



Annual report and accounts

2023-24



Big Lottery Fund*

Annual report and accounts 23-24

For the period 1 April 2023 to 31 March 2024

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* (operating as The National Lottery Community Fund)



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Same but Different, Wales



Over 50s Black Men Forum, England

Contents

Message from the Chair	8
Message from the CEO	10
Year in numbers	12
Money awarded in 2023-24	14
Organisation structure	16
Performance report	18
Sustainability report	37
Accountability report	46
Financial statements	94
Notes to the accounts	103
Our statutory background	151

Message from the Chair

Thanks to National Lottery players, The National Lottery Community Fund is the largest single source of community funding in the UK. In the past year we have been able to distribute more than £686 million in funding to more than 13,000 community based projects.

Our new strategy, **It starts with community**, reflects the ideas and hopes we heard from communities across the UK. This will guide our grant making up to 2030, and enable us to make an even greater impact in the years ahead. Our corporate plan for the next three years sets stretching targets that underline our commitment to being an equitable and environmentally regenerative community funder.

Notwithstanding the ongoing challenges and uncertainties presented by cost-of-living pressures and the long-term impact of COVID-19, community and grassroots organisations have continued to demonstrate resourcefulness and

determination to strengthen civil society and improve lives throughout the UK. The board and colleagues of The National Lottery Community Fund are in a privileged position to support these life-affirming organisations and we undertake our role with humility and respect.

I want to acknowledge the contribution of my fellow Board members, the members of our country committees in England, Scotland, Wales and Northern Ireland, and those who serve on the sub-committees of the Board. Likewise, I pay tribute to my colleagues who, under the leadership of our CEO, David Knott, fulfil their roles with passion and commitment. Our stewardship of this significant funding, purposefully targeted, continues to have a transformative impact within local communities now and in the years ahead.

Paul Sweeney
Chair



Learmount Community Development Group Ltd, Northern Ireland



Ministry of Life Education CIC, Wales



Men Matter Scotland

Message from the Chief Executive

I am filled with pride when I reflect on the positive difference community projects across the UK have made to people's lives every day through National Lottery funding. This year, we launched our ambitious new strategy, **It starts with community**, and accompanying corporate plan with a clear vision for a new chapter in our funding to 2030.

As we look ahead to the year, we will go further and faster in our ambitions to tackle inequality by taking an equity-based approach to funding. That's why we're pledging to extend grassroots funding, with a target of reaching more than 80% of communities across the UK to apply for funding and over 50% of grants going to communities experiencing the greatest poverty and disadvantage.

We receive an idea every three minutes, so we will support what matters most to

communities by targeting delivery across our four community-led missions and focusing on where there is greatest need. We'll embed support for environmental action across all funding, dedicating 15% of funding for environmental sustainability and supporting projects to consider the environment even when it isn't their main focus.

We're the largest single source of funding for community activities in the UK and have been at the frontline supporting communities for almost 30 years. Our new strategy harnesses this experience and passion and reflects more than 18,000 ideas and aspirations from people, charities and communities. In doing so we are ready to innovate and to address what matters most to communities, now and towards 2030.

In November, we made the largest change in National Lottery funding



Family Volunteering Club, England

history by doubling available Awards for All funding to £20,000 and extending the length of funding to two years, enabling us to reach communities we might not have before, and giving groups we fund the chance to plan more effectively.

Between 2023-24, 84% of our grants were under £10,000, with the majority supporting grassroots organisations, and within the first six months of this change, 78% of applications were for over £10,000. This boost enables small groups, many of which do not have the same infrastructure and resilience as larger organisations, to do even more for their communities.

It has been a strong year for overall grant making, with awards totalling over £900 million – including £686.3 million from National Lottery income, £127 million through the distribution of Dormant Assets and the remainder through our Million Hours and Cost of Living programmes delivered on behalf of Government. At the same time, cost of living pressures have continued to impact lives. Our work delivering the Community Organisations Cost of Living Fund on behalf of the Department for Culture, Media and Sport (DCMS) has underlined our support for communities, working at pace to help shoulder the challenges grassroots organisations and charities face. During the year, £71 million was distributed to over 1,500 projects.

As we drew the year to a close, I was proud to be part of the London Black Health Inequalities Summit in partnership with the Caribbean and African Health Network and Impact on Urban Health. Galvanised by these discussions, we're committed to challenging deep-rooted issues across all of our work.

I welcome all the development work we are undertaking internally to bring our new strategy to life, and also want to acknowledge and welcome our new National Lottery operator, Allwyn, and offer my sincere thanks to Camelot for their contributions since 1994. Since then, National Lottery players have raised £50 billion for good causes across the UK, transforming lives and contributing to arts, sport, heritage, and communities. In November this year, we work across The National Lottery to celebrate this.

Lastly, I would like to thank everyone who has helped shape and begin the delivery of **It starts with community**. The profound impact we have on empowering communities would not be possible without the efforts of my hardworking colleagues, who remain steadfast in their role in helping the Fund be the best it can be while making a positive difference to people's lives.

David Knott
Chief Executive



Year in numbers

Over the past 12 months, we have distributed more than £686.3 million in National Lottery funding in over 13,700 grants across the UK, supporting activities that create resilient communities that are more inclusive and environmentally sustainable – activities that will strengthen society and improve lives.

Our funding goes to the heart of communities

84%

of our awards are distributed in small grants



48%

of our grants are awarded to the top 30% most deprived areas identified in the Indices of Multiple Deprivation



83%

of our grants are distributed to organisations with an income of less than £1 million



We fund a community project every

8 mins



We awarded over **£1.8 million** on average every day to projects to do extraordinary things to improve their lives and communities.



Yallaa CIC, Northern Ireland

Money awarded in 2023-24



Scotland

£52.0m

1,658 grants

Northern Ireland

£26.8m

575 grants

Wales

£39.2m

1,001 grants

England

£521m

10,267 grants

UK-wide

£47.3m

219 grants

In total

£686.3m

13,720 grants

Organisation structure

Towards the end of the financial year, the Chief Executive made changes to the Fund's Senior Management Team and directorate structures to provide increased focus on the Fund's approach to people and culture matters, which will be a key aspect in successfully delivering our strategy and corporate plan. The revised structure is reflected here.





Ministry of Life CIC, Wales

Performance report

This section provides information about the Board, the Fund’s main objectives and strategies and the principal risks it faces. The overview section gives the user information to understand the Board, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. The analysis section is where the Fund reports on its most important performance measures, including analysis using information from the financial statements.

Overview

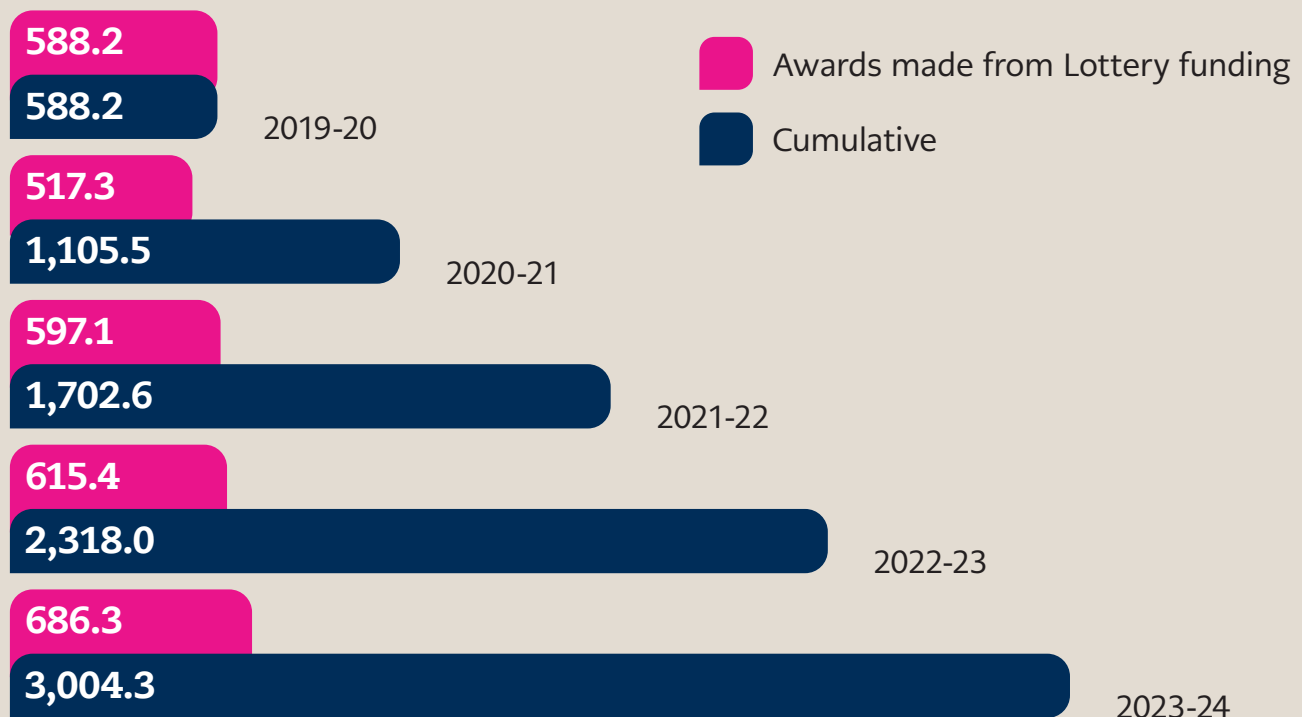
Our purpose and activities

The National Lottery Community Fund is the operating name of the Big Lottery Fund. The Big Lottery Fund is a statutory corporation established by The National

Lottery Act 2006. The Fund adopted the new operating name in January 2019 to better reflect the source of our financial resources and the funding for good causes raised through National Lottery operated games, together with our role in supporting communities in helping them achieve their ambitions.

The Fund is the largest single source of community funding in the UK and is responsible for distributing 40% of the total of good causes money raised through The National Lottery. We distribute this through grant awards to support projects providing community activities. In the last five years we have distributed over £3.0 billion in awards. Our funding programmes range from, from small grants of up to £20,000 to large scale, multi-million pound strategic programmes.

Figure 1: Distribution of funding in the last five years



In addition to our work distributing good causes money, the Fund is responsible for distributing monies released from dormant bank accounts and related assets under the provisions of the Dormant Bank and Building Society Accounts Act 2008, amended by the Dormant Assets Act 2022.

We also work with other organisations, principally public bodies, to manage and distribute funding through grant programmes we run on their behalf. Examples of this type of activity include our distribution of money in partnership with DCMS in respect of the Community Organisations Cost of Living Programme and the Million Hours Fund.

In delivering our programme of work we act within the relevant legislation, other public sector guidance and the requirements of DCMS as our sponsor department which provides us with a Management Agreement setting out our relationship with government. DCMS's Secretary of State issues policy directions which set out the matters to be taken into account in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money in England and the United Kingdom. The respective departments in each of the devolved administrations issue policy directions for grant making activity in Scotland, Wales and Northern Ireland. In following this guidance, the Fund's decisions on programmes and grants are independent of government. Our funding is required to follow the additionality principle – that is, our funding must be distinct from government – it can complement but must not substitute for government spending programmes.

We provide a balance of responsive and targeted funding programmes to meet the needs of communities in a manner that is consistent with our values set out in our 2023-30 strategy, **It starts with community.**

The Fund operates in the four countries of the United Kingdom, with funding programmes specific to each country. In addition, we operate a range of programmes that are UK-wide in scope. Each country and the UK portfolio award grants through a portfolio committee, the members of which are externally appointed. Their role is to set out and agree grant programmes aligned with the Fund's missions-based framework and consistent with the overall approach approved by the Board. Approval of most awards is delegated to officers of the Fund or to specific panels for the various programmes in each portfolio. Our grant awards budgets are apportioned between each country on the basis of agreed shares, determined largely on population and after deduction of a portion – up to 10% of the total – to be applied to the UK portfolio.

Our key issues and risks

The majority of our income is dependent on the revenue generated through The National Lottery. A portion of the sales value for each game is allocated to good causes and passed to the National Lottery Distribution Fund (NLDF), which is subsequently shared among National Lottery distributors. We manage our grant awards, budgets and payment profiles over several years to mitigate against the risks arising from potential variations in National Lottery revenue and ensure we can meet our commitments.

Performance report

On 1 February 2024, Allwyn commenced as the operator of The National Lottery under the fourth operating licence. We are working closely with Allwyn to actively manage the risk of uncertainty over future income through the commencement of the fourth operating licence agreement. This is necessary to ensure we can fully meet our existing liabilities while maximising how much funding we can provide to continue supporting communities. Returns to good causes, and therefore Lottery income for the Fund, have reduced during this transition year but are anticipated to increase through the new licence period.

We face financial risk in our activities through the potential for fraudulent applications for grants or the misuse of grants. Our programme of change requires careful planning to ensure new initiatives are successful. However, increasing reliance on digital services elevates our potential exposure to cyber risks and applicant data management breaches. Our risk management programme provides us with the means to assess our key risk exposures and establish appropriate controls to mitigate these. A fuller assessment of our risk management is included in our governance statement.

Performance summary

Each year we set out our corporate objectives and key performance indicators (KPIs) to assess how we have met our operational aims. For 2023-24, we set out three goals with seven supporting KPIs (the KPIs are listed later in this report). We met six out of the seven KPI targets.

The Fund also assesses its performance using other metrics, including key operational measures, financial indicators,

management accounting data and forecasting techniques. This ensures that, where necessary, the Fund can take corrective action at the earliest opportunity to achieve its aims and minimise risk to its operations and goals.

We launched our 2024-27 Corporate Plan earlier this year, reflecting our latest strategy, **It starts with community**, featuring updated KPIs. We do not set any specific operating surplus or deficit as a key measure or target. We manage our financial performance to maximise our ability to make grants from the monies received from The National Lottery. We recognise grant awards in full when they are approved, irrespective of when the cash for those awards falls due for payment. Consequently, our financial outturn, measured by way of a surplus or deficit, can vary significantly year on year. For this financial year we recorded a deficit of £49 million following a surplus of £68 million in 2022-23. An assessment of our performance appears in greater detail in the performance analysis and financial statements.

Going concern

The financial statements have been prepared on a going concern basis. Our statement of financial position records significant net liabilities. This is a result of our grant award recognition policy, which means the full value of awards is recorded at the point of approval and notification (except where there are specific performance criteria), even though the cash payments may not arise for some time. We manage our liabilities based on our ability to meet cash demands from current cash resources. Forecasts of future income are derived from operator projections and approved by the Board. This assumes, as a matter

of public policy, that The National Lottery will continue to operate in the foreseeable future.

Performance Analysis

Financial performance

Our key measure of financial efficiency is the proportion of our National Lottery income we distribute through grants. We exclude from this measure the costs we recharge to other people, for example, the costs of distributing non-National Lottery funds (including the dormant assets scheme). We also exclude certain other costs, such as one-off costs that are investments or restructuring to achieve future efficiencies (see note 8 to the financial statements). Irrecoverable VAT costs are also excluded.

The Government sets a target maximum for operating costs for all National Lottery distributors. At the outset of 2023-24, this was set at 7.75% of our National Lottery income, with a temporary dispensation to 8% for distributors, where needed until March 2025, agreed in March 2024. The measure is assessed over a three-year rolling period.

What we achieved in 2023-24

During the year we successfully delivered against the 7.75% operating cost target set by the Government. Total qualifying expenditure for National Lottery grant-making activities was £49.2 million, £1.4 million higher than in 2022-23. This equates to 6.8% of National Lottery income during the year and 6.6% over the three-year period to March 2024. Our performance in the two preceding years was 6.0% and 6.3% respectively. On this basis the Fund has incurred operating

costs over the three years to March 2024 that are £25.3 million lower than would be permitted by the efficiency measure. This surplus is made available for grant making activities.

Colleague costs form a significant proportion of our operating costs. Our colleague numbers have increased during the year, with a full-time equivalent (FTE) of 804 (2022-23: 786). This follows the expectation set last year of fluctuation as we transition through our strategy's implementation and it also reflects the increase in grant activity (Lottery and third party) as reported in our financial statements.

We have recorded Dormant Assets income during the year from Reclaim Fund Ltd of £90.4 million (2022-23 £93.5 million) and are anticipating income in 2024-25 of £143.4 million.

What are we planning to achieve in 2024-25

The budget has been based on developing activities in support of our corporate plan, continuing our programme of change and seeking efficiencies, enabling us to resource and deliver investment activities that will support the implementation of the new strategy.

We have budgeted to deliver total operating costs within a 7.75% cost threshold in 2024-25, with capacity for some additional investment in the Fund's strategic ambitions and service improvements based on the three-year rolling measurement approach.

The target is founded on National Lottery income budgeted at £705 million, which is derived from our forecast of revenues

Performance report

(based on operator projections) for 2024-25 at the time of budget preparation.

Our deficit for the year

We recorded a deficit for the year 2023-24 of £49 million (2022-23: surplus of £68 million). Our cumulative deficit at 31 March 2024 was £295 million (31 March 2023: £246 million). This deficit was anticipated through our financial planning and aligns with expectations as we seek to maximise grant making activity without attracting undue financial risk.

Our accounting policy treats the full value of grant awards as expenditure as soon as their approval is communicated to the recipient (subject to certain specific criteria). As with all National Lottery distributors, we manage our cash flow over the longer term based on grant cash commitments and projected incomes rather than seeking to achieve any particular annual surplus or deficit. Awards are paid over a number of years and we are confident that we will be able to meet our commitments from future income as they fall due.

For National Lottery operations only, we recorded a deficit for the year of £11 million (2022-23: surplus of £61 million). Income for 2023-24 was £689.3 million, lower than in 2022-23 (£707.2 million) and below the budget we set. We recognise that there is increased uncertainty around income levels as we have transitioned to a new National Lottery operator and licence period, and we remain aware of macroeconomic factors, such as cost-of-living pressures, which may adversely affect National Lottery sales. We have taken steps to mitigate this risk by working closely with Allwyn to understand future projections and

ensure that we protect funding available for distribution to UK communities.

Our awards total for 2023-24 is £71 million higher than last year at £686.3 million (2022-23: £615 million) and in line with the budget we set as we remain committed to supporting communities across the UK and delivering positive outcomes through our grants.

We recorded a deficit for dormant account assets of £32 million (2022-23: surplus of £6 million). Income was £4 million higher at £98 million and distribution through awards and transfers to other organisations was £41 million higher at £127 million (2022-23: £86 million) due to further signed agreements allocating money to designated spending organisations during the year, as per the spending directions.

Our funding strategy

For our National Lottery funding programmes our strategy is to award the maximum amount of funding that we can safely commit to over a five year period, considering our anticipated income, derived from operator projections. Since many of our grants pay out over a several years following the initial award, this strategy ensures that the projects and activities our awards support can deliver their benefits as early as possible, while ensuring we remain protected from any unexpected changes in income.

On 31 March 2024, we had £944 million (2022-23: £898 million) of outstanding commitments with respect to awards made, while we held £530 million (2022-23: £489 million) in the NLDF with which to meet them. This means we had made net commitments of £414 million (2022-23: £409 million) above our currently

available resources. This is equivalent to approximately seven months of future National Lottery income based on our current projections.

Non National Lottery Funding programmes

In addition to our core business of distributing National Lottery good causes income, we are also responsible for distributing of funding received from Reclaim Fund Ltd under the arrangements in the Dormant Assets Acts 2008 to 2022. These activities are included within our consolidated financial statements. We also set out a short-form set of accounts for this activity in note 34 to the accounts.

The Dormant Assets Acts 2008 to 2022, enables banks, building societies and other financial institutions to transfer money held in dormant accounts to a central fund for investment in the community. Using the scheme's funds, the Fund makes grant awards in Scotland, Wales and Northern Ireland under policy directions set out by each of the devolved administrations. For England, the original policy directions required that funding was passed in its entirety to Big Society Capital, acting as a social investment wholesaler. These directions were subsequently updated, with funds in England also being distributed by Access-The Foundation for Social Investment, Fair4All Finance and Youth Futures Foundation. Policy directions from the Secretary of State for the DCMS determine the amounts passed to each of these organisations for onward distribution.

Following drawdown from the Reclaim Fund Limited, we deposit funds until these are required to meet grant

commitments or transfer obligations. During the year we received interest of £7.5 million (2022-23: £1.8 million) in relation to these funds.

The National Lottery etc. Act 1993 also sets out powers for the Fund to work with other organisations to distribute money. We refer to these activities as third-party programmes. These powers give us scope to distribute funds on behalf of, or alongside, other organisations where this falls within the funding areas set by the Act for our work and is in accordance with our strategic aims. During the year, we distributed funding totalling £90.6 million in this way for other funders, the largest amount being £70.5 million on behalf of DCMS in relation to the Community Organisations Cost of Living Fund.

Where grant funding decisions under these programmes are ultimately made by the third party funder, and we act only as the funding delivery agent for the third party, we do not record the receipt of the funds themselves or the grants made in our own accounts. We recover the costs of undertaking this activity from the relevant funders and record this as income. An example of this type of activity is our distribution of money in partnership with the Scottish Government regarding the Scottish Land Fund. In instances where we provide joint or match funding for these programmes, we record our share of the grant awards made in National Lottery programme expenditure. We record cash held for distribution in our cash balances in the statement of financial position, together with any liabilities for commitments made before receiving cash from the funder. Balances in of each programme are recorded in note 23 to the accounts.

National Lottery Distribution Fund (NLDF)

The net good causes proceeds of The National Lottery are held in the NLDF, under the stewardship of the Secretary of State for Culture, Media and Sport, until drawn down by National Lottery distributors. The Fund receives investment income earned by NLDF in addition to The National Lottery proceeds in the same shares as for proceeds from the National Lottery receipts (40%). In 2023-24 this was £34 million (2022-23: £14 million). Our balance in the NLDF has increased during the year by £41 million. This is as a result of the increase in investment income through rises in interest rates, together with grant payments made in 2023-24 being lower than National Lottery proceeds received in year. We take account of the anticipated change in the balance alongside projections of future revenues and the timing of outstanding commitments when setting future grant award budgets. Since we do not control National Lottery income, it is not possible for us to manage the balance in the NLDF in the short term, so we do not set a specific target for our balance, rather a range within which we would like to operate.

