

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE

18TH FEBRUARY 2009

Agenda Item	
Report No	

BIG LOTTERY FUND CONSULTATION RESPONSE

Report by Director of Education, Culture and Sport Service

Summary

The Big Lottery Fund (BIG) is consulting on the development of its strategic funding policies for 2009 – 2015. A draft Council response is attached at Appendix 1. Members are asked to consider, comment on and agree the Council's response to the consultation exercise.

1. Background

- 1.1 The Big Lottery Fund (BIG) distributes 50% of lottery funding and provides support in the broad areas of education, health, environment and community. It also provides a small number of international grants.
- 1.2 Since its formation in 2006, BIG has provided some 388 grants worth £8.9 million to Highland projects.
 - 356 grants were for less than £10k (£2.6m)
 - 17 grants were in range of £10k - £100k (£900k)
 - 15 grants were over £100k (£5.4m)
- 1.3 A wide range of projects have been funded – from adventure play areas, before and after school clubs, wildlife and sensory gardens to the acquisition and development of community assets such as land and buildings.
- 1.4 BIG's funding is mainly targeted to the voluntary and community sector (VCS) but projects from other organisations such as schools, community councils and public agencies can be supported.
- 1.5 The current consultation exercise (Big Thinking) aims to help BIG shape its strategic funding policies for 2009 - 2015. This will be followed by the development of the funding programmes which will run during the period and further consultation is likely to take place at that stage.

2. Context

- 2.1 The financial context of the consultation is that (for a number of reasons including the London Olympics) there will be less money available for distribution during the period 2009 – 2015. This means that BIG wants to focus its funding on work where it can make most difference.
- 2.2 BIG is a UK organisation which reports to the Department for Media, Culture and Sport. In Scotland it also reports to the Scottish Government and is governed by policy directions issued to it by the Scottish Government.

- 2.3 Responses to the consultation can be made through completing an on line questionnaire which has a number of parts including a UK section and specific sections for each country within the UK.
- 2.4 In Scotland, BIG wishes to continue and refine “Investing in Communities”. This is an outcomes-based approach with a single entry point and providing a suite of funding programmes aimed at contributing to the following outcomes:-
- People have better chances in life
 - Communities are safer, stronger and more able to work together to tackle inequalities
 - People have better and more sustainable services and environments
 - People and communities are healthier
- 2.5 The Scottish section concentrates on ways in which BIG could add value to the Scottish Government’s agenda.

3. **Draft Response**

- 3.1 A draft cross-service Council response to the consultation is attached at Appendix 1.
- 3.2 Some key points in the response are:-
- BIG should continue to provide 60 – 70% of its funding to VCS organisations after the current guarantee runs out in 2012
 - There are a number of ways in which BIG can distinctively add value to the Scottish Government’s agenda.
 - A number of changes should be made to the “Investing In Communities” approach
 - Single Outcome Agreements and community planning partnerships are the main structures which can, and should, be used as an indication of local needs and priorities
- 3.3 The report has no resource implications for the Council

4. Recommendation

- 4.1 Members are asked to consider, comment on and agree the Council’s response to the BIG consultation exercise

Signature:

Designation:

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Background Papers:

APPENDIX 1

BIG THINKING – BIG LOTTERY CONSULATION

DRAFT HIGHLAND COUNCIL RESPONSE

There are two parts to the draft response. Part 1 relates to the questions posed in the UK section of the questionnaire. These mainly takes the form of tick-box, multiple choice questions. Part 2 covers the questions raised in the Scottish section of the questionnaire.

In the draft response below, background information relating to the consultation and the questions are *in italics* and the suggested Highland Council responses are **in bold**

PART 1: UK QUESTIONS

UK1 The first emerging theme is 'Transitions' which refers to people at critical points in their lives: leaving full time education, retiring, getting divorced, or being made redundant. Some groups will experience particular difficulties, such as people with disabilities seeking employment. These pressure points may be when they most need support or advice, and when specialist intervention can make a major difference to quality of life and subsequent choices or opportunities. Transitions can also refer to communities in transition: communities affected by natural disasters such as flooding, communities struggling with gang violence, areas of low employment, or those coping with a legacy of conflict or lack of mutual respect.

