cooke (Director of Finance and Corporate Services) from 14 June 2004	85 - 90 (65 - 70)	0 - 2.5	0 - 5	34 (11)	16
Ceri Doyle (Director, Wales)	80 - 85 (75 - 80)	0 - 2.5	10 - 15 plus 0 - 5 lump sum	135 (89)	16
Dharmendra Kanani (Director Scotland) from 27 August 2004	80 - 85 (45 - 50)	0 - 2.5	0 - 5	23 (4)	12
Adrienne Kelbie (Director of Operations)	95 - 100 (90 - 95)	0 - 2.5 plus 2.5 - 5.0 lump sum	10 - 15 plus 35 - 40 lump sum	143 (98)	16
Gerald Oppenheim (Director, Planning and Performance)	95 - 100 (90 - 95)	0 - 2.5 plus 2.5 - 5.0 lump sum	35 - 40 plus 105 - 110 lump sum	693 (511)	32
Vanessa Potter (Director, Policy and External Relations)	95 - 100 (90 - 95)	0 - 2.5 plus 2.5 - 5.0 lump sum	10 - 15 plus 35 - 40 lump sum	160 (104)	16
Walter Rader (Director, Northern Ireland)	80 - 85 (75 - 80)	0 - 2.5 plus 2.5 - 5.0 lump sum	5 - 10 plus 20 - 25 lump sum	166 (112)	22

Section five

Pension benefits are provided through the Principal Civil Service Pension Scheme. Further pension disclosures are made in note 22. Column 4 of the table overleaf shows the member's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. Column 5 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.

Stephen Dunmore
Chief Executive
12 October 2006

Statement of Accounting Officer'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.

As Accounting Officer, as far as I am aware, there is no relevant audit information of which the New Opportunities Fund auditors are unaware. I have taken all reasonable steps as Accounting Officer to make myself aware of any relevant audit information and to establish that the New Opportunities Fund auditors are aware of that information.

Delegated responsibilities

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.

Section five

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)
  - 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.

The cancer equipment programme closed during 2005/06 and this agreement expired.

- 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.

The School Fruit Pilot programme closed during 2005/06 and this agreement expired.

- Between the New Opportunities Fund and the Department for Education and Skills with regard to the Building Neighbourhood 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 New Opportunities 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 for 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.
- Parks for People. A scheme administered by the Heritage Lottery Fund on behalf of Heritage Lottery Fund and the 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. I retain responsibility for the overall safeguarding of the public funds provided to the New Opportunities Fund and for ensuring that award partners operate within our agreed terms and in line with the financial and policy directions provided to me.

As part of the Green Spaces and Sustainable Communities initiative:

- Barnardo's – Better Play – this programme closed during 2005/06.
- BTCV – People's Places.
- Countryside Agency – Doorstep Greens.

Section five

- English Nature – Wildspace!
- Royal Society for Nature Conservation – SEED– this programme closed during 2005/06.
- Scottish Natural Heritage and Forward Scotland – Fresh Futures.
- Wales Council for Voluntary Action – Enfys Scheme.
- Northern Ireland Housing Executive – Creating Common Ground Consortium – this programme closed during 2005/06.

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 – Heroes Return.

As part of the Young People's Fund:

- Community Fund – Grants to Organisations.
- Community Fund – National Grants.
- UnLtd – Big Boost.

Stephen Dunmore
Chief Executive
12 October 2006

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
- 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 2006 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 for 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, a co-terminus Board was appointed with responsibility for both New Opportunities Fund and Community Fund matters. 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 every two months to consider the strategic direction of the New Opportunities Fund. The Board comprises a Chair and 16 non executive members and is attended by members of the Senior Management Team. Further details are in section two of the annual report.

Section five

- 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 Remuneration Committee, whose terms of reference provide for oversight and approval of remuneration and performance for senior staff members including myself. Further details are in the remuneration report.
- 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 our objectives and performance measures. 2005/06 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 corporate objectives, performance and service delivery targets. These targets have generally been met, as detailed in section four of the Annual Report. Where targets have not been met, action is identified 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 reported to the Department for Culture, Media and Sport and 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 with control issues for corporate governance, financial management, project management, health and safety, training and development, information technology and risk management.
- 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.

- 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 emails 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.
- 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. 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 his 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 August 2004 had appointed my Senior Management Team. This team has led the assimilation of corporate and operational functions.
- A project board, chaired by me, comprising the Senior Management Team members and other officers, has been established to oversee the structural review (an in depth review of the internal management structures and physical location of the organisation in England, particularly in relation to grant making and regional representation roles). The main policy decisions have been approved and this project board now oversees 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

During 2005/06, we formally managed risk through reviews by the Senior Management Team of the risks faced by the organisation. The outcome of these reviews were discussed with the Audit and Risk Committee to validate the contents of the corporate risk register. These reviews were based on the risk register agreed by the Board in June 2005 and have ensured that the risk register and our responses are relevant.

Section five

Risk management principles, including consideration of risk and recommendation for appropriate mitigation, are also integral to our grant assessment, grant management, new programme development and project management procedures.

Following an internal audit of risk management, a new approach to this was developed during the latter half of the year integrating corporate planning and risk more closely. In January 2006, the Board agreed a new risk management policy statement setting out the approach for risk identification and management for April 2006 onwards

Risk and control framework

The risk register agreed by the Board in June 2005 highlighted 46 corporate risks. The potential impact of each risk and the likelihood of it being realised have been assessed and appropriate controls to mitigate these risks have been determined. This has been recorded in the corporate risk register. As detailed above, this is reviewed and updated.

In addition, risk management is built into our business planning processes.

- The programme development framework which supports the development of all new grant programmes requires an assessment of the key risks for each new programme, which in turn are reported to the Grant Programme Board. On a monthly basis, a summary of the key risks associated with the portfolio of new grant programmes is reported to the Senior Management Team.
- A similar process is followed with regard to business development projects.
- Grant assessment and grant management procedures set out the requirement for each grant to be allocated a risk rating, which informs the level of intervention in grant management.

During this year the risk priorities have included:

- Financial risk including consideration of external and internal fraud, delivery of administrative savings and longer-term income predictions.
- Political risk and in particular the development of the UK and Country programmes all with their own requirements and timetables.
- Grant making risk including consideration of outcomes, achievement of targets, monitoring of third party service providers, closure of legacy programmes and launch of new programmes.
- Legal and regulatory risk including compliance with new and existing legislation and contributing to the consultation on new Lottery legislation.
- Organisational risk including integration of disaster recovery and prompt response to problem.
- People risks, particularly the loss of key staff due to uncertainties around integration and maintaining productivity during this period of change.

- 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.
- 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

In the Annual Report and Accounts for 2004/05, it was reported that a significant suspected fraud had been discovered involving the making of multiple applications to Community Fund administered grant programmes, in particular the joint distributor Awards for All England programme to which the New Opportunities Fund is a contributor.

During 2005/06, both the Police and the Community Fund's own investigation team have conducted extensive investigations. The Police investigation is continuing.

It is our policy to protect the use of public funds by dealing firmly with all incidences of suspected fraud and serious breaches of terms and conditions of grant. Any suspected fraud that is discovered is reported to the Police. Where fraud or another serious grant performance issue is found, the Fund's Solicitor and Head of Legal Services will consider whether withdrawal of grant and recovery proceedings are appropriate in cases where the Police do not pursue a criminal action.

A total of 606 Awards for All applications were identified as suspect through the Community Fund's procedures. A substantial number of the related files has been examined to provide support to the Police investigation, and some have been cleared from the investigation as a result. However, because of the large number and low individual value of the applications, the Community Fund have decided that it would not be an effective use of resources to examine every suspected application in the depth that would be required to establish conclusively whether or not it was in fact fraudulent.

Section five

As a result, I am unable to obtain sufficient assurance that any of the grants made as a result of these applications were properly spent for the purposes for which they were made. It is also unlikely that any material amount of these grants will be recovered by legal action. I have therefore decided to write off as losses the amount of £584,000, which is the total value of the awards made which were paid by New Opportunities Fund.

Risk management

In 2004/05 Internal Audit identified that there were some significant actions that needed to be addressed to ensure that integrated risk management was fully implemented and embedded throughout the organisation. A follow up review undertaken during 2005/06 identified delays in the implementation of a number of the agreed recommendations. By 31 March 2006, we have developed and commenced implementation of a Risk Management Implementation Plan and have agreed a Risk Management Strategy. Since 31 March 2006, Senior Management has reviewed and updated the Corporate Risk Register and work is continuing to implement the remaining recommendations.

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. I am also satisfied that we have in place arrangements for detecting and responding to inefficiency, conflict of interest and fraud to minimise losses of Lottery funding.

Stephen Dunmore
Chief Executive
12 October 2006

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 of the New Opportunities Fund for the year ended 31st March 2006 under the National Lottery Act 1993 (as amended). These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Board, Chief Executive and auditor

The Board and Chief Executive are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the National Lottery 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. These responsibilities are set out in the Statement of the Board and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury.

I also report 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 to you if, in my opinion, the Annual Report is not consistent with the financial statements, the New Opportunities Fund has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 93 to 98 reflects the New Opportunities Fund's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the New Opportunities Fund's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Annual Report, including the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Section five

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most 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 and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error 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 also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury, of the state of the New Opportunities Fund's affairs as at 31 March 2006 and of its surplus for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Lottery Act 1998 and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury; and
- 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
24 October 2006

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

The maintenance and integrity of the [entity's] website is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

New Opportunities Fund Annual Accounts

Income And Expenditure Account for the year ended 31 March 2006

	Note	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Income			
Proceeds from the National Lottery	12	460,923	452,234
Investment income from the National Lottery Distribution Fund	12	30,524	24,590
(Increase)/Decrease on loss on revaluation of investment		(1,119)	6,550
Bank interest receivable		779	678
Recoveries of grant		4,268	6,806
Other income		889	1,262
Total Income		496,264	492,120
Expenditure			
In support of initiatives			
Grant commitments made	15	296,625	550,323
Less lapsed or revoked commitments	15	(53,199)	(42,748)
		243,426	507,575
National Endowment for Science, Technology & the Arts		15,000	
Direct expenditure in support of initiatives	2	3,066	2,938
		261,492	510,513
Administration costs			
Employee remuneration costs	3	16,186	12,608
Board member remuneration costs	4	100	118
Other operating charges	5	19,214	18,341
Merger costs	7	135	2,442
Structural review	7	7,157	-
Depreciation	10	469	1,105
Total administration costs	6	43,261	34,614
Total expenditure		304,753	545,127
Surplus/(Deficit) before taxation		191,511	(53,007)
Taxation	9	(183)	(181)
Surplus/(Deficit) for the period		191,328	(53,188)
Retained deficit			
Brought forward at 1 April 2005		(406,665)	(353,477)
Surplus/(Deficit) for the period		191,328	(53,188)
Retained (deficit) at 31 March 2006		(215,337)	(406,665)

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 104 to 124 form part of these accounts.

Balance Sheet as at 31 March 2006

	Note	As at 31 March 2006 £'000	As at 31 March 2005 £'000
Fixed assets			
Tangible fixed assets	10	2,035	2,305
Current assets			
Debtors and prepayments	11	21,725	14,670
Cash at bank and in hand		7,496	20,473
Investment balance in National Lottery Distribution Fund	12	543,778	690,650
		572,999	725,793
Creditors: amounts falling due within one year			
Creditors	13	(3,932)	(4,065)
Grants committed for payment	15	(451,132)	(448,754)
		(455,064)	(452,819)
Net current assets		117,935	272,974
Total assets less current liabilities		119,970	275,279
Creditors: amounts falling due after one year			
Creditors	13	(25)	(134)
Grants committed for payment	15	(328,573)	(680,983)
		(328,598)	(681,117)
Provisions for liabilities and charges	14	(6,709)	(827)
Total net (liabilities)		(215,337)	(406,665)
Represented by:			
Retained deficit		(215,337)	(406,665)

Signed on behalf of the New Opportunities Fund Board who approved the annual accounts on 12 October 2006.

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

Sir Clive Booth
Chair of the New Opportunities Fund

The notes on Pages 104 to 124 form part of these accounts.

Cash Flow Statement to 31 March 2006

	Note	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Operating activities			
Funds drawn down from the National Lottery Distribution Fund	12	637,200	530,000
Recoveries of grant and cash from other sources		4,268	6,806
Other income		1,403	1,100
Payments to suppliers		(21,936)	(28,188)
Payments to and on behalf of employees		(14,124)	(12,147)
Payments to grant recipients		(596,838)	(494,031)
Payments to NESTA		(15,000)	
Cash paid and held by third parties		(8,349)	15,067
Net cashflow from operating activities	19	(13,376)	18,607
Returns on investments and servicing of finance			
Bank interest received		779	689
Capital expenditure			
Payments to acquire tangible fixed assets		(199)	(387)
Taxation			
Tax paid on interest received		(181)	(211)
(Decrease)/Increase in cash		(12,977)	18,698
Change in funds resulting from cashflow			
Cash balances carried forward at 31 March		7,496	20,473
Less cash balances brought forward at 1 April		(20,473)	(1,775)
Movement		(12,977)	18,698

The notes on Pages 104 to 124 form part of these accounts.

Notes to 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 2005/06 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.

*A copy of the accounts Directions issued by the Department for Culture, Media and Sport on 28 May 2002 are available on written request to the Big Lottery Fund, 1 Plough Place, London EC4A 1DE

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.

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 £348 million by March 2009, 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 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
- by 31 March 2008, to aim for balances in the NLDF to be £351 million.

These targets are based on the income predictions available at the time 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.

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
Assets in the course of development	Depreciation is not charged

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.

Notes to the Accounts

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.

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 to 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 2006 £'000	Year ended 31 March 2005 £'000
Quality control of external training	-	46
Consultancy support provided directly to grant applicants and recipients	2,734	2,144
Contribution to the costs of the Active Places register being compiled by Sport England	332	748
	3,066	2,938
Direct expenditure in support of initiatives analysed by each expenditure programme are:		
Healthy Living Centres	2,292	1,411
ICT Training for Teachers and School Librarians	-	46
New Opportunities for PE and Sport	487	1,481
Young Peoples Fund	287	-
	3,066	2,938

3. Staff numbers and cost

Staff are employed by either the New Opportunities Fund or Community Fund under contracts that allow them to provide services to the other Fund. Employee costs and numbers are allocated to each organisation based on an apportionment methodology described in note 1.10.

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

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Wages & salaries	12,028	9,794
Social security costs	1,008	819
Pension costs	2,125	1,294
Agency staff	1,025	701
	16,186	12,608

These costs include £8,832 for staff seconded out to other organisations. Recoveries of £8,832 are included in other income.

The salary and pension entitlement of the senior management of the New Opportunities Fund are included above, details are discosed in the Remuneration Report.