We predict our future cash inflows and outflows to assess a safe minimum balance in the NLDF in order to ensure that we can meet our commitments as they fall due, allowing for risk-based assessments of possible variations in income. The actual balance at any one time will vary according to the structure and timing of our grant programmes and the income generated through the National Lottery for the period concerned.

Our corporate goals

Corporate goal one:

The National Lottery Community Fund supports projects that make a difference to people and communities across the UK.

What have we done?

This year, we made 13,720 grants across the UK worth £686.3 million, reaching every local authority, with the smallest grant award size £300 and the largest £30 million. As part of the commitment we have made in **It starts with community**, we strengthened our grassroots funding offer by doubling the available grant size in our National Lottery Awards for All programme and extended budgets to meet growing demand. Our budgets in 2024-25 reflect that.

Corporate goal two:

Our funding anticipates and catalyses wider change to ensure communities across the UK, and the organisations supporting them, prosper and thrive.

What have we done?

As part of our initial phase of strategy implementation, we have developed an impact strategy that includes a clear framework to measure outcomes in these mission areas. Alongside this, we have a strong commitment to an equity-based approach and supporting communities to be more environmentally sustainable. We have developed coherent plans to think about what this means in practice for how our work is informed by our external context.

To summarise, at the heart of **It starts with community** is the ambition to deliver our funding to strengthen society and improve lives across the UK. We now have greater focus in supporting communities through our four community-led funding missions:

- support communities to come together
- support communities to be environmentally sustainable
- support communities to help children and young people thrive
- support communities to enable people to live healthier lives.

Corporate goal three:

The National Lottery Community Fund is valued, trusted and efficient.

What have we done?

Successfully developing a continuous improvement culture at the Fund can be demonstrated by our creation of the Innovation Unit working in support of Funding portfolios to reach out to listen, learn, identify, and support new ideas from various sources. Internally, it plays a vital role in adapting our practices, systems, and ways of working to ensure we seamlessly integrate innovation into our daily operations.

We have a much deeper understanding of our carbon emissions and environmental impact following a report commissioned and delivered in the year, setting out clear, ambitious targets for our pathway to net zero.

We have maximised opportunities during the year resulting in shared office spaces with similarly aligned organisations in several locations and taken appropriate steps to strengthen our security, responding to emerging technology trends.

We have achieved this, and more, while operating within the threshold of 7.75%, strategically investing to improve our efficiency. We are also now seeing the benefits of previous operational investments, evidenced by our ability to award an additional £71 million grants this year, within our operating cost threshold.

The positive changes at the Fund are evidently being felt by customers and colleagues alike. This is reflected in our high customer satisfaction measure of 87% and increasing our employee engagement measure to 73%.

Our key performance indicators

Alongside our goals, our KPIs (which are set in agreement with DCMS) help assess our performance in several areas. We have met six of the seven KPIs we set for the year.

Overview of KPI performance at the end of the year

KPI 1: Customer satisfaction will be at least 80%

Key performance indicator met

Customer satisfaction was 87% of grant holders and applicants.

End of year report

Customer satisfaction remained stable and well above target in 2023-24 at 87% (i.e. those selecting 8-10 out of 10). Customers feel the Fund's processes are simple, accessible and our staff support them throughout the application journey. When asked what the Fund could do to improve its processes, most would like more detailed feedback on how to improve future applications.

KPI 2: Operating costs will be in line with our agreed threshold of 7.75% of income over three years

Key performance indicator met

Our actual operating costs for National Lottery activities were 6.8% of National Lottery income during 2023-24 and 6.6% over three years.

End of year report

Cost savings were linked to reductions in staff travel and communication costs, together with additional income relating to new third party programmes.

KPI 3: Grant awards to be within 5% of budget

Key performance indicator met

Our total grant awards from National Lottery funding were £691.3 million, which is 0.6% below the budget we set.

End of year report

We introduced significant changes to our funding products during the year, including increasing the limit to £20,000 for our simple grants programme. This was planned and implemented successfully, so the Fund has awarded grants within 5% of budget, with coverage across all portfolios.

Our indicator is based on actual awards made in the year and does not include any year-end adjustments for contingent liabilities. This is why the £691.3 million value reported on the left is different from the grant commitments total shown in the financial statements.

KPI 4: Our employee engagement score will be at least 76%

Key performance indicator not met

We conducted our annual employee engagement survey in the last quarter of the year, resulting in an overall engagement score of 73%. This score is an improvement of 12 percentage points on our 2022-23 result.

End of year report

Our positive increase of 12 percentage points on the previous two surveys, shows good progress in all directorates. We are continuing to improve the organisation's culture as we deliver our new strategy and ongoing organisational improvement priorities.

Performance report

KPI 5: People who are aware that The National Lottery funds good causes is above 45%

Key performance indicator met

Our most recent survey for this KPI indicated that 46% of people recognised The National Lottery as a funder of good causes.

End of year report

We continue to make progress in this area along with The National Lottery family. We have supported the National Lottery brand activity, which highlights the funding going to good causes to communities across the UK.

All of our communications continue to highlight the role of National Lottery funding in communities.

This KPI is stable, having been above 45% since February 2021.

KPI 6: People who are aware of The National Lottery Community Fund's purpose is above 45%

Key performance indicator met

People who are aware of The National Lottery Community Fund's purpose was 50%.

End of year report

During 2023, we launched our new strategy including changes to the National Lottery Awards for All programme that saw funding limits doubled to £20,000.

Communications around the launch of the new strategy across the summer and the changes to National Lottery Awards for All in November have led to an increase in the proportion of the general public who are aware of our purpose.

KPI 7: At least 80% of our grants will be awarded to charities and community organisations

Key performance indicator met

For the full year, 97.30% of our awards by volume were awarded to charities and community organisations, while 97.24% of the value of awards met this criteria.

End of year report

This year, we have continued our focus on putting communities first. As part of that commitment, we awarded at least 80% of our funding to organisations from the voluntary and community sector (VCS). Throughout the year, the value and volume of grants to VCS organisations has exceeded this target.

In addition to the KPIs noted above, the Fund uses various of other measures to assess progress towards our goals and the health of the organisation. These include financial measures – for example determining an appropriate range within which our balance should lie in the NDLF; customer measures including detailed analysis of customer satisfaction with aspects of our processes across each of our portfolios; and people-related measures, such as monitoring absence levels with reasons. The Performance and Programmes Committee regularly assesses progress against these measures. Other data related to these measures appears elsewhere in this report including in the Remuneration and Staff Report.

Risk

A key issue for the Fund is recognising that our aim in supporting communities across the UK sometimes requires us to fund in challenging circumstances and take risks regarding the success of some projects. This requires careful judgement on the part of our grant making colleagues and is reflected in the risk appetite we set in our funding and fraud risk themes, which acknowledges the Fund may incur some financial losses to achieve its strategy.

The risk themes represent the Fund's Risk Management Framework and which the Fund established to help identify, manage and report the risks that arise because of its activities and provide a focus to risk management. The themes with associated risks considered are:

1. Financial

The Fund makes award commitments on the basis of meeting the obligations of those awards from future receipts from The National Lottery. We manage the risk of fluctuations in income through robust cash forecasting. Income decreased in 2023-24, the in-year effect of which was mitigated by investment income derived from balances held in the NDLF exceeding budget. A continuation of this downward trend in income, however, would require further action in future years. Managing future liabilities and cash flow in the face of variable income is an area which is receiving close attention.

We also consider the controls regarding operating costs and in particular, ensure we operate within the cost threshold the Government set for us. We are managing additional uncertainty over future National Lottery income levels during 2024-2034 due to changes to the fourth licence award and, accordingly, we continue to plan for future income and growth projections with caution.

2. External environment stakeholder engagement

Risks considered here include the potential reputational impact of failings of funded organisations and the impact of significant issues in the sector more widely for charities and community organisations. We are aware of the need to continue engaging and building relationships with key political stakeholders.

Performance report

3. Leadership effectiveness

We understand the importance of our leadership teams' effectiveness in delivering its strategy to support communities around the United Kingdom. The Fund reviews leaders' performance across the organisation and their ability to implement the Fund's strategy and engage with colleagues from across the organisation, while delivering both the strategy and business as usual operations. The Fund measures this risk by its performance against the KPIs agreed by the Board and also by the engagement levels indicated in the Fund's colleague surveys. The risks associated with leadership effectiveness have consistently declined with the increased stability of the Fund's Senior Management Team.

4. People and culture

Risks considered include our capacity to reward our teams appropriately in increasingly competitive markets, ensuring that our teams are appropriately trained and skilled to deliver our ambition, and meeting our diversity aims in matching the diverse nature of the communities we support. The Fund is committed to supporting colleagues to make the most of their careers and considers poor employee engagement, not being supported in identifying and achieving personal objectives and not being supported in workplace training as risks to these ambitions. The Fund therefore monitors these risks and will escalate to risk registers if necessary. The Fund has reported good progress in these areas during the year, making positive changes that have reduced the level of risk.

5. Project and programme management

We consider the risk of failure in key projects, including business systems and infrastructure, and having the appropriate skills to deliver on time and to budget. As the Fund continues to implement its 2030 strategy, **It starts with community**, there are numerous of large-scale projects and programmes requiring the necessary skills, monitoring systems and external support to enable successful and timely delivery of these priorities. The Fund is committed to delivering projects and programmes on time, within budget and to the required specification to offer value to public money. Any potential risk of projects being unmet is added to risk registers and adequate controls and actions will be implemented to mitigate this risk. Currently, there are no projects deemed to be above appetite as defined by the risk thresholds agreed by the Board in December 2023. In 2024, there is a risk that capacity constraints might impede the delivery of new funding programmes. However this risk is yet to crystallise into an issue and we monitor it each quarter to ensure the correct controls and actions are in place.

6. Grant making and funding operations

The Fund's primary activity is to support communities with awards to local organisations that deliver support across the UK. These operations mean the Fund is exposed to a number of risks with our grant making, including the potential reputational risk from projects or funded organisations that fail or do not meet the standards expected of them. The Board and Audit and Risk Committee, working with our executive team, continue to review and develop our

approach, ensuring that our approach is proportionate to risk management. We seek to ensure that our organisational risk register links closely to our strategic aims and ambitions and that grant making operations are resilient enough that the Fund remains within its risk appetite as agreed with the Board. When the risk appetite is exceeded, we add these risks to the responsible directorate risk register and report them to the senior management team (SMT) and the Audit and Risk Committee (ARC). To date in 2024, the risk appetite board agreed in December 2023 has not been exceeded and so no further action has been taken by second or third line of defence functions. Work will continue in 2024 to further integrate the Fund's risk management framework to encompass elements of funding that may represent risk to the Fund and be included in risk reporting accordingly.

7. Technology and cyber risk

The potential for exploitation of undiscovered vulnerabilities carries the risk of service interruptions or data compromise that the Fund must proactively manage. Furthermore, it may expose us to reputational damage due to potential breaches, including loss of customer data and regulatory fines. We are vigilant of the evolving landscape of cyber threats and their heightened sophistication. Consequently, we uphold a proactive approach in managing these risks by consistently updating and rigorously testing our cyber security measures to ensure their effectiveness and relevance. The Fund recognises the importance of cyber risk and protecting data by holding a cyber security risk at all times on the Organisation Risk Register so that the SMT can receive a quarterly

update from subject matter experts. The residual risk score for cyber risk has been consistently within tolerance over the last 12 months, reflecting the resilience of the Fund's cyber security controls.

8. Fraud

We face fraud risk through exploitation of our funding programmes, whether through application fraud or misuse of grants. When setting the appetite for this risk, we take care to balance innovative funding so it is inclusive and available to all within managing public money requirements. During 2023-24, the sophistication of grant fraud monitoring arrangements and analysis and reporting to the Audit and Risk Committee continued to improve substantially to provide the necessary assurances on grant fraud rates, recoveries and write-offs. The Fund continues to make steps towards the integration of its risk management framework with a clearly defined risk appetite supported by agreed fraud risk thresholds. If these thresholds are exceeded, a risk will be recorded on the appropriate directorate risk register and analysed as part of the risk management reporting cycle to SMT and ARC.

9. Environment and climate

We acknowledge that we must take adequate action to reduce our environmental impact and that of the organisations we fund to avoid losing opportunities and failing to contribute to net zero by 2030. We are doing this through further iteration and progress against our Environment plan and annual plan, ensuring that directorates consider the environmental strategy during their business planning. Furthermore, our

Performance report

corporate plan commits us to investing at least 15% of our grants in projects that have environmental sustainability as their primary aim. The risks associated with the environment and climate are currently deemed to be out of tolerance, meaning more action is required for the Fund to meet its target. Senior leaders actively monitor risks regarding environment and climate so they receive the correct level of oversight and traction as part of the Fund's strategy.

10. Legal and regulatory

Failure to have proper regard to the Fund's statutory and regulatory framework and status as a non-departmental public body or its key contractual obligations could result in legal action (including judicial review) or fines against the Fund and reputational damage. Our system of controls, together with the oversight of an experienced management team and in-house Legal team, is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure in seeking to achieve our strategic aims and objectives. Therefore it can only provide reasonable, rather than absolute, assurance of effectiveness. The Fund currently does not have any open risks associated with the legal and regulatory risk theme reflecting a level of operational maturity with how the Fund operates within statutory and regulatory frameworks.

11. Information governance and data handling

Data is one of the most valuable assets that the Fund holds and, as such, any loss of data or lack of compliance with data management regulations will lead to loss of reputation, financial damage and intellectual property theft. The Fund has established a key risk theme regarding information governance and data handling to monitor compatibility with data management regulations. It takes the necessary steps via risk controls and actions to mitigate any circumstances where the Fund is outside its agreed risk appetite. We have started to measure data handling risk as of 2024. Currently, this risk is out of tolerance with a project managed by the Information Governance Group to bring the risk back in to tolerance. The resilient nature of the cyber security controls means risk to data at the Fund is deemed as low. However, projects relating to data retention are still considered necessary to ensure the Fund remains compliant with relevant data management regulation.

Equality in accessing funding

While our funding is available to all communities, we'll invest most where the need is greatest, with people, places and communities who experience poverty, disadvantage and discrimination.

We take an equity-based approach to contribute to reducing inequalities by particularly supporting communities that face disadvantage or discrimination. We work to continuously evolve the reach of our invitation and welcome. We value and work with the assets and knowledge that diverse people bring to their communities and the Fund.

Our equalities principles and guidance for applicants and grant holders is on our website: tnlcommunityfund.org.uk/about/customer-service/equalities.

The table below sets out our monitoring report for equalities for 2023-24, based on the information provided by applicants.

People with disabilities

	No. of applications	No. of grants	Requested value	Grant value
Yes	5,549	2,542	£424,259,980	£137,718,885
No	34,587	13,221	£2,631,370,073	£657,008,946

Applicants are asked if their project will mostly benefit disabled people. Applicants can select more than one group therefore responses may incorporate multiple accounting.

Women and Girls

	No. of applications	No. of grants	Requested value	Grant value
Yes	3,516	1,411	£239,324,729	£80,908,788
No	3,6620	14,352	£2,816,305,324	£713,819,043

Applicants are asked if their project will mostly benefit women and girls.

LGBT+

	No. of applications	No. of grants	Requested value	Grant value
LGBT+	1,111	421	£141,881,404	£26,343,941
Not targeted at LGBT+	39,025	15,342	£2,913,748,649	£768,383,890

Applicants are asked if their project will mostly benefit members of the LGBTQ+ community. Applicants can select more than one group therefore responses may incorporate multiple accounting.

Ethnicity

	No. of applications	No. of grants	Requested value	Grant value
Black/African/Caribbean				
African	2,598	916	£184,763,592	£48,940,993
Caribbean	2,034	703	£153,653,707	£38,515,146
Black British	2,322	782	£173,406,923	£40,981,963
Any other Black/African/Caribbean background	2,186	723	£179,729,443	£40,821,732
Asian				
Bangladeshi	1,601	546	£128,903,588	£32,268,470
Chinese	1,084	341	£97,928,298	£21,326,855
Indian	1,547	535	£128,509,782	£29,544,407
Pakistani	1,687	593	£133,250,226	£34,668,337
Asian British	1,777	605	£136,873,763	£35,514,431
Any other Asian background	,1628	547	£147,823,279	£32,515,852
Arab	1,327	474	£118,563,404	£28,789,271
Gypsy and Traveller community	908	301	£89,750,905	£19,670,104
Jewish	1,230	392	£95,470,807	£16,475,892
Mixed/multiple ethnicity	2,722	918	£218,572,106	£50,160,912
Any other ethnic group	1,569	521	£126,363,224	£29,478,586
No specific ethnicity	35,377	14,016	£2,725,798,965	£709,727,189

Applicants are asked if their project will mostly benefit people from specific communities experiencing ethnic or racial inequity, discrimination or inequality. Applicants can select more than one group therefore responses may incorporate multiple accounting.

Religion

	No. of applications	No. of grants	Requested value	Grant value
Buddhist	60	8	£12,124,086	£930,228
Christian	1,071	284	£183,917,969	£31,535,475
Hindu	123	27	£20,361,764	£3,597,102
Jewish	220	48	£36,699,391	£5,356,457
Muslim	413	101	£80,896,504	£15,378,032
Sikh	94	19	£18,536,379	£6,351,168
Other	259	54	£60,486,783	£10,382,280

Applicants are asked if their project will mostly benefit people from a specific faith community. Applicants can select more than one group therefore responses may incorporate multiple accounting.

Age

	No. of applications	No. of grants	Requested value	Grant value
Children and young people	7,859	2,832	£529,826,917	£157,037,973
Older people	2,687	1,299	£178,248,836	£50,989,317
No specific age	30,382	11,944	£2,412,329,272	£603,079,613

Applicants are asked if their project will mostly benefit people from a particular age group. Applicants can select more than one group within the children and young people age categories.

Northern Ireland community background*

	No. of applications	No. of grants	Requested value	Grant value
Both Catholic and Protestant	1,098	489	£109,030,761	£23,593,842
Mainly Catholic (more than 60%)	168	83	£9,540,142	£4,557,875
Mainly Protestant (more than 60%)	196	98	£4,022,887	£3,127,754

Performance report

	No. of applications	No. of grants	Requested value	Grant value
No response/ Neither	122	56	£7,811,780	£3,164,098

*Northern Ireland portfolio only

Welsh language speaking**

	No. of applications	No. of grants	Requested value	Grant value
All	54	22	£625,098	£254,939
More than half	338	150	£4,946,177	£2,626,493
Less than half	1,160	647	£16,149,888	£9,125,982
None	100	53	£1,307,899	£697,420
No response	362	133	£80,287,960	£24,067,279

**Wales portfolio only

Note: The data above represents all grants distributed by the Fund, including third party funding. It does not always add up to the same totals for all grant awards activity. This is because the classifiers in our grant data are not mandatory when application data is completed and some applicants may only complete a sub-set of the total. Additionally, multiple categories can be selected in many classifiers.

Welsh Language Standards

As a result of the Welsh Language Standards and our proactive approach as an organisation, services offered by the Fund to its staff are available in both English and Welsh, including HR services and training courses. Around half of our staff in the Wales directorate are Welsh speakers or Welsh learners. We encourage our staff to use their Welsh and increase their skills at the Fund. Our Wales Committee meetings and programme decision meetings are held bilingually with a simultaneous translator, allowing committee members and staff the opportunity to contribute to meetings and have discussions in Welsh.

Our bilingual workforce allows our customers to follow their journey with us in Welsh from the first point of contact, whether by phone, email or through written application, to the end of their grant. We provide a fully bilingual social media and digital presence across multiple channels, including LinkedIn, X (formerly known as Twitter), and Facebook. Our presence at events and funding surgeries in Wales is provided in Welsh and English.

We promote increasing Welsh language communities through our grants and offer bespoke training to our grant holders on managing their projects bilingually.

Sustainability report

Headlines

2023-24 Greenhouse gas emissions, waste and consumption

At the time of writing this report, our estimated operational emissions for 2023-24 are 2,326 tCO₂e*. This equates to 2.9 tCO₂e per full time equivalent (FTE), and a 181.07% increase on the 827 tCO₂e total (1 tCO₂e per FTE) that we recorded for the 2022-23 financial year in last year's report. This significant increase is a result of widening our emissions boundary. Our scope 1 and 2 emissions decreased by 16.6%, but we have turned our attention to our scope 3 emissions (indirect emissions that occur in our value chain, including through purchased goods and services, homeworking and business travel), which make up an estimated 92% of our 2023-24 emissions. We have employed consultants (Useful Projects) to look closely at our 2022-23 emissions, recalculating them with all relevant Scope 3 emissions drawn in.

