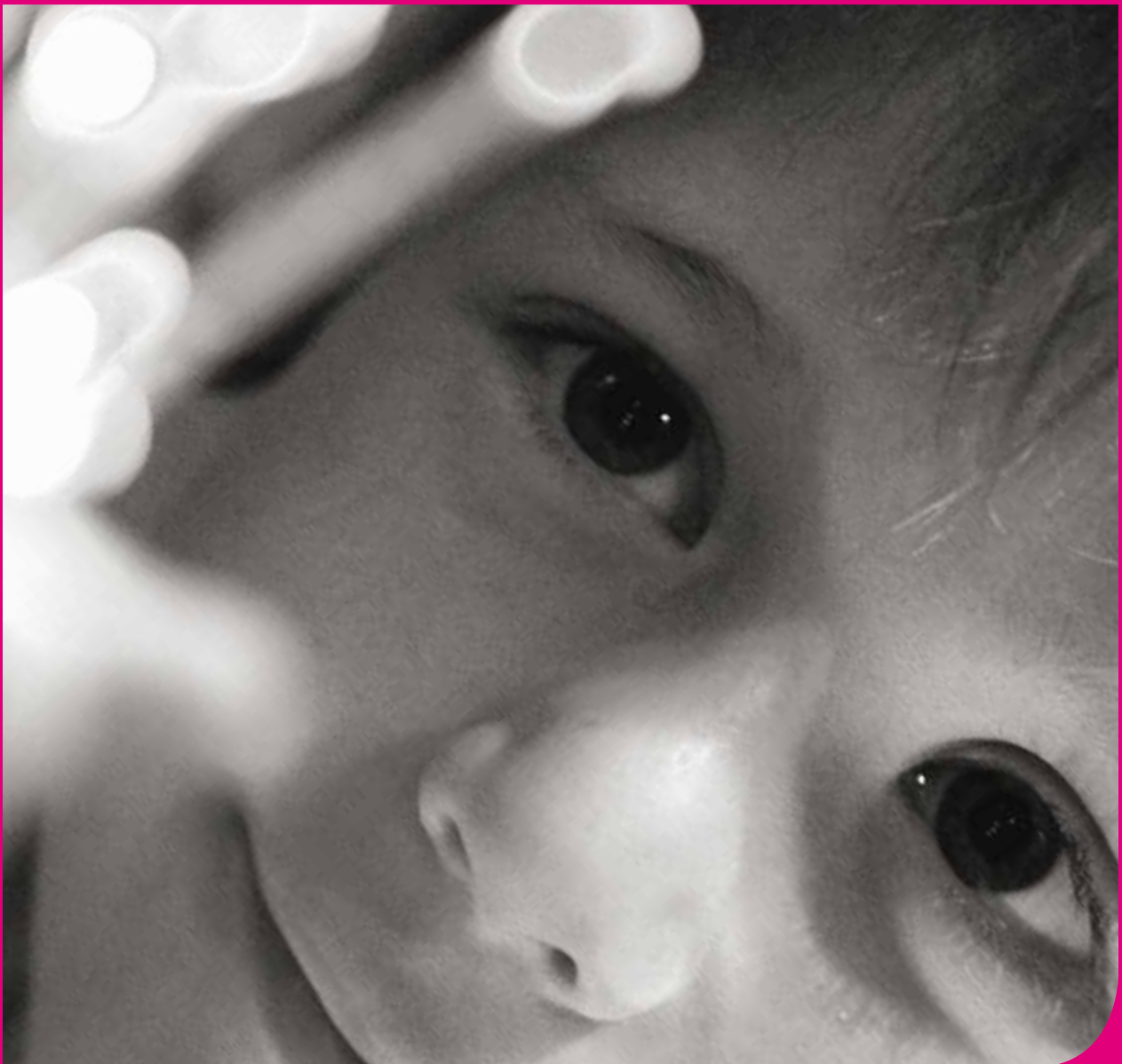




# Corporate Plan 2009/10



Corporate Plan 2009/10

Stock code:

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Email: [general.enquiries@biglotteryfund.org.uk](mailto:general.enquiries@biglotteryfund.org.uk)

Our website [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)

### Accessibility

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

### Our equality principles

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

### We care about the environment

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

### Our mission

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

### Our values

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

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

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# Introduction by the Chair and Chief Executive

Our corporate plan for 2009/10 explains how we will use the money raised by the National Lottery for health, education, environment and charitable purposes for the year ending 31 March 2010. It also includes our intentions for managing non-Lottery funded programmes.

