

# Section seven

## Our statutory background

### Policy Directions

Our sponsor department is given power under the Lottery etc. Act 1993 to give Directions as to matters to be taken into account in grant-making. Responsibility for the Big Lottery Fund, including setting policy directions transferred from the Department for Culture, Media and Sport to the Cabinet Office on 13 April 2011. Following a wide consultation we now have new policy directions for our England, Isle of Man and UK-wide funding that took effect from 1 April 2012.

The Big Lottery Fund has complied with these Directions throughout the financial year 2012/13 in every material aspect.

### England and UK

#### **DIRECTIONS GIVEN TO THE BIG LOTTERY FUND UNDER SECTION 36E(1)(b) OF THE NATIONAL LOTTERY ETC ACT 1993 (as amended)**

In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 (as amended).

The Minister for the Cabinet Office in exercise of the powers conferred on him by section 36E(1)(b) and having consulted the Big Lottery Fund ("the Fund"), National Assembly of Wales, Scottish Ministers and Northern Ireland Department of Culture, Arts and Leisure pursuant to section 36E (5), hereby gives the following directions to the Fund:

### England, Isle of Man and United Kingdom

#### General Directions

**1.** In exercising any of its functions in relation to United Kingdom expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes its money under section 25(1).

- A.** The need to ensure over time that the distribution of money:
  - (i) Ensures people are engaged and involved in using the Fund's funding to provide solutions to the issues that matter to them in their communities;
  - (ii) Helps identify and enable those who are ready to lead the process of providing these solutions and removes barriers for those that may need help in doing so; and
  - (iii) Supports new and innovative solutions alongside tried and tested models, and generates learning to help the development of policy and practice beyond the Fund's funding.
- B.** The need to ensure that the Fund achieves the distribution of funds to a reasonably wide spread of projects, primarily those delivered by the voluntary and community sector and social enterprises, including small organisations, those organisations operating at a purely local level, newly constituted organisations, organisations operating as social enterprises and organisations with a base in the United Kingdom and working overseas.
- C.** The need to ensure that money is distributed for projects which promote the public and social benefit and are not intended primarily for private gain.
- D.** The need to involve the public in making policies, setting priorities and making grants and which may involve partnerships with broadcasting, electronic, print, digital and other media.

- E.** The need to ensure funds are distributed on the basis of need, delivering measurable outcomes and broader impact for communities and individuals.
- F.** The need to include a condition in all grants for recipients to acknowledge Lottery funding using the common Lottery branding.
- G.** The Fund, in distributing money under section 25 (1), shall take into account the following principles:

**1. ENGAGEMENT** – the development of programmes should be based on the active engagement of public, private and voluntary & community sector and social enterprise partners.

**2. REPRESENTATION** – the development of programmes should take account of those most in need by targeting inequality and improving the capability of people and communities to contribute to, participate in and benefit from outcomes funded through the Fund's programmes.

**3. SUSTAINABILITY** – a programme's ability to improve the environment today and for future generations and reduce the impact on the environment.

**4. LONGER TERM BENEFIT** – that projects can achieve longer-term financial viability and resilience.

**5. ADDITIONALITY AND COMPLEMENTARITY** – the development of programmes and funding of projects should complement, add value and be distinct from the work of other funders and parties working towards the Fund's goals.

**6. COLLABORATIVE WORKING** – where this produces better results, the development of programmes and funding of projects should support collaborative action between funded organisations and public, private and civil society partners.

## England and Isle of Man devolved expenditure

**2.** In exercising any of its functions in relation to English and Isle of Man devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:-

- A.** The need to operate within the distinctive context of policy, government and civil society action adding value in appropriate ways to the aim of creating a fairer, freer and more responsible society where everyone has a part to play in improving their community and helping one another.
- B.** The need to ensure that money is distributed to projects that benefit local people and local communities served by the voluntary and community sector.
- C.** The need to ensure over time that the distribution of money addresses one or more of the following priorities:
  - (i) Encouraging social involvement in communities and removing barriers;
  - (ii) Strengthening the capacity of voluntary and community organisations and social enterprises; and
  - (iii) Strengthening and increasing the capacity of the social investment market for supporting public benefit and social action.
- D.** The need to have regard for:
  - (i) The interests of and scope for taking effective action for England or the Isle of Man as a whole and for different parts of England or the Isle of Man; and
  - (ii) The relative population sizes and levels of economic and social deprivation in different parts of England and the Isle of Man.