Defining The National Lottery Community Fund's operational carbon footprint boundary: emission Scopes 1-3 (Useful Projects, 2024)

Scope 1		
Stationary combustion sources	Yes	
Mobile combustion sources	No	
Fugitive emissions	Yes	
Scope 2		
Purchased electricity	Yes	
Scope 3		
1. Purchased goods and services	Yes	Upstream
2. Capital goods	Yes	
3. Fuel- and energy-related activities	Yes	
4. Upstream transportation and distribution	No	
5. Waste generated in operations	Yes	
6. Business travel	Yes	
7. Employee commuting	Yes	Downstream
8. Upstream leased assets	No	
9. Downstream transportation and distribution	No	
10. Processing of sold assets	No	
11. Use of sold products	No	
12. End-of-life treatment of sold products	No	
13. Downstream leased assets	Yes	
14. Franchises	No	
15. Investments	No	

*tonnes (t) of carbon dioxide (CO₂) equivalent (e)

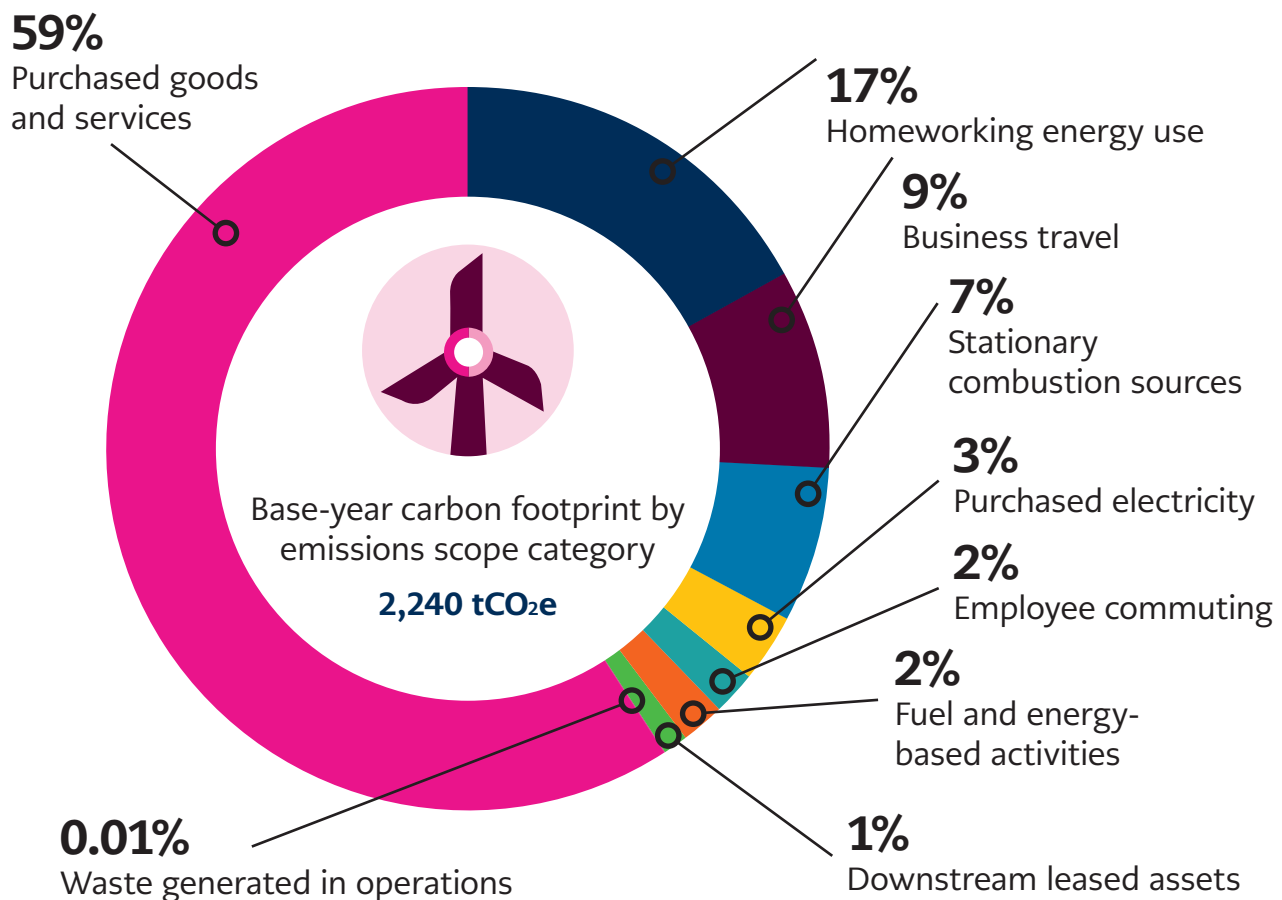
Sustainability report

We commissioned the work with Useful Projects to give us a realistic baseline for our net zero targets, explore all possible carbon reduction actions, inform our net zero pathway and targets. Useful Projects has proposed science-based near-term and longer-term targets with accompanying actions.

This comprehensive work means our 2022-23 totals have been restated in this report to represent the most accurate picture we have of our emissions.

The Fund's total base-year carbon footprint breakdown

Figure 2: Total estimated footprint, including offices, operations and National Lottery Promotions Unit (NLPU) activities by scope category



The Fund's scope categories with the highest carbon emissions are estimated to be purchased goods and services (59%), homeworking energy use (17%) and business travel (9%). These 'carbon hotspots' will be key areas of focus for the Fund's decarbonisation plan. It is very for a professional service organisation's highest emissions category to be purchased goods and services. Homeworking sources are high for the Fund as most total working hours are completed at home.

Working towards net zero is one part of our new [Environment Plan 2023-2030](#). The plan has four headline goals, with internal practices sitting under goal number three:

1. Be a world-class environmental funder: supporting impactful projects that protect and improve the environment in ways that matter to local communities.
2. Improve the environmental impact of the voluntary and community sector: leading the way in our funding practice, supporting and inspiring our applicants and grant holders to act to protect and improve the environment, and leveraging our position as the UK's largest community funder by starting to mainstream requirements into all our funding.
3. Become an exemplar in managing our environmental impact: walking the talk, and working towards net zero,

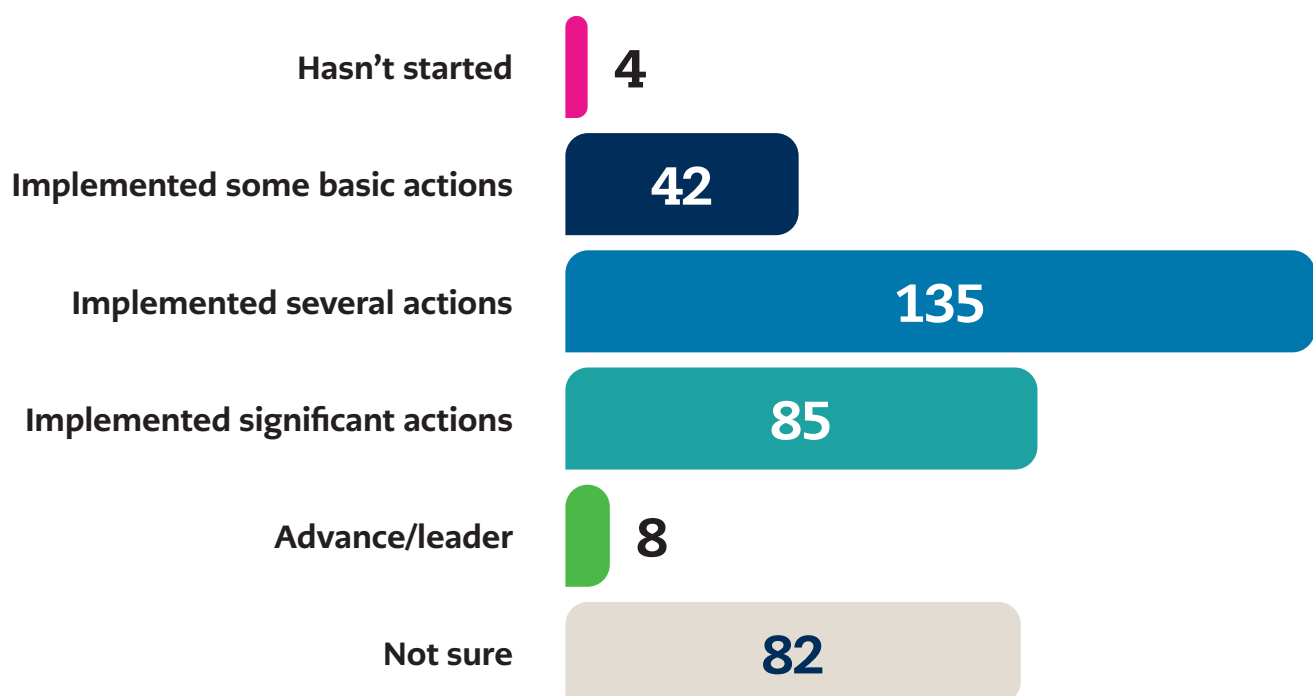
sharing our practice along the way and inspiring others.

4. Demonstrate influence & leadership: convening stakeholders; actively showcasing the role communities play in improving our environment.

Environmental survey

In July 2023, we co-developed our first organisation-wide environmental survey with Useful Projects (UP) and our Climate Action Network. It collected both quantitative data and qualitative data around commuting habits, including questions around how engaged colleagues feel with environmental action and how they feel we are doing as an organisation, with 48% of colleagues completing the survey. This demonstrates awareness of our activity but suggests a need for continued internal communication and education (see Figure 3).

Figure 3: 'How much progress, if any, do you think The Fund has made towards reducing the impact of its operations?' (Source: All staff survey, July 2023)



Looking forward

We have commissioned an initial piece of work to help us understand the environmental impacts of our grant making. This is challenging, given the range of community projects and activities in our funding portfolio, and is likely to require numerous phases.

Our Environment Plan Delivery Group (EPDG), attended by senior members of the Fund's directorates, continues to review environmental actions and progress quarterly. In 2023-24, discussions were based on 131 actions, across reducing our environmental impact, helping the organisations we work with to reduce theirs, and committing to our environmental funding strategy.

We are continuing to develop our in-house carbon reporting, based on UP's data guidance, calculating our full Scope 1, 2 and 3 emissions this year. We will continue to share data to help with setting directorate level reporting and increase carbon literacy and action across the entire Fund.

We will focus our work on understanding and reducing the largest area of emissions procurement.

We are reviewing our offsetting policy but are still planting 800 trees in Northern Ireland through the International Tree Foundation. For a second year, we have also purchased Energy Attribute Certificates to match the non-renewable energy used in our offices and homes during 2022-23 and to help increase the demand for renewable energy.

The data

To reflect the changes in our emissions reporting, this year's emission chart includes the same Scope 3 categories as last year. These are travel¹, homeworking², tech purchase³, stationery purchases and waste. However, there is also a new line for our total estimated Scope 3 emissions based on the work UP conducted to attach emissions to all the goods and services we purchased in 2022-23.

We could not undertake the same detailed spend base analysis that UP applied to our baseline for other areas of our Scope 3 emissions and we will work on this in the forthcoming year. In the meantime, we have used the total figure from 2022-23 (minus travel, homeworking, tech, stationery and waste totals) as a guide.

Sustainability report notes

- ¹ Based on all travel and hotels booked through our travel management system and travel and hotels expensed for.
- ² Based on in-office headcounts and considering annual average working days, minus allocated annual leave and average sick leave.
- ³ Useful Projects calculates tech purchases as computers and electronic goods, based on spend. We have included an emissions total based on a product breakdown supplied by our tech team, based on product type/material and weight.



21 Together, England

Data trends

We achieved a 20% reduction in gas usage by reducing total office space, relocating our London office to one without gas, and monitoring heating controls. This year we have also decommissioned our two back-up generators, reducing both our Scope 1 and 2 emissions.

We continue to transfer data processing and storage into the cloud, reducing the electricity our remaining onsite servers pull by a further 27% from the beginning of the year. We have also reduced the energy required to cool our server rooms. Cloud emissions in our 2022-23 emissions baseline have been included, but we only have spend-based data, which is an area we want to improve. We have moved to more sophisticated external servers and we are delivering ongoing projects to reduce the data required for storage.

We have recorded one flight within mainland Britain and continue to have flights to and from our Belfast office

and Scottish Islands. Some colleagues have trialled the ferry crossing. We have recorded three international flights, which made up 24% of our air emissions.

We have obtained water meter readings from some of our landlords this year and continue to work with them to get more complete data sets for all utilities. We have not accounted for any water used or waste produced by colleagues working outside of the office. We continue to weigh the waste we have in our two largest offices and have updated how we use that figure to estimate waste for our full office estate base, using an estimated waste figure per full time employee. This new calculation method and the increased use of our offices this year have provided a higher waste total than last year, but the associated emissions are negligible in our total footprint. Despite this, we still encourage waste reduction where we can as it is a key signifier of behaviour change.

Sustainability report

Greenhouse gas emissions		2023-24⁴	2022-23
Non-financial indicators (tCO₂e)	Total gross for scopes 1 and 2	186	223 ⁵
	Total net for scopes 1 and 2 (less reductions i.e. Green tariffs)	168	167 ⁶
	Total emissions for scope 3.	2140	2,021 ⁷
	Included in the scope 3 total:⁸		
	Homeworking	359	305
	Business travel by all travel modes, including any hotel stays ⁹	270	218
	Tech equipment ¹⁰	64	47
	Stationery purchases	0.6	1
	Waste ¹¹	0.14	0.07 ¹²
Related energy consumption (kWh)	Electricity: non-renewable	184,927	284,457
	Electricity: renewable	83,999	23,273 ¹³
	Gas	617,457	826,733 ¹⁴
	LPG	-	-
	Other	-	-
Financial indicators (£000s)	Expenditure on energy ¹⁵	361 ¹⁶	239 ¹⁷
	Scopes 1, 2 & 3	Expenditure on official business travel	954
Waste			
		2023-24	2022-23
Non-financial indicators (t)	Total waste	6.5	3.5
	Hazardous waste	-	-
	Landfill	-	-
	Re-used/recycled	1.8	0.9
	Incinerated energy from waste	1.1	1.6 ¹⁸
	Waste electrical and electronic equipment	3.6	1
Financial indicators (£000s)	Total disposal cost	5.2	5.7
	Hazardous waste – total disposal cost	-	-
	Landfill ¹⁹	-	2.85
	Re-used/recycled	2.6	2.85
	Incinerated energy from waste	2.6	-

Task Force on Climate-related Financial Disclosure (TCFD) compliance statement

The Fund has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. The Fund has complied with the TCFD recommendations and recommended disclosures around:

Governance - recommended disclosures
(a) Board oversight (b) Management's role

Metrics and Targets - recommended disclosures
(b) emissions

This is in line with the central government's TCFD-aligned disclosure implementation timetable for Phase 1. The Fund plans to provide recommended disclosures for risk management and strategy in future reporting periods in line with the central government implementation timetable.

Board oversight

Climate-related issues are reported to the Board annually. Two individuals within the Board's membership have specific environmental backgrounds.

The ARC reviews and oversees the Organisational Risk Register, which includes new references to climate-related risk.

Management's Role

The organisation published the Environment plan in September 2023, to align with the organisational strategy to 2030, which sets out four headline goals (described above) page 39. The Environment Plan is written by the Head of Climate Action, overseen by the SMT lead for Environment, and owned by the Policy and Practice sub-committee, which is reviewed annually.

The Environment Plan Delivery Group, made up of representatives from all directorates across the Fund, oversees delivery of this work. The Group meets quarterly. Since December 2023, all Fund colleagues must receive mandatory training in climate awareness.

Responsibility for collecting environmental data on the organisation's environmental footprint, including reporting against the net zero pathway, sits with the Environment Officer, working closely with the Head of Climate Action and the SMT lead on environment.

Our corporate plan and strategy commit the organisation to being an environmentally regenerative funder. One of the eight KPIs in our 2024-27 corporate plan (KPI 4) sets the target of distributing at least 15% of grants to projects that have environmental sustainability as their primary aim. The Fund also maintains a risk register specifically for risks relating to the climate and environment, which is reviewed each quarter and reported to senior management as part of the quarterly risk reporting cycle.

Sustainability report notes

- ⁴ Based on information available up until 16 April 2024
- ⁵ As stated by UP, based on all available data in July 2023. There is a delay between utility use and invoicing, therefore the data set available was more complete than when the emissions were estimated for our 2022-23 accounts and UP has used the latest carbon accounting guidance.
- ⁶ Scope 2 emissions removed from the net total, to account for renewable tariffs and the purchase of Energy Attribute Certificates to match any non-renewable electricity used.
- ⁷ Taken from the UP baseline report.
- ⁸ Product based emission calculations, the rest of the scope 3 emissions being spend based.
- ⁹ There is a small amount of spend-based data in our travel totals, from the travel claimed for through our expense system.
- ¹⁰ Product based calculations (based on product type and weight), calculated internally.
- ¹¹ We continue to weigh the waste in our two largest office sites, Birmingham and Newcastle. We have used the figures to create an estimate weight of waste per FTE to apply across the organisation. This does not include waste produced during home and remote working.
- ¹² Restated, the waste weights are the same as reported last year, the change is through a change in calculation method, following UP's work and a switch to estimating waste per FTE rather than m².
- ¹³ Based on our Newtown, Exeter and Cardiff offices only being on 'good quality' green electricity tariffs. Other offices have previously reported being on such, but further investigation had disproved this. The new London office, from January, is also on an acceptable green tariff.
- ¹⁴ Restated as calculated by Useful Projects and based on apportioned office meter readings in Birmingham, Newcastle, Glasgow and London, which generated a m² usage estimate for Exeter and Newtown. Estimates removed for Belfast, Leeds (confirmed there is no gas on site) and Cardiff (communal gas use only).
- ¹⁵ Calculations for both years include costs for communal office gas and electricity (scope 3), as paid for in our service charges, as well as gas (scope 1) and electricity (scope 2) directly associated with our occupied space.
- ¹⁶ The increase is not due to an increase in energy use. Our gas and electricity use has reduced, but unit costs have increased and service charges increased significantly to account for market volatility.

- ¹⁷ Restated with the inclusion of invoices and service charges not available during the time of calculation.
- ¹⁸ Reported as landfill last year, but there is no evidence of our general waste being taken to landfill. Where we could ascertain its destination, it has been sent to energy recovery.
- ¹⁹ Building waste management costs are not split by stream, so we have split the total cost evenly.



David Knott
Chief Executive and Accounting Officer

24 July 2024



South Downs National Park Trust, England

Accountability report

The accountability report has three sections:

- a corporate governance report – a discussion of our governance structure and its achievements in the year under review
- remuneration and staff report – this details remuneration for Board members and senior management as well as pension arrangements. In addition, we discuss our achievements in equality and diversity for colleagues
- a parliamentary accountability and audit report – a report by our auditors on the results of their audit of our accounts for 2023-24 in line with accounting and auditing standards.

Corporate governance report

Directors' report

The Fund is governed by a Board comprising the Chair, the Chairs of each of the four country committees and up to seven other members. The current Chair is an interim position, following the permanent Chair stepping down in July 2023. A recruitment campaign is ongoing to appoint a new permanent Chair later this year. The Board has appointed one of its members as Vice Chair and another as Senior Independent Director. During 2023-24 there were 12 members of the Board (some for part of the reporting year only). There have been several appointments to Board and committee roles during the year. Details of Board and committee members for the reporting period are set out in detail in the remuneration report at page 59.

Each country has a committee responsible for the funding programmes in its country; the Board has also appointed a committee for UK-wide funding.

The Board sets the Fund's strategic framework, and each committee, working within this framework, has delegated authority to determine the funding programmes in their country (or for the UK-wide funding portfolio). They also make grant decisions, or agree the delegated arrangements for making them, within these programmes.

The Board has appointed an Audit and Risk Committee which meets quarterly to advise on financial reporting, audit and assurance, and risk management matters. It has appointed a Remuneration and Appointments Committee to deal with the matters set out in the remuneration report and a People Committee to leverage the experience, insight and perspective of the Board in assisting the Executive to deliver a cohesive medium and long-term people strategy. The Remuneration and Appointments Committee normally meets annually. The Chair of Audit and Risk Committee reports to each Board meeting on any matters the committee considers should be brought to its attention, and to provide assurance to the Board. The Audit and Risk Committee provides a full report to the Board on its work once each year.

The Board receives reports on the programmes in each country portfolio, so that it can be assured that their grant-making activity aligns with the strategic framework and that learning is shared.

Membership of, and attendance at, Board and all committees is set out in the tables at the end of this section.

All Board members are appointed by the Secretary of State for our sponsor department, DCMS. Members of country committees are appointed by the Fund. The devolved administrations are fully involved in the appointments relating to their respective countries and all Board and committee members are appointed following an open process of advertisement and selection.

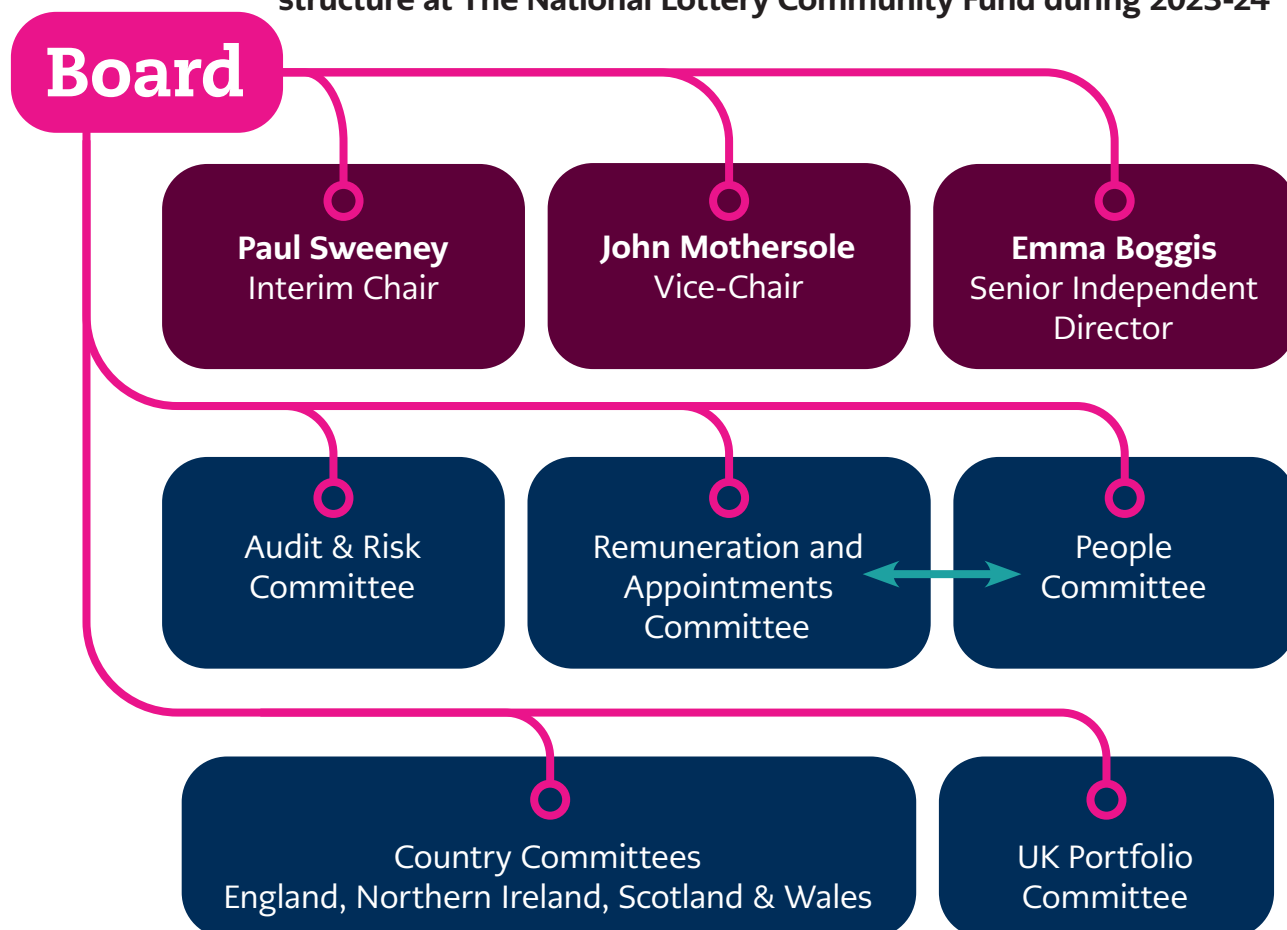
Register of interests

All our Board and committee members, assessors, advisers and members of any advisory panel and our staff must

declare relevant interests under our code of ethics. This code complies with the Cabinet Office code of practice for Board members of public bodies. Interests declared by Board members are available on The National Lottery Community Fund website – www.tnlcommunityfund.org.uk.