Since BIG was set up in 2004, our mission has been to make a difference to communities and the lives of people most in need. Since then we have awarded nearly £2.8 billion to projects across the UK.

This is the first year of our new strategic framework, BIG Thinking. That document gave us the opportunity to describe what you can expect from us over the next six years as an intelligent funder and was grounded in an extensive consultation that triggered participation in scores of events across the UK and 3,500 written responses. We are on a journey of improvement. This Corporate Plan describes the changes we are making to achieve the vision presented in Big Thinking and sets out the key performance indicators we will use to measure success, ensuring that you can judge our progress towards delivering it.

In the year to come, we will continue to use our funding, expertise and influence to help people and communities by supporting both proven and new approaches that will have a measurable impact. In these challenging economic times we will continue to offer best value for money, based on our learning, evidence and experience of what is needed, and we will work with others to find solutions that will bring about lasting change.

**Peter Wanless**  
Chief Executive

**Sir Clive Booth**  
Chair

# About us

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

## Corporate Governance

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

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

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

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

We have a wide funding power that enables us to make grants (or loans) to many different types of organisation in the charitable, voluntary and community, public and private sectors. We also can distribute non-Lottery

funding on behalf of other organisations.

## Organisation

The Big Lottery Fund is headed by Chief Executive Peter Wanless. He is the Accounting Officer and chairs the Senior Management Team that maintains an overview of the day-to-day operations of the organisation and ensures Board decisions are implemented. The Senior Management Team considers policy and key strategic and operational matters ahead of any changes that the Board might approve. It is also responsible for identifying and managing corporate risk. The organisation has offices in England, Wales, Scotland and Northern Ireland. The directors who are members of the SMT and their responsibilities for 2009/10 are shown in an organisation chart at annex A.

## Internal governance

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

The country committees for England, Northern Ireland, Scotland and Wales are provided for in the legislation. They are responsible for grant programmes and associated policies as well as decisions about awards within the common policy framework agreed by the UK Board. Members are appointed by the Board subject to consent from Ministers in the Devolved Administrations

# About this Plan

or the Secretary of State for Culture, Media and Sport for England.

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

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

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

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

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

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

This Plan outlines our priorities and our targets for 2009/10, the first year of our new Big thinking strategic framework. The strategic framework sets the course of our journey for the next six years (2009 to 2015) and should be read in conjunction with this annual plan because it is shaping and influencing the funding arrangements and activities described here. A copy of the Big thinking strategic framework can be downloaded from our website at [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)

# Strategic Objectives for 2009/10

The Big Lottery Fund has developed 3 three strategic objectives for 2009/10 to drive our business planning. The objectives are:

**Strategic Objective 1: We are managing public funds efficiently and effectively and in each year we fully commit our grant budget**

**Strategic Objective 2: Those who enquired about, applied for or received our funding said we provided an excellent service to them**

**Strategic Objective 3: Our funding programmes are delivering their outcomes.**

Underneath each strategic objective we have identified the priorities for delivery in 2009/10 and a set of performance measures. These are summarised in the following pages.

## Strategic Objective 1: We are managing public funds efficiently and effectively and in each year we fully commit our grant budget

Key performance indicators:

- operating costs as a percentage of income
- The amount of our grant budget that we commit over the year.

### Operating Cost Budget

In March 2009 the Big Lottery Fund Board approved an operating cost budget as follows. It excludes budget for our 2 year business systems reengineering programme.

The Board has completed its budget review for 2009/10 and has guaranteed that we will launch new funding programmes and continue making grants under previously announced Lottery funding programmes without material change. The Board also remains committed to honouring the undertaking it made in 2005/06 that until 2012 60 per cent of funding in cash terms will go to the Voluntary and Community Sector (VCS). Since 1 June 2004 we have made awards of more than £1.6 billion to the VCS comprising 77 per cent of the total grant awards made in that period. In the year 2008/09 we committed 88 per cent of our funding to the VCS. Big Thinking announced a target

Excluding BPR	Budget 09/10 £M	Budget 08/09 £M	Variance year on year (09/10 budget as a % of 08/09 budget)
Directorate spend	58.3	58.8	▼ (£0.5M million (0.9%))
IT projects	1.1	1.0	▲ £0.1M million 10%
<b>Total</b>	<b>59.4</b>	<b>59.8</b>	<b>▼ (£0.4M million) (0.7%)</b>

### Grant Budgets

In 2005/06 we set out the expected funding available for each of our programmes. Each year the Board reviews the budgets to ensure we maintain sound and prudent financial management.