1a *Do you agree that the theme of transitions provides a useful starting point for our funding?*

Suggested HC response

- * **Yes**
- * No
- * No opinion

'Isolation' emerges as a second strong theme. The number of single person households is on the increase and more people are living alone for longer. Certain groups suffer in particular: people living in remote rural areas, older people living alone, people who are ill or people with disabilities. And isolation does not have to be physical – young people caring for sick relatives might be isolated because their experience cuts them off from their peer group; and those struggling with debt might be in a similar position.

1b *Do you agree that the theme of isolation provides a useful starting point for our funding?*

Suggested HC response

- * **Yes**
- * No
- * No opinion

1c *Are there other themes you would suggest?*

Suggested HC response

While overall themes of “transitions” and “isolation” are a reasonable starting point it is strongly suggested this should not result in separate funding programmes. Experience of working with potential applicants to Scottish “Investing in Communities” would indicate that many were confused about which funding programme their project would best fit under. It may be better to offer a single funding programme with a range of specific priority outcomes within which different levels of support could be offered.

UK2 BIG has a powerful role to play in helping those most in need, including the most marginalised people in society. In the period 2009 to 2015, we expect to increase the focus of our funding on this group. But we also want to continue to reach a wider audience – ensuring everyone gets the opportunity to benefit from the Lottery in some way. We will achieve this through a

mix of funding approaches (open-funding programmes, targeted funding, loan, endowment funding).

2a *Do you agree we should have a greater focus in our funding to benefit those most in need?*

Suggested HC response

- * **Yes – it is important that funding goes to those most in need**
- * No – the balance is about right as it is
- * No opinion

2b *Tell us if you think BIG should have a different focus?*

Suggested HC response

A broad definition should be applied to “those most in need”. For example, global deprivation statistics do not necessarily identify some of the smaller scale areas of deprivation or capture scarcity or lack of services in more remote areas.

UK3 *Our best results have often come from partnership working across sectors, where projects encourage people to achieve what was not previously possible working alone. For this reason, we will use our influence to encourage and broker links between our grant-holders and partners in the voluntary and community sector, public and private sectors. In particular, we will work harder across this period to establish more extensive and fruitful links with the private sector.*

3a *How can BIG best help build lasting partnerships and networks that support communities and people most in need? Select two*

Suggested HC response

- * **Insist on partnership approaches for larger bids**
- * Support voluntary and community sector organisations to build alliances with each other
- * **Support voluntary and community sector organisations to build alliances with other sectors**
- * No opinion
- * Other (please specify)

3b *How can we get better at engaging with the private sector?*

Suggested HC response

While the Council does not feel that lottery funding should be used to fund the private sector, it could be useful if the business sector could be involved in providing advice, information and training in specific business skills to VCS organisations.

3c *Are there opportunities for joint funding that BIG should take up?*

Suggested HC response

The Council feels it is important that BIG work closely with other lottery distributors in the in the first instance. Where appropriate, BIG and other lottery distributors should present joint funding programmes.

UK4 *The voluntary and community sector is frequently in the best position to make our funding work for communities and people most in need. It is also central to a strong and effective civil society. The large majority of our funding will continue to go to the voluntary and community sector. After 2012, when our 60-70 per cent undertaking ends, should we continue to guarantee a percentage of our funding goes to the voluntary and community sector?*

Suggested HC response

- * Funding should go to the organisation in the best position to deliver the project outcomes, whichever sector they are from.
- * **BIG should extend its undertaking to the voluntary and community sector beyond 2012.**
- * No opinion

The Council feels that it is important for VCS organisations to have this guaranteed commitment. It is also important that BIG retains the capacity to fund other types of organisations such as local authorities and health boards in certain circumstances, for example, where such bodies may be best placed to lead partnership projects to deliver strategic outcomes.