Signed by the Minister for the Cabinet Office  
28 March 2012

## Scotland

### DIRECTIONS GIVEN TO THE BIG LOTTERY FUND UNDER SECTION 36E(4)(b) OF THE NATIONAL LOTTERY ETC. ACT 1993

Scottish Ministers, in exercise of the powers conferred on them by section 36E(4)(b) of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund ("the Fund") and obtained the consent of the Secretary of State for Culture, Media and Sport pursuant to section 36E(8) of that Act, hereby give the following directions to the Fund:

**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.** In exercising any of its functions in relation to

Scottish devolved expenditure the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

- 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.
- 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 encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.
- D.** The need to further the objectives of sustainable development.
- E.** The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.
- F.** 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.
- G.** The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of the Fund's strategy.
- H.** The need to ensure that the Fund has such information as it considers necessary to make decisions on each application, including independent expert advice where required.
- I.** 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.
- J.** The need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.
- K.** The need to involve the public in making policies, setting priorities and making grants.

#### Scottish Devolved Expenditure

**3.** In exercising any of its functions in relation to Scottish devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

- A.** The need to operate within the distinctive policy context in Scotland, adding value where appropriate to Scottish Ministers' strategy; supporting a fairer Scotland with the development of opportunities for everyone to flourish within a more successful and sustainable Scotland.
- B.** The need to ensure that the Fund, achieves over time the distribution of money to address the priorities of tackling disadvantage, the advancement of well-being and addressing inequalities; while  
ensuring 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 Scotland and working overseas.
- C.** The need to have regard to the interests of Scotland as a whole, the interests of different parts of Scotland and the relative population sizes of, and the scope for reducing economic and social deprivation in, the different parts of Scotland.
- D.** Finally, the need to ensure that the Fund achieves over time, the distribution of money reasonably equally between the expenditure on or connected with:
  - (i) the promotion of community learning;
  - (ii) the promotion of community safety and cohesion; and
  - (iii) the promotion of physical and mental well being.  
The priority of tackling disadvantage and the need to address inequalities.

**4.** In relation to Scottish devolved expenditure the

Fund shall take into account the need to distribute money under section 25(1) to projects which are intended to achieve one or more of the following objectives:

- A. SMARTER:** People having better chances in life.
- B. SAFER AND STRONGER:** Communities work together to tackle inequalities.
- C. GREENER:** People have better and more sustainable services and environments.
- D. HEALTHIER:** People and communities are healthier.

**5.** In relation to Scottish devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the following principles:

- A. ENGAGEMENT** – the development of programmes should be based on the active engagement of public, private and third sector partners.
- B. SOLIDARITY and COHESION** – ensuring that individuals and communities across Scotland have the opportunity to contribute to, participate in, and benefit from a more successful Scotland.
- C. SUSTAINABILITY** – to improve Scotland's environment today and for future generations while reducing Scotland's impact on the global environment.
- D. ADDITIONALITY and COMPLEMENTARITY** – the development of programmes should complement and add values to the strategies and activities of partners and stakeholders.
- E. COLLABORATION** – where possible, the outcomes of projects and programmes should benefit from effective collaboration between organisations and between public, private and third sector partners.

Signed on behalf of Scottish Ministers by John Swinney,  
Cabinet Secretary for Finance and Sustainable Growth, a  
member of the Scottish Government

July 2009.

## Wales

### DIRECTIONS GIVEN TO THE BIG LOTTERY FUND UNDER SECTION 36E OF THE NATIONAL LOTTERY ETC. ACT 1993.

The National Assembly for Wales, in exercise of the powers conferred on it by section 36E(4)(a) of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund ("the Fund") and obtained the consent of the Secretary of State for Culture, Media and Sport pursuant to section 36E(8) of that Act, hereby gives the following directions to the Fund:

**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.** In exercising any of its functions in relation to Welsh devolved expenditure, the Fund shall take into account the following matters in determining to whom the Fund may make grants or loans, the purposes for which the Fund may make grants or loans, the process used to determine what payments to make and the terms and conditions on which the Fund makes grants or loans:

- 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.
  - 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 encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.
- The need to promote and support the Welsh language and reflect the bilingual nature of Wales, including giving effect to the principle of equality between the English and Welsh languages. This should be achieved by including specific conditions on language in grants and monitoring and overseeing the performance of grant recipients with regard to those conditions.
- E.** The need to further the objectives of sustainable development.
  - F.** The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.
  - G.** 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.
  - H.** The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of its strategy.

- I.** The need to ensure that it has such information as it considers necessary to make decisions on each application, including independent expert advice where required.
  - J.** 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.
  - K.** The need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.
  - L.** The need to involve the public in making policies, setting priorities and making grants.
  - M.** The need to ensure an outcome focused approach, working closely with appropriate partners to achieve the best pattern of investment for the benefit of communities across Wales. Where appropriate the experiences of other organisations should be utilised to enhance development and delivery of funding mechanisms.
- (i) the promotion of community learning;
  - (ii) the promotion of community safety and cohesion; and
  - (iii) the promotion of physical and mental well being.
- C.** The need to have regard to the interests of Wales as a whole, the interests of different parts of Wales, the relative population sizes and the scope for reducing economic and social deprivation in the different parts of Wales, and the need to encourage public service bodies, collaborating together, to deliver better service outcomes to citizens.