As we stated in last year's Plan, on 15 March 2007 the Secretary of State for Culture, Media and Sport announced that in the period 2009 to 2012, £638 million of our share of Lottery income would be transferred to fund the infrastructure for the 2012 Olympic Games. As a result of this, BIG will have less funding for new programmes during this period than we had planned for.

that, across the UK as a whole, the VCS should receive at least 80 per cent of our funding between now and 2015.

The Board, on the advice of the four country committees, has taken final decisions about our planning of the 2009/10 funding programmes. It approved grant budgets for the period to 31 March 2010 for new and existing funding programmes, and these are shown in the table below (all figures are 'up to' amounts).

In response to the UK economic recession the Board has made available an additional £43 million ring-fenced for grants in 2009/10 and 2010/11. The amounts we award from this in each financial year have not yet been decided.



## Strategic Objectives for 2009/10

Grant budgets	2009/10 £M	Indicative 2010/11 £M	Indicative 2011/12 £M
<b>UK wide</b>			
<b>Existing programme:</b>			
Research	21.5		
International programmes	3.0		
	24.5		
<b>New programme:</b>			
The People's Millions	3.4		
Breathing Places	1.0		
Village SOS (£2.7million to move into 2010/11)	0.3	2.7	
Heroes Return 2	4.1	0.9	
Secret Millionaire			
<b>To be allocated to programmes</b>		28.1	40
	8.8	31.7	40
<b>UK wide grant budget</b>	<b>33.3</b>	<b>31.7</b>	<b>40</b>

<b>England</b>			
<b>Existing programme:</b>			
Young People's Fund Local Grants	52.2		
Parks for People (2008/09 underspend carried forward)	11.0		
PE Sport in Schools	3.0		
	66.2		
<b>New programme:</b>			
Awards for All	45.0		
Reaching Communities	80.0		
BASIS (additional funds adjusted)	7.2		
Isle of Man (Manx Trust)	1.5		
<b>To be allocated to programmes</b>		232.0	279.0
	133.7	232.0	279.0
<b>England grant budget</b>	<b>199.9</b>	<b>232.0</b>	<b>279.0</b>

<b>Scotland</b>			
<b>Existing programme:</b>			
Awards for All	1.9		
Young People's Fund	0.1		
Dynamic Inclusive Communities	1.5		
Growing Community Assets	19.0		
Investing in Communities	24.7		
Venture Fund	2.0		
Childcare	0.2		
	49.4		

## Strategic Objectives for 2009/10

Grant budgets	2009/10 £M	Indicative 2010/11 £M	Indicative 2011/12 £M
<b>Scotland continued</b>			
<b>New programme:</b>			
Awards for All	9.0		
2014 Communities	0.8		
Investing in Ideas	1.0		
<b>To be allocated to programmes</b>		34.0	31.9
	10.8	34.0	31.9
<b>Scotland grant budget</b>	<b>60.2</b>	<b>34.0</b>	<b>31.9</b>
<b>Wales</b>			
<b>Existing programme:</b>			
People and Places	13.8	9.2	
Children's Play	9.6		
Stepping Stones and Lifeskills	5.5	1.5	
<b>support contract variations</b>	0.3		
	29.2	10.7	
<b>New programme:</b>			
Small grants programme	2.4	2.4	2.4
Community Assets	0.4	1.5	
<b>To be allocated to programmes</b>	0	25.8	21.0
	2.8	29.7	23.4
<b>Wales grant budget</b>	<b>32.0</b>	<b>40.4</b>	<b>23.4</b>
<b>Northern Ireland</b>			
<b>Existing programme:</b>			
Safe and Well	17.2		
Reaching Communities (NI) virement from Live & Learn	5.1		
Young People's Fund	0.6		
	22.9		
<b>New programme:</b>			
Small grants programme	3.5	3.5	
Advice Services	0.5		
Community Planning Pilot	0.8		
<b>To be allocated to programmes</b>		13.2	16.2
	4.8	16.7	16.2
<b>Northern Ireland grant budget</b>	<b>27.7</b>	<b>16.7</b>	<b>16.2</b>
<b>Total</b>	<b>353.1</b>	<b>354.8</b>	<b>390.5</b>

## Operating Costs

In May 2008 the National Audit Office published a value for money report 'making grants efficiently in the culture, media and sport sector', reviewing the costs of four funders including BIG, and also comparing them with two voluntary sector funders. This showed that our costs compared favourably with the public sector funders, and were comparable to the voluntary sector funders.