UK5 *Our evidence tells us that to achieve greater effectiveness and impact, we must do more than give out grants. We are improving our service to you but want to go further. We think that the additional cost of more support is worthwhile if it improves the impact projects have, even where this might mean making fewer awards. We think this should become an increasing feature of the way we fund. Over and above giving out grants, what would make BIG a better funder in the way we work? Select top two*

Suggested HC response

- * **More pre-application support, such as talking through ideas, explaining funding available, development grants, guides on matters such as effective project management**
 - * More specialist support and advice for grant holders relevant to the issue or sector in which a grant has been made
 - * **More support for grant holders in areas such as project management, financial planning, awareness-raising and engagement, evaluation and sustainability**
 - * More activity to build networks of grant holders to help share learning
 - * BIG developing a more visible profile in debates on social issues, using our learning and the learning of our grant holders and partners
 - * Continue to offer existing levels of support to applicants and grant holders
 - * No opinion
 - * Other (please specify)
- BIG should provide more training for partner organisations in lottery funding priorities and processes.**

UK6 *Lottery funding is more flexible than many other public sources of funding. It can give organisations the chance to try out ideas or gain longer-term funding that is not available from others. Should we aim to fund fewer projects, but fund for a longer period? Or have we got the balance about right?*

Suggested HC response

- * Fund fewer projects for longer
- * **Current balance is about right**
- * Fund more projects for a shorter period
- * No opinion

UK7 *BIG has a powerful role to play in funding new approaches, taking risks and challenging standard practice. This will form an important element of our funding. Do you think BIG should take more risks with our funding to promote innovative solutions?*

Suggested HC response

- * **Yes, in a proportion of our work**
- * Yes, across all of its work
- * No, it should concentrate only on what is known to work
- * No opinion

UK8 *BIG is a UK-wide organisation whose funding is devolved predominantly to the country level. However around 10 per cent of our money is managed at a UK level and we expect that to continue. Are there areas beyond those described above where you think it is important to operate at a UK level, rather than at a country level?*

Suggested HC response

The Council recognises that there are instances in which UK-wide initiatives are appropriate. However, in view of the fact that lottery funding is shrinking, it may be

more appropriate to reduce the proportion of funding spent on such initiatives to 5% and allocate the balances to country level.

UK9 *Public engagement in our work helps raise the profile of funded projects and shows what Lottery money can do. It helps attract new groups to the Lottery and inspires communities to do things. We will continue to explore ways of engaging the public in our funding. Which ways of increasing public involvement do you think would work best for BIG? Pick two.*

Suggested HC response

- * **Public membership of decision-making committees**
- * On-line surveys / forums
- * Local decision-making panels
- * Public voting on projects via television, radio or the internet
- * **Citizens' panels or juries**
- * More public involvement in the development of projects
- * Mix of all of the above
- * No opinion
- * Other (please specify)

UK10 *Since 2006, BIG has had the power to distribute funds other than those that come from the National Lottery. We will take on more of this work, where we think we are the right organisation to do so and where it would help us achieve our mission to support communities and those most in need. BIG is not restricted to distributing Lottery money alone. Are there other sources of funding that BIG would be the right organisation to manage, either on our own or in partnership?*

Suggested HC response

The Council is unable to identify any other sources of funding where this might be appropriate. However, the Council would suggest that BIG and other major sources of funding (e.g. other lottery distributors, government, European, larger trusts) should seek to align their budgets and dovetail their processes as far as possible. This would both add value and reduce the situation where multi-funded partnership projects often have to answer to many masters.

PART 2: SCOTTISH QUESTIONS

S1 *How can BIG distinctively add value to the Scottish Government's ambitions for a more successful Scotland that is 'wealthier and fairer; smarter; healthier; safer and stronger and greener'?*

Suggested HC response

Lottery funding is reducing and BIG must seek to align its budgets with Government, European and other funding streams which will be available during the same timescale to add value and achieve maximum impact. For example, both the Fairer Scotland Fund and the LEADER programme have significant resources for at least some of the same timescale and have clear synergies with the outcomes BIG wishes to contribute funding towards.

BIG could also work closely with other lottery funders on joint initiatives during the period. For example, the Commonwealth Games are due to be held in Glasgow in 2014 and it will be important that this is more than just a sporting event if it is to have a lasting and longer term legacy. BIG and sportscotland could work to provide funding to support joint health improvement projects throughout of Scotland in the run up to and beyond the event.