The average number of full time equivalent employees and temporary staff for 2005/06, working for the New Oppportunities Fund during the year was made up as follows:

	Average no. of temporary staff (FTE's)	Average no. of employees (FTE's)	Year ended 31 March 2006 Total average no. of staff (FTE's)	Year ended 31 March 2005 Total average no. of staff (FTE's)
Planning and Performance	4	18	22	21
Finance and Corporate Services	20	35	55	39
Policy and External Relations	17	89	106	67
Operations	49	167	216	175
Country offices	9	64	73	75
	99	373	472	377

4. Board members remuneration

The Chair of the New Opportunities Fund's Board is a part-time appointment, two days per week. Emoluments paid to the Chair (excluding employers national insurance) are as follows:

	Year ended 31 March 2006 £	Year ended 31 March 2005 £
Baroness Jill Pitkeathley to 31 May 2004	-	19,265
Sir Clive Booth from 1 June 2004	18,504	18,238

Notes to the Accounts

All Board Members are appointed by the Secretary of State for a time defined period. Board Members are entitled to receive remuneration for the time spent on the activities of the New Opportunities Fund. For Board Members appointed to the Big Lottery Fund 50 per cent of their time is deemed to be spent on New Opportunities Fund activities. These activities, for which Board members can claim a daily rate fee of £210 (2004/05, £198), mainly consist of meetings in New Opportunities Fund's offices. No Board member received contributions to pension. Total emoluments (excluding employers national insurance) paid to Board members to 31 March 2006 were £73,067 (2004/05, £70,320), analysed as follows:

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Jill Barrow to 31 May 2004	-	2.3
Professor Eric Bolton to 31 May 2004	-	1.9
Dr Samuel Burnside from 15 June 2004	6.0	5.0
David Campbell	5.6	6.7
David Carrington to 31 May 2004	-	1.0
Paul Cavanagh from 15 June 2004	6.0	2.8
Tom Davies	4.2	4.2
Roland Doven from 1 June 2004	3.4	2.0
Professor Briedge Gadd	5.1	5.9
John Gartside from 1 June 2004	4.6	2.4
Douglas Graham from 1 June 2004	3.0	3.2
Professor Siân Griffiths to 31 May 2004	-	0.2
Polly Hudson to 31 May 2004	-	0.6
Taha Idris from 15 June 2004	5.0	3.3
Dugald Mackie	2.1	3.4
John Naylor from 1 June 2004	6.8	4.5
Esther O'Callaghan from 1 June 2004	0.8	1.8
Professor Allan Patmore to 31 May 2004	-	1.4
Anna Southall from 1 June 2004	4.4	2.2
Barbara Stephens to 31 May 2004	-	0.6
Valerie Strachan (Deputy Chair) from 1 June 2004	8.8	7.2
Geoff Thompson to 31 May 2004	-	1.8
Huw Vaughan Thomas from 15 June 2004	3.8	2.3
Diana Whitworth from 1 June 2004	3.5	3.7

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

5. Other operating costs

Included in other operating costs are:

	Year ended 31 March 2006 £'000		Year ended 31 March 2005 £'000	
Travel and expenses				
Staff	765		559	
Board members	99	864	73	632
Auditors remuneration for audit work		35		34
Grant delivery costs		5,732		4,027
Operating lease payments		3,356		4,394
Write down fixed assets		(218)		98
Other costs		9,445		9,156
		19,214		18,341

6. Total operating expenses

Operating expenses analysed by each expenditure programme are:

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Healthy Living Centres	5,590	3,149
Out of School Hours – Learning	3,170	2,323
Out of School Hours – Childcare	5,134	5,784
ICT Training for Teachers and School Librarians	47	613
ICT Training for Public Library Staff	15	50
Digitisation of Learning Materials	50	504
Cancer	130	420
Community Access to Lifelong Learning	430	2,147
Green Spaces and Sustainable Communities	1,468	1,345
New Opportunities for PE and Sport	10,333	7,796
Activities for Young People	650	663
Reducing the Burden of CHD, Cancer and Stroke	2,411	2,401
Palliative Care	1,010	852
Transforming Communities	1,879	1,711
Awards for All	2,866	1,605
Veterans Reunited	888	1,131
Fair Share	18	62
Young Peoples Fund	3,171	2,058
Peoples Millions/Living Landmarks	1,554	-
Parks for People	950	-
Childrens Play	1,497	-
	43,261	34,614

Notes to the Accounts

7. Structural Review/Merger

Merger costs incurred during the assimilation of the Community Fund and the New Opportunities Fund include:

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Consultation	-	469
IT changes	-	938
Termination payments	-	617
Professional fees	-	41
Property Costs	-	344
Other	135	33
	135	2,442

The Structural Review, a major change programme to restructure and relocate our England grant making activities and corporate service functions, has incurred the following costs during 2005/06:

	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000
Termination payments	2,618	-
Recruitment & Induction costs	269	-
Property rationalisation	4,116	-
Project Management	122	-
Other	32	-
	7,157	-

8. Financial performance indicator

The New Opportunities Fund aims to keep operating costs to between 5-7 per cent of income received over the lifetime of the Fund. This target continues to be achieved; operating costs are 6.0 per of income (2004/05, 5.5 per cent). The increase in this indicator is due to one off merger and Structural Review costs.

9. Corporation tax

The New Opportunities Fund pays corporation tax on bank interest received. The tax payable is £182,617 (2004/05, £180,859). Monies held and invested by the National Lottery Distribution Fund on the New Opportunities Fund's behalf are not taxable.

10. Tangible fixed assets

	Leasehold improvement £'000	IT £'000	Office equipment furniture & fittings £'000	Grant Systems £'000	Total £'000
Cost					
At 1 April 2005	2,529	257	80	2,242	5,108
Additions	-	199	-	-	199
At 31 March 2006	2,529	456	80	2,242	5,307
Depreciation					
At 1 April 2005	494	191	74	2,044	2,803
Charge for the year	220	49	2	198	469
At 31 March 2006	714	240	76	2,242	3,272
Net cost					
At 31 March 2006	1,815	216	4	-	2,035
At 31 March 2005	2,035	66	6	198	2,305

All leasehold improvements are on short leashold properties where the lease expire in less than 50 years

11. Debtors and prepayments

	At 31 March 2006 £'000	At 31 March 2005 £'000
Held by delegated partners for payment of grant commitments	16,392	8,043
Other debters	1,084	1,211
Balance with Community Fund	3,153	3,601
Prepayments	1,096	1,815
	21,725	14,670

Included in the amounts above are the following:

	At 31 March 2006 £'000	At 31 March 2005 £'000
– £39,223 owed by 74 members of staff for season ticket loans		
– balances payable by other Government bodies as follows:		
Amounts due from other Government bodies	11,064	6,735
Amounts due from Local Authorities	-	4,781

Notes to the Accounts

12. Balance held by the National Lottery Distribution Fund

	£'000	£'000
Cost as at 1 April 2005		693,253
Distribution from the National Lottery	460,923	
Investment income earned	30,524	
Cash drawn down	(637,200)	
Net decrease in balance		(145,753)
Cost as at 31 March 2006		547,500
Unrealised loss on investment		(3,722)
Market value at 31 March 2006		543,778

At 31 March 2006, the market value of the New Opportunities Fund's balance held by the National Lottery Distribution Fund (NLDF) was £543,778,174 (2005, £690,649,601).

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 Commissioners for the Reduction of the National Debt).

13. Creditors: amounts falling due within one year

	At 31 March 2006 £'000	At 31 March 2005 £'000
Trade creditors	1,296	1,186
Other creditors	480	369
Accruals and deferred income	1,973	2,329
Corporation Tax	183	181
	3,932	4,065

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

	At 31 March 2006 £'000	At 31 March 2005 £'000
Amounts due to other Government bodies	538	662
Amounts due to Local Authorities	10	534

Creditors: amounts falling due in more than one year

	At 31 March 2006 £'000	At 31 March 2005 £'000
Deferred income	25	134

14. Provisions for liabilities and charges

	Unavoidable lease payments	Early retirement contributions	Redundancy provisions	Redundancy support	Total provisions
	£'000	£'000	£'000	£'000	£'000
Brought forward at 1 April 2005	223	149	455	–	827
Charged to expenditure in the year	4,111	501	1,844	199	6,655
Payments made	(232)	(9)	(532)	-	(773)
Carried forward at 31 March 2006	4,102	641	1,767	199	6,709

The New Opportunities Fund has sub let part of its Plough Place, London premises. As part of this arrangement the Fund has provided for the rent free period and the difference between the current market value rent and that the Fund is contracted to pay. The rent free element of this provision (£1 million) will be realised over the first nine months of the lease, expected to start in August 2006. The balance of the provision for the difference in market rent is calculated using an assumed inflation rate of three per cent which means that the provision will be realised over 15 years, with £1.9 million realised in the period to 2011/12, £1 million in the next five years and £0.2 million in the final five years.

As part of Structural Review:

- 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 2006.
- 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 2006 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.

During 2005/06, payments against the provision for staff who took early retirement or redundancies as part of the administrative merger with the Community Fund have been charged to the provision made in 2004/05. It is expected that the majority of this provision will be realised during 2006/07.

Notes to the Accounts

15. Hard commitments

	Grant commitments brought forward at 1 April 2005 £'000	Grant commitments made £'000	Lapsed revoked grant commitments £'000	Grant commitments met £'000	Grant commitments carried forward at 31 March 2006 £'000
Healthy Living Centres	128,728	1,102	(1,582)	(52,541)	75,707
Out of School Hours Learning	43,663	16,216	(2,812)	(31,458)	25,609
Out of School Hours Childcare and Childcare	81,954	9,440	(10,032)	(42,072)	39,290
ICT Training for Teachers and School Librarians	7,264	74	(3,907)	(3,399)	32
ICT Training for Public Library Staff	196	-	(111)	(85)	-
Digitisation of Learning Materials	310	76	(291)	(95)	-
Cancer	6,337	-	(363)	(3,210)	2,764
Community Access to Life-Long Learning	11,735	1,428	(934)	(10,535)	1,694
Green Spaces and Sustainable Communities	18,468	3,142	(329)	(15,160)	6,121
Fair Share	-	35	-	(35)	-
New Opportunities for PE and Sport	561,617	117,343	(25,636)	(237,050)	416,274
Activities for Young People	22,666	-	(1,857)	(13,977)	6,832
Reducing the Burden of CHD, Cancer and Stroke	85,932	198	(4,937)	(46,077)	35,116
Palliative Care	49,103	405	-	(23,372)	26,136
Transforming Communities	91,792	20,233	(136)	(38,364)	73,525
Awards for All	407	33,220	(100)	(28,994)	4,533
Veterans Reunited	7,074	21,108	(30)	(26,020)	2,132
Young People's Fund	12,491	54,858	(142)	(20,361)	46,846
Childrens Play	-	15,132	-	(100)	15,032
Investing in Ideas	-	6	-	-	6
Living landmarks & People's Millions	-	2,609	-	(553)	2,056
	1,129,737	296,625	(53,199)	(593,458)	779,705

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

	At 31 March 2006 £'000	At 31 March 2005 £'000
Grants committed for payment within one year	451,132	448,754
Grants committed for payment in more than one year	328,573	680,983
	779,705	1,129,737

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

	At 31 March 2006 £'000	At 31 March 2005 £'000
Grants committed for payment to other government bodies	153,923	107,494
Grants committed for payment to local authority bodies	569,468	613,279
Grants committed for payment to the national health service organisations	5,950	145,383
Grants committed for payment to Public Corporations	4,197	1,673

Notes to the Accounts

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 2005 £'000	Offers made £'000	Lapsed or revoked offers £'000	Offers made transferred to grant commitments £'000	Offers carried forward at 31 March 2006 £'000
Healthy Living Centres	151	951	-	(1,102)	-
Out of Sschool Hours Learning	1,139	15,153	-	(16,216)	76
Out of School Hours Childcare and Childcare	1,360	9,104	-	(9,440)	1,024
ICT Training for Teachers and School Librarians	-	74	-	(74)	-
ICT Training for Public Library Staff	-	-	-	-	-
Digitisation of Learning Materials	76	-	-	(76)	-
Community Access to Life-Long Learning	643	785	-	(1,428)	-
Green Spaces and Sustainable Communities	1,811	2,524	(137)	(3,142)	1,056
Fair Share	-	35	-	(35)	-
New Opportunities for PE and Sport	45,298	79,466	-	(117,343)	7,421
Activities for Young People	-	-	-	-	-
Reducing the Burden of CHD, Cancer and Stroke	122	76	-	(198)	-
Palliative Care	393	12	-	(405)	-
Transforming Communities	500	19,733	-	(20,233)	-
Awards for All	-	33,220	-	(33,220)	-
Veterans Reunited	680	20,428	-	(21,108)	-
Young Peoples Fund	11,972	49,085	(2)	(54,858)	6,197
Childrens Play	-	15,132	-	(15,132)	-
Investors in People	-	6	-	(6)	-
Living Landmarks and People's Millions	-	2,656	-	(2,609)	47
	64,145	248,440	(139)	(296,625)	15,821

17. Joint schemes

Included within the hard commitments for the New Opportunities for PE and Sport initiative is £2.0 million (2004/05, £-) of new grant commitments and £11.0 million (2004/05, £12.8 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 £17.3 million (2004/05, £57.4 million) of new grant commitments and £42.5 million (2004/05, £51.4) 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 £27.1 million (2004/05, £10.6 million) of new grant commitments and £3.9 million (2004/05, £180,000) of grant commitments carried forward at 31 March representing the New Opportunities Fund's contribution to the Awards for All, England joint scheme. During 2005/06, the New Opportunities Fund contributed £27.1 million to the total funding of £52.6 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 £13.3 million (2004/05, £3.9 million) of new grant commitments and £0.1 million (2004/05, £1.1 million) 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 £16.7 million to the total funding of £18.8 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 New Opportunities Fund paid £50 million into the Fair Share Trust established by CFN.

As at 31 March 2006, CFN have reported that the Fair Share Trust balance stands at £48.6 million (2004/05, £49.7 million) and that there is an unrealised capital gain of £1.2 million (2004/05, £678,000). The Trust has received investment income of £6.2 million since 2004. The first grants were awarded in 2004/05 and £4.6 million has been drawn from the Trust to meet these awards. Other expenditure to date of £3 million reflects the management costs of CFN, the investment manager and the local agents managing the programme in the Fair Share areas. The Trust's audited accounts are available from CFN, Arena House, 66 – 68 Pentonville Road, London N1 9HS.

Notes to the Accounts

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

	Year ending 31 March 2006 £'000	Year ending 31 March 2005 £'000
Surplus/(Deficit) before tax	191,511	(53,007)
Depreciation of fixed assets	469	1,105
Loss on disposal of fixed assets	-	98
Interest income	(779)	(678)
Net cost from operating activities	191,201	(52,482)
(Increase)/Decrease in debtors	(7,055)	12,531
Decrease in NLDF balance	146,872	46,626
(Decrease) in creditors	(244)	(5,402)
Increase in provisions	5,882	827
(Decrease)/Increase in provision for grant commitments	(350,032)	16,507
Net cash inflow from operating activities	(13,376)	18,607

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 2006, £460.9 million (93 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 £29.4 million (5.9 per cent), and from bank interest and other income £5.9 million (1.2 per cent).

At 31 March 2006, the New Opportunities Fund had net liabilities of £215.3 million and soft commitments of £15.8 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.

Liquid assets at 31 March 2006	£000
Market value of NLDF investments	543,778
Cash	7,496
	551,274
Forecast cashflows during 2006/07	
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	411,274

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 £543.8 million. In the year the average return on these investments was 4.7 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 3.9 per cent in the year. The cash balance at the year-end was £7.5 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.

Notes to the Accounts

21. Commitments under operating leases

At 31 March 2006, the New Opportunities Fund had the following annual commitments under operating leases.

	Office equipment £'000	Land and buildings £'000	As at 31 March 2006 £'000	As at 31 March 2005 £'000
Expiring in less than 1 year	4	-	4	240
Expiring within 2-5 years	-	-	-	84
Expiring in more than 5 years	-	3,921	3,921	3,731
	4	3,921	3,925	4,055

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 before1 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 per cent and 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 2005/2006, employers' contributions of £2,125,000 were payable to the PCSPS (2004/05, £1,294,000) at one of four rates in the range 16.2 per cent-24.6 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 2006/07 have increased based on recommendations from the Government Actuary.

Bands	Year ended 31 March 2006
£17,500 and under	16.2%
£17,501 - £35,000	18.6%
£35,001 - £60,500	22.3%
£60,501 and over	24.6%

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%

23. Cash losses and special payments

Losses occur where there is no evidence that the project objectives were met. In the financial year to 31 March 2006, losses totalled £94,581 (prior year £439,403) of which no individual losses were over £100,000.

In addition, £584,000 relating to the New Opportunities Fund's share of the suspected multiple application fraud on the Awards for All programmes has been written off. Further information is provided in the Statement of Internal Control. No individual losses were over £100,000.

There were no special payments either in the current or previous year.

Notes to the Accounts

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, MLA.

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
- The Public Record Office
- Highlands and Islands Enterprise sponsored by the Scottish Office.

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.

Section six

Grants over £100,000 awarded in the year

Country/Region and Programme	Applicant Name	Award Value
UK wide		
Childrens Play	National Children's Bureau	£15,132,057
Renewable Energy	E.ON UK plc	£18,000,000
	SembCorp Utilities	£1,500,000
Veterans	Imperial War Museum	£530,424
	Cardiff Council	£200,000
	Veterans Scotland	£124,235
	The Royal British Legion	£117,500
Young People's Fund	UnLtd	£10,000,000
	Fairbridge	£2,237,187
	ADDACTION	£1,551,303
	KIDS	£1,419,830
	Leap Confronting Conflict	£1,326,396
	The National Foundation for Youth Music	£1,301,253
	The Guide Association	£1,292,234
	National Youth Agency	£1,002,656
	Artswork Limited	£1,000,000
	The Federation of Groundwork Trusts	£1,000,000
	British Blind Sport	£894,363
	Development Education Association	£791,845
	Inside Out Trust	£430,210
	Student Volunteering England	£330,255
	Trust For The Study Of Adolescence	£231,649
East Midlands		
PE Sport in Schools	Derbyshire County Council	£368,482
	Northamptonshire County Council	£168,575
	Leicester City Council	£142,289
	Leicestershire County Council	£126,718
	Nottinghamshire County Council	£124,950
	Nottinghamshire County Council	£123,000
School Sports Co-ordinators	Crown Hills Community College	£126,115
	Burleigh Sports College	£113,210
Young People's Fund	Nottinghamshire Rural Community Council	£150,000
	Carers Federation Nottingham and Notts Ltd	£150,000
	Saffron Lane Neighbourhood Council	£150,000
	Umbrella	£150,000
	Focus Charity	£149,998
	Kingsway Hall Management Trust	£149,981
	Glossop and District Volunteer Bureau	£149,490
	The Lenton Centre	£127,666
	The Mill Street Project	£124,703
	Groundwork Erewash Valley	£119,888

Section six

Eastern

PE Sport in Schools	Norfolk County Council	£774,334
	Essex County Council	£745,980
	Norfolk County Council	£324,000
	Suffolk County Council	£226,000
	Suffolk County Council	£221,352
	Milton Keynes Council	£208,700
	Peterborough City Council	£197,350
	Bedfordshire County Council	£149,580
	Suffolk County Council	£140,000
	Luton Borough Council	£120,000
	Norfolk County Council	£108,000
School Sports Co-ordinators	The Deanes School	£189,900
	St Bernard's School (Southend EAZ)	£132,746
Young People's Fund	The NR5 Project	£148,155
	Cross Border Arts	£147,514
	Speaking Up	£133,284
	Chelmsford Environment Partnership	£103,807
	Earthworks St Albans	£103,748