BIG aims to control its costs tightly. In the financial year 2008/09 our operating costs were 8.6 per cent of income received, down from 9.1 per cent in the previous financial year. While we do not want unnecessary bureaucracy, we need to ensure that we fund accessibly and fairly, provide a good customer service and, most importantly, ensure that our programmes achieve their intended outcomes.

Significant parts of our operating costs are not just 'administration' – consulting our stakeholders, supporting grant applicants and holders in their work and conducting evaluation and research are vital to delivering outcomes effectively. So we are not aiming to minimise these costs, rather to ensure that they offer value for money.

The programmes through which we make large numbers of small grants are more expensive for us to run than the programmes that focus on one sector and make a few large grants there. The type of programme we build is driven by what best delivers the desired outcomes, not the cost of delivery.

Overall, we are aiming to keep our Lottery distribution costs down to below 10 per cent of our lottery income over the longer term. Costs fluctuate over the programme cycle, and therefore from year to year, and Lottery income also fluctuates outside our control, so the percentage will inevitably rise and fall in the short term.

We have planned for an operating cost budget that continues to deliver a cash saving on the previous year's operating cost budget. With the pace of change within BIG, the setting of robust operating cost budgets to achieve efficiency targets has proved challenging; we also continue to absorb pay increases and other inflation.

The 2009/10 operating cost budget set out above excludes the budget for investment to improve our grant management systems and processes. We expect this investment to bring about greater efficiency and customer service improvements from 2010/11 by supporting the range of ways in which we will award money in the future. Whilst a significant proportion of these costs will be capitalised there will be additional one off revenue costs incurred in this period in relation to the implementation, training and migration to the new systems.

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

**Annual target:  
operating costs are less than 9 per cent of Lottery income**

**Annual target:  
100 per cent of the 2009/10 grant budget has been committed**

### **Strategic objective 2: Those who enquired about, applied for or received our funding said we provided an excellent service to them.**

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

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

Every year we provide advice to many thousands of enquirers, applicants and grant holders. This support will come from our own employees and also the staff of support agencies that work with us, our web-based information, and our application packs and other written guidance.

In the year to March 2009 our BIG Advice Line, which covers the whole of England, had contact with over 87,000 people who enquired about a grant from BIG. Staff in our operational centres responded to over 3,000 outline proposals and nearly 24,000 applications for grants, and supported over 25,000 organisations that hold a grant from BIG. We also provided advice to thousands of people who contacted our offices in Wales, Scotland, Northern Ireland and the England regions.

During 2009/10 (and to 11) we expect to be investing in major changes to develop and strengthen the service customers receive from us. This will be part of the

large investment in our systems referred to under strategic objective 1, and an investment in the skills of our staff. Better systems free up existing staff to give more support to customers, but also make it easier for customers to find information themselves via our website. Applicant organisations expect BIG to offer them an online facility that more than exceeds their requirements for reliability and convenience; we know this from the conversations that we have with them. The aim with our new system is that once a customer decides to proceed with an application they will be able to complete the entire process online and then view and manage all their applications, grants and payments in a simple accessible format, receiving fast responses to their questions. Subject to satisfactory completion of contract negotiations, customers will see the changes when applying to the programmes we launch during 2010.

**We will measure our success against this strategic objective by conducting customer satisfaction surveys across the UK at regular intervals during the year, comparing this over subsequent years when our new systems are in place.**

#### **Annual target:**

**a baseline will be established on the basis of initial survey results, to inform target-setting for 2010/11**

## **Strategic Objective 3: Our funding programmes are delivering their outcomes**

**Key performance indicator: supported projects that were completed this year successfully achieved their outcomes.**

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

This year we will continue to monitor and evaluate our past and current programmes, ensuring some new funding programmes go live, and beginning to shape new funding programmes for 2010 onwards. We currently have around 40 evaluations and six substantive research projects underway. The Research and Learning Strategy for 2009 to 2015 will ensure that as we shape our new funding we are gathering, synthesising and presenting the evidence from our past programmes and external research to inform who and what we fund and how we get the most out of the money we give. Evaluation reports are published externally and can be found on our website at [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk).