Details of such interests for all decision-making committee members are available by writing to the Head of Governance. If the Board or a committee considers any matters which could reasonably be seen as giving rise to a conflict of interest, principally over grant decisions to organisations but also any commercial relationships, the Chair of the meeting ensures at the outset that disclosure is made and that the member withdraws while the relevant item is discussed.

Figure 4: Governance structure: The Board and its committee structure at The National Lottery Community Fund during 2023-24



The Fund's accountability to Parliament, the devolved legislatures and government

The Fund operates across the UK under the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998 and the National Lottery Act 2006). The Act sets out the primary rules under which it operates. It also has functions designated to it under the Dormant Assets Acts 2008 to 2022.

The Fund is a non-departmental public body and I (David Knott) am fully accountable for our funds to Parliament. The UK or Scottish Parliaments, the Senedd (the Welsh Parliament) or the Department for Communities Northern Ireland make certain orders relating to National lottery and dormant account money, but directions issued by ministers exercise the main government oversight of the Fund.

The Secretary of State for Culture, Media and Sport is accountable for the National Lottery Distribution Fund and also issues financial and accounts directions to the Fund in relation to its functions under the National Lottery Acts. These directions regulate the systems and processes of the Fund.

The Fund's policy sponsor is Department for Culture, Media and Sport DCMS. The Minister of the sponsor department issues policy directions that must be taken into account when distributing funds generally across the UK and specifically in England, while the devolved administrations in Northern Ireland, Scotland and Wales issue policy directions in relation to funds distributed in those countries. The Secretary of State issues similar directions relating to dormant account funds. These

directions are included from page 151 of this report.

Within the framework of these directions the Fund makes independent decisions on what programmes it should run and on what grants it should make.

The Fund applies the HM Treasury and Cabinet Office guidance in corporate governance in central government departments in so far as it applies to non-departmental public bodies. I am satisfied that the principles in the guidance, together with other sources of guidance on good practice in corporate governance, are fully reflected in the Fund's governance arrangements.

The Fund has complied with all HM Treasury Notices regarding financial sanctions against Russia. The Fund does not maintain accounts or hold any funds, investments, donations or economic resources from the persons/organisations listed on the latest HM Treasury Notice on Financial Sanctions, Russia.

Auditors

Under the National Lottery etc. Act 1993, our annual accounts must be examined and certified by the Comptroller and Auditor General.

There were no fees for any non-audit services with external auditors.

Data quality and data protection

We treat our information security obligations extremely seriously, and under the scrutiny and advice of the Audit and Risk Committee we regularly assess the adequacy of our information security measures.

The General Data Protection Regulation (GDPR) came into force in May 2018 and, following the UK's departure from the European Union on 31 January 2020, the UK GDPR took effect. The UK GDPR, alongside the amended Data Protection Act 2018 and the Privacy and Electronic Communications Regulations (PECR), governs all processing of personal data from individuals within the UK (UK Data Protection Legislation). The UK GDPR retains the GDPR in domestic law but the UK has the independence to keep the framework under review. Both the GDPR and the UK GDPR set greater controls on organisations regarding their responsibilities for processing personal data. Much of the Fund's lawful basis for processing personal data is enabled by our governing statute and policy directions from DCMS. We have adapted our processes and approach to ensure we meet the requirements set out in the UK Data Protection Legislation. We have updated our grants agreements and carefully considered arrangements with grant holders and other stakeholders for the processing of their personal data, including any additional requirements that apply for special category personal data.

There were no reportable data breaches in 2023-24.

Public sector information holder

In common with all public bodies, the Fund is a public sector information holder. Therefore it has not charged for specific re-use of information.

Additionality

In accordance with the National Lottery Act 2006, all National Lottery distributors are required to report on their additionality policy and practice. Additionality is

an important principle of our funding. The Fund uses the following definition: "National Lottery funding should be used to fund projects, or aspects of projects, for which funds would be unlikely to be made available by the UK Government or Devolved Administrations. This is known as the 'additionality principle' ensuring that the development of programmes and funding of projects is additional to and distinct from government funding, while complementing and adding value to it in areas of mutual policy interest."

All awards made in 2023-24 were consistent with this definition of additionality. In addition to this definition the Fund also takes account of the following provision on additionality set out in our policy directions: 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.

The Board considers the Fund's position on additionality annually, the last review being in December 2023.

Statement of Accounting Officer's responsibilities

Under Section 36A of the National Lottery Act etc. 1993 (as amended by the National Lottery Acts 1998 and 2006), the Secretary of State for Culture, Media and Sport has directed the Big Lottery Fund to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Fund and of its income and expenditure, statement of

Accountability report

financial position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular 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 as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable.

DCMS has appointed the Fund's Chief Executive as Accounting Officer. The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Fund's assets, are set out in *Managing Public Money*, published by HM Treasury.

As Accounting Officer for the Fund, I take responsibility for the Annual Report and Accounts and for the judgements required in determining that it is fair, balanced and understandable. I confirm that in my opinion this report as a whole meets those requirements.

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

Delegated responsibilities

The Fund has, where appropriate, sought to use the powers of delegation provided by the National Lottery Act 1998. As a result of this, other parties may be accountable for certain award programmes or elements of them.

Joint schemes

The Fund has entered into joint schemes, as defined in the National Lottery Act 1998, to provide funding alongside other National Lottery distributors to achieve the outcomes defined by the relevant Joint Scheme Order. In these schemes the Accounting Officer is responsible for ensuring:

- National Lottery funds allocated by the Fund are applied in accordance with its legal powers;
- the economic, efficient and effective use of National Lottery funding allocated by the Fund to the programme
- that the systems used for operating the programme are robust and fit for purpose
- that the mechanism for allocating the administrative costs of the programme is agreed between the participating National Lottery distributors.

During 2023-24, the Fund has participated in the following joint scheme:

- Parks for People – a scheme administered by the National Lottery Heritage Fund, on behalf of the National Lottery Heritage Fund and The National Lottery Community Fund.

Delegate organisations

The Fund has used the powers provided by the National Lottery Act 1998 to delegate to organisations the grant schemes listed below. The delegation agreement between the Fund and the delegate organisations sets out the responsibility of the Chief Executive of the delegate organisations to ensure that the systems implemented to administer National Lottery applications, and to process and monitor National Lottery grants, are acceptable and fit for purpose and that National Lottery funds are distributed with due regularity and propriety.

The Fund's Chief Executive retains responsibility for the overall safeguarding of the public funds derived from the National Lottery and for ensuring that delegate organisations operate within agreed terms and in line with financial and policy directions.

Our delegate organisations as part of the Growth Fund

- Community Impact Partnership
- BIG Issue Access Ltd
- Cultural Impact Loans
- Devon Community Foundation
- Greater Manchester Centre for Voluntary Organisation (GMCVO)
- Homeless Link Social Investment Ltd
- Kent Community Foundation
- Somerset Community Foundation
- Sporting Capital Ltd
- UnLtd
- First Ark

- Key Fund
- Resonance

As part of the #iwill Fund programme

- Co-operative Community Investment Foundation
- Greater London Authority
- Clarion Futures
- UK Community Foundations
- BBC Children in Need
- Ernest Cook Trust
- Premier League Charitable Fund
- Bite Back 2030
- The Dulverton Trust
- Impetus – The Private Equity Foundation
- Sovereign Housing Association Limited

As part of the Partnership programme

- School for Social Entrepreneurs
- Consortium of Lesbian, Gay, Bisexual and Transgender Voluntary and Community Organisations
- The Foundation for Social Entrepreneurs
- Big Issue Invest Ltd
- Community Land and Finance CIC
- Key Fund
- Buttle UK
- Smallwood Trust
- The Access to Justice Foundation

As part of the Manx Lottery agreement

- Manx Lottery Trust

As part of the Rural Poverty programme

- Severn Wye Energy Agency Ltd

As part of the Climate Action Fund programme

- Cumbria Action for Sustainability
- Voluntary Action Leeds

Accountability report

- Lancaster District Community and Voluntary Solutions
- The Women's Environment Network Trust

As part of the Growing Great Ideas programme

- Transition Network

As part of the Dormant Assets Northern Ireland programme

- Arts & Business Northern Ireland

The governance statement

As Chief Executive and Accounting Officer I'm responsible for ensuring that there are robust governance, risk management and internal control arrangements across the entire organisation which support the achievement of the Fund's purpose while safeguarding the public funds and assets for which I am also responsible.

This statement sets out how I have discharged my responsibility to manage and control the Fund's resources during the year. It draws upon the work of the Fund's Board, the Audit and Risk Committee, the People Committee and the Remuneration and Appointments Committee, as well as the SMT as its executive body. I have also reviewed and considered the annual assurance report prepared by Internal Audit.

Executive management

I lead the executive management of the Fund, supported by the SMT, which had 10 members for most of the financial year, with one exit at year end.

The SMT meets regularly with formal meetings generally held at least once

every month. The SMT considers key policy, strategic and operational matters, provides advice to the Board on matters requiring its approval and oversight, and oversees the operating and financial performance and risk management of the Fund as a whole.

The members of SMT and their areas of responsibility are set out at the end of this section.

One SMT member (the Corporate Services Director) left the Fund at the end of the year. Recruitment is underway to appoint a People and Culture Director.

Two new sub-committees of the SMT were established during the year to allow for efficient and robust governance arrangements, particularly as we move towards implementing the strategy. These are Performance and Programmes and Policy and Practice. Each committee has delegated authorities from the SMT as confirmed in their terms of reference and both provide monthly executive summary to the SMT. There are appropriate executive management structures across the organisation to oversee all activities and the projects and programmes being across the Fund.

Risk management

The Fund operates a comprehensive system of risk management, with an organisational risk register reviewed quarterly both internally by second and third line of defence risk functions and externally by the ARC.

The Board reviews the risk register at least annually to ensure there are no material omissions. The Board has also, with the ARC's advice and guidance and on recommendation from the SMT,

established 11 risk themes for 2024 within which to manage our risk approach.

It has agreed the Fund's risk appetite levels for each of these and thresholds to measure each appetite accurately. Risk registers are maintained at directorate level, as well as for all key projects and programmes, and each risk is reviewed at senior level at least every quarter.

We have a mature process for escalating significant risk issues to the SMT and if required to, the ARC. Additionally, the SMT regularly considers which key risks have the potential to impact the organisation and ensures these are addressed in the risk management approach across the Fund.

Our system of controls, together with the oversight of an experienced management team and in-house Legal team, is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure in seeking to achieve our strategic aims and objectives and it can, therefore, only provide reasonable, rather than absolute, assurance of effectiveness.

Our controls on fraud include a clear counter-fraud policy and a whistleblowing policy, and means for the public to directly refer concerns to our Audit and Investigations team.

The governance year

A programme of internal audit work is prepared annually by the Head of Internal Audit and agreed with SMT and the Audit and Risk Committee, before I provide final approval as Accounting Officer. This programme is designed to give assurance that appropriate controls have been designed and are operating correctly regarding all the significant risks

the Fund faced. Internal audit reports have addressed many risks, including within the following key risk areas: data migration, HR data, cultural inquiry, business planning, Business partnering, legal services operating model and implementing the Fund's strategy.

The ARC, sponsor directors, and I consider the findings of internal audit reports. We give greater scrutiny to report that provide limited assurance regarding either the design of controls or their operational effectiveness. Management agree actions in response to all recommendations made, and progress against these is reported at each ARC meeting.

From the range of internal audit reports that were completed, an improvement could be seen in assurance levels, with fewer gaps in the procedures and controls in specific areas than in the previous year. During 2023-24 one report limited assurance for the effectiveness of controls relating to HR data. Other areas examined reported either moderate or substantial assurance over design and effectiveness. I was pleased to note the reduction of audit recommendations outstanding, which reflects increased engagement with internal audit processes I expected of the SMT during the year.

The Audit and Risk Committee sought additional assurances from officers during the year through planned deep dives on key risk areas. These additional assurances were provided to the satisfaction of the committee and myself as Accounting Officer.

The Fund outsources the delivery of most of its internal audit activity in a co-sourced arrangement. The previous Head of Internal Audit left the Fund during the year, with our outsourced partner

Accountability report

providing Head of Internal Audit assurance during the short transition period before the new Head of Internal Audit took up their position.

Each SMT director has provided me with an assurance statement on the areas for which they are responsible. Drawing on these, and the results of internal audit reviews, the Head of Internal Audit has given me an annual assurance report. The report assesses the Fund to have ‘moderate assurance’ relating to its framework of governance, risk management and control. This is based on results of the work carried out by internal audit during this period and the Fund’s response to date, its plans and commitment to continue addressing the more challenging and complex recommendations and the progress made in addressing the areas set out in previous recommendations.

The National Audit Office carries out an external audit of this annual report and accounts. Findings and recommendations arising from the external audit are dealt with in the same way as those from internal audit and fully considered by the Audit and Risk Committee.

The People Committee continues to enhance the Fund’s governance arrangements, and has taken an active interest in internal audit reports on people matters, including the Chair of the People committee attending the Audit and Risk Committee when such reports have been discussed.

Accounting Officer assurances

As Accounting Officer, I must maintain a sound system of internal controls that supports the achievement of the Fund’s

policies, aims and objectives to safeguard public money and the Fund’s assets.

To achieve this objective, the Fund has gained and received assurances from the following sources:

1. Year-end external audit report

No audit adjustments were proposed, and no high priority recommendations were made for the year ended 31 March 2024. External audit work on transactions gives audit assurance that sufficient controls are in place, in addition to management assurances obtained from oversight and controls over grant awards and spending to demonstrate propriety and regularity of our funding activity.

2. Head of Internal Audit annual assurance statement and internal audit reports

Overall, the annual internal report gives moderate assurance, which continues to build on the improvements instigated last year. I have reviewed this report in detail and am satisfied that any material areas of note have either already been addressed or have defined action plans. I welcome the insight conveyed through the report on areas of focus for improvement if we are to attain a higher level of assurance in future years. The control landscape at the Fund has been strengthened considerably through coordinated executive responses during the year, the outcomes of which feed into both immediate plans and the strategy implementation.

3. Annual Assurance statements from directors

As part of the governance process and the internal audit function, assurance statements are received from the directors

confirming that they have discharged their responsibilities in ensuring that the Fund's policies and procedures are complied with. Throughout the year, directors received induction and refresher sessions where relevant to outline their responsibilities for annual assurance. Directors' annual assurance statements are submitted to me as Accounting Officer for review and consideration in preparing of this governance statement. They are also received by the Head of Internal Audit and inform their annual opinion. All areas of the Fund received positive responses.

4. Risk management

The risk registers are reviewed in detail each quarter. The risk moderation panel then discusses the directorate risk registers and the organisational risk register to decide which risks to add or remove from the organisational risk register.

Thereafter, the SMT approves the organisational risk register before it is presented to the Audit and Risk Committee for review and scrutiny. The Fund's risk management framework is guided by recommended requirements of the HM Treasury Orange Book and adopts the three lines of defence assurance model. During 2023-24 further improvements to the risk management framework have been introduced which have provided enhanced assurance to the Audit and Risk Committee.

While the Audit and Risk Committee provides assurance to the Board in its review and scrutiny of the Fund's risk management arrangements, the Board has ultimate responsibility for ensuring that appropriate risk management practices are in place.

5. Detailed fraud and bribery risk assessment

A detailed fraud and bribery risk 'deep dive' has been carried out. It involved surveying and conducting detailed meetings with the relevant heads of departments and operational staff. The fraud risk assessment shows the principal fraud risks and what controls the Fund has in place to mitigate these risks. Overall fraud risk to the Fund is monitored and reported quarterly to the Audit and Risk Committee through the Fraud Risk Management Group. Responsibilities for counter-fraud activities and processes were clarified towards the end of the year, allowing greater clarity and direction in future.

6. Senior management team (SMT) review and sign-off

The SMT reviews all changes to the directorates' risk registers and the organisational risk register every quarter.

SMT risk owners also provide relevant commentary each quarter against each key risk theme used in the Fund's risk management framework. SMT members will each review their directorate risk register in collaboration with the risk management team and risks are added, closed or scored/rescored based on various influencing factors, such as changes in the external operating environment or in response to internal audit findings.

7. Audit and Risk committee

The Audit and Risk Committee meets every quarter to review and discuss all risk updates to ensure that mitigating controls and control assurances properly manages risks. During the year the

Accountability report

committee focussed on receiving additional assurances from officers on people/HR-related matters, data and information security arrangements and counter fraud arrangements. The committee provides challenges and scrutiny over the Fund's risk recording, reporting and assurance arrangements and has also required assurances regarding management's responsiveness to implementing internal audit recommendations. These assurances have been provided to the satisfaction of the committee.

8. Functional standards

The Fund continues to periodically self-assess against the business functions prescribed in the Government Functional Standards as necessary. The Fund identified the relevant functional standards and self-assessed against them, confirming compliance against these applicable standards. Assurance on compliance against these standards has been provided to the Audit and Risk Committee.

Board evaluation

During 2023-24, the Fund concluded a review of governance arrangements with the report and an underlying detailed action plan being presented to the Board in July 2023. Deloitte LLP completed this exercise and the resultant report and actions included an assessment against recognised good practice. Progress against the implementation of these recommendations has been made throughout 2023-24, the vice-chair of the Board leading on closure of the cultural enquiry, with interim updates provided to Board as necessary.

Corporate planning and performance management

The Fund has a system of planning designed to identify corporate priorities and plans in each period and to act as a guide in delivering the strategy approved by the Board. Directorate plans are developed throughout the Fund, and feed into the overall corporate plan and to the personal objectives for staff.

The corporate plan for the year just ended included two financial and five non-financial key performance indicators (KPIs). These were monitored regularly and reported to SMT and the Board, with corrective action agreed wherever necessary.

Our performance against these KPIs is reported in the Performance Report section of this document. We met six of the seven KPIs set for the year.

Additional key management information is also collated and analysed for SMT throughout the year in various forms. This presents data on such matters as employment statistics, grant-making services and other financial data such as our balance in the NLDF.

Our approach to planning continues to evolve and has supported our plans and budget for the coming period. This includes setting certain priorities for development against our three corporate goals.

Dormant assets

The Fund has established enhanced governance processes for managing the dormant account assets funding stream in response to increased levels of activity. We have worked with DCMS to put reporting structures in place to ensure all aspects

of the range of grant-making activities are appropriately designed and delivered, and that the governance arrangements for the Fund are effective in this area and support the overall dormant account assets scheme appropriately. The work in delivering dormant assets activities forms part of our overall approach to organisational governance across the Fund and therefore, the role of the Board, Audit and Risk Committee, Internal Audit and the Accounting Officer extends to cover these activities alongside those connected with our National Lottery-funded activities.

Dormant account funds continue to be distributed to make an impact and bring benefit to our communities.

Third-party funding

The Board (or delegates through relevant committees) is actively engaged in third-party decisions about third party work considering, for each proposal, whether it is, or may be, appropriate for the Fund to undertake and is consistent with our third-party funding strategy and the principles in the strategic framework. We apply a risks and control framework to each opportunity consistent with the task set by the client, ensuring that there is no question of National Lottery money being put at risk or cross-subsidising of non-National Lottery work from National Lottery resources.

Delegated and trust arrangements

The Fund delegates some of its functions to other organisations, as set out in the statement of Accounting Officer's responsibilities. Proportionate due diligence work is carried out on the governance and systems of proposed delegate organisations before funding is awarded. The arrangements are actively

managed and appropriate internal and external audit arrangements are applied. External delegation agreements (binding legal agreements) are in place as a control measure to mitigate risk.

The Fund may also make awards as endowments to trusts, normally created specifically for the purpose of the award. A previous example of this is the Power to Change trust that was set up to support community enterprises across England, from inspiring and nurturing ideas to helping communities scale up and expand their businesses.

In establishing arrangements of this type, the Fund conducts due diligence before the award and in most cases appoints an independent protector who has powers to consider and report to the Fund to assure the Fund that the endowment is properly applied in accordance with the Fund's intentions.

Our payment policy and practice

In accordance with the Prompt Payment Policy, we aim to pay all our creditors within 30 days of receiving an invoice, unless other terms and conditions have been negotiated. In 2023-24, 94% (90% in 2022-23) of all creditors were paid within 30 days of receiving an invoice.

The percentage of suppliers paid within 10 days was 62% during 2023-24 (72% in 2022-23).

Our overall creditor days (the total value of our creditors at 31 March 2024 divided by total creditor payments during 2023-24, expressed in days) was 17 days (25 days in 2022-23).

Accountability report

Whistleblowing

The Fund's whistleblowing policy is derived from the Public Interest Disclosure Act 1998, to protect any colleagues who make disclosures in good faith about wrongdoing or activity that is against the public interest. The policy is made available to all permanent and temporary colleagues and is published on our intranet. The policy covers concerns that are in the public interest and includes the following (non-exclusive) matters:

- financial malpractice
- failure to comply with a legal obligation
- dangers to health and safety or the environment
- criminal activity
- miscarriage of justice
- attempts to conceal any of the above

There were no instances of public interest disclosure whistleblowing during the year.

Parliamentary accountability

A statement of losses and special payments is included at note 21. There are no material remote contingent liabilities to report. There were no gifts over the limits proscribed in government's guidance Managing Public Money. There are no fees or charges to disclose.

Impact of EU exit

The Fund was engaged in two funding programmes with matched funding from the European Social Fund which are both now in the closedown stage with final claims submitted.

The Fund's remaining activities are not dependent on cross-border sources of funding and nor does it depend on significant services from EU entities. No material impact on the Fund has been observed to date following the UK's exit from the EU. The main changes for the Fund brought about by the UK's exit from the European Union have been connected with the transition from having to comply with the EU state aid rules to the UK's new subsidy control regime governed by the Subsidy Control Act 2022. The Fund's grant terms and conditions and internal processes have been updated to reflect and comply with the new legislation and the impact on the Fund's activities has not been material.

