



Effective funders, thriving communities

The Big Lottery Fund Triennial Review – consultation with the Cabinet Office

19th December 2013, hosted by London Funders

Introduction and context

On 21 November 2013 the Minister for Civil Society announced the start of the triennial review of the Big Lottery Fund. This is being conducted as part of the public bodies' reform requirement for all government departments to review their non-departmental public bodies (NDPBs) at least once every 3 years.

As for all triennial reviews, the review team will examine whether there is a continuing need for the functions performed by the Big Lottery Fund, and whether the organisation should continue to operate in its current form. If the team determines that there is a continuing need for the organisation in its current form, the review will assess whether its control and governance arrangements continue to meet the recognised principles of good corporate governance. The review will also consider its structure, efficiency and effectiveness.

Triennial reviews do not require a public consultation, but in order to complete a full assessment of the Big Lottery Fund, the team are inviting contributions from people and organisations that have an involvement with, or an interest in, it as an organisation. The responses received will be included in the body of evidence used by the review team when making its assessment.

London Funders facilitated a meeting between the Cabinet Office and London Funders members in order to feed into this review, the notes from which are outlined below.



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Mission

The perception of Big Lottery Fund was discussed, including its mission. The attendees discussed the following points as important to their view of the Big Lottery Fund:

- Creating lasting change
- Equality and fairness
- Additionality – this led to discussion on how times have changed and whether this should reflect a change in government priorities and a reduction of Local Authority responsibilities.
- ‘Public money’ - What is lottery money? It is unique – ‘public money’ gives a sense of ownership and responsibility, established by the government and so very different. Should explicitly target those ‘most at need’, however difficult to define.

The group were led in a SWAT analysis to look at strengths, weaknesses, opportunities and threats. Below is a summary of the main points that came out of the discussion:

- **Stewards public money well**

The attendees agreed that in general, the Big Lottery Fund steward public money well with good accountability, rigorous and thorough. The Big Lottery Fund deserves credit for their range of programmes and in, general, has done well.

- **Role in Sector**

The Big Lottery Fund is by far the biggest funder in the sector and the direction of funding is set through their strategic programmes. Even if that is not the agenda, the Big Lottery Fund is a leader and so should behave like a leader and initiate collaborations, share knowledge and lead in an intelligent research based way.

It is easier for smaller organisations to innovate, but when Big does something then this will lead the way for others. However, maybe the focus should be on funding sustainability rather than innovation.

BIG needs to recognise that it could play a role as a strategic funder of the VCS by using a very small proportion of its resources to fund key national and regional infrastructure bodies strategic partners to help support its commitment to partnership working, leadership and accessibility to applicants.

These themes of needing to use their position and lead effectively were a thread through the discussion and can be seen as a part of the other discussion points.

- **Application procedure**

Several attendees commented on the effort required for small and medium size charities to complete the application process and get a first grant so grants may not be reaching deprived areas.



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Some groups also feel intimidated by the lottery and put off by the length of the form and if the Big Lottery Fund are serious about supporting grass roots then that's something they need to consider.

There was discussion about whether there should be a different level of stewardship for each level of funding, or a staged application process to filter it a bit.

Big sometimes fund at the initial point, but not the on-going sustainability and this should be looked at. On the positive side, Big were agreed to have learnt from this feedback previously and are building sustainability into some new funds, including attending London Funders project group meetings on Unlocking Assets.

- **Monitoring and evaluation**

The group discussed monitoring and evaluation and how well Big do this at, especially at the end of funding. Big experiences similar problems as a lot of other funders- it is a big bureaucracy which can be a barrier to engaging with partners and also a lot of information doesn't produce a lot of learning.

There were some comments that Big reports on outputs instead of outcomes, just looking for the numbers and then missing out on key successes.

Big are the only funder with the scale to complete some important research- they should be leading on this, doing more research and evaluation and making it available to others. The data set could be made available to the What Works Network for example and Big could start to have online evaluations.

There were several comments that the Big Lottery Fund should take the funding and relationship right through to the end, also looking at impact 12 months later as a follow up. The relationships with the grant managers were described positively, but there should be a review of the grantee perception reports and interest in the success of the projects.

- **Relationship with government**

The relationship with the government was discussed and whether this was an opportunity or a threat. The relationship was seen to be very important, as this is one of the very few pots of money that can be influenced by the government, though the 'arms length' was seen to be quite variable and depending on the agenda. Some expressed a viewpoint that there were previously things which were covered through direct taxation; Big should now be funding it. Additionally, without lobbying, Big should be informing and feeding its evidence to the government, as an 'informed friend'.

Whereas generally seen as an opportunity, being a match funder for European structural funding could also be seen as a threat. There is some informed concern that Big may not have the technical expertise and knowledge to successfully manage the accountability regime for ESF funding and in the event that it gets it wrong it will therefore hold all the risk. If not done correctly, BIG would have to meet 100% of the costs- so there is a capability issue that Big may not have the auditing and administrative knowledge to complete it and so should consider working with more experienced ESF funders to manage the risk.



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Opportunities for the Big Lottery Fund:

- Leadership
- The creation of an evidence base, which can also inform policy. In addition, the possibility of research and evaluation online.
- Small and medium sized charities would benefit from secondary tier support- give them the knowledge and leadership to help them become more sustainable.
- The relationship with the grant officers was very important
- Big do share knowledge when they can. There was a general feeling though that they need to lead with convening, sharing and developing- their size means that they have influence.
- Grantmakers can influence the sector (Kramer and Porter) and this is an opportunity to evaluate the supply chain of services- funding sustainability and also signposting and building up models.

Follow up

The session concluded with an emphasis that opinions can be given through the response form and also by email until 10th January. The report will be written in January and is planned for release in February/ March 2014.

For more information on the consultation process and to complete the response form, please see [here](#).