It is important for BIG to retain its ability to be the first funder in any partnership project as this can often be the means to unlock contributions from other potential funders.

S2 *Do the current outcomes for Scotland provide a sensible, workable and flexible framework for the BIG? Are there gaps in these which prevent BIG from responding to current and future need? Are there outcomes which need to be removed or changed?*

Suggested HC response

The Council feels that the current outcomes for Scotland provide an appropriate and sufficiently flexible framework for BIG's work. Within this context BIG should concentrate its funding to support people and communities most in need.

- S3. *Does "Investing In Communities" need to be improved or revised to help communities and voluntary organisations deal with the current and future challenges facing people and communities in Scotland? If so, how?*

Suggested HC response

Yes, revision will be required both to allow BIG learn from experience and to take account of current and future challenges. In summary:-

- BIG's should provide clear (and less equivocal) information on its priority outcomes and more explicit funding criteria. This should include written materials and information/advice provided by BIG staff.
- The use of Plain English in information and written communication would be appreciated. For example, some potential applicants have told us that they simply do not understand the language used - what does it actually mean to say that their project does not have as strong a fit as other projects with BIG's outcomes?
- It would be helpful if BIG could allocate dedicated contact officers for geographic areas who could work with and through local CPP partners such as councils and existing VCS networks to provide opportunities for the roll out of information/advice. Such an arrangement would be a two way process informing BIG of local issues and providing opportunities for local comment on applications and potential project ideas.
- BIG should provide training and guidance on its processes and priorities both at local level to CPPs and at a national level to network groups such as SLOG. Greater understanding would allow BIG's partners to support potential applicants in a more meaningful way.
- There should be a single funding programme with different levels of funding. This would help avoid the confusion many applicants experienced trying to identify which investment area their project potentially fitted.
- "Investing in Ideas" should be integrated with "Awards for All"
- The overall "Awards for All" budget should be increased to meet high level of demand.
- The maximum level of "Awards for All" should be increased or new "medium" grants made available - £20k/£30k for "one off" and 2 or 3 year projects. This would allow:-
 - a) some of the more innovative ideas to be tested on the ground without the degree of risk associated with the provision of larger grants
 - b) open up opportunities for partnership working and capacity building on a manageable scale for grassroots projects
 - c) increase potential to maximise funding as it may be easier for applicants to identify smaller rather than larger scale contributions from other funding sources such as the LEADER programme.
- The two stage application process should be retained but strengthened. A "maybe" response at Outline Proposal Stage is too woolly and should be replaced with a more explicit prioritisation assessment (perhaps RAG or the high/medium/low system used by sportscotland for capital projects). Lottery funding is shrinking and given that low percentage of "maybe" projects are currently funded this could help avoid applicants spending time, effort and money working up projects which have little or no chance of success.
- Funding decisions for larger projects should be made more quickly.

- **Exit and/or sustainability strategies need to be addressed at an early stage particularly for multi-year funded projects. On-going support for lottery funded projects is still a very thorny issue both for the funded projects and for public agencies which invariably are expected to be in a position to pick up the pieces after lottery funding ceases. This could potentially be minimised if BIG engaged more closely with CPP partners to identify local priorities.**

S4 *Should “Investing in Communities” be adjusted to reflect the new circumstances and policy framework for the third sector in Scotland, in particular how should it best add value to, or complement, the Scottish Government’s Enterprising Third Sector Action Plan?*

Suggested HC response

The Council feels that continuing to provide support for VCS organisations will in itself add value and complement the Scottish Government’s Enterprising Third Sector Action Plan.

It is important to note, however, that the focus of the Government’s initiative is to invest in enterprising third sector organisations to help ensure that they have the business skills to deliver high quality services and to move towards financial sustainability and reduce organisational dependency on grants. Government support for the development of the social enterprise business model is to be welcomed but it anticipated that a relatively small numbers of VCS organisations will be interested in, have the capacity or indeed wish to follow the social enterprise route. In addition, the Government has already targeted some funding to provide support in this area.