Overall assessment of governance and internal control

In my opinion, in consideration of the Head of Internal Audit's assurance report, the Fund's systems of governance and internal controls are sufficient to enable me to assure myself of compliance by the Fund with the National Lottery Acts, the Dormant Assets Acts 2008 to 2022, and the policy, financial and accounts directions issued under them.



David Knott
Chief Executive and Accounting Officer

24 July 2024

Our remuneration and staff report

Board and committee membership, meeting attendance and remuneration during the year

The remuneration of Board and committee members of the Fund is determined by the Secretary of State for the Department for Culture, Media and Sport.

The Chairs of the UK Board and the country committees receive an annual salary based on the number of days they are expected to devote to the work of the Fund. These were set out in their letter of appointment.

Board and committee members do not receive any taxable benefits in kind or pension benefits. They are reimbursed expenses incurred in the course of their duties on the same basis as Fund colleagues.

The total amounts they received are shown in the following tables.

Board members

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Blondel Cluff CBE	Chair, UK Board (Until 20 July 2023)	1/1	12,151	47,984
	Chair, UK Funding Committee (Until 20 July 2023)	2/2		
	Chair, Remuneration and Appointments Committee (Until 20 July 2023)	1/1		
Perdita Fraser	Member, UK Board (until 31 May 2022)	-	-	1,308
	Member, Audit and Risk Committee (until 31 May 2022)	-		
Elizabeth Passey	Member, UK Board (until 31 May 2022)	-	-	1,308

Accountability report

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Rachael Robathan	Member, UK Board (until 31 May 2023)	4/4	1,308	7,848
	Member, for People Sub-Committee entry (until 31 May 2023)	-		
	Member, Remuneration and Appointments Committee (until May 2023)	1/1		
	Member, Audit and Risk (until May 2023)	0/0		
Simone Lowthe-Thomas	Chair, Wales Committee	4/4	24,000	24,000
	Member, UK Funding Committee	3/5**		
	Member, UK Board	4/4		
	Member, Strategy Renewal Sub-Committee	0/1**		
	Member, Stakeholder Engagement and Government Relationship Sub-Committee	0/1**		
	Member, Audit and Risk committee (from 28 September 2023)	2/3**		

**meetings missed due to extended jury service

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Paul Sweeney	Interim Chair, UK Board (from 1 August 2023) Vice-chair (from 1 April 2023) Member (until 31 March 2023)	4/4	36,411	24,000
	Chair, Northern Ireland Committee	7/7		
	Interim Chair, UK Funding Committee (from 1 August 2023) Member (until 31 July 2023)	5/5		
	Member, Remuneration and Appointments Committee	1/1		
	Member, Strategy Renewal Sub-Committee	1/1		
	Member, Stakeholder Engagement and Government Relationship Sub-Committee	3/3		

Accountability report

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Emma Boggis	Member, UK Board Senior Independent Director (from 16 November 2023)	4/4	7,848	9,240
	Member, Audit and Risk Committee (from 17 October 2022) Chair, Audit and Risk Committee (until 16 October 2022)	5/5		
	Member, Strategy Renewal Sub- Committee	1/1		
Danielle Walker-Palmour	Member, UK Board	4/4	7,848	7,848
	Member, Strategy Renewal Sub- Committee	1/1		
	Member, People Sub-Committee	6/6		
	Member, UK Funding Committee (from 1 March 2024)	1/1		

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
John Mothersole	Vice-chair, UK Board (from 16 November 2023) Member (until 15 November 2023)	4/4	24,000	24,000
	Member, UK Funding Committee	5/5		
	Chair, England Committee	10/10		
	Chair, Stakeholder Engagement and Government Relationship Sub-Committee	3/3		
Kate Still	Member, UK Board Vice-Chair (until 31 March 2023)	4/4	24,000	24,000
	Member, UK Funding Committee	5/5		
	Chair, Scotland Committee	7/7		
	Member, People Sub-Committee (Chair until 31 December 2023)	6/6		
	Member, Stakeholder Engagement and Government Relationship Sub-Committee	3/3		
	Member, Remuneration and Appointments Committee	1/1		

Accountability report

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Richard Collier-Keywood	Member, UK Board (from 1 July 2022)	3/4	10,464	7,081
	Chair, Audit and Risk Committee (from 17 October 2022)	5/5		
	Member, Strategy Renewal Sub-Committee	1/1		
Stuart Hobley	Member, UK Board (from 1 July 2022)	3/4	7,848	5,886
	Member, Stakeholder Engagement and Government Relationship Sub-Committee	2/3		
Peter Stewart	Member, UK Board (from 1 July 2022)	4/4	7,848	5,886
	Member, Strategy Renewal Sub-Committee	0/1		
	Member, UK Funding Committee (from 1 March 2024)	1/1		
Helen Stephenson	Member, UK Board (from 1 July 2022)	4/4	-	-
	Member, Strategy Renewal Sub-Committee	1/1		
	Chair, People Sub-Committee (Member until 31 December 2023)	6/6		

*Audited information

Other members – England

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Margaret Jones	Member, England Committee (until 31 January 2024)	10/10	6,540	7,848
Tarn Lamb	Member, England Committee (until 28 February 2023)	-	-	7,194
Kevin Bone	Member, England Committee	8/10	7,848	7,848
Rosie Ginday	Member, England Committee (until 31 March 2023)	-	-	7,848
Ray Coyle	Member, England Committee	7/10	7,848	7,848
Halima Khan	Member, England Committee (from 1 April 2023)	10/10	7,848	-
Kamran Rashid	Member, England Committee (from 1 April 2023)	10/10	7,848	-
Karin Woodley	Member, England Committee (from 1 April 2023)	9/10	7,848	-

Accountability report

Other members – Scotland

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Jackie Brock	Member, Scotland Committee	6/7	5,232	5,232
Lindsay Graham	Member, Scotland Committee	6/7	5,232	5,232
Aaliya Seyal	Member, Scotland Committee	6/7	5,232	5,232
Martin Johnstone	Member, Scotland Committee	6/7	5,232	5,232
Janet Miles	Member, Scotland Committee	6/7	5,232	6,040
Naila Wood	Member, Scotland Committee (from 1 June 2022)	5/7	5,232	4,683

Other members – Wales

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Trystan Pritchard	Member, Wales Committee	4/4	5,232	5,232
Kate Young	Member, Wales Committee	4/4	5,232	5,232
Gwenllian Lansdown Davies	Member, Wales Committee	3/4	5,232	5,232
Nicola Russell-Brooks	Member, Wales Committee	4/4	5,232	5,232
Fadhili Maghiya	Member, Wales Committee	4/4	5,232	5,232

Other members – Northern Ireland

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Charles Mack	Member, Northern Ireland Committee (until 31 October 2022)	-	-	3,052
Sandra McNamee	Member, Northern Ireland Committee (until 31 October 2022)	-	-	3,052
Nick Garbutt	Member, Northern Ireland Committee	7/7	5,232	5,232
Cara Cash-Marley	Member, Northern Ireland Committee	4/7	5,232	5,232
Kate Clifford	Member, Northern Ireland Committee	7/7	5,232	5,232
Anne-Marie McClure	Member, Northern Ireland Committee (from 1 November 2022)	7/7	5,232	2,180
Norman McKinley	Member, Northern Ireland Committee (from 1 November 2022)	5/7	5,232	2,180

Other members – Audit and Risk Committee

Name	Role	Attendance 2023-24	Remuneration 2023-24*	Remuneration 2022-23*
Ruth Marchington	Member, Audit and Risk Committee (until 29 February 2024)	4/5	1,599	1,744
Charlotte Moar	Member, Audit and Risk Committee	5/5	1,744	1,744

Accountability report

The Senior Management Team

Chief Executive

David Knott

Northern Ireland Director

Kate Beggs

England Director, Strategy, Partnerships and Engagement

Phil Chamberlain (from June 2022)

England Director, Programmes, Operations and Regions

Emma Corrigan (from July 2022)

Chief Finance and Resources Officer

Stuart Fisher

Corporate Services Director (until March 2024)

Neil Harris

People and Culture Director (from March 2024)

Vacant

Funding Strategy, Communications and Impact Director

Laura Lucking and Verity Prime (from November 2022)

Scotland Director

Neil Ritch

Wales Director (and Nations Director until March 2024)

John Rose

Governance

The Remuneration and Appointments Committee of the Board has responsibility to:

- agree the terms and conditions of employment of the Chief Executive
- decide on the Chief Executive's performance appraisal and related pay
- determine the remuneration policy for directors
- approve the performance appraisals and related pay for directors, and
- decide on severance terms for the Chief Executive and directors.

At the request of the Chair of the Committee, the Chief Executive, the People Director, or other officers attend meetings for selected agenda items.

The decisions of the Committee are subject to:

- compliance with the pay guidance issued by the Cabinet Office/HM Treasury applying to the remuneration of staff generally
- approval by DCMS of the terms and conditions of employment of the Chief Executive
- approval by DCMS of any termination payments to the Chief Executive.

Remuneration policy for executive directors

Our policy is to offer remuneration that enables the Fund to attract, retain and motivate high calibre individuals with the skills and abilities to lead and manage the organisation. In doing so, the policy seeks to remunerate fairly for individual responsibility and contribution, while providing an element of performance-related pay.

Directors, including the Chief Executive, receive a basic salary and a performance-related payment. All other terms and conditions of employment are the same as for other Fund employees. They are entitled to be members of the Principal Civil Service Pension Scheme (PCSPS).

All directors are on permanent contracts (except where necessarily covered by temporary or interim arrangements) subject to three months' notice. Any termination payments are paid in accordance with the civil service compensation scheme.

Any annual increase to the Chief Executive's salary is determined by the Remuneration and Appointments Committee; for 2023-24 there was a 4.25% increase (2022-23: 1%). Annual increases to the other directors' salaries are approved by the Chief Executive, reflecting the outcome of the overall staff pay award.

The Chief Executive is entitled to a performance-related payment of up to 12% of their basic salary. The other directors are entitled to a payment of up to 8% of their basic salary. Performance-related payments are unconsolidated (that is, they are not added to basic salary and must be earned again each year). They are not included in pensionable pay.

None of the directors receives any taxable benefits in kind. Directors are reimbursed expenses incurred in the course of their duties on the same basis as all other employees of the Fund.

The Corporate Services Director left under voluntary exit terms on 31 March 2024 following a restructure of certain functions which ended the requirement for the role. The termination payment was made in line with the arrangements under the civil service compensation scheme and amounted to £71,034.

Details of the basic salary, performance-related payments and pension benefits of directors are set out in the tables below. Details of their expenses can be found on the website: tnlcommunityfund.org.uk/about/our-people/senior-management-team

Accountability report

Executives' remuneration – single total figure for remuneration (audited information)

	2023-24 Salary	2023-24 Performance related payments	2023-24 Value of pension benefits	2023-24 Termination benefits
	£000	£000	£000	£000
David Knott (Chief Executive) 0.91 FTE	135-140 (Full-time equivalent 150-155)	10-15	38	-
Kate Beggs (Northern Ireland Director)	80-85	0-5	21	-
Phil Chamberlain (England Director – Strategy, Partnerships and Engagement) from June 2022	85-90	0-5	35	-
Emma Corrigan England Director – Programmes, Operations and Regions) from July 2022	85-90	0-5	35	-
Stuart Fisher (Chief Finance and Resources Officer)	105-110	0-5	41	-
Neil Harris (Corporate Services Director) Until March 2024	95-100	0-5	37	70-75
Laura Lucking (Funding Strategy, Communications, and Impact Director) from November 2022 0.84 job share	80-85 (Full-time equivalent 95-100)	0-5	61	-

2023-24 Single total figure for Remuneration	2022-23 Salary	2022-23 Performance related payments	2022-23 Value of pension benefits	2022-23 Single total figure for Remuneration
£000	£000	£000	£000	£000
185-190	130-135 (Full-time equivalent 145-150)	0-5	61	190-195
105-110	75-80	0-5	2	80-85
120-125	70-75 (Full-year equivalent 85-90)	N/A	28	95-100
120-125	60-65 (Full-year equivalent 85-90)	N/A	25	85-90
145-150	95-100	0-5	39	135-140
205-210	90-95	0-5	36	125-130
140-145	25-30 (Full-time/year equivalent 95-100)	N/A	1	25-30

Accountability report

	2023-24 Salary	2023-24 Performance related payments	2023-24 Value of pension benefits	2023-24 Termination benefits
	£000	£000	£000	£000
Verity Prime (Funding Strategy, Communications, and Impact Director) from November 2022 0.84 job share	80-85 (Full-time equivalent 95-100)	0-5	68	-
Neil Ritch (Scotland Director)	80-85	0-5	19	-
John Rose (Wales Director)	90-95	0-5	52	-

Officials with significant financial responsibility

The Fund engaged 22 Board members or members of the Senior Management Team during the course of the year who were deemed to have significant financial responsibility. All of these engagements were paid through the Fund's payroll.

2023-24 Single total figure for Remuneration	2022-23 Salary	2022-23 Performance related payments	2022-23 Value of pension benefits	2022-23 Single total figure for Remuneration
£000	£000	£000	£000	£000
145-150	25-30 (Full-time/ year equivalent 95-100)	N/A	9	35-40
100-105	75-80	0-5	-6	70-75
145-150	85-90	0-5	11	100-105

Accountability report

Executives' Remuneration (pensions) (Audited information)

David Knott
(Chief Executive)

Kate Beggs
(Northern Ireland Director)

Phil Chamberlain
(England Director – Strategy, Partnerships and Engagement) from June 2022

Emma Corrigan
(England Director – Programmes, Operations and Regions) from July 2022

Stuart Fisher
(Chief Finance and Resources Officer)

Neil Harris
(Corporate Services Director) until March 2024

Laura Lucking
(Funding Strategy, Communications, and Impact Director) from November 2022

Verity Prime
(Funding Strategy, Communications, and Impact Director) from November 2022

Neil Ritch
(Scotland Director)

John Rose
(Wales Director)

	Accrued pension at pensionable age as at 31/03/24 and related lump sum	Real increase in pension and lump sum at pension	Cash equivalent transfer values (CETV) at 31/03/24	CETV at 31/03/23	Real increase in CETV
	£000	£000	£000	£000	£000
	35-40	0-2.5	635	562	15
	20-25 plus a lump sum of 60-65	0-2.5 plus a lump sum of 0	484	431	10
	0-5	0-2.5	55	23	23
	0-5	0-2.5	46	18	19
	5-10	0-2.5	68	34	22
	10-15	0-2.5	189	141	25
	25-30	2.5-5	449	372	40
	20-25	2.5-5	380	297	51
	25-30 plus a lump sum of 70-75	0-2.5 plus a lump sum of 0	595	535	9
	30-35	2.5-5	728	623	44

Accountability report

Cash equivalent transfer values (CETV)

A cash equivalent transfer value (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. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their lifetime membership of the scheme not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the Fund. It does not include the increase in accrued pension due to inflation or 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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension

contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023 ; this guidance will continue to be used in the calculation of 2024-25 CETV figures.

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the PCSPS. The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switched into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms

were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the CETVs shown in this report – see below). All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial 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. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos, a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme

year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution).

Employers also contribute a further 0.5% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age.

Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but

Accountability report

note that part of that pension may be payable from different ages.)

Further details on pension arrangements can be found on the Civil Service Pensions Scheme website <https://www.civilservicepensionscheme.org.uk/>

The number of staff for whom pension contributions were made in 2023-24 was 0 classic, 0 premium, 0 nuvos, 919 alpha and 38 partnership. The total of 957 represents most of the total number of individual members of staff employed over the course of the year.

For 2023-24, employers' contributions of £151,027 were payable to the partnership pension account (2022-23: £153,681) with an additional £4,357 (2022-23: £3,774) payable for the benefit cover.

For 2023-24, employers' contributions of £7,317,255 were payable to the PCSPS (2022-23: £6,865,462) at one of four rates in the ranges set out to the right. Employer contributions are due to be reviewed at every full scheme valuation. The latest valuation, carried out by Hewitt Bacon and Woodrow, was on 31 March 2020. The contribution rates reflect benefits as they are accrued, not when the costs are incurred, and reflect past experience of the scheme. Rates for 2023-24 are in line with recommendations from the Actuary.

Currently, employers pay an average of 27.43% of their employees' salary as a pension contribution on Alpha pensions and 9.71% on Partnership pensions. The exact figure depends upon the salaries of the individual employees.

Bands

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
£23,000 and under	26.6%	26.6%
£23,001 – £45,500	27.1%	27.1%
£45,501 – £77,000	27.9%	27.9%
£77,001 and over	30.3%	30.3%

The forecast level of employer's contributions to the PCSPS for 2024-25 are £7,536,773 and £7,683,118 based on a pay increase of between 3% and 5% on 2023-24 pay levels.

As a multi-employer unfunded scheme operating principally in the public sector, the PCSPS holds discussions with Government, Trade Unions and members concerning its financial standing, its actuarial position, and likely levels of employee and employer contributions. In common with all other major public service pension schemes, the likelihood of increased contribution levels is part of these discussions.

The PCSPS is a multi-employer defined benefit scheme, so we cannot identify our share of the assets or liabilities of the scheme.

Pay multiples (audited information)

We disclose the relationship between the remuneration of our highest-paid director (the Chief Executive) and the 25th, 50th and 75th percentile remuneration of the Fund's employees.

Total remuneration includes salary, performance related-pay and benefits in kind; it excludes termination payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The banding of the total salary plus performance award during the year of the highest-paid Director (the Chief Executive) was £150,000 to £155,000 (2022-23: £145,000 to £150,000 – 3.4% increase). In 2023-24, no employees (2022-23: none) received remuneration in excess of the highest paid director.

The mean average salary for all other employees during 2023-24 was £35,559 (2022-23: £34,312 – 3.6% increase). Mean average performance-related payments during 2023-24 for all other employees was £258 (2022-23: £206 – 24.9% increase). The range of remuneration is from a range of £20,000 to £25,000 through to a range of £150,000 to £155,000.

We are also required to disclose the ratio of the Chief Executive's total remuneration compared to the 25th, 50th and 75th percentile of full-time equivalent staff pay. This is tabled below. Ratios have increased slightly from last year, remaining in line, however, with pay remit increases due to no significant changes to the remuneration structure.

	2023-24	2023-24	2022-23	2022-23
	£	Ratio	£	Ratio
25th percentile	27,968	6.0:1	26,407	5.6:1
50th percentile	31,097	5.4:1	30,000	4.9:1
75th percentile	39,000	4.3:1	37,596	3.9:1

No benefits in kind or other benefits are paid to employees so all amounts and ratios quoted relate to salary components of total pay and benefits.

Accountability report

Staff (audited information)

Total staff costs, which include the remuneration of Board members, were as follows:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Wages and salaries	30,253	27,349
Social security costs	3,131	2,882
Other pension costs	7,473	7,019
Apprenticeship levy costs	141	125
Agency staff costs	1,100	581
	42,098	37,956

A number of staff included above were seconded out to other organisations, for whom recoveries of £432,000 are included in other income. Due to the way our business systems operate it is impossible to identify the number and cost of staff members within the total who are not employed on a permanent basis, with the exception of those employed through agencies.

The number of full-time equivalent employees and temporary staff working for the Fund during the year was as follows:

	Number of temporary staff at 31 March 2024	Number of employees at 31 March 2024	Total number of staff at 31 March 2024	Total number of staff at 31 March 2023
	(FTE)	(FTE)	(FTE)	(FTE)
Grantmaking	11	484	495	464
Support to customers and stakeholders	1	133	134	159
Governance and administration	1	174	175	163
	13	791	804	786

At 31 March 2024, the Fund employed 804 full-time equivalent staff (31 March 2023:786). This included 13 full-time equivalent temporary staff (31 March 2023: 12).

Exit packages

Although the Fund's employees are not civil servants, their terms of employment provide for any termination payments or early retirement pensions to be calculated in the same way as for the Civil Service Compensation Scheme. The Fund pays for the costs of these benefits, which are paid by the Fund and are not met by the Civil Service or Exchequer funds. There were 13 voluntary redundancies/exits of £1,091,000 (2022-23: £49,000) including 5 early retirement pensions in 2023-24 of 731,000 (2022-23: nil) and 1 compulsory redundancy of £11,000 (2022-23: nil).

Exit package cost band	Number of compulsory redundancies/exits year ended 31 March 2024	Number of voluntary redundancies/exits year ended 31 March 2024	Total number of redundancies/exits year ended 31 March 2024	Total number of redundancies/exits year ended 31 March 2023
<£10,000	–	1	1	–
£10,000 - £25,000	1	–	1	–
£25,001 - £50,000	–	5	5	1
£50,001 - £100,000	–	4	4	–
£100,001 - £150,000	–	1	1	–
£150,001 - £200,000	–	1	1	–
£200,001 +	–	1	1	–
Total number of exit packages	1	13	14	1
Total cost £000	11	1,091	1,102	49

Accountability report

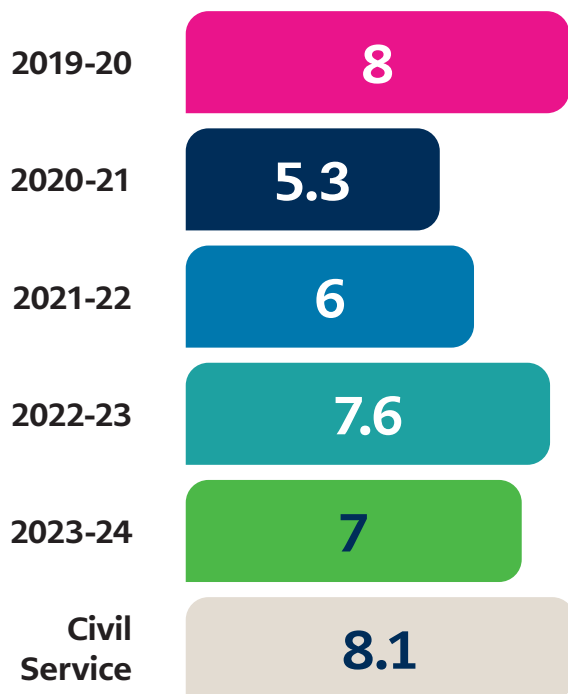
Staff sickness absence

We are committed to the health and wellbeing of our staff. The Fund has a comprehensive sickness absence policy and also undertakes employee-led wellbeing activities. During 2023-24, the average number of days of sickness absence was 7 days per employee (7.6 days in 2022-23).