London

Childcare	London Borough of Haringey	£145,890
Healthy Living Centres	Belgrave Baheno Peepul Centre	£100,000
PE Sport in Schools	London Borough of Islington	£2,046,077
	Westminster City Council	£965,074
	London Borough of Lambeth	£702,971
	London Borough of Havering	£665,520
	London Borough of Southwark	£301,070
	London Borough of Haringey	£268,389
	London Borough of Hackney	£245,987
	London Borough of Hackney	£191,742
	London Borough of Brent	£165,716
	London Borough of Lambeth	£161,304
	London Borough of Tower Hamlets	£149,807
	London Borough of Bexley	£147,823
	London Borough of Bexley	£138,476
	London Borough of Hammersmith & Fulham	£130,612
	London Borough of Islington	£126,518
	London Borough of Hackney	£124,888
	Royal Borough of Kingston upon Thames	£124,525
	Westminster City Council	£122,906
	London Borough of Hounslow	£120,000
	London Borough of Wandsworth	£118,669
	Westminster City Council	£111,075
	London Borough of Southwark	£107,950
	London Borough of Wandsworth	£107,000

	London Borough of Hackney	£102,552
	Thurrock Borough Council	£100,000
People's Network	MLA	£155,522
School Sports Co-ordinators	Enfield LEA	£151,920
	Royal Borough of Kingston Upon Thames LEA Partnership	£113,824
	Camden LEA	£113,203
Young People's Fund	Brent North Youth Sports Pilot Project	£150,000
	Until the Violence Stops	£150,000
	Hillingdon Youth Network	£149,968
	Camden Central Community Umbrella	£149,475
	Magpie Dance	£149,450
	Poplar Housing and Regeneration Community Association Limited	£149,245
	Hampstead Theatre Ltd	£149,000
	Central Eltham Youth Project	£148,770
	Christ Church (Oxford) United Clubs	£140,774
	Environmental Vision	£134,006
	Fundamental Architectural Inclusion	£133,890
	One20	£132,464
	Paddington Arts	£131,382
	Action Space London Events Ltd	£130,447
	198 Gallery	£120,000
	Kinetika Art Links International	£120,000
	In-Volve	£120,000
	Blue Hut Centre	£119,186
	Roma Support Group	£103,709
	Bishop Creighton House Settlement	£101,884

North East

PE Sport in Schools	South Tyneside Metropolitan Borough Council	£500,000
	Redcar and Cleveland Borough Council	£487,384
	Sunderland City Council	£394,521
	Redcar and Cleveland Borough Council	£272,600
	Durham County Council	£244,466
	South Tyneside Metropolitan Borough Council	£241,250
	Gateshead Metropolitan Borough Council	£202,635
	Sunderland City Council	£200,000
	Sunderland City Council	£161,791
	Redcar and Cleveland Borough Council	£114,000
	Middlesbrough Council	£103,488
	South Tyneside Metropolitan Borough Council	£103,176
School Sports Co-ordinators	Ashington Community High School	£189,781
	Northfield School	£165,429
	John Spence Community High School	£113,933
Young People's Fund	Moving On	£149,822
	Youth Action Volunteers	£148,050
	Cornforth Partnership	£132,268

Section six

	Headland Development Company Limited	£128,743
	Single Homeless Action Initiative In Derwentside	£125,120
	North East Theatre Trust Limited	£108,675
North West		
Community Access to Lifelong Learning	NWLOL	£110,000
Healthy Living Centres	Age Concern Liverpool	£322,315
PE Sport in Schools	Halton Borough Council	£719,109
	Liverpool City Council	£620,000
	Lancashire County Council	£609,000
	Wirral Metropolitan Borough Council	£506,487
	Manchester City Council	£500,000
	Bury Metropolitan Borough Council	£480,200
	Salford City Council	£392,721
	Blackburn With Darwen Borough Council	£276,723
	Wigan Metropolitan Borough Council	£269,385
	Liverpool City Council	£233,100
	Liverpool City Council	£154,590
	Wirral Metropolitan Borough Council	£152,040
	Salford City Council	£118,373
	Blackburn With Darwen Borough Council	£106,796
	Blackpool Borough Council	£101,646
	Sefton Metropolitan Borough Council	£100,380
School Sports Co-ordinators	Counthill School	£170,910
	St Ambrose Barlow High School (Sefton)	£132,930
Young People's Fund	Middleton Popstars Academy of Performing Arts Ltd	£150,000
	Pendle Youth Action	£150,000
	Community Arts North West Limited	£150,000
	Church of England Children's Society	£150,000
	The ADD Action Project	£149,998
	Youth Action @ Hyndburn	£149,977
	Music Creation Corporation (Community Initiatives) Limited	£149,561
	The Adventure Farm Trust	£149,011
	Roy Castle Lung Cancer Foundation	£148,106
	Fylde Coast Y.M.C.A.	£144,947
	Preston Muslim Forum Limited	£144,080
	DCT 'Making Dreams Come True' Ltd	£143,711
	Young Cumbria	£141,087
	The Lancashire Wildlife Trust Limited	£139,513
	Commitment in Communities	£136,235
	YWCA England and Wales	£133,737
	Merseyside Society For Deaf People	£132,325
	Bolton Wanderers Football in the Community Scheme	£129,908
	The Manchester Youth Volunteering Project	£120,492
	Greater Manchester Arts Centre Limited	£120,000
	Birkenhead Forum Housing Association Ltd	£119,590

	Barnardo's	£115,336
	Blackpool Advocacy	£115,189
	Weston Spirit	£113,345
	Walton Youth Project	£109,796
	Manchester MENCAP	£106,454
	Cumbria Youth Alliance	£100,000
South East		
Childcare	Arun Community Church: Wickbourne Centre	£152,820
PE Sport in Schools	West Sussex County Council	£1,000,000
	Kent County Council	£406,955
	Royal Borough of Windsor & Maidenhead	£320,000
	Portsmouth City Council	£136,930
	Buckinghamshire County Council	£135,113
	Reading Borough Council	£120,000
	Buckinghamshire County Council	£100,823
School Sports Co-ordinators	Hailsham Community College	£132,252
Young People's Fund	Church of England Children's Society	£150,000
	Dreamwall Ltd.	£150,000
	Oxfordshire Playbus	£147,591
	Hangleton And Knoll Project	£144,898
	Ore Valley Forum	£124,548
South West		
Healthy Living Centres	Wincanton Community Venture	£138,992
PE Sport in Schools	Cornwall County Council	£734,389
	Devon County Council	£348,387
	Plymouth City Council	£290,000
	Gloucestershire County Council	£288,048
	Torbay Council	£251,781
	Devon County Council	£222,329
	Dorset County Council	£220,478
	Gloucestershire County Council	£200,000
	Devon County Council	£134,024
	Torbay Council	£118,900
	Somerset County Council	£112,217
	Torbay Council	£109,088
	Gloucestershire County Council	£100,000
School Sports Co-ordinators	Plymstock School (Plymouth LEA)	£170,910
	Gloucester EAZ	£151,920
	Great Torrington Community School	£151,920
	City Academy, Bristol	£132,930
	The Wey Valley School	£132,930
	King Alfred School	£132,930
	Evesham High School Specialist Sports College	£113,940
	The Castle School	£113,940
Young People's Fund	Young Bristol	£149,880

Section six

	Dhek Bhal	£149,561
	Churchdown Community Project Ltd	£108,139
West Midlands		
Childcare	Worcestershire County Council	£104,000
PE Sport in Schools	Stoke on Trent City Council	£1,242,741
	Birmingham City Council	£947,011
	Birmingham City Council	£533,700
	Birmingham City Council	£351,500
	Sandwell Metropolitan Borough Council	£125,545
	Coventry City Council	£120,518
School Sports Co-ordinators	Coventry LEA	£113,940
	Arrow Vale High School	£113,940
	Alderman Smith School and Sports College	£113,940
	Biddulph High School - Specialist Sports College	£113,940
Young People's Fund	Through the Doorway to Healthy Living	£150,000
	Youth Support Services Limited	£150,000
	Tipton Young Asian Women's Forum	£149,985
	Bentilee Volunteers Community Association	£149,743
	Guru Nanak Community Centre	£149,662
	The Rural Media Company	£147,659
	Phase Trust	£143,100
	Environmental Vision	£126,583
	What's Your Point	£123,854
	Neighbours News Community Newspaper	£119,635
	Burton East Community Association	£112,446
	Summer Chillout Playscheme	£106,450
Yorkshire and the Humber		
PE Sport in Schools	Kingston upon Hull City Council	£2,037,625
	Kirklees Metropolitan Borough Council	£1,497,540
	North Yorkshire County Council	£500,000
	Kingston upon Hull City Council	£450,000
	Leeds City Council	£428,604
	Sheffield City Council	£370,000
	Leeds City Council	£352,765
	Barnsley Metropolitan Borough Council	£249,926
	Barnsley Metropolitan Borough Council	£188,513
	North Yorkshire County Council	£150,000
	Doncaster Metropolitan Borough Council	£149,490
	City of Wakefield Metropolitan District Council	£138,646
	North Yorkshire County Council	£135,500
	Sheffield City Council	£115,000
School Sports Co-ordinators	Wintringham School	£132,930
	Hanson School	£113,936
Young People's Fund	Get Sorted Academy of Music	£150,000
	YMCA Training	£148,216

	The Cardigan Centre	£126,283
	Weston Spirit	£112,003
Scotland		
Active Futures	North Lanarkshire Council	£447,482
	South Lanarkshire Council	£342,295
	Edinburgh Leisure Limited	£223,490
	Aberdeen City Council	£219,131
	Aberdeen College and Aberdeen Foyer In Partnership	£199,942
	Orkney Islands Council	£199,284
	White Mountain Dreams	£197,699
	The Waterways Trust	£177,737
	Capability Scotland	£174,500
	The Gorbals Initiative	£162,745
	The Rock Trust	£160,000
	Glasgow City Council - Cultural & Leisure Services	£157,493
	SPARC Community Arts	£152,362
	The Action Group for People with Learning Disabilities	£146,170
	Sense Scotland	£145,348
	Deaf Connections	£139,425
	Muirhouse Youth Development Group	£136,103
	Ross & Cromarty Sports Council	£132,622
	SEMSA	£130,000
	South Ayrshire Council	£100,228
Childcare	Fife Council	£538,224
	South Lanarkshire Council	£350,000
	Edinburgh Sitters	£247,460
	Edinburgh's Telford College	£237,202
	Galloway Childcare Company	£227,256
	Capability Scotland	£200,000
	Glasgow City Council	£200,000
	Galloway Childcare Company	£173,460
	Aspire Community Development Company Limited	£150,000
	NCH	£139,000
	Fife Council	£128,000
	South Lanarkshire Council	£127,046
	North Edinburgh Childcare	£123,248
	South Ayrshire Council	£123,000
	Fife Council	£120,000
	West Lothian Council	£114,604
Community Access to Lifelong Learning	Scottish Council for Voluntary Organisations	£210,000
PE Sport in Schools	City of Edinburgh Council	£844,508
	Fife Council	£713,220
	Glasgow City Council - Cultural & Leisure Services	£700,000
	The Highland Council	£551,974
	Aberdeen City Council - Community Education Service	£381,954

Section six

	Aberdeen City Council - Community Education Service	£375,677
	North Ayrshire Council	£343,457
	Aberdeen City Council - Community Education Service	£329,108
	Aberdeen City Council - Community Education Service	£327,748
	South Ayrshire Council	£286,569
	Glasgow City Council - Cultural & Leisure Services	£242,513
	West Lothian Council	£207,788
	Stirling Council	£204,094
	East Dunbartonshire Council - Connect Services	£164,400
	Falkirk Council	£162,000
	Midlothian Council	£135,000
	Falkirk Council - Education Services	£119,000
	Argyll and Bute Council	£107,040
	Argyll and Bute Council	£106,630
Scottish Land Fund	Assynt Foundation	£1,632,025
	Urras Oighreachd Ghabhsainn (Galson Estate trust)	£509,882
	North West Mull Community Community Woodland Co Ltd	£257,250
	Crossgates Community Woodland	£135,068
	North Harris Trust	£126,610
	Stornoway Angling Association Ltd	£125,000
	Birse Community Trust	£120,750
	Isle of Luing Community Trust	£108,527
	Assynt Foundation	£102,000
Wales		
Healthy Living Centres	Bryncynon Community Revival Strategy	£247,364
Mentro Allan	Sports Council for Wales	£519,500
PE Sport in Schools	Cardiff County Council	£113,834
	The Vale of Glamorgan Council	£112,000
Young People's Fund	Wrexham County Borough Council	£977,333
	Barnardo's	£763,224
	Swansea NHS Trust	£752,940
	Bridgend County Borough Council	£739,054
	Llamau Limited	£734,585
	Powys Drugs & Alcohol Centres Limited	£528,150
	Ferndale Skate Park Limited	£300,000
	Cardiff County Council	£293,955
	Save The Family Limited	£258,480
	Barnardo's	£204,000
	Rhondda Housing Association	£182,865
	Royal National Institute for the Blind	£137,782
Northern Ireland		
Active Lifestyles	Special Olympics Ulster	£100,000
Childcare	Ballee Community Association	£322,426
	Newhill First Steps Childcare Centre Ltd	£266,900
PE Sport in Schools	WELB - Derry City Council	£1,413,199

WELB – Limavady Grammar School	£1,003,334
St. Columba's College - (SEELB)	£1,217,165
SELB - Cookstown District Council	£881,785
WELB - Erne Integrated College	£863,984
WELB	£584,353
BELB - Ashfield Boys High School	£583,504
NEELB – Ballyclare High School	£501,536
St Malachy's College - (BELB)	£508,477
SELB - Lurgan College	£505,719
BELB - Boys Model	£446,469
NEELB - Larne Borough Council	£403,182
BELB - Girl's Model	£384,469
St. Mary's Primary School (SELB)	£365,931
St. Mary's Primary School, Stewartstown - (SELB)	£361,744
NEELB - Ballymena BC	£316,551
SELB - Longstone Riding for the Disabled	£265,957
St Anne's PS - NEELB	£261,518
NEELB - Ballyhome Residential Centre	£246,395

Section seven

Policy directions for the financial year ending 31 March 2006

What are policy directions?

The New Opportunities Fund receives policy directions from government that set out the broad framework for the funding initiatives that we run. The policy directions have enabled us to launch three 'rounds' of funding initiatives, with the first round of initiatives being launched in 1999-2000, the second round in 2000-2001 and the third round in 2001-2002.

The policy directions are issued under two sections of the **National Lottery etc Act 1993: section 26** (which covers the overall purpose and conditions for our funding) and **section 43** (which sets out the framework for individual funding initiatives).

This document includes all the policy directions that the Fund has received from government under these two sections of the 1993 Act.

Also under section 26 of the National Lottery etc Act 1993, the Government issues the Fund with financial directions setting out guidance on financial management and accountability issues that should apply to Lottery grants.

DIRECTIONS ISSUED TO THE NEW OPPORTUNITIES FUND UNDER SECTION 26 (1) OF THE NATIONAL LOTTERY etc ACT 1993

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on him by section 26(1) of the National Lottery etc. Act 1993, hereby gives the following Directions to the New Opportunities Fund:

1. in these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998.

2. the New Opportunities Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which it distributes money under section 25(1):-

A. the need to ensure that money is distributed under section 25(1) for projects which promote the public good and which are not intended primarily for private gain;

2. relevant national and local strategies and initiatives in relation to each initiative specified by Order under section 43B(1), particularly, in relation to:

- **i.** **healthy living centres** – the public health strategies of each country;
- **ii.** **out of school hours learning** – "Extending Opportunity: a national framework for study support" (in England) and any similar guidance produced elsewhere;
- **iii.** **out of school hours childcare** – the National Childcare Strategy for England and equivalent plans for Scotland, Wales and Northern Ireland;
- **iv.** **ICT training and content creation** – the National Grid for Learning and the Public Libraries IT Network;
- **v.** **cancer prevention, detection, treatment and care** – the public health strategies of each country and guidance issued by the NHS Breast and Cervical Screening Programme, and also: in England, the implementation of the Calman/Hine report 'A Policy Framework for Commissioning Cancer Services' and other supporting evidence-based guidance; in Scotland, the implementation of 'Commissioning Cancer Services in Scotland'; in Wales, the implementation of 'The Cameron Report: Cancer services in Wales'; and in Northern Ireland, the implementation of the Campbell Report 'Cancer Services Investing for the Future';
- **vi.** **green spaces and sustainable communities** – local biodiversity action plans (LBAPS), Local Agenda 21 strategies, local access fora, the UK Sustainable Development Strategy, 'Down to Earth' in Scotland, the Sustainable Development Scheme of the National Assembly of Wales, and to the strategies of the Countryside Commission, the Rural Development Agency, the Countryside Agency, Scottish Natural Heritage and the Countryside Council for Wales;
- **vii.** **community access to lifelong learning** – 'The Learning Age' (CM 3790), 'Opportunity Scotland' (CM 4048), relevant Lifelong Learning Development Plans, 'Building the Public Library Network', the National Grid for Learning Challenge 'Open for Learning, Open for Business', the University for Industry, the Scottish University for Industry; and Scottish initiatives on Community Learning Plans, New Community Schools and Education Action Plans; 'Learning is for Everyone' (CM3924) (Wales); and,'Lifelong Learning: a new culture for all' (Northern Ireland).