## Welsh Devolved Expenditure

**3.** In exercising any of its functions in relation to Welsh devolved expenditure, the Fund shall take into account the following matters in determining to whom the Fund may make grants or loans, the purposes for which the Fund may make grants or loans, the process used to determine what payments to make and the terms and conditions on which the Fund makes grants or loans:

- A.** The need to ensure that the Fund, taking into account its assessment of needs and any priorities it has identified in its strategy, achieves 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 Wales and working overseas.

The need to ensure that the Fund achieves over time the distribution of money reasonably equally between the expenditure on or connected with:

**4.** In relation to Welsh devolved expenditure the Fund shall distribute money under section 25(1) to projects which are intended to achieve one or more of the following outcomes:

- A.** people of all ages equipped with the skills and learning to meet the challenges of a modern society;
- B.** people working together for stronger communities, social justice and better rural and urban environment; and
- C.** healthier and more physically active people and communities.

**5.** In relation to Welsh devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the need to ensure one or more of the following priorities are met:

- A.** tackling the barriers to community learning and effective life skills;
- B.** people working together for stronger communities, social justice and better rural and urban environments; and
- C.** empowering communities to develop and deliver local revitalisation programmes;
- D.** developing constructive community responses to disaffection, anti-social behaviour and crime;

- E.** enabling older people to live independent lives and to contribute to their community;
- F.** enabling communities to manage and enhance their local environment and amenities;
- G.** developing people's ability to take responsibility for their own health and well-being in line with the principles underlying Health Challenge Wales, encouraging individuals and organisations to improve health in Wales;
- H.** promoting healthier eating and increasing physical activity across all age, gender and social groups;
- I.** developing new approaches to promoting community building and the countryside

## Northern Ireland

### DIRECTIONS GIVEN TO THE BIG LOTTERY FUND UNDER SECTION 36E (4)(b) OF THE NATIONAL LOTTERY ETC. ACT 1993

Secretary of State for Northern Ireland, in exercise of the powers conferred on them by section 36E(4)(b) of the National Lottery etc. Act 1993 and having consulted the Big Lottery Fund ("the Fund") and obtained the consent of the Secretary of State for Culture, Media and Sport pursuant to section 36E(8) of that Act, hereby give the following directions to the Fund:

**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.** In exercising any of its functions in relation to

Northern Ireland devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

- 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.

- 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 encourage innovation balanced with the need to manage risk in a manner commensurate with type of project and applicant.
- D.** The need to further the objectives of sustainable development.
- E.** The need to set specific time limits on the periods in respect of which grants are payable, whether for capital or revenue expenditure.
- F.** The need: 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.
- G.** The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of the Fund's strategy.
- H.** The need to ensure that the Fund has such information as it considers necessary to make decisions on each application, including independent expert advice where required.

- I.** 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.
- J.** The need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.
- K.** The need to involve the public in making policies, setting priorities and making grants.

### Northern Ireland Devolved Expenditure

**4.** In exercising any of its functions in relation to Northern Ireland devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:

- A.** The need to ensure that the Fund, taking into account its assessment of needs and any priorities it has identified in its strategy, achieves 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 Northern Ireland and working overseas.
- B.** The need to ensure that the Fund achieves over time the distribution of money reasonably equally between the expenditure on or connected with:
  - (i) the promotion of community learning;
  - (ii) the promotion of community safety and cohesion; and
  - (iii) the promotion of physical and mental well being.
- C.** The need to have regard to the interests of Northern Ireland as a whole, the interests of all the different parts of Northern Ireland and the relative population sizes of, and the scope for reducing economic and social deprivation in, the different parts of Northern Ireland.

**5.** In relation to Northern Ireland devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to projects which are intended to achieve one or more of the following outcomes:

- A.** People have the opportunity to achieve their full potential
- B.** People can actively participate in their communities to bring about positive change
- Community ownership of better and safer rural and urban environments
- D.** Improved physical and mental health for all people.

**6.** In relation to Northern Ireland devolved expenditure the Fund, in distributing money under section 25(1), shall take into account the need to ensure one or more of the following priorities are met:

- A.** Improve essential skills to meet social and economic needs
- B.** Increase opportunity for community based learning
- C.** Build community capacity
- D.** Increase opportunity for volunteering and engagement within and between communities
- E.** Build community and voluntary/statutory partnerships
- F.** Improve community facilities, access and services
- G.** Increase community involvement in protecting, restoring and sustaining the urban and rural environment
- H.** Help individuals and communities to develop skills to make healthier lifestyle choices
- I.** Promote mental health and emotional well-being at individual and community level.

Signed on behalf of Secretary of State NI