At the end of March 2009 we had 25,726 grants in management across the UK; some of these grants sit within programmes that are now closed to application. They are now in the project delivery phase and are drawing funds down from their grant allocation. When projects are completed they send in a report on how well they achieved their outcomes.

The table overleaf shows all of the funding programmes that are either currently accepting applications or are due to open in 2009/10. Our popular Awards for All programme across the UK, and the Reaching Communities programme in England, will remain open for applicants. As an indication of the scale of our operations, more than 7000 Awards for All grants and 252 Reaching Communities grants were awarded in England in 2008/09.

## Big Lottery Fund programmes that will be open for application in 2009/10

Programme	
<b>UK-wide</b>	
Heroes Return 2	Open for applications
Village SOS	To launch in June 2009
Awards for All	Open for applications
<b>England</b>	
Reaching Communities	Open for applications
<i>myplace</i> * round 2	To launch in June 2009
<b>Scotland</b>	
Awards for All Scotland	Open for applications
Investing in Ideas	Open for applications
2014 Communities	Open for applications
<b>Wales</b>	
Awards for All Wales	Open for applications
People and Places	Open for applications
Lifeskills**	Invitations to tender begin from July 2009
Community Asset Transfer**	To launch in October 2009
<b>Northern Ireland</b>	
Awards for All Northern Ireland	Open for applications

\* this is a non-Lottery programme

\*\* Lifeskills will be jointly funded with the Welsh European Funding Office; Community Asset Transfer will be jointly funded with Welsh Assembly Government capital funding.

## Strategic Objectives for 2009/10

As stated in our Big Thinking Strategic Framework we shall continue to be adaptable, flexible and responsive in what we fund. An overwhelming message from our BIG thinking consultation last year was that our stakeholders highly value this characteristic of the Big Lottery Fund. As an example, in 2009/10 we will put in place a response that targets some of the effects on communities of the economic recession with an investment of £43 million across the UK.

During the year we will welcome the opportunity to deliver funding on behalf of other organisations, if this funding can be used to help achieve BIG's mission and values. In Wales we will be joint funding a Lifeskills programme with the Welsh European Funding Office using Lottery funds and European Social Funds. Invitations to tender for contracts to deliver this funding will be advertised from July 2009. The first non-Lottery programmes that we set up under the new powers vested in BIG by the Lottery Act 2006 are already in place and running successfully. In the year ahead BIG will continue, on behalf of the Office of the Third Sector/ DCLG, to manage a £30 million programme in England called Community Assets (26 grants awarded), and a £271 million programme called **myplace** on behalf of the Department for Children, Schools and Families

(62 grants awarded as of March 2009).

In the coming months we shall produce outlines of the Lottery programmes we plan to open from mid-2010 onwards for the UK, England, Scotland, Wales and Northern Ireland. It is vital that before we shape these plans we spend time on research and maintain a dialogue with stakeholders, experts, policy-makers and customers. In Northern Ireland for example there will be a consultation in the Autumn of 2009. All our development work will be in line with the Board's target that the VCS will receive 80 per cent of our funding between now and 2015.

**We will measure our success against this strategic objective by monitoring the projects we fund and by evaluating our programmes. Once an award is made, we monitor it (proportionately to the size of the award) to ensure that the funding is being used for the agreed purpose and at the end of most programmes we evaluate to capture learning and look at where the programme has made a difference.**