C. the need to ensure, in funding Healthy Living Centres, that:

i. Users and local communities are involved in both design and delivery;

ii. Centres are accessible to people of all ages but with a particular focus upon people who experience disadvantage, or who have difficulty accessing existing health facilities and services;

iii Projects cover a wide range of facilities, activities and services, including, for example, food co-operatives, cultural and sporting activities, outreach facilities or drop-in centres;

iv Projects reflect a broad interpretation of health as the quality of life which goes beyond the prevention of disease or the promotion of healthy lifestyles and recognises the wider social and economic influences on health;

5. participants in applications for funding are of proper standing to be involved in promoting healthy living.

4. the need to ensure, in funding out of school hours education and childcare including summer schools, that:

i. projects are accessible to children and young people of all backgrounds and abilities but with a particular focus upon supporting projects serving a high proportion of those who suffer disadvantage and/or are at risk of underachievement or disaffection;

ii. provision reflects the needs, circumstances and aspirations of all sections of society, of particular local communities, and the children and young people who participate. Local communities and participants should be involved in planning and delivering projects wherever possible;

iii. participation in projects achieves at least one of the following objectives:

- meeting the needs of parents and offering children and young people opportunities which promote their well-being, such as play, sport and creative activities;
- helping to raise standards of achievement at school and assisting the intellectual and social development of children and young people, through a wide range of effective learning activities.

iv. projects funded to support summer school places in addition pay particular attention to the needs of ethnic minority children; children for whom English is a second language; children with special educational needs; and gifted and talented children.

v. projects funded to support summer school places in addition include:

- those involving schools working with other agencies from the voluntary, public and private sectors;
- in the case of those catering for pupils with special educational needs, special schools working with mainstream schools.

D.a. the need to ensure, in funding cancer prevention, detection, treatment and care, that:

i. where appropriate local communities are involved in designing and delivering projects, building on priorities for local cancer services as agreed by commissioners and providers of the service, both statutory and non statutory;

ii. projects take account of the needs of people with disabilities or who are socially disadvantaged;

iii. consideration is given to the role volunteers can play in delivering the projects;

iv. projects are complementary to, and not in competition with, existing provision (either public or private), including other NOF initiatives (especially healthy living centres) and other Lottery projects (especially those of the NLCB);

v. projects have a clear focus, and set measurable and achievable targets;

vi. projects are encouraged which develop local partnerships especially between the voluntary and statutory sectors and/or innovative or replicable techniques or approaches;

vii. in England, priority is given to projects providing new or updated equipment for cancer screening, diagnosis or treatment.

D.b. the need to ensure, in funding green spaces and sustainable communities, that:

i. local communities are involved in designing and delivering projects and ensuring their sustainability;

ii. projects take account of the needs of people with disabilities or who are socially disadvantaged;

iii. consideration is given to the role volunteers can play in delivering the projects;

iv. projects are complementary to, and not in competition with, existing provision, including other NOF initiatives and Lottery projects (especially those of the Heritage Lottery Fund), and that all projects work closely in partnership with existing local environmental and community programmes;

v. projects have a clear focus, and set measurable and achievable targets;

vi. projects of recreational value include projects providing facilities for children's play, for organised and informal sport, and for playing fields;

vii. in Scotland, the main focus is on the provision of assistance for the acquisition and management of rural land by communities where this contributes towards sustainable development in social, economic and environmental terms.

D.c. the need to ensure, in funding community access to lifelong learning, that:

i. local communities and communities of interest are, where appropriate, involved in deciding priorities, and in designing and delivering projects;

ii. projects take particular account of the needs of: people with disabilities or who are socially disadvantaged;

people with few or no formal qualifications; people in remote communities; ethnic minorities; minority language groups; faith groups; traveller communities; and, people who find it difficult to engage in formal education or training or who have a background of educational exclusion and disadvantage;

iii. consideration is given to the role volunteers can play in delivering the projects;

iv. projects are complementary to, and not in competition with, existing or planned provision in either the public or private sectors, including other NOF initiatives, Lottery projects, the Adult and Community Learning Fund, Community Learning Plans (in Scotland) , learning centres funded by the Capital Modernisation Fund announced in March 1999, and European Union initiatives;

v. projects have a clear focus, and set measurable and achievable targets which are, where appropriate, consistent with the targets for ICT set out in the National Grid for Learning Challenge (November 1998);

vi. projects are encouraged which join up learning resources provided by government and others, and where relevant take account of strategies developed by local lifelong learning partnerships and by the University for Industry;

5. The need to further the objectives of sustainable development;

F. In considering applications which relate to the initiatives specified by Order made by the Secretary of State under section 43B(1):

- **1.** the need to ensure that all parts of the United Kingdom have access to funding; and,
- **2.** the scope for reducing economic and social deprivation at the same time as delivering the benefits specified under each initiative;

7. In interpreting Direction F, the desirability, in relation to:

- **i.** Healthy Living Centres of targeting projects in Health Action Zones in England and elsewhere as applicable and to those in other areas of greatest health deprivation
- **ii.** out of school hours education, of giving priority to projects involving schools in Education Action Zones (in England) and those involving other schools serving areas of greatest social and economic need;
- **iii.** out of school hours childcare, of ensuring that projects are consistent with the priorities identified by bodies responsible for drawing up plans for the delivery of the childcare strategy at local level in each country; and that the allocation of funds between areas takes account of the level of needs identified by such bodies;
- **iv.** cancer prevention, detection, treatment and care, of targeting projects in areas of higher incidence and mortality, and the greatest inequities of access and provision;
- **v.** green spaces and sustainable communities, of targeting projects in areas of multiple deprivation.

H. The need for money distributed under section 25(1) to be distributed to projects only where they are for a specific, time-limited, purpose;

I. The need:

- **i.** in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;
- **ii.** where capital funding is sought, for a clear business plan beyond the period of the grant for associated running and maintenance costs;
- **iii.** in other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability beyond the period of the grant wherever possible;

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

K. The need to ensure that its powers to solicit applications under section 25 (2A) are used in connection with the pursuit of strategic objectives;

L. The desirability of working with other organisations and taking account of their views as an effective means of delivering elements of its strategy;

M. In making decisions on each application, the need to ensure it has such information as necessary to make decisions including independent advice where required.

DIRECTIONS TO THE NEW OPPORTUNITIES FUND UNDER SECTION 43 C (1) OF THE NATIONAL LOTTERY etc ACT 1993

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on him by section 43C (1) of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998, hereby gives the following Directions to the New Opportunities Fund:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998.

2. For the purposes of these Directions, certain key terms are defined in the Schedule. This Schedule forms part of these Directions.

3. The New Opportunities Fund shall comply with the following Directions.

1. HEALTHY LIVING CENTRES

1.1. The Fund shall, by September 2002, commit funds to projects that, between them should establish or develop healthy living centres accessible to at least 20% of the population of the UK.

Explanatory notes:

1. The catchment area of the network of centres should cover at least 20% of the UK population.

2. The aim of this initiative is to target areas containing the most deprived sections of the population in order to reduce health inequalities throughout the UK and improve the health of the worst off in society. Policy Directions B, C and G deal with the aims, desirable characteristics and targeting of healthy living centres.

3. Funds may be committed to establish new provision, or to expand or enhance existing provision (taking into account Policy Direction H).

4. If it appears likely that it would need to do so to achieve the target in this Direction, the Fund will be able to draw on its power to solicit applications (taking into account Policy Direction K).

1.2. The Fund shall commit a total of £300 million (including administration costs) to projects falling within the healthy living centres initiative.

Explanatory notes:

1. Of this £300 million, £200 million is likely to be made available to NOF before 2001 and £100 million is likely to be made available after 2001.

2. It is unlikely to be possible to achieve commitments of funding exactly in line with the figures in this Direction. The Fund will have complied with this Direction so long as the funding outcome, including administration costs, is no more than 0.5% more or less than £300 million.

1.3. The funds, excluding administration costs, should be allocated between each country of the UK so that, over time, 77.5% of the total funds committed to projects is for projects in England, 11.5% is for projects in Scotland, 6.5% is for projects in Wales and 4.5% is for projects in Northern Ireland.

Explanatory notes:

1. This allocation of funds takes into account relative population and deprivation in each country.

2. There is no requirement for NOF to commit funds to each country in these proportions year by year as long as, once the initiative is finished, the total proportions mentioned have been committed to each country. If insufficient quality applications are submitted from any country, NOF will be able to draw on its power to solicit applications (taking into account policy direction K).

3. It is unlikely to be possible to achieve commitments of funding exactly in line with the percentages in this Direction. The Fund will have complied with this Direction so long as the funding outcomes, excluding administration, are no more than 0.5% more or less than the cash value of each percentage.

2. OUT OF SCHOOL HOURS ACTIVITIES

2.1. The Fund shall commit funds to out of school hours education projects which taken together should provide regular activities involving at least half of all secondary schools, at least a quarter of all primary schools, and at least half of all special schools by 2001; and to out of school hours childcare projects which taken together provide childcare places catering for 865,000 children by 2003.

2.1.a. The Fund shall commit funds to summer school projects which taken together should provide summer school places for an extra 250,000 pupils by 2002.

Explanatory notes:

1. The target for out of school hours education projects applies within each country, as well as across the UK as a whole (ie projects involving at least half of all secondary schools in each of England, Scotland, Wales and N. Ireland and so on).

2. For an out of school hours education project to "involve" one or more schools, it must have the support of each school whose pupils it serves. However, projects need not be based in schools or led by schools, and may serve children from more than one school.

3. Funds may be committed to establish new provision, to expand or enhance existing provision or to sustain existing good quality provision (taking into account Policy Direction Div., Dv. and H).

4. Support for the provision of out of school hours childcare will also be made available as part of programmes of the Department for Education and Employment, Scottish Office, Welsh Office and Department of Health and Social Services (Northern Ireland). In 1998-99, these programmes will support the establishment of places for approximately 135,000 children across the United Kingdom, which taken with the places for approximately 865,000 children to be established with the support of the Fund, will deliver the commitment of places for a million children which forms an important component of the Government's childcare strategies for each country. From 1999-2000 onwards, resources from these programmes will continue to be made available in ways which complement the support available from the Fund.

5. If it appears likely that it would need to do so to achieve the target in this Direction, the Fund will be able to draw on its power to solicit applications (taking into account policy direction K). The primary aim of summer schools is to provide learning activities which serve to encourage and motivate pupils, build their self esteem and help them reach higher standards of achievement. The target in Direction 2.1a is additional to the targets set out in Direction 2.1 and the provision of these summer school places does not count towards the achievement of targets set out in the earlier Direction.

2.2. The Fund shall commit a total of £400 million (including administration costs) to out of school hours activities. Within this, £180 million should be committed to education activities, £200 million should be committed to childcare, and £20 million to integrated projects combining both childcare and education.

2.2.a. The Fund shall commit an additional £25 million to fund extra summer school places as described in Direction 2.1.a.

Explanatory notes:

1. Of the £400 million total (stated in 2.2 above), £300 million is likely to be made available to the Fund before 2001 and £100 million is likely to be made available after 2001 through the financial resources available to the Fund. The division of funds between the two strands of the initiative over time is a matter for the Fund, bearing in mind the need to meet the deadlines for the targets in Direction 2.1.

2. It is unlikely to be possible to achieve commitments of funding exactly in line with the figures in this Direction. The Fund will have complied with this Direction so long as the funding outcomes, including administration costs, are no more than 0.5% more or less than each of the figures.

2.3. Each of the components of the total £425 million funding for activities outside school hours in Direction 2.2 and 2.2.a., excluding administration costs, should be allocated between each country of the UK so that over time 77.5% of the total funds committed to projects is for projects in England, 11.5% for projects in Scotland, 6.5% for projects in Wales and 4.5% for projects in Northern Ireland.

Explanatory notes:

1. The allocation of funds in this Direction takes into account the relative population and deprivation in each country on the same basis as the allocation of National Lottery Charities Board funding to the various parts of the United Kingdom.

2. There is no requirement for the Fund to commit funds to each country according to these proportions year by year as long as, once the initiative is finished, the total amounts mentioned have been committed to each country. If insufficient quality applications are submitted from any country, the Fund will be able to draw on its power to solicit applications (taking into account Policy Direction K).

3. It is unlikely to be possible to achieve commitments of funding exactly in line with the percentages in this Direction. The Fund will have complied with this Direction so long as the funding outcomes, excluding administration, are no more than 0.5% more or less than the cash value of each percentage.

4. How the target of places for 865,000 children (as stated in 2.1 above) is delivered across the United Kingdom is a matter for the Fund. However, it is expected that the distribution of places will broadly follow the distribution of funds required by this Direction.

2.4. The following bodies shall be eligible to apply for funding for out of school hours education activities:

a) schools (as defined in the Schedule);

b) statutory and non-statutory bodies working with one or more named schools;

c) any combination of the above, including groups of schools.

Any of the organisations listed can act as lead body in applying, but all applications must have the support of at least one named school.

Explanatory notes:
1. This Direction is intended to ensure that all projects funded have the support of at least one named school (as defined in the Schedule). Other organisations are, however, eligible, and indeed welcome, to make and participate in applications.

2. Independent schools may be involved in applications as partners in bids if projects are intended to benefit both pupils in those schools defined in the Schedule and the independent school(s) involved, but the initiative is not intended to fund projects involving only pupils in independent schools. This should be read in conjunction with Policy Directions D, F and G which deal with deprivation.

3. Among the statutory and non-statutory bodies who shall be eligible are Local Education Authorities (or Education Authorities in Scotland), education-business partnerships, Training and Enterprise Councils in England and Wales, Local Enterprise Companies in Scotland, public libraries, local and national voluntary bodies, institutions of further and higher education, independent schools, and other organisations, subject to the requirements in Policy Direction A in relation to public good.

2.5. All successful applicants under this initiative must as a minimum meet all relevant statutory requirements, particularly those for registration under the Children Act where applicable, and all health and safety requirements.

Explanatory note:
1. Listed below are the main statutory requirements which successful applicants must as a minimum meet for the purposes of this Direction:

Relevant provisions of:

Children Act 1989 and in Northern Ireland 'The Children (NI) Order 1995'
Health and Safety and Work etc Act 1974, and in Northern Ireland, Health and Safety at Work (NI) Order 1978
Criminal record and, for England [and Wales] List 99 checks [soon to be taken up by Part V of Police Act 1997] and for Northern Ireland, Disclosure of Criminal Background of Persons with Access to Children Checks, 'DENI Circular 1990/128 Checks'.

2.6. In determining staffing levels for summer schools, all summer schools catering for pupils with special educational needs (SEN) should have regard to DfEE Circular 11/90 (in Wales, Welsh Office Circular 58/90), 'Staffing for Pupils with Special Educational Needs', and have regard to the Education Teachers Regulations 1993 with respect to teachers working with children who are visually or hearing impaired, or both. Schools must take account of both physical and curriculum access requirements for pupils with SEN and/or a disability, and must set appropriate teacher/ pupil ratios. In Scotland, reference should be made to the 1956 Schools Code for staffing levels for pupils with special educational needs and qualifications for teachers working with children who are visually or hearing impaired, or both.

Explanatory notes:
1. For the purposes of the summer schools expansion of the out of school hours activities initiative a child has "special education needs" if he or she has special educational needs within the definition in Section 312 of the Education Act 1996 in England and Wales, in section 1(5) (d)of the Education (Scotland) Act 1980 in Scotland, and Article 3 of the Education (Northern Ireland) Order 1996 in Northern Ireland.

SCHEDULE: DEFINITION, SCOPE AND PURPOSE OF OUT OF SCHOOL EDUCATION AND CHILDCARE

For the purposes of these Directions, unless provision to the contrary is made:

1. 'school' means any school included in the lists below

England	Scotland	Wales	Northern Ireland
Maintained schools	Public schools	Maintained schools	All grant-aided schools, including controlled and voluntary grammar schools and special schools
City Technology Colleges and city colleges for the technology of the arts	Grant-aided schools		
Non-maintained special schools	Self-governing schools	Non-maintained special schools	

2. "out of school hours education" means: programmes of learning activities outside normal school hours which are linked to particular schools' overall provision and aims (whether or not the individual schools are directly involved in providing the activities). Activities taking place before and after school hours, during lunchtimes, at weekends and during school holidays can be included so long as they contribute to the educational provision made for young people by the school and its partners. The primary aim is to provide learning activities which serve to encourage and motivate pupils, build their self-esteem and help them reach higher standards of achievement . Such activities are made available to pupils on the basis of need and ability to benefit; pupils take part voluntarily and charges are not usually made to those taking part;

3. "out of school hours childcare" means: provision available for children attending school (whether or not schools as defined at i. above) either full-time or part-time, aged between 3 and 14, but including 15 and 16 year olds where appropriate, before or after the school day and/or during school holidays. Care may be provided in any setting or manner, so long as it offers a good quality experience to children with a variety of well-planned activities appropriate for the range of ages and abilities catered for. Charges may be levied for the provision of childcare. Policy Direction D sets out considerations to be taken into account in considering the kinds of activities which should be funded.

iv. "integrated childcare and education schemes" are schemes which provide childcare along the lines set out in the definition of out of school hours childcare at iii above, but which in addition include activities designed to enthuse, motivate and support the learning of pupils, build their self-esteem and help them to reach higher standards of achievement and which, although they take place outside normal school hours are linked to particular schools' overall provision and aims. Charges may be levied for this provision.