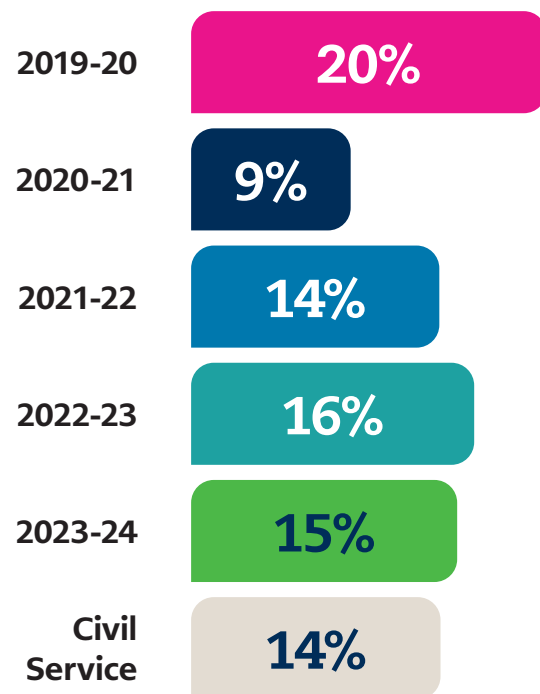
Turnover

In 2023-24 124 staff left the Fund; this represents 15% of our headcount at the beginning of the period. The equivalent departures in 2022-23 were 135 (16%). The Fund recognises the balance between healthy staff retention rates and bringing new talent into the Fund.

Average working days lost per FTE



Turnover



Absences in 2020-2022 fell due to COVID-19, as with other organisations, due to staff working from home and coming into contact with less contagions and possible under-reporting. Our working days lost in 2023-24 have risen since this time but are still under pre-pandemic levels and the civil service figures for 2023.

Employee involvement

The Fund has a constructive relationship with our joint recognised unions, Prospect and Unite, and seeks to find and encourage opportunities for employee involvement and consultation. The Fund regularly seeks the views and opinions of its staff through informal dialogue and formal employee engagement surveys. Our employee engagement measure increased by 12% during the year to 73%. A colleague council established during the previous financial year continues to hear more voices from around the organisation in shaping the Fund to be a great place to work.

Health and safety

The Fund takes its responsibilities for the Health and safety of its staff, contractors and grant holders seriously. We seek to adopt best practice in managing and reporting risk. Changes to the way we work, with more of our colleagues working away from fixed office bases, has caused us to address any additional risks that may arise.

Off payroll engagements and consultancy

During the year, the Fund has not engaged any (2022-23: none individuals) through off-payroll contracts.

The Fund has incurred consultancy costs during the year of £1.4 million (2022-23 £0.7 million) in respect of the provision of advice and expertise which we would

not routinely procure to support our continuing activities. For 2023-24, this includes consultancy work related to the strategy implementation, continuing our technology journey to the cloud and activity supporting the organisational improvement programme.

Apprenticeship levy

The apprenticeship levy applies to all organisations with an annual pay bill greater than £3 million. Contributions to the apprenticeship levy account amount to 0.5% of the total pay bill after deduction of a £15,000 allowance.

Contributions to the account regarding sums relating to England are topped up by the government by 10%. Employers are able to use the account to pay for qualifying training activities. Apprenticeship arrangements with respect to Scotland, Wales and Northern Ireland are unchanged.

The Fund has made total contributions to the scheme during the year of £141,000 (2022-23: £125,000) and in accordance with the government accounting guidance has written this off as a staff cost under taxes.

The Fund has reclaimed £5,000 (2022-23: £48,000) in training costs from appropriate providers. These costs would typically be shown as training costs within operating costs with the benefit of the drawdown from the apprenticeship levy account shown in income as a government grant.

Accountability report

Equality in employment

The Fund seeks to be a diverse and inclusive employer. We aim to ensure that our colleagues appropriately reflect and represent the communities which they support. Our approach to recruitment seeks to ensure that we attract a diverse range of applicants, and we use appropriate sources, channels, contacts, agencies and advertising approaches to support this.

We seek to ensure that we provide training and development opportunities to all colleagues to maximise their capacity to undertake their roles for the Fund. We support a range of training opportunities directly related to, and distinct from, the skills required to fulfil the role including leadership and management development. Where staff experience access issues during the course of their employment, we seek to ensure they can continue to meet the demands of their role including providing additional support and training as necessary. The table below sets out our monitoring report for equalities for 2023-24.

People with disabilities

	The Fund	Civil Service	UK economically active population
	%	%	%
Staff with a declared disability	17.4	15.8	24.0
Staff who have not declared a disability	82.6	84.2	76.0

Gender

	The Fund	Civil Service	UK economically active population
	%	%	%
Female	70.0	54.6	47.6
Male	30.0	45.4	52.4

Gender

	Board	Directors	Fund senior staff (leaders)
	%	%	%
Female	58.3	40.0	69.2
Male	41.7	60.0	30.8

Ethnic group

	The Fund	UK economically active population
	%	%
Asian	6.8	5.8
Black	4.7	3.9
Chinese	0.3	0.8
Mixed	2.3	1.7
Other	0.3	4.0
White	83.9	83.7
Not known	1.7	0.1
Do not want to declare	-	-

LGBT+

	The Fund	Civil Service
	%	%
LGBT+	8.7	6.4
Non-LGBT+	70.8	93.6
Unknown	20.5	-

Accountability report

Gender pay gap

The Fund is required to report its performance under the Gender Pay Gap regulations.

Full details are available on [gov.uk](https://www.gov.uk) the gender pay gap portal and are published on our website. Across the whole Fund, we report a gender pay gap of 1.9% (2022-23: 1.3%) for median pay while for mean pay, the gap is 4.7% (2022-23: 6.7%). We are pleased with the reduction in our mean pay gap from last year and will continue the positive work we have started to reduce this gap even further.

Ethnicity pay gap

While we are not legally required to report our ethnicity pay gap, we have decided to publish our results alongside the gender pay gap. Across the Fund as a whole, we report an ethnicity pay gap of 2.4% (2022-23: 1.1%) for median pay mean pay. For the rate is 4.5% (2022-23: minus 1.8%). Although the gap has widened since last year, we continue to perform significantly better than UK-wide organisations and the wider Civil Service.

Trade union facility time

Number of employees who were relevant union officials during the financial year	3
Full time equivalent employee number	1.5

Percentage of time spent on facility time by relevant union officials:

0%	-
1-50%	3
51-99%	-
100%	-

Total cost of facility time	£66,277
Total cost of pay bill	£40,857,337
Percentage of pay bill spent on facility time	0.2%
Hours spent on paid trade union activities	180
Hours spent on paid facility time	2,886
Percentage	6.2%



David Knott
Chief Executive and Accounting Officer

24 July 2024



North East Young Dads and Lads, England

The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament, the Scottish Parliament, Senedd Cymru and the Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of the Big Lottery Fund for the year ended 31 March 2024 under the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022.

The financial statements comprise the Big Lottery Fund's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Income, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Big Lottery Fund's affairs as at 31 March 2024 and its total comprehensive net expenditure for the year then ended; and
- have been properly prepared in accordance with the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022 and Secretary of State directions issued thereunder

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Big Lottery Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Big Lottery Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Big Lottery Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Big Lottery Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information

and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022; and
- the information given in the Performance and Accountability Reports for the financial year for which

Accountability report

the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Big Lottery Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Big Lottery Fund or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Big Lottery Fund from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022.
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022; and
- assessing the Big Lottery Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless the Accounting Officer anticipates that the services provided by the Big Lottery Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance

with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Big Lottery Fund's accounting policies.
- inquired of management, the Big Lottery Fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Big Lottery Fund's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Big Lottery Fund's controls relating to the Big Lottery Fund's compliance with the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022, and Managing Public Money.
- inquired of management, the Big Lottery Fund's head of internal audit and those charged with governance whether:

Accountability report

- they were aware of any instances of non-compliance with laws and regulations;
- they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Big Lottery Fund for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and grant expenditure. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Big Lottery Fund's framework of authority and other legal and regulatory frameworks in which the Big Lottery Fund operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Big Lottery Fund. The key laws and regulations I considered in this context included the National Lottery etc Act 1993 and the Dormant Assets Acts 2008 to 2022, Managing Public Money, employment law and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I tested a sample of grant expenditure to gain assurance that grants had been spent on the intended purposes.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities

This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
25 July 2024
Comptroller and Auditor General

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

Financial statements

Statement of comprehensive net income

		Year ended 31 March 2024	Year ended 31 March 2023
	Note	£000	£000
Income			
Lottery income			
Proceeds from the National Lottery	13	689,346	707,237
Investment income from the National Lottery	13	33,588	14,192
Distribution Fund			
Bank and other interest receivable	2	631	83
Recoveries of grant	2	4,034	2,932
		<u>727,599</u>	<u>724,444</u>
Dormant assets money income			
Received/Receivable from Reclaim Fund Ltd	34a	90,374	91,756
Bank interest receivable	34a	7,450	1,753
Recoveries of grant	34a	68	7
		<u>97,892</u>	<u>93,516</u>
Community Organisations Cost of Living Fund income			
Received/Receivable from DCMS	28	74,216	-
Interest received	28	117	-
		<u>74,333</u>	<u>-</u>
Million Hours Fund income			
Received/Receivable from DCMS	29	3,938	-
Interest received	29	23	-
		<u>3,961</u>	<u>-</u>
Coronavirus Community Support Fund income			
Interest received	30	12	2
Recoveries of grant	30	6	97
		<u>18</u>	<u>99</u>

Annual report and accounts

		Year ended 31 March 2024	Year ended 31 March 2023
	Note	£000	£000
Local Connections Fund income			
Recoveries of grant	31	2	-
		<u>2</u>	<u>-</u>
Living Places and Spaces Fund income			
Received/Receivable from DfI	32	-	791
Recoveries of grant	32	3	9
		<u>3</u>	<u>800</u>
Places Called Home Fund income			
Recoveries of grant	33	-	5
		<u>-</u>	<u>5</u>
Other income	2	2,227	4,806
Total income		<u>906,035</u>	<u>823,670</u>

Financial Statements

		Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
	Note		
Expenditure			
National Lottery programme expenditure			
Grant expenditure	3	700,565	616,197
Lapsed or revoked grant expenditure	3	(17,483)	(4,317)
Direct expenditure in support of program	4	3,226	3,557
		686,308	615,437
Dormant assets money programme expenditure			
Transfers/transerable to designated Distributors	34a	111,780	65,847
Grant expenditure	34a	15,290	20,592
Lapsed or revoked grant expenditure	34a	(58)	(34)
		127,012	86,405
Community Organisations Cost of Living Fund programme expenditure			
Grant expenditure	28	70,709	-
Lapsed or revoked grant expenditure	28	(192)	-
		70,517	-
Million Hours Fund programme expenditure			
Grant expenditure	29	10,091	-
		10,091	-
Coronavirus Community Support Fund programme expenditure			
Grant expenditure	30	-	-
Lapsed or revoked grant expenditure	30	219	(28)
		219	(28)
Local Connections Fund programme expenditure			
Refunded to DCMS	31	5	-
		5	-

		Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
	Note		
Living Places and Spaces Fund programme expenditure			
Grant expenditure	32	21	741
Refunded to Dfl	32	13	-
		34	741
Places Called Home Fund programme expenditure			
Grant expenditure	33	-	-
Lapsed or revoked grant expenditure	33	5	-
		5	-
Operating costs			
Operating costs for distributing National Lottery Income	5	51,944	49,899
Recharged operating costs	5	1,557	1,995
Operating costs for distributing dormant account money	5	830	615
Operating costs for distributing Community Organisations Cost of Living Fund money	5	3,316	-
Operating costs for distributing Million Hours Fund money	5	177	-
Operating costs for distributing Coronavirus Community Support Fund money	5	(213)	1
Operating costs for distributing Local Connections Fund money	5	-	-
Operating costs for distributing Living Places and Spaces Fund money	5	-	41
		57,611	52,551
Restructuring and investment	8	1,194	648
Total expenditure		952,996	755,754
Surplus before taxation		(46,961)	67,916
Taxation	9	(120)	(16)
Taxation dormant assets	9	(1,748)	-
Total comprehensive net (expenditure) income		(48,829)	67,900

All income and expenditure relates to continuing activities.

Financial Statements

Statement of financial position

	Note	As at 31 March 2024 £000	As at 31 March 2023 £000
Non-current assets			
Property, plant and equipment	10	283	367
Intangible assets	11	-	19
Right of use assets	20	4,037	1,968
		4,320	2,354
Current assets			
Trade and other receivables	12	4,712	45,417
Cash at bank and in hand		231,961	237,626
Investment balance in National Lottery Distribution Fund	13	530,214	489,080
		766,887	772,123
Total assets		771,207	774,477
Current liabilities			
Trade and other payables	14	(587,454)	(560,207)
Lease liabilities	20	(586)	(949)
Total assets less net current liabilities		183,167	213,321
Non-current liabilities			
Trade and other payables	14	(473,129)	(457,599)
Lease liabilities	20	(3,561)	(757)
Provisions	15	(1,389)	(1,048)
Assets less liabilities		(294,912)	(246,083)
Represented by:			
Lottery funds reserve		(366,755)	(355,458)
Dormant assets reserve		76,886	108,584
Community Organisations Cost of Living Fund reserve		500	-
Million Hours Fund reserve		(6,307)	-
Coronavirus Community Support Fund reserve		764	752
Local Connections Fund reserve		-	3
Living Places and Spaces Fund reserve		-	31
Places Called Home Fund reserve		-	5
		(294,912)	(246,083)

The notes on pages 103 to 150 form part of these accounts.

Signed on behalf of the Big Lottery Fund Board on 24 July 2024.



David Knott
Chief Executive and Accounting Officer



Paul Sweeney
Chair

Financial statements

Statement of changes in equity

Year ended 31 March 2024

	Lottery accounts	Dormant assets	Community Organisations Cost of Living Fund	Million Hours Fund
	£000	£000	£000	£000
Opening reserve position	(355,458)	108,584	-	-
Transferred from Statement of comprehensive income	(11,297)	(31,698)	500	(6,307)
Closing reserve position	(366,755)	76,886	500	(6,307)

Year ended 31 March 2023

	Lottery accounts	Dormant assets	Community Organisations Cost of Living Fund	Million Hours Fund
	£000	£000	£000	£000
Opening reserve position	(416,713)	102,088	-	-
Transferred from Statement of comprehensive income	61,255	6,496	-	-
Closing reserve position	(355,458)	108,584	-	-

Coronavirus Community Support Fund	Local Connections Fund	Living Places and Spaces Fund	Places Called Home Fund	Total
£000	£000	£000	£000	£000
752	3	31	5	(246,083)
12	(3)	(31)	(5)	(48,829)
764	-	-	-	(294,912)

Coronavirus Community Support Fund	Local Connections Fund	Living Places and Spaces Fund	Places Called Home Fund	Total
£000	£000	£000	£000	£000
626	3	13	-	(313,983)
126	-	18	5	67,900
752	3	31	5	(246,083)

Financial statements

Statement of cash flows

	Note	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
(Deficit)/Surplus for the period		(48,829)	67,900
Loss on disposal of non-current assets	10, 11	45	37
Depreciation of property, plant and equipment and amortisation of intangible assets	10, 11	245	760
Depreciation of right-of-use lease assets	20	1,456	1,600
Interest expenses	20	174	(32)
(Deficit)/Surplus adjusted for non-cash transactions		(46,909)	70,265
Decrease/(Increase) in trade and other receivables	12	40,705	(3,559)
(Increase) in NLDF balance	13	(41,134)	(90,430)
Increase in trade and other payables	14	42,777	100,002
Increase in provisions	15	341	21
Net cash (outflow)/inflow from operating activities		(4,220)	76,299
Cashflows from financing activities			
Repayment of borrowings and leasing liabilities	20	(1,258)	(1,940)
Cashflows from investing activities			
Payments to acquire property, plant and equipment	10, 11	(187)	(46)
(Decrease)/Increase in cash		(5,665)	74,313
Net (Decrease)/increase in cash and cash equivalents			
Cash balances carried forward		231,961	237,626
Less cash balances brought forward		(237,626)	(163,313)
(Decrease)/Increase in cash		(5,665)	74,313

The notes on pages 103 to 150 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury, and the Accounts Directions issued by the Secretary of State for Culture, Media and Sport in accordance with Section 36A (2) of the National Lottery etc. Act 1993 (as amended by the National Lottery Acts 1998 and 2006) and the Dormant Assets Acts 2008 to 2022.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Fund for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Fund for 2023-24 are described below. They have been applied consistently in dealing with items that are considered material to the accounts. We have not adopted any IFRS that have been issued but are not yet effective.

1.1 Accounting convention

These accounts have been prepared under the historic cost convention modified where appropriate for fair value. We believe that the historic cost is not materially different to fair value.

Without limiting the information given, the accounts meet the accounting

and disclosure requirements of the Companies Act, FReM and International Financial Reporting Standards, where appropriate.

1.2 Going concern

These accounts have been prepared on a going concern basis; this is consistent with the guidance set out in the FReM which says to “have regard to the underlying assumption that financial statements shall be prepared on a going concern basis”. Further, it states that “sponsored entities whose statements of financial position show total net liabilities should prepare their financial statements on the going concern basis unless, after discussion with their sponsors, the going concern basis is deemed inappropriate”. No such discussions have taken place.

The National Lottery Community Fund is the operating name of The Big Lottery Fund. The Big Lottery Fund is a statutory corporation established by the National Lottery Act 2006. As far as the Board is aware, there is no intention to repeal that legislation.

The Fund is responsible for distributing 40% of the good causes sums raised through The National Lottery, which it distributes through grant awards to support projects with a community focus. This is its main funding source and business.

In addition to distributing good causes money raised by The National Lottery, the Fund is responsible for the distribution of monies released from dormant bank accounts and related

Notes to the accounts

assets under the provisions of the Dormant Assets Act 2022. The Fund is directed in how dormant asset money is distributed and does not make cash payments until cash funding is received.

No discretionary services are delivered that are supported by other funding sources.

For National Lottery grant activity cash is drawn down from the National Lottery Distribution Fund (NLDF) as it is needed. The Fund's balance in NLDF is effectively cash.

For National Lottery income and grant payments the Fund produces, as part of its core business processes, a detailed cashflow forecast that currently extends forward to the end of financial year 2028/29.

- This uses operator forecasts of Lottery revenues to inform income projections, with adjustments made locally to reflect caution over future growth ambitions. The Fund also considers an adjustment on income forecasts by +/- 5% in its projections to show the effect of possible fluctuations against central case projections.
- Funding teams are required to provide details of known future grant commitments and expected future grant awards to inform the cash flow forecasts. Where future grant awards are not yet known because future programmes have not yet been agreed, an unallocated grant budget is included in the forecasting.
- A minimum acceptable cash balance in the NLDF is also established, currently based on 20% of Lottery income less £20 million. This is used to determine the maximum forecast cash outflow of grant payments that can be made

while still protecting a minimum level of cash in the NLDF.

Based on the latest update of the cashflow forecast, the Fund expects to hold a cash balance of £409.4 million in the NLDF at 31 March 2026. This is £279.6 million above the Fund's determined minimum acceptable cash balance in the NLDF at the same point in time.

Although there are some risks to the achievement of this, for example, maintenance of the Fund's 40% share of Lottery income, delivery against ambitious growth plans from the new operator and the inherent uncertainty in future Lottery revenues, the Board does not consider there to be any material uncertainties to its conclusion that it is appropriate for the accounts to be prepared on a going concern basis.

1.3 National Lottery Distribution Fund

Balances held in the NLDF remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the Fund is as shown in the accounts and, at 31 March 2024, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by the Fund in respect of current and future commitments.

1.4 Property, plant and equipment

Property, plant and equipment is recognised in the statement of financial position at cost except for items costing less than £2,000, which are written off to the statement of comprehensive income in the year of acquisition.

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
- **IT equipment**
3 years
- **Office equipment, furniture and fittings**
3 years

1.5 Intangible assets

In accordance with IAS 38 'Intangible Assets', development costs that are directly attributable to the design and testing of identifiable and unique software are recognised as an intangible asset. Directly attributable costs include external contractors' fees and employee costs. Following initial recognition of the assets, we amortise on a straight-line basis over the estimated useful life as follows:

- **Grant management system**
Four years or remaining useful economic life where revised
- **Website**
Five years

We do not amortise the costs associated with assets under construction. Intangible assets have been subject to impairment review under IAS 36 (note 11).

1.6 Pension fund

Employees are covered by the provisions of the PCSPS which is an unfunded multi-employer defined benefit scheme. They may alternatively join the Civil Service Partnership Pension Scheme – a stakeholder pension. Pension benefits are paid by the PCSPS. Our liabilities

are limited to a charge, set by the Chief Government Actuary, related to salaries paid in each year. The scheme was last valued on 31 March 2020.

1.7 Leases

Lessee

Right-of-use assets are identified in the statement of financial position at cost determined by the present value of payments due under each lease. The costs are amortised over the minimum period of the lease, including optional periods where the Fund is certain or reasonably certain to exercise the option to extend. The finance costs of servicing the leased assets is charged as interest in the statement of comprehensive income.

Lessor

Where we have provided a rent-free period or other inducement to a tenant, the cost of this inducement is apportioned over the period to the earlier of the rent break point or the expiry date of the lease on a straight line basis.

1.8 Expenditure on programmes

The National Lottery etc. Act 1993 provides for the Fund to make grants to fund or assist in the funding of projects and to make or enter into arrangements which are designed to meet expenditure that is charitable or connected with health, education or the environment as directed by the Secretary of State.

Grant awards

Grant awards are accounted for as expenditure in the statement of comprehensive net income and, until paid, as liabilities in the Statement of Financial Position if they meet the

Notes to the accounts

definition of liabilities in IAS 37 Provisions, Contingent Liabilities and Contingent Assets, whether arising from legal or constructive obligations. Grant awards are recognised as expenditure and commitments are accounted for when:

- the award has been formally decided on by the Fund; and
- the award has been notified to the intended recipient; and
- the award is free from any conditions under the control of the Fund.