Lottery funding should be additional and while it may be appropriate to use some lottery funding in limited circumstances to add value to social enterprise initiatives, the majority of funding should be targeted to support grassroots organisations such as local voluntary and community groups, schools, village halls and charities.

S5 *How can BIG’s resources build a more sustainable third sector into the future?*

Suggested HC response

BIG could use some of its resources to build a more sustainable third sector by providing some support for intermediary bodies such as the CVS network and Volunteer Centres. It may be appropriate for such funding to be targeted to assist these organisations facilitate third sector involvement in community planning partnerships and working towards the achievement of local SOA national and local outcomes. It may also be useful to provide support for enhanced volunteer initiatives linked into capacity building for future voluntary organisations and social enterprises.

S6 *Through “Investing in Communities”, BIG has tried to support people in need and also fund work that can help prevent need occurring. It has also invested in projects that make it easier for people, communities and organisations to deal with need when it arises. Should BIG continue the approach of supporting both work that helps people in need now and work that helps prevent need occurring?*

Suggested HC response

The Council feels that it is important that BIG retains the ability to support both preventative work and projects which address current needs.

S7 *Single Outcome Agreements and Community Planning Partnerships are at the heart of the Scottish Government’s policy agenda. Funding and decision-making on many policy areas have been streamlined and devolved. Should BIG take account of these structures as an indication of local need and priorities, or is it important to provide flexible funding that is not linked to these agreements?*

Suggested HC response

The Council's view is that the Single Outcome Agreement (SOA) and community planning partnerships (CPPs) are the main structures which can, and should, be used as an indication of local need and priorities. Although recognising that community planning partnerships are at different levels of development throughout Scotland, it is crucial that BIG uses the SOA and existing and emergent CPP structures. In Highland, work is underway to develop a strategic Compact with the Third Sector and other partners. Other networks are in place which has the principles of community planning at their centre. For example, Highland LEADER programme is delivering its funding through its network of 11 local Local Action Groups (LAGs) and the Fairer Scotland Fund is based on a community partnership model. BIG's funding should be linked to these structures. The identification of dedicated BIG contact officers for particular areas as suggested in the response to question S3 would be a useful starting point. The Council as the identified lead in CPP development would be happy to facilitate and contribute to such a process.

S8 *Is there a particular role for BIG to add value in this context by focusing support on community engagement within these new local structures?*

Suggested HC response

Although appreciating that the situation is not uniform across Scotland, the Council does not feel there is a particular role for BIG to play in this context. Other organisations and networks already exist which have this remit. Given that local authorities are the lead agencies in community planning and also participate in, and sometimes lead, local networks, it is felt that they are well placed to act as a point of contact and source of information for BIG. The Council with its CPP partners would be happy to be involved in discussions with BIG about both strategic and local priorities in Highland.

S9 *How can BIG help businesses and voluntary organisations work together to make a difference in communities?*

Suggested HC response

The Council does not think that it is within BIG's remit to provide direct financial support for business sector as this is out with the scope of lottery funding. In some contexts, however, it might well be useful for voluntary organisations to place greater emphasis on the use of business models in relation to, for example, financial and forward planning. It may be useful, therefore, for BIG to provide some indirect support in this area by, for example, working with the business sector to develop guidance appropriate for VCS sector organisations or by encouraging successful business people to provide training or mentoring on a voluntary basis.

S10 *Should BIG engage in developing opportunities for sectors to work together to solve problems or sustain solutions? What role can BIG play, through its funding and its partnerships, to support innovation?*

Suggested HC response

BIG's role is primarily to distribute lottery funding and it should work closely with other funding organisations to help it deliver its key outcomes. In this regard BIG should continue to engage with the Scottish Funders' Forum to develop opportunities for different funding sectors to work together. It would be particularly useful if budgets, application, evaluation and monitoring processes and procedures could be aligned.

BIG could work to encourage other sectors such as businesses to provide match funding for projects. BIG could also provide funding to CVS networks to roll out training for local VCS organisations in relation to lottery funding on issues such as identification of SMART project outcomes, monitoring and evaluation, quality assurance and sustainability.