3. ICT TRAINING AND CONTENT CREATION

3.1. The Fund shall ensure that training funded under this initiative is available to those school teachers, school library staff and public library staff defined in the table below, who need it:

	Teachers	School library staff	Public library staff
England	Serving teachers in maintained schools and City Technology Colleges who have qualified as teachers before May 1999 or who have not followed the English National Curriculum for initial teacher training in ICT.	Staff who are employed to oversee, run, service and provide support for the school library.	Operational members of staff in the public library service responsible for the management and delivery of services to the public.
Scotland	Serving teachers in public schools, grant-aided schools and self-governing schools who commenced initial teacher training before the start of session 1999/2000	Staff who are employed to oversee, run, service and provide support for the school library.	Operational members of staff in the public library service responsible for the management and delivery of services to the public.
Wales	Serving teachers in maintained schools who have qualified as teachers before May 2000 or who have not followed the Welsh National Curriculumfor initial teacher training in ICT.	Staff who are employed to oversee, run, service and provide support for the school library.	Operational members of staff in the public library service responsible for the management and delivery of services to the public.
Northern Ireland	Serving teachers in grant-aided schools who need to develop a level of competence equivalent to that specified in relation to ICT in the National Curriculum for Initial Teacher Training.	Staff who are employed to oversee, run, service and provide support for the school library.	Operational members of staff in the public library service responsible for the management and delivery of services to the public.

Explanatory notes:

1. There are currently 500,000 serving teachers in the maintained sector in the UK; research suggests that 450,000 of these require training in information and communications technology. There are estimated to be 27,000 public library staff with training needs in the UK. School library staff include staff who are employed by the school to oversee, run and service the school library and could include serving teachers, qualified librarians and others who are neither qualified as a teacher nor a librarian.

2. Serving teachers are teachers who have a current permanent full-time or part-time contract to work at a school falling into the definitions above. Supply teachers and advisory teachers would not normally be eligible. Acting Headteachers and Deputy Headteachers are eligible at the school where they are currently based. The Fund will consider exceptional cases. Although teachers with permanent part-time contracts will be eligible for training, the training entitlement given to a school by the Fund, or a body acting on its behalf, is likely to be based, at least in part, on the number of full-time teachers or full-time equivalent teachers in the school rather than the total number of full and part-time teachers in the school.

3.2. The Fund shall ensure that the training funded under this initiative is delivered only by providers which have been approved by the Fund or a body acting on the Fund's behalf. In approving providers, the Fund, or a body acting on its behalf, will ensure that the training they will deliver under this initiative will bring teachers, school library staff and public library staff up to the level of knowledge and skill in the use of ICT as defined in the tables below, and is focused on using technology within the classroom or library to help children and people of all ages respectively to learn.

Standard Country	Teachers	School library staff	Public library staff
England	Standard of the English National Curriculum for initial teacher training in ICT	Standard to be defined in guidance being produced by British Educational and Communications Technology Agency on behalf of education departments.	Standard to be produced by the LIC
Scotland	Standard of the SOEID ICT Guidance for Initial Teacher Education.		
Wales	Standard of the Welsh National Curriculum for initial teacher training in ICT.		
Northern Ireland	Standard equivalent to that of the English National Curriculum for Initial Teacher Training in ICT.		

Explanatory note:

1. *Although the Fund is required to fund training to bring teachers and library staff up to a specified standard, the training schemes which the Fund approves should be flexible enough to allow a school or library receiving the training to take account of the skills and knowledge of the teacher or member of staff concerned and any other relevant factors.*

3.3. Individuals and individual public libraries shall not be eligible to bid for funds under the training element of this initiative – the Fund will invite Public Library Authorities to bid on behalf of the libraries in their area for funds for training. Those organisations which are eligible to bid for funds under the training element of the initiative are as follows:

Country	Teachers	School Library Staff	Public Library Staff
England	Schools	Schools	Library authorities
Scotland	Schools or education authorities	Education authorities	Library authorities
Wales	LEAs or schools	LEAs or schools	Library authorities
Northern Ireland	Education & Library Boards	Education & Library Boards	Education & Library Boards

Explanatory notes:

1. *The training provided to public library staff under this initiative is intended to facilitate the use by them of the Public Libraries IT Network and the National Grid for Learning. Public Library Authorities are best placed to determine when, taking this into account, it is appropriate for individual libraries and library staff to benefit from the provision of training under this initiative, hence the requirement that applications should come from such authorities.*

2. *In England, schools will be best placed to prioritise the training needs of their staff and to achieve the minimum standard of expertise in the effective use of ICT in schools. Responsibility for achieving the minimum standard of expertise in the effective use of ICT should rest with the school. Local Education Authorities may provide advice to schools on the formulation of development plans, including plans to raise standards through the effective use of ICT. Many Local Education Authorities ("LEAs") will bid to join the list of approved training providers from which schools can choose the provider(s) best suited to their needs.*

3. *In Scotland and Wales, some LEAs/EAs may wish, with the agreement of the schools in question, to bid for funding on behalf of groups of schools or even on an Authority-wide basis. As many LEAs/EAs in Scotland and Wales may also wish to bid to join the list of approved training providers from which schools can choose the provider(s) best suited to their needs, the Fund will wish to satisfy itself that where an LEA/EA bids for funding, no conflict of interest will arise where that LEA/EA is also, or plans to become, a training provider.*

3.4. The Fund will support the digitisation of educational and learning material which will benefit the wider lifelong learning community and education in its broadest sense, and which would not otherwise be provided solely by the commercial or public sectors.

Explanatory note:
1. The Fund will need to identify priorities for the digitisation of material and develop a strategy for their implementation, taking into account the views of organisations representing a range of content holders, and giving due recognition to national and regional needs and priorities. For example, there will be a need for consideration of the creation of materials in Scottish Gaelic, Irish and Welsh as well as languages other than English which are used within the UK.

3.5. The Fund shall commit a total of £300 million (including administration costs) to information and communications technology training for teachers, school library staff and public library staff, and the digitisation of educational and learning material. Within this, £230 million should be committed to information and communications technology training for teachers and school library staff, £20 million should be committed to information and communications technology training for public library staff, and £50 million should be committed to the digitisation of educational and learning material.

Explanatory notes:
1. The £300 million for this initiative is likely to be made available to the Fund by 2001.

2. It is unlikely to be possible to achieve commitments of funding exactly in line with the figures in this Direction. The Fund will have complied with this Direction so long as the funding outcomes, including administration costs, are no more than 0.5% more or less than each figure.

3. If insufficient quality applications are submitted to enable the Fund to meet these targets, the Fund will be able to draw on its power to solicit applications (taking into account Policy Direction K).

3.6. (i) The funds committed to training teachers and school library staff, excluding administration costs, should be allocated between each country of the UK so that, over time, 79.7% of the total is committed to projects in England, 10.1% is committed to projects in Scotland, 5.5% is committed to projects in Wales and 4.7% is committed to projects in N. Ireland.

(ii) The funds committed to training public library staff, excluding administration costs, should be allocated between each country of the UK so that, over time, 80.8% of the total is committed to projects in England, 11.85% is committed to projects in Scotland, 4.35% is committed to projects in Wales and 3% is

committed to projects in N. Ireland.

Explanatory notes:
1. The territorial allocation for training teachers (and school library staff) and public library staff is based on the number of teachers and public library staff respectively in each country.

2. There is no requirement for the Fund to commit funds to each country in these proportions year by year as long as, once the initiative is finished, the total proportions mentioned have been committed to each country. If insufficient quality applications are submitted from any country to enable the Fund to meet these targets, the Fund will be able to draw on its power to solicit applications (taking into account Policy Direction K).

3. It is unlikely to be possible to achieve commitments of funding exactly in line with the percentages in this Direction. The Fund will have complied with this Direction so long as the funding outcomes, excluding administration, are no more than 0.5% more or less than the cash value of each percentage.

3.7. Successful applicants for funds under the digitisation of educational and learning materials element of this initiative must make the content concerned available free of charge to users through the Public Libraries Network and the National Grid for Learning.

Explanatory note:
1. This Direction should not be taken to prevent applicants from earning revenues from added-value services or from charging particular user groups, but should be read in conjunction with Policy Direction A.

4. CANCER PREVENTION, DETECTION, TREATMENT AND CARE

4.1. The Fund shall, by 2002, commit funds to projects that, between them are designed to:

i) improve cancer prevention by health promotion activities and by educating local communities about the risks of cancer and how to minimise them;

ii) aid cancer detection by improving awareness of and access to national cancer screening programmes, and in the case of breast cancer screening particularly by funding the provision of new or replacement equipment, in line with nationally defined standards.

iii) improve cancer diagnosis and treatment by funding the provision of new or updated high tech equipment and by improving access to new and existing provision for patients suspected of having or diagnosed with cancer, in line with nationally defined standards;

iv) improve cancer care by establishing and/or developing collaborative partnerships to provide effective palliative care and associated support and information services;

Explanatory notes:
1. The Fund can support health promotion, education and awareness projects under 4.1(i) and (ii) which focus on a particular cancer, but should ensure that the programme as a whole tackles all types of cancer. All projects, and the programme as a whole, should explore opportunities to collaborate with NOF's Healthy Living Centre initiative.

2. Purchase of equipment under this initiative is intended as a one-off catch-up exercise in order to bring provision to an even and satisfactory standard across the country. The Fund should only support the purchase of new or updated equipment where it is clear that equipment is in addition to that planned and funded within currently approved budgets.

3. The standard referred to in 4.1 (ii) is that by 2002 everybody invited for breast screening has access to appropriate and effective screening that continues to meet nationally defined standards and quality assurance targets in line with published guidance.

4. The standard referred to in 4.1 (iii) is that by 2002 patients requiring radical or peri-operative radiotherapy (excluding elective delay and skin cancers) should not have to wait longer than the maximum acceptable delay for radiotherapy as specified currently in the latest guidelines issued by the Joint Council for Clinical Oncology, or as specified subsequently in national published standards in the light of clinical outcomes.

5. The collaborative partnerships mentioned in 4.1 (iv) may be between Health Authorities in England and Wales, Health Boards in Scotland, Health and Social Services Boards in Northern Ireland, NHS Trusts and HSS Trusts, the voluntary sector and social services. They could bid for a variety of services such as pain control or respite care for children, education and training programmes, provision of equity of access to hospice or 'hospice at home' services or practical support services to avoid admission to hospitals or nursing homes, development of drop-in centres, and establishing help lines or support networks for patients, families and carers.

6. Funds may be committed to establish new provision or to expand or enhance existing provision (taking into account Policy Direction H).

7. The Fund will be able to draw on its power to solicit applications (taking into account Policy Direction K) if it appears likely that it needs to do so in order to achieve the targets set in this Direction.

4.2. The Fund shall commit a total of £150 million (including administration costs) to projects falling within the cancer prevention, detection, treatment and care initiative.

Explanatory notes:
1. If insufficient quality applications are submitted to enable the Fund to meet these targets it will be able to draw on its power to solicit applications (taking into account Policy Direction K).

2. It is unlikely to be possible to achieve commitments of funding exactly in line with the figures in this Direction. The Fund will have complied with this Direction so long as the funding outcome, including administration costs, is no more than 0.5% more or less than £150 million.

4.3. The funds, excluding administration costs, should be allocated between each country of the UK so that, over time, 77.5% of the total funds committed to projects is for projects in England, 11.5% is for projects in Scotland, 6.5% is for projects in Wales and 4.5% is for projects in Northern Ireland.

Explanatory notes:

1. This allocation of funds takes into account relative population and deprivation in each country.

2. There is no requirement for the Fund to commit funds in these proportions year by year as long as, once the initiative is finished, the proportions mentioned above have been achieved. If insufficient quality applications are submitted from any country, the Fund will be able to draw on its power to solicit applications (subject to Policy Direction K).

3. The Fund will have complied with this Direction so long as the funding outcomes, excluding administration costs, are no more than 0.5% more or less than the cash value of each percentage.

4.4. The Fund must ensure that all projects have the support of: in England, the relevant Health Authority and the appropriate regional office of the Department of Health responsible for co-ordinating the implementation of the Calman/Hine report 'A Policy Framework for Commissioning Cancer Services'; in Scotland, the relevant Health Board and the Scottish Cancer Group; in Wales, the relevant Health Authority and the Cancer Services Co-ordinating Group; and in Northern Ireland, the relevant Health and Social Services Board and the Department of Health and Social Services.

5. GREEN SPACES AND SUSTAINABLE COMMUNITIES

5.1. The Fund shall, by 2002, commit funds to projects designed to help urban and rural communities throughout the UK understand, improve or care for their environment by:

(i) creating, preserving, improving or promoting access to green spaces of educational, recreational or environmental value to the community, including by the acquisition of land, reuse of derelict land, and creation of habitats which encourage biodiversity;

(ii) encouraging small community based projects which engage local people in improving and caring for their environment and promoting sustainable development

Explanatory notes:

1. Funds may be committed to establish new provision or to expand or enhance existing provision (taking into account Policy Direction H). The Fund should ensure that applicants for funding demonstrate awareness of other relevant environmental, community or regeneration initiatives and show how their proposals complement them.

2. Each project should have appropriate, measurable targets for the environmental and other benefits which will accrue, both within and beyond the period of funding. Each project should have targets for the level of community involvement in the implementation of the project and the proportion of the community that the project will benefit. Environmental targets may need to be intermediate; for example, the establishment of structures to enhance biodiversity rather than a specific biodiversity target.

3. Projects promoting access under this initiative should include projects promoting access to the countryside through information provision, and route creation and management. Projects will also include areas of particular local interest for their biodiversity.

4. Sustainable development is based on achieving four broad objectives (which projects should seek to combine wherever possible): social progress which meets the needs of everyone; effective protection of the environment; prudent use of natural resources; and, maintenance of high and stable levels of economic growth and employment. Projects under 5.1(ii) might support a wide range of projects including, for example, safe routes to schools, green technologies or waste recycling.

5. The Fund should seek to encourage projects in all parts of the UK. It will be able to draw on its power to solicit applications (taking into account Policy Direction K) if it appears likely it needs to do so in order to achieve this.

5.2. The Fund shall commit a total of £125 million (including administration costs) to projects falling within the green spaces and sustainable communities initiative, of which at least 75% shall be for projects relating to strand 5.1 (i).

Explanatory notes:

1. If insufficient quality applications are submitted to enable the Fund to meet these targets it will be able to draw on its power to solicit applications (taking into account Policy Direction K).

2. It is unlikely to be possible to achieve commitments of funding exactly in line with the figures in this Direction. The Fund will have complied with this Direction so long as the funding outcomes, including administration costs, are no more than 0.5% more or less than each figure.

5.3. The funds, excluding administration costs, should be allocated between each country of the UK so that, over time, 77.5% of the total funds committed to projects is for projects in England, 11.5% is for projects in Scotland, 6.5% is for projects in Wales and 4.5% is for projects in Northern Ireland.

Explanatory notes:

1. This allocation of funds takes into account population and deprivation in each country.

2. There is no requirement for the Fund to commit funds in these proportions year by year as long as, once the initiative is finished, the proportions mentioned above have been achieved. If insufficient quality applications are submitted from any country, the Fund will be able to draw on its power to solicit applications (subject to Policy Direction K).

3. The Fund will have complied with this Direction so long as the funding outcomes, excluding administration costs, are no more than 0.5% more or less than the cash value of each percentage.

6. COMMUNITY ACCESS TO LIFELONG LEARNING

6.1. The Fund shall by 2002 commit funds to projects designed to support the development of a nationwide network of learning centres with ICT access to information and learning, in particular by developing Community Grids for Learning and the Public Library Network and so contributing to the realisation of the University for Industry.

Explanatory notes:

1. The aim of the initiative is to encourage more adults into learning and so contribute to the achievement of the National Target for adult participation in learning. Successful bids should demonstrate that they reflect the importance of bringing adults who are not currently receiving education, or who face particular obstacles in gaining access to education, back into learning, including through outreach.

2. 'Community Grids for Learning' will enable local authorities and communities of interest to develop on-line community resources and the means to access them. Funding might cover: infrastructure, including central server capacity and interconnection costs; content design and development; and initial staffing costs including training for intermediaries (complementing that already funded by NOF for teachers and librarians) and for users (linking with the IT for All programme).

3. The 'Public Library Network' (PLN) is a programme to develop the IT infrastructure required to link the UK's 4,000 public libraries to each other and to the National Grid for Learning and the University for Industry, enabling them to provide a wide range of on-line services for use by members of the public and to develop new digitised material. Funding might cover infrastructure; the provision of relevant content and other learning materials; and initial staffing costs including training for intermediaries and users.

4. Although it is expected that public libraries will play a significant part in the realisation of the network of learning centres, other venues (particularly community centres, museums, galleries, schools or colleges) will also be considered for funding. Learning centres should be established primarily in existing premises. NOF funds are not intended for the construction of new premises but might cover ICT infrastructure start-up costs, initial staffing costs including training for intermediaries and users, and software. The Fund is expected to coordinate this initiative with the Capital Modernisation Fund (CMF) learning centres initiative announced by the Treasury in March 1999. Where appropriate projects will be able to receive funds from both the Fund and the CMF.