Annual target:  
93% of completed projects achieved their outcomes

# Risks for 2009/10

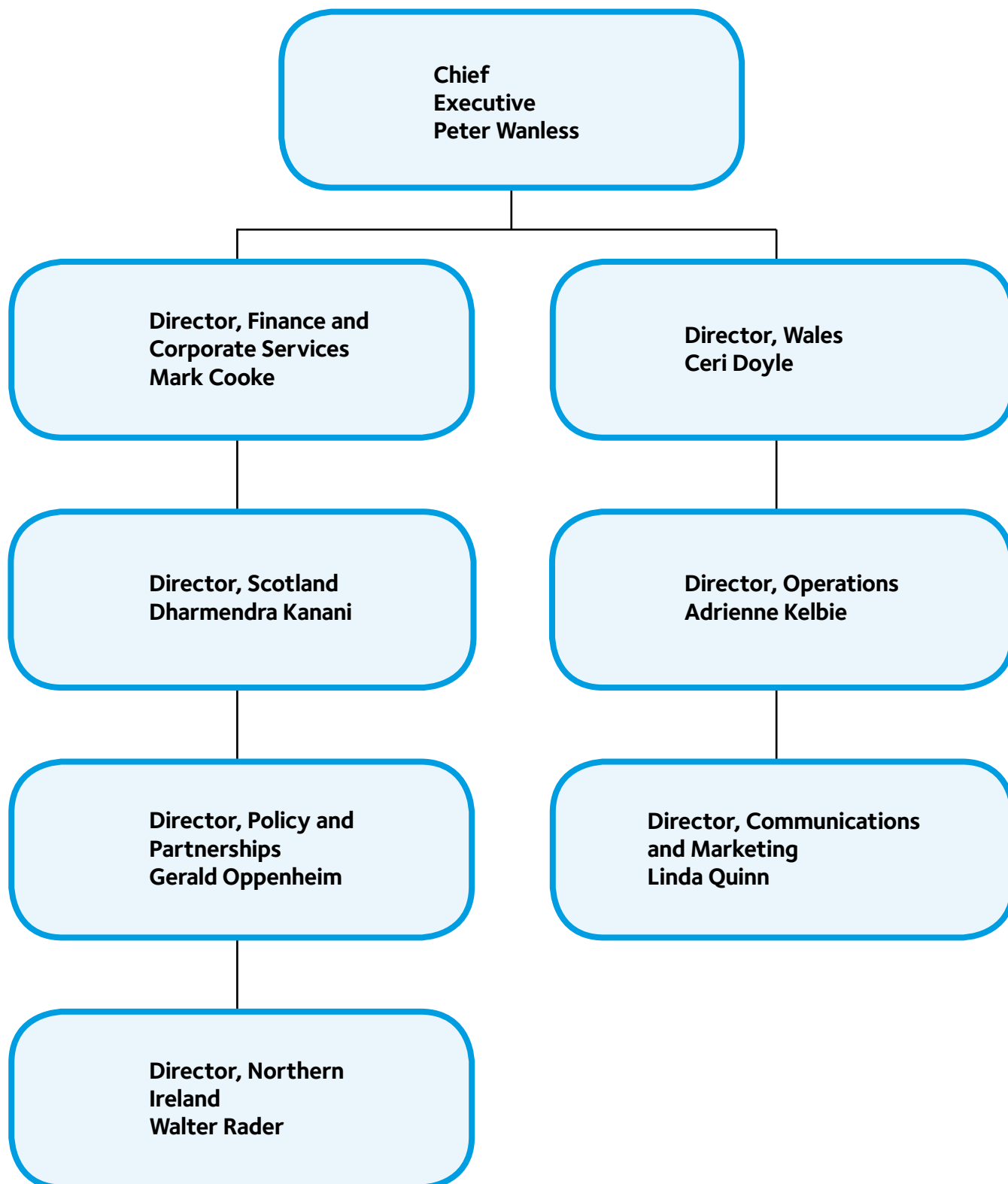
We face a range of risks to the delivery of our strategic objectives and other commitments. The most important of these are set out in our corporate risk register. In the coming year our plans to reshape the Big Lottery Fund around new systems and improved customer experience will engender changes to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

Our approach for risk identification and management is set out in our Risk Management Policy Statement. Identifying and managing corporate risks is the responsibility of the Senior Management Team. Where necessary we will audit the measures put in place to contain or reduce our exposure to risk, and the areas that may require testing during the year are taken into account in our audit plan for 2009/10. The Audit and Risk Committee receives regular reports on our risk management and audit findings during the year.



# ANNEX A

## Organisation Chart



# ANNEX B

## Board and Committee Members




**Sir Clive Booth**  
Chair  
Chair, Remuneration Committee




**Judith Donovan CBE**  
General Member  
Chair, Resources Committee



**Anna Southall**  
Vice Chair




**Roland Doven MBE**  
General Member  
Chair, Audit and Risk Committee




**Sanjay Dighe**  
Chair, England Committee



**John Gartside OBE**  
General Member  
Member, England Committee




**Breidge Gadd CBE**  
Chair, Northern Ireland Committee



**Rajay Naik**  
General Member




**Alison Magee**  
Chair, Scotland Committee



**Albert Tucker**  
General Member  
Member, England Committee



**Huw Vaughan Thomas**  
Chair, Wales Committee



**Diana Whitworth**  
General Member

## ANNEX B

### Board and Committee Members

#### Country committees

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

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

##### **Northern Ireland Committee –Breidge Gadd CBE (Chair)**

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

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

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

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

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