Grant awards which have been formally decided upon by the Fund, but which do not meet the technical definition of liabilities, either due to their not having been communicated to the recipient, or due to their not meeting the criteria relating to either specific conditions or award types (see below) are not included in expenditure in the statement of comprehensive net income or as liabilities in the statement of financial position but are disclosed as contingent liabilities in Note 17.

Development awards

Where the Fund retains discretion on whether to make subsequent awards following a funded development phase, the potential subsequent award is not treated as a liability until the Fund has formally decided to proceed with it.

Performance based awards

Where payment of all or part of an award is subject to a performance condition, the part of the award subject to the condition is not treated as a liability until the condition is met.

Multi-stage awards

Where an award is made payable over multiple stages and continuation of the award is conditional upon the outcome of formal reviews by the Fund, the later stages of the award will be treated as a liability if either the nature of the review is merely to confirm progress, or the outcome of the review is that the Fund continues the award.

Classification of liabilities

Grant liabilities at the date of the statement of financial position are classified as accruals unless they meet the recognition criteria in IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Grants repaid and recovered

Our conditions of grant include grants paid. This can arise when the grant holder fails to comply with the terms and conditions or where the actual expenditure by a recipient falls below the grant that has been paid based on estimated costs.

Recoveries of grants are recognised as income on receipt of the repayment.

Direct expenditure on programmes

We record as 'direct expenditure on programmes' those costs incurred in delivering services directly to beneficiaries or grant recipients as arrangements under s36B of the National Lottery etc. Act 1993. For example, provision of applicant and recipient support structures and quality assurance for the direct benefit of grant recipients.

Lapsed or revoked grant expenditure

We record as 'lapsed or revoked grant expenditure' any instances where the

grant holder has chosen to return unused grant monies to the Fund or where we have chosen to withdraw unused grant monies from the grant holder. In all cases this relates to amounts that were previously recorded as commitments.

1.9 Taxation

Corporation tax is charged on the basis of tax law enacted at the financial position date. This taxation is on interest received on cash balances held in commercial bank accounts. We allocate corporation tax in relation to interest received on Dormant Assets monies as Dormant Assets expenditure.

We are registered for valued added tax (VAT). VAT is charged and recovered on our activities that comply with the definition of business activities as set out in VAT legislation. This includes elements of our third party activity.

Irrecoverable VAT is charged to expenditure or capitalised in the cost of fixed assets.

1.10 Cash and cash equivalents

Cash includes cash in hand and deposits held at call with commercial banks.

1.11 Provisions

The Fund recognises a provision where:

- there is a legal obligation as a result of a past decision
- it is probable that resources will be required to settle the obligation
- the amount can be reliably estimated.

Currently we have provisions for property-related costs, redundancies and early retirements.

1.12 Grant management

Delegated organisations

We have entered into agreements whereby a number of delegate organisations are to act as lead organisations in delivering grant schemes. In doing this, we have delegated the statutory grant decision-making function to other organisations. Funds advanced to delegate organisations for the purpose of payment of grant commitments are recognised as a grant commitment at the point of award.

Trusts

The Fund has made awards to new companies limited by guarantee, which act as the trustees of new charitable trusts. Funds awarded to these trusts are recorded as a liability until we make payments to the trusts. Amounts held by the trust are not shown as assets.

Joint schemes

Where we have entered into a joint scheme, as defined in the National Lottery Act 1998, grant commitments made through the joint scheme are accounted for on the basis of our share in the scheme. Funds advanced to the joint scheme for the purpose of payment of grant commitments are recorded as a current asset until we receive confirmation that the payments in respect of those commitments have been made. Administration costs are included in the statement of comprehensive net income at the amount charged to the Fund.

Notes to the accounts

1.13 Third party assets

The Fund holds as custodian certain assets belonging to third parties. These are not recognised in the accounts since we have no direct beneficial interest in them. The bank balances held on behalf of third parties are shown in note 23.

1.14 Financial instruments

The Fund adopted IFRS 9 – Financial Instruments – with effect from financial year 2018-19. We have reviewed our financial instruments in respect of classification, measurement and impairment, applying the expected credit losses where applicable. The assets and liabilities which are considered to be financial in nature are set out in note 19. We do not hold any complex financial instruments.

1.15 Segmental reporting

In line with IFRS 8, the Fund's Board as 'Chief Operating Decision Maker' has determined that we operate in five material geographical segments – the UK, England, Wales, Scotland and Northern Ireland. We have a single significant source of income from National Lottery income, and the segmental reporting format reflects our management and internal reporting structure. Some programmes are UK-wide and this is reported separately from the four countries.

1.16 Dormant assets funds

The Fund has assessed that spending directions create a possible obligation and, therefore, directed amounts without signed agreements will be disclosed as contingent liabilities, given their existence

will be confirmed by the drafting and signing of a new agreement with another party at some future point.

Amounts under a signed agreement but without income from Reclaim Fund Ltd yet available to meet them are recognised as provisions, given that the obligation has been created through the signing of the agreement but there is uncertainty over timing of the payment. Amounts undersigned agreements with income from Reclaim Fund Ltd are recognised as financial liabilities under IFRS 9 and IAS 37.

Dormant assets transactions form a part of these financial statements and are subject to audit opinion. For reasons of transparency and clarity, short-form financial statements relating only to dormant asset money are included in note 34.

1.17 Community Organisations Cost of Living Fund

The Government-funded Community Organisation Cost of Living Fund has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short-form financial statements relating only to this funding programme are included in note 28.

1.18 Million Hours Fund

The Million Hours Fund has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short-form financial statements

relating only to this funding programme are included in note 29.

1.19 Coronavirus Community Support Fund

The Government-funded Coronavirus Community Support Fund (CCSF) has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to CCSF are included in note 30.

1.20 Local Connections Fund

The Local Connections Fund has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to this funding programme are included in note 31.

1.21 Living Places and Spaces Fund

The Living Places and Spaces Fund has been accounted for under the same policies as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short form financial statements relating only to this funding programme are included in note 32.

1.22 Places Called Home Fund

The Places Called Home Fund has been accounted for under the same policies

as National Lottery funds, with the amounts forming a part of these financial statements and being subject to audit opinion. For reasons of transparency and clarity, short-form financial statements relating only to this funding programme are included in note 33.

1.23 Accounting standards that have been issued but not yet adopted

There are no new accounting standards that have been issued but not yet adopted that have been deemed material to the Fund's accounts in 2023-24.

1.24 Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are regularly evaluated and updated and any changes are reflected in the period in which these are revised.

The accounting policies set out areas involving a higher degree of judgement, assumptions or estimation techniques, such as note 1.5 (Intangible assets), note 1.8 (Expenditure on programmes) and note 1.11 (Provisions).

The most significant judgements are:

- Expenditure on programmes – The Fund recognises the value of awards that are subject to performance conditions as contingent liabilities rather than grant accruals. This judgement is based on the terms and conditions of the award contracts.



Notes to the accounts

The most significant estimates are:

- Provisions – We have estimated dilapidation costs regarding restructuring our office space based on information from our Legal department, which is in dialogue with landlords on settlement fees.
- Classification of grant commitments

We have used a grant payment modelling tool to determine an element of the split between short and long-term grant liabilities.

1.25 Income

The impact of the application of IFRS 15 Revenue from Contracts with Customers has been assessed, with a review and analysis of each revenue contract.

We conclude that we do not have any material revenue from contracts with customers. Where the Fund has entered into a contract with third parties who are government departments for direct funding services or for joint funding partnerships, the contracts specify or imply that the revenue is to be treated as a government grant. Therefore, we continue to apply IAS 20 Accounting for government grants, where income and expenses are matched in the same period.

National Lottery income is receivable by statute, and as such is treated as income under a contract per the FReM.

2. Income

Set out below is an analysis of other income not separately identified in the Statement of comprehensive net income.

	Note	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Bank and other interest receivable			
Bank interest receivable		631	83
		631	83
Other income			
Greenwich Peninsula land sale		-	2,055
Income from delivering non-Lottery funding		1,459	2,035
Income from delivering Lottery Funding on behalf of other distributors		88	148
Rental income		118	187
Sundry income		562	381
		2,227	4,806
Recoveries of grant from grant holders			
Recoveries of grant	1.8	4,034	2,932
		4,034	2,932

Notes to the accounts

3. National Lottery programme expenditure

IFRS 8 requires disclosure of financial data by reportable segment. The Fund manages and reports grant making activity based on geographical segments. Operating costs, however, are not managed and reported on a segmental basis.

The table below sets out grant expenditure, for each portfolio, charged to the statement of comprehensive net income in the year.

	UK	England	Scotland	Wales	Northern Ireland	Total
	£000	£000	£000	£000	£000	£000
Grant expenditure made	50,259	532,352	51,446	39,223	27,285	700,565
Less lapsed and revoked grant expenditure	(120)	(16,635)	(125)	(27)	(576)	(17,483)
Net grant expenditure made 2023-24	50,139	515,717	51,321	39,196	26,709	683,082
Net grant expenditure made 2022-23	33,488	449,522	51,919	48,847	28,104	611,880

4. Direct expenditure in support of programmes

Costs relating to expenditure for the direct benefit of grant holders and their beneficiaries made under contract rather than a grant award.

	UK	England	Scotland	Wales	Northern Ireland	Total
	£000	£000	£000	£000	£000	£000
Support provided directly to grant recipients and beneficiaries 2023-24	(2,791)	5,200	704	24	89	3,226
Support provided directly to grant recipients and beneficiaries 2022-23	674	2,696	52	51	84	3,557

Notes to the accounts

5. Operating Costs

	Operating costs for distributing Lottery income £000	Recharged operating costs £000	Operating costs for distributing dormant assets money £000
Employee remuneration	37,148	1,472	740
Travel & expenses			
- Staff	1,162	27	3
- Board and Committee	25	-	-
Payments under short-term/low value operating leases:			
- Property	341	-	-
- Other	69	-	-
Other accommodation costs	1,378	-	-
Communication costs	969	27	5
Externally provided support for grant programmes	1,185	61	16
Programme evaluation	152	6	50
Staff recruitment and training	1,234	10	-
Professional fees	349	6	-
Auditors' remuneration for audit work	160	-	-
IT infrastructure costs	3,420	-	-
Other costs	688	(68)	-
Write down of property, plant and equipment	45	-	-
VAT	1,744	16	16
Non cash items			
- Depreciation (excluding right-of-use assets)	245	-	-
- Amortisation on right-of-use assets	1,456	-	-
- Interest expense on lease liabilities	174	-	-
	51,944	1,557	830

Annual report and accounts

Operating costs for distributing Community Organisations Living Fund money	Operating costs for distributing Million Hours Fund money	Operating costs for distributing CCSF money	Year ended 31 March 2024 Total operating costs	Year ended 31 March 2023 Total operating costs
£000	£000	£000	£000	£000
2,786	165	(213)	42,098	37,956
6	-	-	1,198	1,033
-	-	-	25	18
-	-	-	-	-
-	-	-	341	91
-	-	-	69	58
-	-	-	1,378	1,231
1	-	-	1,002	955
8	-	-	1,270	1,126
-	-	-	208	168
1	-	-	1,245	1,599
-	-	-	355	402
-	-	-	160	157
338	-	-	3,758	2,938
6	-	-	626	913
-	-	-	45	37
170	12	-	1,958	1,541
-	-	-	245	760
-	-	-	1,456	1,600
-	-	-	174	(32)
3,316	177	(213)	57,611	52,551

There were no fees for any non-audit services with external auditors.

6. Financial performance indicator

Our financial performance indicator is the proportion of our National Lottery income that we spend on distributing it, assessed over a three-year period. We exclude from this measure costs that we recharge to other organisations, including the costs of distributing non-lottery money for other organisations, sub-let property and non-qualifying expenditure. We also exclude the one-off costs of investment to achieve future efficiencies. Irrecoverable VAT is also excluded from qualifying expenditure.

As successor to the Millennium Commission, the Fund is entitled to a share of the proceeds of land sales on the Greenwich Peninsula made by the Greater London Authority once certain costs have been covered. £2 million has been received in 2023-24 for income accrued in 2022-23. No income has been accrued for in 2023-24.

On this basis, the cost of distributing our share of National Lottery income was 6.8% of National Lottery income in the year (2022-23: 6.6%). Assessed over the three-year rolling period the proportion was 6.6%.

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Operating costs for distributing National Lottery income (as per note 5)	51,843	49,899	48,594
Less rental income (as per note 2)	(118)	(187)	(843)
Less sundry income (as per note 2)	(562)	(381)	(388)
Less irrecoverable VAT	(1,958)	(1,541)	(1,458)
Total qualifying expenditure	49,205	47,790	45,905
Proceeds from National Lottery (as per note 13)	689,346	707,237	723,100
Investment income (as per note 13)	33,588	14,192	1,024
Greenwich Peninsula land sale (as per note 2)	-	2,055	220
Total qualifying income	722,934	723,484	724,344
Percentage	6.8%	6.6%	6.3%

Three year rolling position

	Year ended 31 March 2024 £000
Total qualifying expenditure	142,900
Total qualifying income	2,170,762
Percentage	6.6%

7. Staff costs

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Wages and salaries	30,253	27,349
Social security costs	3,131	2,882
Other pension costs	7,473	7,019
Apprenticeship levy costs	141	125
Agency staff costs	1,100	581
	42,098	37,956

Notes to the accounts

8. Restructuring costs

We regularly review the way we are structured and make changes to deliver fit-for-purpose, efficient and effective services. The costs of restructuring include termination payments and property transactions.

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Termination payments	1,404	60
Property rationalisation	(210)	588
	1,194	648

During 2023-24 we have utilised provisions for reinstatement costs for our Birmingham, Newcastle and Glasgow offices. The remaining unutilised provisions for these offices have been released. We have created new provisions for reinstatement costs for our Manchester and Newtown offices. Details of exit packages are disclosed within the remuneration report.

9. Taxation

The Fund pays corporation tax only on bank and any other interest received. There is a £120,000 net tax cost for the year (2022-23: £16,000). Dormant assets has a net tax cost for the year of £1,415,000 (2022-23: £333,000). As the allocation of dormant assets corporation tax was initiated during 2023-24, the amounts covering 2022-23 and 2023-24 are accounted for fully in 2023-24.

Investment income generated on balances held in the National Lottery Distribution Fund under the stewardship of the Secretary of State is not subject to UK Corporation tax.

10. Property, plant and equipment

	Leasehold improvement	IT	Office equipment, furniture and fittings	Total
	£000	£000	£000	£000
Cost				
At 1 April 2023	3,412	1,359	681	5,452
Additions	-	187	-	187
Disposal	(1,585)	(592)	(356)	(2,533)
At 31 March 2024	1,827	954	325	3,106
Depreciation				
At 1 April 2023	3,107	1,297	681	5,085
Charge for the year	139	87	-	226
Disposal	(1,540)	(592)	(356)	(2,488)
At 31 March 2024	1,706	792	325	2,823
Net book value				
At 31 March 2024	121	162	-	283
Cost				
At 1 April 2022	10,004	1,532	684	12,220
Additions	-	46	-	46
Disposal	(6,592)	(219)	(3)	(6,814)
At 31 March 2023	3,412	1,359	681	5,452
Depreciation				
At 1 April 2022	9,411	1,122	684	11,217
Charge for the year	251	394	-	645
Disposal	(6,555)	(219)	(3)	(6,777)
At 31 March 2023	3,107	1,297	681	5,085
Net book value				
At 31 March 2023	305	62	-	367

All leasehold improvements are on short leasehold properties where the leases expire in less than 20 years.

Notes to the accounts

11. Intangible assets

	Grant management system	Website	Total
	£000	£000	£000
Cost			
At 1 April 2023	427	-	427
Additions	-	-	-
Disposal	-	-	-
At 31 March 2024	427	-	427
Amortisation			
At 1 April 2023	408	-	408
Charge for the year	19	-	19
Disposal	-	-	-
At 31 March 2024	427	-	427
Net book value			
At 31 March 2024	-	-	-
Cost			
At 1 April 2022	427	358	785
Additions	-	-	-
Disposal	-	(358)	(358)
At 31 March 2023	427	-	427
Amortisation			
At 1 April 2022	293	358	651
Charge for the year	115	-	115
Disposal	-	(358)	(358)
At 31 March 2023	408	-	408
Net book value			
At 31 March 2023	19	-	19

Note: Website disposal relates to historic capitalised functionality, previously fully amortised and since replaced in a modular way, with costs expensed to the statement of comprehensive net income in the relevant period.

12. Trade and other receivables

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Amounts falling due within one year		
Trade receivables	42	90
Prepayments and accrued income	2,730	4,537
European match funding	1,469	38,392
Other receivables	471	2,398
	4,712	45,417

The balance due in respect of European match funding has fallen significantly from 2022-23 due to the planned programme closure during the year.

13. National Lottery Distribution Fund

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Balance at 1 April	489,080	398,650
Proceeds from The National Lottery	689,346	707,237
Investment income from the NLDF	33,588	14,192
Funds drawn down from the NLDF	(681,800)	(631,000)
Net increase in balance	41,134	90,430
Market value at 31 March	530,214	489,080

The Fund receives a share of the monies paid by the Lottery operator to the NLDF after deduction for the costs of the Secretary of State for Culture, Media and Sport in exercising their functions under the National Lottery etc. Act 1993, the costs of the regulator (the Gambling Commission), the costs of the investment manager (the National Debt Commissioners) and the costs of the National Lottery Promotions Unit.

14. Trade and other payables

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Amounts falling due within one year		
VAT	32	29
Other taxation and social security	877	709
Trade payables	35	266
Owed to joint partner schemes/delegate organisations for payment of grant commitments	2,299	1,206
Accruals and deferred income	2,248	2,304
Other payables	2,215	1,298
Grant accruals (note 16)	579,748	554,395
	587,454	560,207
Amounts falling due in more than one year		
Grant accruals (note 16)	473,129	457,599
	473,129	457,599

Grant Liabilities

Grant liabilities at the date of the statement of financial position are classified as provisions if they meet the recognition criteria in IAS 37 Provisions, Contingent Liabilities and Contingent Assets, or, if not, as accruals.

15. Provisions for liabilities and charges

	Dilapidations	Early Retirement	Redundancy	Birmingham office car park	Glasgow office rent review	Total
	£0	£0	£0	£0	£0	£0
Brought forward at 1 April 2023	805	-	-	173	70	1,048
New provisions created	155	731	503	-	-	1,389
Provisions used	(440)	-	-	(173)	-	(613)
Provisions released	(365)	-	-	-	(70)	(435)
Carried forward at 31 March 2024	155	731	503	-	-	1,389

Dilapidations

We held dilapidation provisions in 2022-23 in respect of our Birmingham, Newcastle and Glasgow offices. During 2023-24, these provisions have been utilised and any remaining provision has been released. New provisions have been created for future events relating to our Manchester and Newtown offices.

Restructuring: early retirement, redundancy and support

As a result of restructuring, certain posts have been identified as no longer required. As a result, staff have exited, been made redundant or have taken early retirement.

Where eligible staff take early retirement, the Fund is contracted to meet certain pension contributions until these staff reach the statutory retirement age. An estimate of these future contributions is provided.

Redundancy payments are made in accordance with contractual arrangements and terms set out in the Principal Civil Service Pension Scheme arrangements.

Notes to the accounts

Birmingham office car parking

During 2021-22, we established a provision for car park costs for our Birmingham office, while negotiations on our lease continued relating to backdated car park charges from 2016, which were legally payable as per the lease agreement. During 2023-24 we have settled the negotiation and utilised this provision.

Glasgow office rent review

During 2022-23, we were holding a provision for a rent increase expected on our Glasgow office. As a result of the negotiation of a new lease, this provision has been released as no longer required.

16. Grant accruals

	At 31 March 2024 £000	At 31 March 2023 £000
Movement of grant accruals		
Grant commitments brought forward at 1 April	1,011,994	911,868
Grant commitments made	908,454	703,364
Lapsed and revoked commitments	(17,715)	(4,379)
Grant commitments met	(849,856)	(598,859)
Accrual carried forward at 31 March	1,052,877	1,011,994
	£000	£000
Classification of grant accruals at the year-end		
Amounts falling due within one year		
Accruals (note 14)	579,748	554,395
Amounts falling due in more than one year		
Accruals (note 14)	473,129	457,599
Total grant accruals	1,052,877	1,011,994
Ageing of grant accruals		
Due within one year	579,748	554,395
Due within more than one year but less than two years	281,420	289,278
Due within more than two years but less than three years	142,574	131,975
Due within more than three years but less than four years	38,885	26,852
Due within more than four years but less than five years	9,568	7,815
Due after more than five years	682	1,679
	1,052,877	1,011,994

17. Contingent liabilities

Grants are disclosed as contingent liabilities if they do not satisfy the criteria to be treated as liabilities.

	At 31 March 2024	At 31 March 2023
	£000	£000
Grant awards made by the Fund which do not satisfy the criteria to be treated as liabilities	13,537	32,675
Total grant contingent liabilities	13,537	32,675

We have recognised a contingent liability of £8.5 million (2022-23: £7.2 million) for Lottery funded activities which do not currently satisfy the criteria for being recognised as liabilities as the decision has not yet been communicated to the applicant.

Additionally, within dormant assets, we have recognised a contingent liability of £5.0 million (2022-23: £5.5 million) at 31 March 2024 concerning possible obligation to pay up to £500,000 per annum to The Oversight Trust (OST) - Assets for the Common Good (formerly named Big Society Trust) for their administration costs. This possible obligation is as per a deed of agreement between OST and the Fund made on 10 December 2019, which is valid for 15 years from that date. The contingent liability we recognise at 31 March 2024 is for the remaining 10 years.

18. Joint schemes

Parks for People

This scheme is administered by the National Heritage Memorial Fund on behalf of all parties to the agreement. We have agreed to contribute up to £150.4 million to the total expected funding of £386 million. Included within grant liabilities are no new grant commitments (2022-23: nil) and no contingent liabilities, representing our contribution to the Parks for People joint scheme. The creditor figure includes £2.3 million (2022-23: £1.2 million), which is due to the National Heritage Memorial Fund concerning our contribution to payments it has made to our grant recipients.

19. Financial risks

Financial instruments

The Fund adopted International Financial Reporting Standard 9 from the financial year 2018-19 using the cumulative approach. As the Fund does not have powers to borrow, financial instruments play a much more limited role in creating or changing risk than is typical of the listed companies to which the standard mainly applies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the organisation.