5. Projects whose exclusive beneficiaries are of compulsory school age should not be funded. However, children of compulsory school age could benefit from this initiative as long as they were not the sole or main beneficiaries – for example, family learning projects (which engage parents in learning while also helping children's school work) should be included within the scope of this initiative.

6. Funds may be committed to establish new provision or to expand or enhance existing provision (taking into account Policy Direction H).

7. The Fund will be able to draw on its power to solicit applications (taking into account Policy Direction K) if it appears likely that it needs to do so in order to achieve the targets in this Direction.

8. In coordinating the overall strategy of the initiative, and to ensure that individual bids conform with this strategy, the Fund should work closely with the IT coordinating group announced by the Treasury in March 1999.

9. Learning centres which receive funds from this initiative should be encouraged to work towards meeting the University for Industry (UfI) learning centre criteria in order to become part of the network. In considering bids for funding the establishment of centres, the NOF shall have regard to advice from the UfI (eg on location, particularly in hard-to-reach or disadvantaged areas) as well as other relevant bodies (eg the Library and Information Commission (LIC) and the British Educational Communications and Technology Agency (BECTA)).

6.2 The Fund shall ensure that projects with an ICT element are functionally and technically compatible with the specifications for the National Grid for Learning, the Public Library Network and the University for Industry.

Explanatory notes:

1. Projects with an ICT element which provide content must conform with the National Grid for Learning (NGfL) Ground Rules and Code of Conduct for Content Providers, and its technical annex. These are updated on the grid to take account of technical and other developments. The latest version can be found at http://challenge.ngfl.gov.uk.

2. Such projects should also take account of standards set for infrastructure and networking as a consequence of the development of managed ICT services for the NGfL and PLN. The functional specification for managed services was set out in the Government's NGfL Challenge 'Open for Learning, Open for Business' published in November 1998. Further technical specification will be available following the conclusion of the tendering process for certified NGfL managed services in July 1999 and further work by the LIC on how this applies to libraries. The specification is likely to develop over time to keep pace with developments in technology and the needs of learning institutions. All ICT infrastructure and networking provided under Community Access to Lifelong Learning (CALL) projects should be capable of compatible operation with infrastructure and networking secured under the NGfL managed service specification.

3. Projects should also be technically and functionally compatible with the UfI specifications currently being developed in line with those for the NGfL.

6.3 The Fund shall commit a total of £200 million (including administration costs) to projects falling within the community access to lifelong learning initiative.

Explanatory notes:

1. If insufficient quality applications are submitted to enable the Fund to meet these targets, the Fund will be able to draw on its power to solicit applications (taking into account Policy Direction K).

2. It is unlikely to be possible to achieve commitments of funding exactly in line with the figures in this Direction. The Fund will have complied with this Direction so long as the funding outcome, including administration costs, is no more than 0.5% more or less than £200 million.

6.4. The funds, excluding administration costs, should be allocated between each country of the UK so that, over time, 77.5% of the total funds committed to projects is for projects in England, 11.5% is for projects in Scotland, 6.5% is for projects in Wales and 4.5% is for projects in Northern Ireland.

Explanatory notes:

1. This allocation of funds takes into account relative population and deprivation in each country.

2. There is no requirement for the Fund to commit funds to each country in these proportions year by year as long as, once the initiative is finished, the proportions mentioned above have been achieved. If insufficient quality applications are submitted from any country, the Fund will be able to draw on its power to solicit applications (taking into account Policy Direction K).

3. The Fund will have complied with this Direction so long as the funding outcomes, excluding administration costs, are no more than 0.5% more or less than the cash value of each percentage.

AMENDMENTS TO THE DIRECTIONS TO THE NEW OPPORTUNITIES FUND UNDER SECTION 43C(1) OF THE NATIONAL LOTTERY etc. ACT1993

A. The following amendments are hereby made to the Directions given to the New Opportunities Fund on 23 April 1999 pursuant to section 43C(1) of the National Lottery etc. Act 1993.

B. Except as mentioned in paragraph C, these amending Directions are given by the Secretary of State for Culture, Media and Sport, having consulted the Scottish Ministers and the National Assembly for Wales, and the New Opportunities Fund.

C. The Directions and Explanatory Notes listed below are given and issued by the Scottish Ministers, with the agreement of the Secretary of State and having consulted the New Opportunities Fund –

i) In relation to new Direction 2.3.a, School Sports Co-ordinators, Explanatory Note 4;

ii) In relation to the new Direction 3.8, Home and Hospital service teachers, the Explanatory Note, so far as it relates to Scotland; and

iii) The amendment to Direction 5.1 relating to the Scottish Land Fund.

OUT OF SCHOOL ACTIVITIES

After Direction 2.3, insert a new Direction 2.3.a as follows:

2.3.a School Sports Co-ordinators: The fund shall commit an additional £25.5m (including administration costs) to fund out of school hours sports projects by 2004. The funds shall be allocated between each country of the UK so that, over time, and excluding administration costs, 77.5% of the total funds committed to projects is for projects in England, 11.5% for projects in Scotland, 6.5% for projects in Wales and 4.5% in Northern Ireland.

Explanatory Notes

1. In England, the focus will be on providing resources for School Sport Co-ordinators to deliver a planned programme out of school hours sporting activities. The fund shall work closely with the School Sport Co-ordinator Management Board. Projects will be led by partnerships appointed by the School Sport Co-ordinator Management Group.

2. In Northern Ireland, the focus will be on developing out of school hours sports activities through the extension of the existing out-of-school-hours learning programme. This will include activities organised through programmes such as Youth Sport and may include the provision of co-ordinator posts at local level. Projects should involve at least one named school and priority will be given to projects for pupils in schools serving disadvantaged areas

3. In Wales, the funds will be allocated in support of the recommendations included in the PE and School Sports Action Group Report, as well as clearly focused programmes for out of school hours activity.

4. In Scotland the focus will be on increasing the resources already available to School Sports Co-ordinators through Sport Scotland to enable them to pay coaches and leaders to provide coaching activities after school.

ICT TRAINING AND CONTENT CREATION

After Direction 3.7, insert the following new Direction 3.8 –

3.8 Home and hospital service teachers: The fund shall commit an additional £1m (including administration costs) in the UK to ICT training to home and hospital tuition service teachers by 2004.

Explanatory Notes

1. The home and hospital service teachers eligible to receive training under this extension will be those employed by Local Education Authorities in England and Wales, Education Authorities in Scotland and Education and Library Boards in Northern Ireland.

GREEN SPACES AND SUSTAINABLE COMMUNITIES: SCOTTISH LAND FUND

In Direction 5.1, insert in the first line after "by 2002" the following words (which allow for the commitment of funding by 2007) –

"with the exception of projects in Scotland relating to Direction D.b(vii) of the Directions given to the Fund under section26(1) where funds will be committed by 2007"

DIRECTIONS TO THE NEW OPPORTUNITIES FUND UNDER SECTION 43 C (1) OF THE NATIONAL LOTTERY etc. ACT 1993

A. The following Directions are hereby given to the New Opportunities Fund pursuant to section 43C (1) of the National Lottery etc. Act 1993.

B. These Directions are given by the Secretary of State for Culture, Media and Sport, having consulted the Scottish Ministers, as required by Section 88 of the Scotland Act 1998, Ministers of the Northern Ireland Executive and the National Assembly for Wales, and the New Opportunities Fund.

C. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 (as amended).

D. The New Opportunities Fund shall comply with the following Directions.

FAIR SHARE

1.1. The Fund shall, by 2005, commit £50 million to projects designed to help communities to understand, improve and care for their environment (including the living and social environment).

1.2. The funds, excluding administration costs, shall be distributed so that at least 50 areas in the UK benefit from such projects. The funds, excluding administration costs, should be allocated between each country of the UK so that, over a period of time, 77.5% of the total funds committed to projects is for projects in England, 11.5% is for projects in Scotland, 6.5% is for projects in Wales and 4.5% is for projects in Northern Ireland.

Explanatory Notes

1. This allocation of funds takes into account population and deprivation in each country.

2. There is no requirement for the Fund to commit funds in these proportions year by year as long as, once the initiative is finished, the proportions mentioned above have been achieved.

3. The Fund will have complied with this Direction so long as the funding outcomes, excluding administration costs, are no more than 0.5% more or less than the cash value of each percentage.

1.3. The Funds is to take all practicable steps to reach agreement with the Community Fund on the areas in each of the UK countries which are to benefit from such projects. These should be areas which:

i) Are areas suffering from demonstrable deprivation, as defined by a recognised deprivation index; and

ii) Are areas which have received less community benefit than others from National lottery funding.

Explanatory Notes

1. The New Opportunities Fund are not necessarily required to provide funds to all selected areas, as long as all areas receive some funds from either the New Opportunities Fund or the Community Fund.

2. In delivering this initiative, the New Opportunities Fund should consult with the relevant local and national stakeholders, the Scottish Executive, the National Assembly for Wales, the Northern Ireland Assembly and, in England the Regional Coordination Unit and the DCMS.

3. In Wales, consideration will need to be given to how the funds can complement the objectives of the National Assembly for Wales, in particular the Communities First initiative.

4. These Directions derive from the initiative specified in the New Opportunities Fund (Specification of Initiatives) Order 1999, section 3(2).

DIRECTIONS TO THE NEW OPPORTUNITIES FUND UNDER SECTION 43 C (1) OF THE NATIONAL LOTTERY etc ACT 1993

A. The following Directions are hereby given to the New Opportunities Fund pursuant to section 43C (1) of the National Lottery etc. Act 1993.

2. Except as mentioned in paragraph C, these Directions are given by the Secretary of State for Culture, Media and Sport, having consulted the Scottish Ministers and the National Assembly for Wales, and the New Opportunities Fund.

3. The Directions and Explanatory Notes listed below are given and issued by the Scottish Ministers, with the agreement of the Secretary of State and having consulted the New Opportunities Fund-

- **(1)** in relation to "Opportunities for Young People- PE and Sport in Schools", Direction 4.2 and Explanatory Note 7;
- **(2)** in relation to "Reducing the Burden of Coronary Heart Disease, Stroke and Cancer", Explanatory Note 6;
- **(3)** in relation to "Palliative Care", Explanatory Note 6;
- **(4)** in relation to "Childcare", Direction 8.2 and Explanatory Note 4; and
- **(5)** in relation to "Transforming Communities", Direction 9.4 and Explanatory Notes 5 and 8.

4. OPPORTUNITIES FOR YOUNG PEOPLE – PE AND SPORT IN SCHOOLS

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on him by section 43C (1) of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998, hereby gives the following Directions to the New Opportunities Fund:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998.

2. For the purposes of these Directions, certain key terms are defined in the Schedule. This Schedule forms part of these Directions.

3. The New Opportunities Fund shall comply with the following Directions.

4. The Fund shall, by 2006, commit funds to projects designed to bring about a step-change in the provision of sporting facilities for young people and for the community generally by:

- **i)** refurbishing existing, and building new, indoor and outdoor sports facilities for school and community use;
- **ii)** providing initial revenue funding to support the development and promotion of these sporting facilities for community use;
- **iii)** building or refurbishing outdoor adventure facilities, where this would benefit young people who do not currently have ready access to these facilities.
- **iv)** providing (or improving), developing, operating and promoting the use of sport and active recreation facilities or activities which contribute to the improvement of health, education and the environment in local communities.

4.2. In Scotland, under 4 (i) to (iii) the Fund shall commit at least 50% of available funding to projects mentioned at 4.1, and up to 25% of funds to support projects for facilities and programmes which are designed to promote the role of sport in diverting young people from criminal activity or behaviours likely to lead to such activity. The Fund shall also commit up to 25% of funds to support out of school hours programmes organised through schools which offer to children and young people a wide range of sporting and cultural activities, including outdoor education, adventure and other challenging activities. In Scotland, the Fund should commit £11.5 million to initiatives under 4 (iv).

4.3. The Fund should commit £25 million (excluding administration costs) to the "Space for Sport and Arts" initiative in England for primary schools to modernise existing facilities and provide new multi-purpose sports and/or arts facilities for school and community use. The Fund shall commit in England up to £30 million over 3 years for football related projects for school and community use. The Fund should commit £100m to initiatives under 4(iv).

4.4. The Fund shall commit a total of £850.75 million to projects falling within this initiative. Within this figure up to £50 million should be committed to building or refurbishing outdoor adventure facilities.

4.5. The funds should be allocated between each country of the UK so that, over time, £658.75 million of the total funds committed to projects is for projects in England, £98.5 million is for projects in Scotland, £55.25million is for projects in Wales and £38.25million is for projects in Northern Ireland.

Explanatory notes:
This initiative should focus primarily, although not exclusively, on providing high quality PE, sports and physical activity facilities for primary and secondary schools, although the facilities should also be for community use. Projects can include a range of new indoor and outdoor facilities and can improve the quality of existing facilities.

2. Revenue funding under 4.1 ii) should focus on short-term start up costs including promoting, development and outreach work and staff training. It should usually be less than 20% of the Fund grant.

3. In delivering funding for facilities based in schools, the Fund should work closely with Local Authorities, Education Departments, Local Education Authorities, Education and Library Boards and other relevant Northern Ireland school authorities, Health Authorities, local government associations, Healthy Schools partnerships and the sport councils.

4. All areas will benefit but priority for funding should be given to areas of urban and rural deprivation.

5. In delivering funding in communities in England under 4(iv), the Fund should work closely with the English Sports Council, and in particular must consider whether funding can most effectively be delivered by entering into a joint programme with the English Sports Council. Partnership arrangements in Scotland, Wales and Northern Ireland are covered in paragraphs 9, 11 & 13 of these Explanatory Notes.

6. In England, priorities and plans for the implementation projects under 4 (i) to 4(iii) should be developed in consultation with the School Sport Alliance and other agencies involved with physical activity. It is intended that the target age group would be 5-16. Integration of a Positive Futures or similar programme into the overall development plan as well as Health Improvement Plans will be encouraged. Positive Futures programmes are targeted at socially excluded young people (aged 10-16) and combine sporting activities with courses of personal improvement and health promotion, linking in with key health priorities. Health Authorities and Primary Care Groups/Trusts may be key partners.

7. In England, where sports foundations promising match funding for the development of particular sports and who wish to undertake projects for school and community use have been established by April 2001, they should be consulted as part of the management of the initiative.

8. In Scotland, projects under 4 (i) to 4 (iii) should take account of the priorities identified in sport 21, the national sports strategy. Where necessary projects should complement the National Strategy for dealing with youth crime and provide opportunities to develop the range of services in line with local authority multi-agency children's service plans. There would be a particular focus on activities which promote effective links between sport, culture and learning, especially those aimed at motivating pupils who are disaffected and/or have been excluded from school.

9. In Scotland, in delivering funding under 4 (iv), the Fund shall work closely with sportscotland, to develop an agreed programme based on sportscotland's strategic framework for sport in Scotland. In particular, the Fund must consider whether funding can most effectively be delivered by entering into a joint programme with sportscotland. The Fund shall commit up to £6 million in support of the Executive's objectives for youth sport development. The Fund shall commit the balance of funding in broadening community access to sports. In developing its programme the Fund shall take account of sportscotland's Sport 21 objectives on participation, the Sports Facilities Strategy and the Physical Activity Strategy and shall proceed in consultation with local authorities, the voluntary sector and sports governing bodies in Scotland.

10. In Wales, priority for funding for projects under 4 (i) to 4 (iii) should complement the Communities First initiative. The Fund should take into account the Welsh Assembly Government's policies, as set out in its strategic plan, the recommendations of the Welsh Assembly Government's task forces on PE and School Sport and Healthy and Active Lifestyles, and its policies for supporting young people, set out in 'Extending Entitlement' and 'Children and Young People: A Framework for Partnership'. The focus should be on funding low-cost projects such as all-weather outdoor areas, multi-purpose games areas, health fitness suites and improved changing rooms.

11. In Wales, in relation to 4 (iv), at least £6.5 million in funding should 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. Projects should support community sport and active recreation infrastructure. In developing and delivering projects in Wales, the Fund should, wherever appropriate, work closely with local authorities, the Sports Council for Wales and other key stakeholders.

12. In Northern Ireland, priorities and plans for the implementation of projects under 4 (i) to 4 (iii) should be developed in consultation with the Local Strategies for Sports, Museums and Recreation Division. Priority should be given to the provision of facilities to ensure the personal and social development of young people through programmes such as Youth Sport, the Unlocking Creativity agenda, the United Kingdom Sports Institute, the Soccer Strategy and projects which meet New Targeting Need Objectives.

13. In Northern Ireland, the funding under 4 (iv) should be revenue focussed, complement existing provision, including other NOF initiatives, and develop sporting and other physical activity through the expansion or enhancement of the new Community Sport programme being introduced by the Sports Council for Northern Ireland.

5. OPPORTUNITIES AND ACTIVITIES FOR YOUNG PEOPLE

5.1. The Fund shall, by 2004, commit funds to programmes for young people, based around adventure and other challenging activities

5.2. The Fund shall commit a total of £68.5 million to projects falling within this initiative.

5.3. The funds should be allocated between countries of the UK so that, over time, £59.55m of the total funds committed to projects is for England, £4.8 million is for projects in Wales and £2.85m is for projects in Northern Ireland. £1.3m is for projects in Scotland.

Explanatory notes:

1. Projects should aim to provide a varied and structured programme of activities.

2. In England, there should be a particular focus on young people leaving school after compulsory schooling and aimed particularly at those most at risk of losing contact with education and training opportunities. The programme of activities should be provided during the summer at the end of compulsory schooling and the aim of the initiative would be to ease the transition between secondary school and adult life. Programmes should provide accreditation for attendance and objectives met, and should be backed up by high quality advice and guidance to help participants choose the right path forward into further education, training, or a job/apprenticeship with training. £20.8m excluding administration costs, should be used to contribute to the Government's drive to tackle street crime by funding initiatives that provide youngsters most at risk of offending or re-offending, and who live in areas that experience the highest incidences of crime and are subject to school behaviour improvement initiatives , with a wide range of activities during the school summer holidays for 2002 and school holidays from summer 2003 onwards.

3. In England, the Fund should work closely with the Connexions Service National Unit (CSNU) to ensure that the Connexions Service personal advisors are able to play a part in the provision of quality advice and guidance.

4. In Wales, the Fund should work closely with Local Education Authorities, the Welsh Local Government Association and the National Council for Education and Training in Wales. The focus should be on young people aged 14-18. Programmes where possible, should complement the Extending Entitlement initiative, the Youth Gateway initiative and the Communities First initiative. At least £1.55 million should be used to support the work of the Youth Justice Board and Youth Offending Teams in Wales, through a programme of additional diversionary and preventative measures aimed at tackling crime, juvenile nuisance and problems amongst young people who have either offended or are at risk of offending. This funding should, where possible, complement the work of local Children and Young People's Partnerships.

5. In Northern Ireland, priorities and plans for the implementation of this initiative should be developed in consultation with the Cultural Forum group. Programmes may commence earlier than the summer of leaving school to link with the 'Education other than at school' initiative. The Fund should give priority to assisting innovative approaches to tackling social exclusion, working in conjunction with voluntary and statutory organisations, by means of Lifeskills training programmes for young people suffering from severe or multiple disadvantage. Projects should be clearly linked to the New Targeting Social Need Policy.

6. In Scotland, this funding will supplement the funding reserved within the PE and Sport in Schools programme to support projects for facilities and programmes which are designed to promote the role of sport in diverting young people from criminal activity or behaviours likely to lead to such activity.

6. REDUCING THE BURDEN OF CORONARY HEART DISEASE (CHD), STROKE AND CANCER

6.1. The Fund shall, by 2004, commit funds to projects that, between them are designed to:

1) improve access to high quality services for the diagnosis and treatment of CHD, stroke and cancer in line with nationally defined standards;

2) improve access to safe, modern and convenient facilities for cardiac rehabilitation, specifically tackling inequalities in provision;

3) support the development of more heart failure support networks including home based intervention, symptom management and support, co-ordination of care and support for patients and carers;

4) reduce the risk of CHD, stroke and cancer through the provision of effective evidence-based prevention programmes.

6.2. In England, projects at 6 iv) should particularly focus on smoking cessation, diet, particularly increasing fruit and vegetable consumption, and physical activity, which are accessible, targeted and linked to local service delivery.

6.3. The Fund shall commit a total of £213.5 million to projects falling within this initiative.

6.4. The funds should be allocated between each country of the UK so that, over time, £162.5 million of the total funds committed to projects is for England, £26.6 million is for projects in Scotland, £15 million is for projects in Wales and £9.4 million is for projects in Northern Ireland.

Explanatory notes:

1. Funds should be targeted at those sectors of the population at most disadvantage and therefore at a greater risk of developing CHD, stroke and cancer.

2. The Fund should work with relevant voluntary, statutory and private sector organisations and with local or interest group communities in the delivery of this initiative.

3. This initiative is not intended to fund medical, clinical or scientific research.

4. Projects at 6.1 iv) may include those which focus on reducing alcohol intake and sun safety.

5. In England, priority should be given to CHD and stroke projects. Prevention interventions will also be supported. Particular emphasis should also be given to the purchase of equipment to improve diagnosis and treatment. It is anticipated that bids for funding will take into account the National Service Framework for CHD, local CHD implementation plans and the NHS Cancer Plan.

6. In Scotland, priority should be given to equipment and services that will benefit CHD, stroke and cancer patients, including information services. It is anticipated that bids for funding will take into account 'Our National Health: a plan for action, a plan for change', the Scottish Cancer Plan and the CHD National Plan.

7. In Wales, the Fund should consider projects which improve the provision of day care and rehabilitation services for stroke patients with the aim of improving access to such services across the country. The Fund should take into account 'Improving Health in Wales- A Plan for the NHS with its Partners' and initiatives such as Communities First and the Health Inequalities Fund.

8. In Northern Ireland, projects should include an explicit objective of reducing inequalities in the incidence of heart disease and cancers across socio-economic classes in line with the New Targeting Social Need policy, the report 'Cancer Services: Investing in the Future' (Campbell report) and the Investing in Health Strategy.

7. PALLIATIVE CARE

7.1. The Fund shall, by 2004, commit funds to projects that provide effective palliative care and associated support and information services for children and adults suffering from cancer and other life-threatening conditions.

7.2. The Fund shall commit a total of £84 million to projects falling within this initiative.

7.3. The funds should be allocated between each country of the UK so that, over time, £70 million of the total funds committed to projects is for England, £5.4 million is for projects in Scotland, £4.5 million is for projects in Wales and £4.1 million is for projects in Northern Ireland. In England £22 million should be committed to projects targeted at adults and £48 million to projects targeted at children.

Explanatory notes:

9. The aim of this initiative is to increase access to outreach support in the community, respite care, information and bereavement services for patients, families and carers. To ensure a geographical spread, support should be given to projects from regions with particularly low access to community palliative care services.

10. Palliative care projects for children should demonstrate a high quality service allowing children and their families autonomy and choice. Projects should recognise that children have physical, emotional, educational, social and spiritual needs and may include nursing care, respite, counselling, practical and timely assistance during the life of the child and thereafter through the course of loss, grief and bereavement. Funding may be to establish new provision, develop and expand existing provision, or sustain existing good quality provision which requires a specific and limited intervention to maintain services or develop, as long as there is a clear indication of long-term sustainability.

11. This initiative is not intended to fund medical, clinical or scientific research.

12. The Fund should work with the relevant community, voluntary, statutory and private sector organisations in the delivery of this initiative.

13. In England, the Fund should ensure that all projects for children have the support of the relevant Health Authority and the appropriate regional office responsible for co-ordinating the implementation of the Pilot Project Programme for Children with Life-Threatening Illnesses. The Fund should ensure that all projects for adults have the support of the relevant Health Authority and the appropriate regional office responsible for co-ordinating the implementation of the National Cancer Plan, National Service Framework for CHD and the forthcoming National Service Framework for Older People.

14. In Scotland, in line with the commitment in 'Our National Health: a plan for action, a plan for change, there should be a particular emphasis on projects related to progressive conditions other than cancer. The Fund should ensure that all projects have the support of the relevant Health Board or Boards.

15. In Wales, the Fund should fund capital projects that improve the care and working environments of palliative care settings. Projects should have the support of the relevant health commissioning body and the Fund should take into account 'Improving Health in Wales- A Plan for the NHS with its Partners.'

16. In Northern Ireland, the Fund should work with the relevant community, voluntary, statutory and private sector organisations in the delivery of this initiative, with specific reference to the Investing in Health report.

8. CHILDCARE

8.1. The Fund shall, by 2006, commit funds to Childcare projects that:

1) support capital projects that would benefit predominantly pre-school children, particularly in deprived areas;

ii) support the creation, development and long term sustainability of out of school hours childcare provision, particularly in deprived areas.

8.2. In Scotland, projects at 8.1 ii) may also be for pre-school childcare provision. The Fund may also support projects meeting the needs of parents who are in work, studying or training and those which promote workforce development to help increase the overall skill level of those working in the childcare sector. The Fund may also support projects which combine childcare and out of school learning.

8.3. In Wales, the Fund may also fund projects that support staffed play provision, training and capacity building in communities to develop and maintain the full range of childcare projects, particularly in deprived areas.

8.4. The Fund shall commit a total of £198.5 million to projects falling within this initiative.

8.5. The funds should be allocated between each country of the UK so that, over time, £155 million of the total funds committed to projects is for England, £21.5 million is for projects in Scotland, £13 million is for projects in Wales and £9 million is for projects in Northern Ireland.

8.6. Funds at 8.1 i) would contribute, alongside other funding sources, to the creation of 45,000 new childcare places in England, while funds at 8.1 ii) would support the creation of 10,000 new childcare places in England. It will also provide longer term start up funding for childcare projects, which will help local EYDCPs meet the DfEE's target of ensuring that a minimum of 80% of all the Fund's sponsored out of school hours childcare places remain viable and available five years after being established.

Explanatory notes:

2. Projects mentioned at 8.1 i) would provide capital support to build, expand or refurbish provision. Funding can also be used to provide play areas and purchase furniture and fittings and any other capital equipment. Capital and revenue funding may provide playbuses and toy libraries for rural areas, provide facilities for childcare for longer periods of the day and provide outdoor play facilities.

3. Childcare provision in deprived areas may often need longer term support, up to three years, to ensure it is sustainable long-term.

4. In England, the Fund should work closely with Early Year Development and Childcare Partnerships and in Northern Ireland with the Childcare Partnerships to deliver this initiative.

5. In Scotland, projects should take into account the childcare strategy for Scotland and the Fund should work closely with the local Childcare Partnerships to deliver this initiative.

6. In Wales, the Fund should also take into account the Communities First initiative and the Fund should work with the local childcare partnerships to deliver this initiative.

9. TRANSFORMING COMMUNITIES

9.1. The Fund shall, by March 2004, commit funds to projects that, between them are designed to:

5) enhance the quality of life of local communities, including the promotion of healthier lifestyles, by improving the appearance and amenities of specific local environments in urban and rural areas;

6) expand community sector waste reuse, recycling and composting.

9.2. The Fund shall, by 2006, commit funds to projects that are designed to develop renewable electricity generation by building generating capacity for electricity from energy crops, build offshore wind electricity generation projects and develop small-scale biomass heat/combined heat and power projects.

9.3. The Fund shall commit a total of £159 million to projects falling within this initiative. Within this, £99 million should be planned to be committed on the basis of an equal split between the two strands at 9.1 i) and ii), and £50 million should be committed to projects covered at 9.2. Of this £50 million, at least £33 million should be committed to developing renewable electricity generation by building generating capacity for electricity from energy crops, at least £10 million should be committed to building offshore wind electricity generation projects and at least £3 million to small-scale biomass heat/combined heat and power projects.

9.4. In Scotland, the Fund shall commit £10 million to projects which explore new kinds of community rehabilitation of people who misuse or have misused drugs.

9.5. Funding for projects at 9.1 i) and ii) should be allocated between each country of the UK so that, over time, £77.5 million is committed to projects in England, £10.5 million is for projects in Scotland, £6.5 million is for projects in Wales and £4.5 million is for projects in Northern Ireland.

Explanatory notes:

1. The Fund could, for example, commit funds to projects at 9.1 i) that: improve public open spaces; improve the quality and utility of the street environment, such as tree planting and landscape improvements; tackle derelict sites; improve landscaping of public areas; clear or improve the state of local eyesores such as unkempt and neglected public land; improve cycling routes; improve spaces for pedestrians, such as footpaths, hedgerows, bridleways and pedestrian bridges; or improve run down community and public buildings. Funds could also be used to improve elements of local heritage value, and may be used to complement the work of the Heritage Lottery Fund. Projects may also include those which improve the environmental quality of local communities , including biodiversity, air quality and sustainable ways of living. Projects to improve physical features should take account of their importance as habitats for wildlife.

2. In funding projects at 9.1 i), the Fund should give priority to communities in disadvantaged areas, although others should be eligible to apply. Projects should demonstrate significant and meaningful engagement from the local community. Community led bids should be encouraged as should projects which seek to develop sustainable community assets, either physical or knowledge based (for example building community capacity to deliver services locally), which may seek a strategic investment for longer term change. The Fund may also fund projects which support capacity building activity where this is linked to practical project work.

3. In funding projects at 9.1 i), in England, the Fund should pay specific attention to projects which engage with Local Strategic Partnerships and area based regeneration activities. Projects should be consistent with and complementary to other local and regional initiatives such as Local Agenda 21, Community Strategies or Local Biodiversity Action Plans.

4. Projects at 9.1 ii) should target delivery of the greatest amount of re-use/ recycling/ composting, by weight, for every pound committed. This should be both in terms of NOF funding, and total funding including partnership funding. In Northern Ireland, projects should promote the key aims and objectives of the Waste Management Strategy.

5. In Scotland, projects should promote the key aims of the National Waste Strategy.

6. In supporting projects at 9.2, the Fund should provide funding for a small number of energy crop and offshore wind projects. The experience gained from these projects will help reduce costs and risks towards the point where they can compete without such support. Projects should clearly demonstrate the public good that would result from funding.

7. The Fund should also support at 9.2, the development of a range of opportunities in the heat and combined heat and power sectors, which use energy crops or other forms of biomass as the primary fuel supply. Priority should be given to those projects which intend to use energy crops and to the development of clusters of projects which draw in the fuel supply from the surrounding area. Projects should demonstrate the potential to contribute to sustainable development in rural areas. The Fund should work with local authorities, Regional and Economic Development Agencies or similar bodies in supporting these projects.

8. Projects at 9.4 would link people to education, training, employment and accommodation opportunities and would complement drug treatment services run by statutory bodies or funded by them, and be designed to meet the needs of particularly deprived and 'hard to reach groups'. Projects should be within the broad scope of the Scottish drugs strategy and the Fund should work with the local Drug Action Teams (DATs) and, where relevant, Social Inclusion Partnerships (SIPs) to deliver this initiative.

10. SMALL-SCALE GRANTS SCHEMES

10.1. The Fund shall, by 2005, commit funds to projects which involve people in the local community in health, education and environment projects.

10.2. The Fund shall commit a total of £60 million to projects falling within this initiative.

10.3. The funds should be allocated between each country of the UK so that, over time, £46.5 million of the total funds committed to projects is for projects in England, £6.9 million is for projects in Scotland, £3.9 million is for projects in Wales and £2.7 million is for projects in Northern Ireland.

10.4. The Fund should make funding available for health, education and environment projects which celebrate the Queen's Golden Jubilee in 2002.

Explanatory notes:

1. The Fund should operate through the Awards for All schemes in England, Scotland and Northern Ireland and through an equivalent partnership in Wales.

2. Jubilee projects should typically include one or more of the following features: involving all sections of the community; embracing the multicultural nature of the UK; encouraging social inclusion and a sense of community spirit; providing or promoting service to others; and engaging young people.

AMENDMENTS TO THE DIRECTIONS TO THE NEW OPPORTUNITIES FUND UNDER SECTION 43 C (1) OF THE NATIONAL LOTTERY etc. ACT 1993

A. The following amendments are hereby made to the Directions given to the New Opportunities Fund in April 2001 pursuant to section 43C (1) of the National Lottery etc. Act 1993.

B. Except as mentioned in paragraph C, these amended Directions are given by the Secretary of State for Culture, Media and Sport, having consulted the Scottish Ministers and the National Assembly for Wales, and the New Opportunities Fund.

C. The Directions and explanatory note listed below are given and issued by the Scottish Ministers, with the agreement of the Secretary of State and having consulted the New Opportunities Fund.

i) In relation to new direction 5.2c and explanatory note 6.

ACTIVITIES FOR YOUNG PEOPLE

5.1. The Fund shall, by 2004, commit funds to programmes for young people, based around adventure and other challenging activities.

5.2. The funds, excluding administration costs, shall be distributed so that at least 50 areas in the UK benefit from such projects. The funds, excluding administration costs, should be allocated between each country of the UK so that, over a period of time, 77.5% of the total funds committed to projects is for projects in England, 11.5% is for projects in Scotland, 6.5% is for projects in Wales and 4.5% is for projects in Northern Ireland.

c. The funds should be allocated between countries of the UK so that, over time, £47.55m of the total funds committed to projects is England, £4.05m is for projects in Wales, £2.85m is for projects in Northern Ireland and £1.3m is for projects in Scotland.

Explanatory Notes

1. Projects should aim to provide a varied and structured programme of activities.

2. In England, there should be a particular focus on young people leaving school after compulsory schooling and aimed particularly at those most at risk of losing contact with education and training opportunities. The programme of activities should be provided during the summer at the end of compulsory schooling and the aim of the initiative would be to ease the transition between secondary school and adult life. Progammes should provide accreditation for attendance and objectives met, and should be backed up by high quality advice and guidance to help participants choose the right path forward into further education, training, or a job/apprenticeship with training. £8.8m, excluding administration costs, should be used to contribute to the Government's drive to tackle street crime by funding initiatives that provide youngsters most at risk of offending or re-offending, and who live in areas that experience the highest incidences of street crime, with a wide range of activities during the school summer holidays for 2002. In particular, the funding should complement the Youth Justice Board's Splash initiative.

3. In England, the Fund should work closely with the Connexions Service National Unit (CSNU) to ensure that the Connexions Service personal advisors are able to play a part in the provision of quality advice an guidance.

4. In Wales, the Fund should work closely with Local Authorities, the Welsh Local Government Association and the National Council for Education and Training in Wales. The focus should be on young people aged 14 - 18. Programmes, where possible, should complement the Extending Entitlement initiative, the Youth Gateway initiative and the Communities First initiative. At least £0.8 million should be used for projects which aim to tackle crime and in particular problems of young people who are at risk of offending. The funding should where possible look to complement the Splash programme operated in Wales by the Youth Justice Board.

5. In Northern Ireland, priorities and plans for the implementation of this initiative should be developed in consultation with the Cultural Forum group. Programmes may commence earlier than the summer of leaving school to link with the 'Education other than at school' initiative. The Fund should give priority to assisting innovative approaches to tackling social exclusion, working in conjunction with voluntary and statutory organisations, by means of Lifeskills training programmes for young people suffering from severe or multiple disadvantage. Projects should be clearly linked to the New Targeting Social Need Policy.

6. Scotland, this funding will supplement the funding reserved within the PE and Sport in Schools programme to support projects for facilities and programmes which are designed to promote the role of sport in diverting young people from criminal activity or behaviours likely to lead to such activity.

YOUNG PEOPLE'S FUND
DIRECTIONS TO THE NEW OPPORTUNITIES FUND UNDER SECTION 43 C (1) OF THE NATIONAL LOTTERY etc ACT 1993

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on him by section 43C (1) of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998, hereby gives the following Directions to the New Opportunities Fund:

In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998.

These Directions are given by the Secretary of State for Culture, Media and Sport, having consulted the Devolved Administrations, and the New Opportunities Fund.

The New Opportunities Fund shall comply with the following Directions.

1. The Fund shall commit a total of £200 million to projects falling within the Young People's Fund.

2. The funds should be allocated between each country of the UK so that, over time, 77.5% of the total funds committed to projects is for projects in England, 11.5% is for projects in Scotland, 6.5% is for projects in Wales and 4.5% is for projects in Northern Ireland.

3. In identifying projects for funding, the Fund will have regard to developing appropriate and measurable targets to assess the benefits which are intended to accrue from the projects, both within and beyond the period of funding.

4. Plans for the Fund will be developed in consultation with representative groups of young people. Young people will also be involved in the design and development of project proposals, decisions on which projects are supported, and the implementation, management and evaluation of projects.

5. The Fund should encourage projects in all parts of the UK, but should target resources at those young people at greatest risk of exclusion and offending.

6. For the purpose of the Fund, young people shall be those defined in the age range of 0-25.

7. In England, the Fund shall commit funds over three years to a Young People's Fund for projects designed to promote youth inclusion, specifically by providing facilities and activities – both after school and in holiday periods – for young people.

8. In England, priorities for funding under the theme of youth inclusion shall include programmes and projects providing activities and facilities which promote the following positive outcomes for young people:

- **i)** Being healthy: enjoying good physical and mental health and living a healthy lifestyle;
- **ii)** Staying safe: being protected from harm and neglect and growing up able to look after themselves;
- **iii)** Enjoying and achieving: getting the most out of life and developing the skills for adulthood; and
- **iv)** Making a positive contribution: to the community and to society and not engaging in anti-social or offending behaviour.; and
- **v)** Economic well-being: overcoming socio-economic disadvantages to achieve their full potential in life.

9. In developing and implementing projects to be funded in England under the Fund, the New Opportunities Fund will seek to work closely with appropriate partners, including the proposed Children's Trusts, where established, Government Offices, local authorities, schools, Primary Care Trusts, Youth Offending Team partnerships and other relevant public, private and voluntary sector organisations.

10. In Scotland, the Fund shall have regard to the commitments to young people set out in 'A Partnership for a Better Scotland' and have regard to the desirability of building on existing programmes to promote youth inclusion by supporting active, healthy and positive lifestyles for young people including:

i) Increased opportunities for participation by young people in arts, sport, and other activities, particularly as diversions from negative behaviour, including addressing issues of equality of access to activities by teenage girls; and

ii) Volunteering among young people.

11. In developing its programme in Scotland, the Fund shall work with young people, national agencies, local authorities and the voluntary sector.

12. In Wales, it is expected that over the lifetime of the Fund, a wide range of priorities will be addressed. The Fund should focus on children and young people who are based in Cymorth areas, and priorities for funding shall include programmes and projects providing activities throughout the year, which promote one or more of the following positive outcomes:

i) Helping children and young people to enjoy life and achieve their full potential;

ii) Supporting children and young people to develop the necessary skills for future endeavours, and maximise their potential in undertaking activities which contribute to the wellbeing and vibrancy of their community;

iii) Supporting children and young people in activities that aim to prevent them engaging in anti-social or offending behaviour.

13. In Wales, the Fund should work closely with Children and Young People's Frameworks, and the Children Partnerships and Young Peoples' Partnerships, and should consult with children and young people in determining its priorities. The Fund should also work closely with Funky Dragon, the Young People's Assembly for Wales.

14. Where possible, in Wales this funding should support priorities which have been identified within the plans of the Children and Young Peoples' Frameworks and Children and Young Peoples' Partnerships at a local level.

15. In Northern Ireland, the Fund shall commit funds to projects designed to promote youth inclusion. In determining priorities for funding the Fund shall have regard to the forthcoming 'Strategy for Children and Young People' and include programmes and projects providing activities and facilities which promote one or more of the following positive outcomes for young people.

i) Participation – being empowered to take part in local and regional decision making processes and making a contribution to community and society;

ii) Physical, mental and emotional well being – enjoying good physical, mental and emotional well being and being supported and informed to make healthy lifestyle choices;

iii) Achievement, learning and enjoyment – having the opportunity to realise their creative and full potential and to explore and benefit from positive experiences;

iv) Family and community support – supporting and empowering families and communities to make positive changes for young people, which can be owned and sustained locally.

16. For each of the four areas it is important to give consideration to three cross-cutting themes:

i) The impact of the conflict and tackling sectarianism

ii) Transitions from infancy to young adulthood

iii) The additional needs of the vulnerable, socially excluded and disaffected.

17. In developing and implementing projects to be funded in Northern Ireland under the Fund, the New Opportunities Fund will seek to work closely with appropriate partners, including Government Departments, the statutory sector, relevant voluntary, community and private sector organisations, the Commissioner for Children and Young People and young people themselves.

Explanatory Notes

1. The allocation of funds in paragraph 2 takes into account population and deprivation in each country.

It is recognised that it is unlikely to achieve commitments of funding precisely in line with the percentages given in this Direction. The Fund will have complied with this Direction so long as the funding outcomes are no more than 0.5% more or less than this figure.

If insufficient quality applications are submitted from any country, the Fund will be able to draw on its power (under section 25 (2a)) to solicit applications.

2. The initial priorities identified in these Directions are indicative, and not exclusive, and do not prevent the New Opportunities Fund funding other appropriate projects which are in accordance with the Directions.

NATIONAL LOTTERY etc. ACT 1993
(AS AMENDED BY THE NATIONAL LOTTERY ACT 1998)
FINANCIAL DIRECTIONS TO BE ISSUED UNDER SECTION 26(3), (3A) & (4)

(i) The New Opportunities Fund ('the Body') shall comply with the requirements contained within the Statement of Financial Requirements attached as an Annex to these directions when carrying out its functions under section 25 of the National Lottery etc. Act 1993 ('the Act') as amended by the National Lottery Act 1998 ('the 1998 Act'). Wherever specified in that Annex, The New Opportunities Fund must obtain the consent of the Secretary of State before carrying out certain activities.

(ii) The New Opportunities Fund shall devise and abide by a procedure for handling potential conflicts of interest which may arise in the evaluation of applications by the Body or individual members of that Body. This procedure, together with a statement confirming the arrangements that have been applied, should be provided to the Secretary of State for Culture, Media and Sport ('the Secretary of State') before the distribution of any funds under section 25 of the Act, and thereafter at the beginning of each financial year.

DIRECTIONS GIVEN TO THE NATIONAL LOTTERY CHARITIES BOARD AND THE NEW OPPORTUNITIES FUND UNDER SECTION 26(1) OF THE NATIONAL LOTTERY etc. ACT 1993

The Secretary of State for Culture, Media and Sport, in exercise of the power conferred on her by section 26(1) of the National Lottery etc. Act 1993 and having consulted the National Lottery Charities Board and the New Opportunities Fund ("the Funds") pursuant to section 26(5) of that Act and having consulted the National Assembly for Wales, Scottish Ministers and Northern Ireland Department of Culture, Arts and Leisure, hereby gives the following directions to the Funds:

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

General Directions

2. The Funds shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Funds distribute any money under section 25(1):

The need to ensure that money is distributed under section 25(1) for projects which promote the public good and which are not intended primarily for private gain.

B. The need to ensure that money is distributed under section 25(1) to projects which make real and sustainable improvements to the quality of life of local communities.

C. The need to ensure that the Funds achieve over time the distribution of money to projects in each country of the United Kingdom.

D. The need to be innovative and to take risks in distributing money under section 25(1) balanced with the need to manage risk in a manner commensurate with type of project and applicant.

E. The need to ensure that the Funds, taking into account their assessment of needs and any priorities they have identified in their strategies, achieve over time the distribution of money to a reasonably wide spread of recipients, including small organisations, those organisations operating at a purely local level, social enterprises, and organisations with a base in the United Kingdom and working overseas.

F. The need to ensure that the Funds achieve over time the distribution of money reasonably equally between the expenditure on or connected with:

- **(i)** the promotion of community learning in order to create opportunities
- **(ii)** the promotion of community safety and cohesion; and
- **(iii)** the promotion of physical and mental well being.

G. The needs of children and young people.

H. The need to further the objectives of sustainable development.

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

J. The need:

- **(i)** in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;
- **(ii)** where capital funding is sought:
  - **(a)** for a clear business plan incorporating the need for resources to be available to meet any running and maintenance costs associated with each project for a reasonable period, having regard to the size and nature of the project; and
  - **(b)** to ensure that project evaluation and management process for major projects match those of the Office of Government Commerce's Gateway Reviews.
- **(iii)** in other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability wherever possible.

K. The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of their strategies.

L. The need to ensure that the Funds have such information as they consider necessary to make decisions on each application, including independent expert advice where required.

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

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

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

3. The National Lottery Charities Board shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Funds distribute any money under section 25(1):

A. the need to promote community learning in order to create opportunities;

B. the need to promote community safety and cohesion; and

C. the need to promote physical and mental well being.

Transformational Grants

4. In relation to the transformational grant joint scheme, the Funds shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Funds distribute any money under section 25(1):

A. The need for money to be distributed for the purpose of capital expenditure on projects and only to be otherwise distributed where the money:

- **(i)** is distributed for the purposes of endowments or in the form of revenue grants where:
  - **(a)** such endowments or grants are associated with a capital project, in respect of which money has been or is proposed to be distributed; and
  - **(b)** such endowments or grants support the delivery of the project outcomes, increase accessibility, reduce barriers to entry and ensure that such projects are sustainable; or
- **(ii)** is distributed for development funding to projects which have been assessed as suitable for such funding.

B. The need to transform and revitalise communities and the physical environment.

C. The need for widespread public participation in the decision to award grants which:

- **(i)** involve consultation, voting systems or other suitable mechanisms;
- **(ii)** are free from bias, corruption and manipulation; and
- **(iii)** involve partnerships with broadcasting, electronic, print and other media.

Signed on behalf of the Secretary of State for Culture, Media and Sport

Rt Hon Richard Caborn MP
Minister for Sport November 2005

DIRECTIONS GIVEN TO THE NATIONAL LOTTERY CHARITIES BOARD AND THE NEW OPPORTUNITIES FUND UNDER SECTIONS 26(1) AND 43C(1) OF THE NATIONAL LOTTERY etc. ACT 1993

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on her by sections 26(1) and 43C(1) of the National Lottery etc. Act 1993 and having consulted the National Lottery Charities Board and the New Opportunities Fund ("the Funds") pursuant to section 26(5) of that Act and having consulted the New Opportunities Fund pursuant to section 43C(2), hereby gives the following directions to the Funds:

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

Distribution in relation to England

2. The Funds shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Funds distribute any money under section 25(1) in relation to England:

A. The need to have regard to the interests of England as a whole, the interests of different parts of England and the relative population sizes of, and the scope for reducing economic and social deprivation in, the different parts of England.

3. The National Lottery Charities Board shall take into account the need to ensure that one or more of the following outcomes are achieved in determining the persons to whom, the purposes for which and the conditions subject to which the Funds distribute any money under section 25(1) in England; and the New Opportunities Fund, pursuant to section 43C(1), shall distribute money under section 25(1) in relation to England to projects which are intended to achieve one or more of the following outcomes:

C. People having better chances in life, with better access to training and development to improve their life skills.

B. Stronger communities, with more active citizens, working together to tackle their problems.

C. Improved rural and urban environments, which communities are better able to access and enjoy.

D. Healthier and more active people and communities.

4. The Funds shall take into account the need to ensure that one or more of the following priorities are met in determining the persons to whom, the purposes for which and the conditions subject to the Funds distribute any money under section 25(1) in relation to England:

A. Improving family skills.

B. Improving literacy, numeracy, ICT and creative skills.

C. Developing consumer skills, including finance and debt management.

D. Developing basic business skills, particularly for social and creative enterprise.

E. Removing barriers to and developing employability, including through improving communication and problem solving skills.

F. Developing life skills, including skills which help improve personal independence and interactions with others.

G. Supporting the training needs of volunteers.

H. Celebrating community identity, culture, diversity and achievements.

I. Strengthening volunteering and voluntary sector infrastructure.

J. Building capacity for community engagement.

K. Broadening young people's experiences and raising expectations.

L. Reducing isolation, for example for older people, disabled people and their carers, and enabling participation in community and family life.

M. Supporting citizenship, leadership and local planning and delivery

N. Ensuring safer places, free from anti-social behaviour and crime.

O. Better designed, clean and well-maintained public places and public art.

P. Increasing community usage of local parks, play facilities, public places, community building and the countryside.

Q. Enabling communities to tackle local environmental problems and improve their local environment.

R. Promoting environmental awareness through educational projects.

S. Increasing community participation in sport, dance, play and physical and creative activity.

T. Developing better approaches to tacking mental health problems, including through education, public awareness and the arts.

U. Improving opportunities for healthier eating and promoting the relationship between methods of production and the environment.

V. Addressing health inequalities through educational and information projects.

Signed on behalf of the Secretary of State for Culture, Media and Sport

Rt Hon Richard Caborn MP
Minister for Sport November 2005

DIRECTIONS GIVEN TO THE NATIONAL LOTTERY CHARITIES BOARD AND NEW OPPORTUNITIES FUND UNDER SECTION 26(1) OF THE NATIONAL LOTTERY etc. ACT 1993

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on her by section 26(1) of the National Lottery etc. Act 1993 ("the Act") and having consulted the National Lottery Charities Board and the New Opportunities Fund ("the Distributors"), National Assembly for Wales, Scottish Ministers and Northern Ireland Department of Culture, Arts and Leisure, hereby gives the following directions to the Distributors:

The Distributors shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to they distribute money under section 25(1) pursuant to the joint scheme entered into between the Distributors on 1st December 2004 and authorised by the Transformational Grants Joint Scheme (Authorisation) Order 2005:

1. The need for money to be distributed for the purpose of capital expenditure on projects and only to be otherwise distributed where the money:

- **(a)** is distributed for the purposes of endowments or in the form of revenue grants where:
  - **(i)** such endowments or grants are associated with a capital project, in respect of which money has been or is proposed to be distributed; and
  - **(ii)** such endowments or grants support the delivery of the project outcomes, increase accessibility, reduce barriers to entry or ensure such projects are sustainable.
- **(b)** is distributed for development funding to projects which have been assessed as suitable for such funding.

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

3. The need to transform and revitalise communities and the physical environment.

4. The need for widespread public participation in the decision to award grants which:
- **(a)** involve consultation, voting systems or other suitable mechanisms;
- **(b)** are free from bias, corruption and manipulation; and
- **(c)** involve partnerships with broadcasting, electronic, print and other media.

DIRECTIONS GIVEN TO THE NEW OPPORTUNITIES FUND UNDER SECTION 43C(1) OF THE NATIONAL LOTTERY etc. ACT 1993

The Secretary of State for Culture, Media and Sport, in exercise of the powers conferred on her by section 43C(1) of the National Lottery etc. Act 1993 and having consulted the New Opportunities Fund ("the Fund"), National Assembly for Wales, Scottish Ministers and Northern Ireland Department of Culture, Arts and Leisure, hereby gives the following directions to the Fund:

1. The Fund shall, by 31st March 2008, commit funds to projects concerned or connected with health, education or the environment and intended to transform communities, regions or the nation as a whole pursuant to the initiative specified in the New Opportunities Fund (Specification of Initiative) Order 2005.

2. The Fund shall commit a total of £105 million to projects within this initiative.

3. The Fund shall only commit funds under this initiative pursuant to the joint scheme entered into with the National Lottery Charities Board on 1st December 2004 and authorised by the Transformational Grants Joint Scheme (Authorisation) Order 2005.

Signed on behalf of the Secretary of State for Culture, Media and Sport

Rt Hon Richard Caborn MP
Minister for Sport November 2005

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office
ID5444434 10/06

Printed on Paper containing 75% recycled fibre content minimum.

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