This means that the Fund is exposed to little immediate liquidity, market, or credit risk.

Notes to the accounts

Liquidity risks

Cash requirements for Lottery expenditure are met by drawing down against weekly forecasts of need from the balances held on behalf of the Fund by the NLDF. At March 2023, the fund balance was £489 million. This had increased to £530 million by 31 March 2024, at which point there were £944 million of grant commitments yet to be paid out. In budgeting for current expenditure, the Fund balances the outflow of cash payments against grant commitments along with forward forecasts of National Lottery income.

The Fund maintains a minimum NLDF reserve threshold with which to meet future commitments.

In 2023-24, £723 million (80%) of the Fund's income derived from The National Lottery, including income of £34 million derived from investment returns from the balance held with the NLDF. Income from dormant assets money was £98 million (10.8%). Income from Community Organisations Cost of living Fund was £74 million (8.2%) The remaining income is Million Hours Fund Income (£4 million) and a small amount of grant recovery income, bank interest and sundry income.

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Liquid assets		
Market value of NLDF investments	530,214	489,080
Cash	231,961	237,626
Total	762,175	726,706

Market and interest rate risks

The financial assets of the 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 these funds. The Commissioners for the Reduction of the National Debt (CRND) are responsible for the investment and management of these funds. At the date of the statement of financial position, the market value of our investments in the NLDF was £530 million. Funds at the NLDF earned on average 5.16% in the year. 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 carried an interest rate between 1.6% and 2.65% in the year. The cash balance at the year end was £232 million. The Board considers that the Fund is not exposed to significant interest rate risks.

Annual report and accounts

	2023-24	2022-23
	£000	£000
Sterling at floating interest rates – Lottery money	49,765	14,408
Sterling at floating interest rates – Dormant assets money	181,125	222,725
Sterling at floating Interest rates – Community Organisations Cost of Living Fund money	520	-
Sterling at floating interest rates – CCSF money	551	490
Sterling at floating interest rates – Local Connections Fund money	-	3
Sterling at mixture of fixed rates – NLDF	530,214	489,080
	762,175	726,706

Credit risks

The Fund's receivables include intra-government balances. The intra-government balances are mostly with fellow National Lottery distributors and all had been either repaid or agreed by the time of signing the accounts.

Foreign currency risks

The Fund does not hold any assets not denominated in sterling and is not exposed to any foreign exchange risks.

Financial assets by category

Assets as per statement of financial position	2023-24	2022-23
	£000	£000
Non-current assets	4,320	2,354
Investment balance in National Lottery Distribution Fund	530,214	489,080
Cash and cash equivalents – National Lottery money	49,765	14,408
Cash and cash equivalents – Dormant Assets money	181,125	222,725
Cash and cash equivalents – Community Organisations Cost of Living Fund money	520	-
Cash and cash equivalents – CCSF money	551	490
Cash and cash equivalents – Local Connections Fund money	-	3
	766,495	729,060

Notes to the accounts

Fair valuation

The Board expects the book value to equal the fair value for all financial assets and liabilities. On the basis that:

- All cash deposits are with UK based commercial banks.

While we disclose £473 million of grant liabilities as not being due for payment until after one year, we have not made a fair value adjustment. The Fund has a legal obligation to pay these amounts on demand, subject to contract, and so the amounts could be paid within the next 12 months. Terms and conditions of grant also provide for payments to cease should insufficient funds be available to meet obligations.

All payables are due within normal contractual terms, and so no difference exists between book value and fair value.

Maturity of financial liabilities

Liabilities as per statement of financial position	2023-24	2022-23
	£000	£000
In less than one year	587,454	519,446
In more than one year, but less than two	281,420	280,186
In two to five years	191,027	216,488
In more than five years	682	1,675
	1,060,583	1,017,795

The statement of financial position discloses the above figure separated between amounts due in one year and in more than one year. That split is based upon past experience of amounts drawn down by grantees as our contracts with grantees contain no such split.

20. Leases

Right-of-use assets

	At 31 March 2024 £000
Cost	
As at 1 April 2023	13,533
Additions	3,525
Revaluations	-
Balance as at 31 March 2024	17,058
Amortisation	
At 1 April 2023	11,565
Charge for the year	1,456
At 31 March 2024	13,021
Net book value	
At 31 March 2024	4,037
	At 31 March 2023 £000
Cost	
As at 1 April 2022	15,053
Additions	169
Revaluations	(1,689)
Balance as at 31 March 2023	13,533
Amortisation	
At 1 April 2022	9,965
Charge for the year	1,600
Balance as at 31 March 2023	11,565
Net book value	
At 31 March 2023	1,968

Property leases are the only right-of-use asset that the Fund holds.

Additions to right-of-use assets during 2023-24 are due to new leases for our London, Birmingham, Newcastle and Glasgow offices.

Notes to the accounts

Lease liability

	At 31 March 2024
	£000
Balance at 1 April 2023	(1,706)
Additions	(3,525)
Finance cost	(174)
Rent	1,258
Revaluations	-
Balance at 31 March 2024	<u>(4,147)</u>

	At 31 March 2023
	£000
Balance at 1 April 2022	(5,198)
Additions	(137)
Finance cost	32
Rent	1,940
Revaluations	1,657
Balance at 31 March 2023	<u>(1,706)</u>

Maturing of lease liability

	As at 31 March 2024
	£000
Not later than 1 year	(586)
Later than 1 year and not later than 5 years	(3,460)
Later than 5 years	(101)
	<u>(4,147)</u>

Lessors

	As at 31 March 2024 £000
Not later than 1 year	37
Later than 1 year and not later than 5 years	138
Later than 5 years	-
	<hr/> 175 <hr/>

21. Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2024, we have written off total losses of £1,544,763 representing 161 awards (2022-23: £865,373 representing 67 awards). There were no write-offs that exceeded £100,000 (2022-23: two).

Special payments arise where:

- a grant has been made inadvertently to an organisation that is ineligible under the law but where the grant is within the broad intention of statutory legislation. All these awards were spent on project objectives in accordance with the grant terms and conditions.
- ex-gratia payments are approved.

In the financial year to 31 March 2024, no special payments were made in relation to grant transactions (2022-23 one totalling £9,510).

22. Related party transactions

The Fund is a non-departmental public body. Its sponsor department is DCMS. Accordingly, DCMS has been treated as a related party throughout the year.

During the year, we have had various material transactions with DCMS and other bodies for which DCMS is regarded as the sponsor department: National Lottery Heritage Fund, Sport England and Arts Council England.

Transactions with DCMS reflect income received through the NLDF and the inward secondment of staff. DCMS has also contracted to the Fund the management of the Community Organisations Cost of Living Award and the Million Hours Fund.

Transactions with other Lottery distributors include income received for management of awards and for providing professional services.

Notes to the accounts

Payments are made to the National Lottery Heritage Fund for its services in running grant programmes.

In addition, we have a number of material transactions with Government departments and bodies that regard other Government departments as their sponsor department:

- HM Revenue and Customs relating to PAYE and NI transactions.
- The European Social Fund has, through DWP as managing authority, contracted to the Fund the management of the Building Better Opportunities Fund.
- The Department for Levelling Up, Housing and Communities (formerly the Ministry of Housing, Communities and Local Government) has contracted to the Fund the management of the Coastal Communities Fund for the Wales portfolio.
- The Office for Civil Society has contracted to the Fund the management of the Life Chances Fund, Place Based Social Action and #iwill Fund.

The #iwill Fund is a joint funding programme where the Fund contributes its lottery funding resources and also is responsible for making grant award decisions.

Board and committee members

The Fund abides by the Cabinet Office code of practice for Board members of public bodies. As a matter of policy and procedure, Board and committee members maintain publicly available registers of interests and declare any direct interests in grant applications made to the Fund and commercial interests where organisations have or may have a relationship with us.

Where any committee decisions are taken which would reasonably be seen as giving rise to a conflict of interest, principally over grants to grant applicant organisations, the chair of the meeting ensures at the outset that disclosure is made and the Board or committee member withdraws for the duration of any discussion of the relevant item. Colleagues across the Fund are also required to disclose any relevant interests in organisations we fund or from whom we receive applications.

Our procedures ensure that staff are not engaged in processing applications or managing grants in which they would have an interest.

A number of Board and committee members have declared interests with public, voluntary and charitable bodies with which the Fund has a business interest. The Board or committee member, organisation, nature of relationship and transaction value are disclosed on the Fund's website. These are not related party transactions. Compensation for all Board and committee members is set out in the Remuneration Report.

23. Third-party assets

These assets represent bank balances held on behalf of third parties on whose behalf we manage grant programmes and the National Lottery Promotions Unit to meet payments processed by the Fund under service level contracts. Timing difference amounts in relation to these balances are included in receivables or payables in the statement of financial position as appropriate.

At 31 March 2024, the following bank balances were held on behalf of third parties:

	31/03/2023	Inflows	Outflows	31/03/2024
	£000	£000	£000	£000
DCMS: Social Incubator Fund, Life Chances Fund, Place Based Social Action	1,678	15,334	15,775	1,237
Creative Scotland, Awards for All Scotland	(72)	612	546	(6)
National Lottery Promotions Unit	172	2,737	2,917	(8)
Sport Scotland, Awards for All Scotland	(1,008)	1,453	593	(148)
Scottish Government, Scottish Land Fund, Delivering Financial Inclusion	6,995	8,377	6,739	8,633
Department for Levelling Up, Housing and Communities, Coastal Communities Fund	1,486	32	658	860
European Funding – Cabinet Office	1	43,143	43,085	59
Totals	9,252	71,688	70,313	10,627

24. Joint venture – National Lottery Promotions Unit

The National Lottery Promotions Unit (NLPU) is a joint venture between the Lottery operator, Lottery distributors and DCMS. The NLPU has been set up to raise positive public awareness of and support for the benefits of the distribution of Lottery funding across the UK, thereby contributing to the broad health of The National Lottery and promoting loyalty and participation. The NLPU is funded one third by the Lottery operator and two-thirds directly from the NLDF. Total expenditure is currently limited to £3.3 million (2022-23: £3 million). It is accountable to a management board comprising representatives from the three key stakeholders: the Lottery operator, National Lottery distributors and DCMS, with the Gambling Commission attending as an observer.

The proportion of the joint venture that relates to the Fund has not been consolidated within the annual accounts in view of its immateriality.

More information and the accounts of the NLPU is available at lotterygoodcauses.org.uk

25. Capital commitments

At 31 March 2024, we did not have any capital commitments (2022-23 £0.0 million).

26. Contingent assets

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675 million to the funding of the London 2012 Olympic and Paralympic Games. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority (GLA) dated 29 March 2012 which sets out the distribution of funds between the GLA and the Lottery Distributors (via the core department). We expect that the GLA will communicate directly with the Lottery Distributing Bodies on forecast of land receipts due to The National Lottery and the timing on when such payments will be made.

As the successor body, taking on the remaining property, rights and liabilities of the Millennium Commission on its dissolution in 2006, the Fund is entitled to a share of the proceeds of land sales on the Greenwich Peninsula made by the Greater London Authority once certain costs have been covered. Payments of £50.3 million (2022-23 £55.2 million) are now forecast to be received between 2016 and 2044, of which £10.5 million has been received by the end of 2023-24. No additional income has been accrued for 2023-24.

Under the provisions of the Dormant Assets Acts 2008 to 2022, banks and building societies may pass funds from dormant assets to Reclaim Fund Ltd (RFL), a not-for-profit entity authorised to act as the reclaim fund. RFL transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the Fund for onward distribution.

RFL calculates the liability due to the Fund and recognises this as a creditor, which corresponds to a debtor and related income being accounted for by the Fund. In addition, RFL notes a provisional amount of future income which may be passed to the Fund. The Fund now recognises this as a contingent asset according to IAS 37: Provisions, Contingent Liabilities and Contingent Assets. RFL has indicated this value is likely to be £143.4 million for 2023-24 (2022-23: between £83 million and £93 million).

27. Post balance sheet review

There are no events after the balance sheet date and up to the date the accounts were authorised for issue requiring an adjustment to the financial statements. The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

28. Community Organisations Cost of Living Fund

During 2023-24, the Fund agreed this programme with a duration to 30 June 2024. The total cost of the programme is £75.1 million, which DCMS will provide via a grant agreement. In the grant agreement it has been determined that the Fund will act as Principal rather than Agent.

Statement of comprehensive net income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Income		
Received/Receivable from DCMS	74,216	-
Interest	117	-
Total income	74,333	-
Expenditure		
Grant expenditure	70,709	-
Lapsed or revoked grant expenditure	(192)	-
	70,517	-
Operating costs	3,316	-
Total expenditure	73,833	-
Total comprehensive net income	500	-
Reserves		
Brought forward at 1 April 2023	-	-
Total comprehensive net income	500	-
Carried forward at 31 March 2024	500	-

Statement of financial position

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Current assets		
Cash at bank and in hand	520	-
Total assets	520	-
Current liabilities		
Grant commitments	(20)	-
Total liabilities	(20)	-
Assets less liabilities	500	-

Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2024, we have written off £0 representing zero awards. There were no write offs that exceeded £100,000.

29. Million Hours Fund

During 2023-24, the Fund agreed this programme with a duration to 30 September 2026. The total cost of the programme is £22 million, of which DCMS will contribute via a grant agreement £11 million. The remaining £11 million will be contributed by the Fund. In the grant agreement it has been determined that the Fund will act as Principal rather than Agent.

Statement of comprehensive net income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Income		
Received/Receivable from DCMS	3,938	-
Interest	23	-
Total income	3,961	-
Expenditure		
Grant expenditure	10,091	-
	10,091	-
Operating costs	177	-
Total expenditure	10,268	-
Total comprehensive net (expenditure) income	(6,307)	-
Reserves		
Brought forward at 1 April 2023	-	-
Total comprehensive net (expenditure)/income	(6,307)	-
Carried forward at 31 March 2024	(6,307)	-

Statement of financial position

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Current assets		
Cash at bank and in hand	-	-
Total assets	<u>-</u>	<u>-</u>
Current liabilities		
Grant commitments	(6,307)	-
Other payables	-	-
Total liabilities	<u>(6,307)</u>	<u>-</u>
Assets less liabilities	<u>(6,307)</u>	<u>-</u>

Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2024, we have written off £0 representing zero awards. There were no write offs that exceeded £100,000.

30. Coronavirus Community Support Fund

In 2020-21, the Fund received £200 million in the form of a grant from Treasury for the Coronavirus Community Support Fund programme, to distribute to charities and community organisations in England to enable them to meet the demands placed on them by the COVID-19 pandemic. The programme of activity was to be committed by the end of September 2020 with an expectation that recipient organisations would spend the cash within six months of receipt. The grant agreement was signed on 22 May 2020 by DCMS and the Fund.

In the grant agreement, it was determined that the Fund should be accountable for the funding grant and the award decisions that result from that. There is no decision-making power in DCMS or wider government and no power of veto.

Therefore, the Fund took the role of Principal rather than Agent. The Fund recorded as income the receipt of the total government grant and accounted for the grants as part of its grant expenditure although this was clearly separated from its Lottery grant expenditure.

Notes to the accounts

While the active period for this programme has concluded, we continue to report minor refunds/adjustments before final closure.

Statement of comprehensive net income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Income		
Interest	12	2
Refunds	6	97
Total income	18	99
Expenditure		
Grant expenditure	-	-
Lapsed or revoked grant expenditure	219	(28)
	219	(28)
Operating costs	(213)	1
Total expenditure	6	(27)
Total comprehensive net income	12	126
Reserves		
Brought forward at 1 April 2023	752	626
Total comprehensive net income	12	126
Carried forward at 31 March 2024	764	752

Statement of financial position

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Current assets		
Cash at bank and in hand	551	490
Other receivables	213	262
Total assets	764	752
Current liabilities		
Trade and other payables	-	-

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Total liabilities	-	-
Assets less liabilities	764	752

Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2024, we have written off losses of £321,410 representing 35 awards (2022-23: £91,921 representing 14 awards). There were no write offs that exceeded £100,000 (2022-23: nil).

31. Local Connections Fund

During 2020-21, the Fund agreed this programme with a duration of 1 October 2020 to 31 March 2022. The total cost of the programme was £4.0 million, of which DCMS contributed via a grant agreement £2.0 million. The remaining £2.0 million was contributed by the Fund. In the grant agreement it determined that the Fund would act as Principal rather than Agent. The balance has been refunded to DCMS.

Statement of comprehensive net income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Income		
Refunds	2	-
Total income	2	-
Expenditure		
Refunded to DCMS	5	-
	5	-
Operating costs	-	-
Total expenditure	5	-
Total comprehensive net (expenditure) income	(3)	-

Notes to the accounts

Reserves

Brought forward at 1 April 2023	3	3
Total comprehensive net (expenditure)/income	(3)	-
Carried forward at 31 March 2024	-	3

Statement of financial position

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Current assets		
Cash at bank and in hand	-	3
	-	-
Total assets	-	3
Current liabilities		
Trade and other payables	-	-
Total liabilities	-	-
Assets less liabilities	-	3

Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2024, we have written off £0 representing zero awards (2022-23: nil). There were no write offs that exceeded £100,000 (2022-23: nil).

32. Living Places and Spaces Fund

During 2021-22, the Fund agreed this programme, with a duration to 31 March 2022. The total cost of the programme was £0.8 million which the Department for Infrastructure, Northern Ireland, provided via a grant agreement. The grant agreement determined that the Fund would act as Principal rather than Agent.

Additional funding of £0.8 million was agreed for this programme in 2022-23, with a duration to 31 March 2023. The balance has been refunded to Dfl.

Statement of comprehensive net income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Income		
Received/Receivable from Dfl	-	791
Refunds	3	9
Total income	3	800
Expenditure		
Grant expenditure	21	741
	21	741
Refunded to Dfl	13	-
Operating costs	-	41
Total expenditure	34	782
Total comprehensive net (expenditure) income	(31)	18
Reserves		
Brought forward at 1 April 2023	31	13
Total comprehensive net (expenditure)/income	(31)	18
Carried forward at 31 March 2024	-	31

Statement of financial position

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Current assets		
Cash at bank and in hand	-	31
Total assets	-	31

Notes to the accounts

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Current liabilities		
Trade and other payables	-	-
Total liabilities	-	-
Assets less liabilities	-	31

Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2024, we have written off total losses of £10,000 representing one award (2022-23: nil). There were no write offs that exceeded £100,000 (2022-23: nil).

33. Places Called Home Fund

During 2021-22, the Fund agreed this programme, with a duration to the later of 31 December 2021 or the date on which both parties have fulfilled their commitments under the agreement. The total cost of the programme was £0.7 million which IKEA provided via a grant agreement. The grant agreement determined that the Fund would act as Principal rather than Agent. The balance has been transferred to the Fund.

Statement of comprehensive net income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Income		
Grant withdrawal	-	5
Total income	-	5
Expenditure		
Closing balance transfer	5	-
Total expenditure	5	-
Total comprehensive net (expenditure) income	(5)	5

Reserves

Brought forward at 1 April 2023	5	-
Total comprehensive net (expenditure)/income	(5)	5
Carried forward at 31 March 2024	-	5

Statement of financial position

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Current assets		
Cash at bank and in hand	-	5
Total assets	-	5
Current liabilities		
Trade and other payables	-	-
Total liabilities	-	-
Assets less liabilities	-	5

Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In the financial year to 31 March 2024, we have written off £0 representing zero awards (2022-23: £5,000). There were no write offs that exceeded £100,000 (2022-23: nil).

34. Dormant assets

Under the provisions of the Dormant Assets Acts 2008 to 2022 banks and building societies may pass funds from dormant assets to RFL, a not-for-profit entity authorised to act as the reclaim fund.

RFL transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the Fund. The Fund distributes those funds in accordance with the Acts and directions issued to it by the Secretary of State for the Department for Culture, Media and Sport with regard to expenditure in England and by the devolved administrations with regard to expenditure in each of Scotland, Wales and Northern Ireland.

Notes to the accounts

Funds are apportioned across the UK in accordance with a statutory instrument approved by Parliament.

Costs incurred by the Fund, and by the Minister in relation to the operation of the scheme as a whole are deducted before apportionment between the countries.

Costs incurred by the Minister and the devolved administrations in relation to the individual countries are deducted from the apportioned funds.

The new Dormant Assets Act 2022 was granted Royal Assent in February 2022. It makes provision for conferring power to further expand the scope of the Dormant Assets scheme to accept transfer of additional dormant assets and broaden the social and environmental purposes of use of the monies. The Fund will continue to work closely with DCMS and RFL as this activity develops.

34a. Statement of comprehensive net income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Income		
Received/Receivable from Reclaim Fund Ltd	90,374	91,756
Interest	7,450	1,753
Recoveries of grant	68	7
Total income	97,892	93,516
Expenditure		
Grant expenditure to designated distributors	111,780	65,847
Grant expenditure	15,290	20,592
Lapsed or revoked grant expenditure	(58)	(34)
	127,012	86,405
Operating costs	830	615
Total expenditure	127,842	87,020
Surplus before taxation	(29,950)	6,496
Taxation	(1,748)	-
Total comprehensive net (expenditure)/income	(31,698)	6,496

Reserves

Brought forward at 1 April 2023	108,584	102,088
Total comprehensive net (expenditure)/income	(31,698)	6,496
Carried forward at 31 March 2024	76,886	108,584

34b. Statement of financial position as at 31 March 2024

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Current assets		
Cash at bank and in hand	181,125	222,725
Total assets	181,125	222,725
Current liabilities		
Trade and other payables	(1,682)	(125)
Grant commitments to designated distributors	(79,477)	(90,499)
Grant commitments	(23,080)	(23,517)
Total liabilities	(104,239)	(114,141)
Assets less liabilities	76,886	108,854

Notes to the accounts

34c. Detailed income and expenditure account with country apportionment

					Year ended 31 March 2024	Year ended 31 March 2023
	England	Scotland	Wales	Northern Ireland	Total	Total
	£000	£000	£000	£000	£000	£000
Segmental analysis						
Income	-	-	-	-	97,824	93,509
Less operating costs	-	-	-	-	(2,578)	(615)
Net income available for distribution					95,244	92,894
Available to each country	79,910	8,001	4,667	2,667		
Recoveries of grant	-	68	-	-	68	7
Grant commitments to designated distributors	(111,780)	-	-	-	(111,780)	(65,847)
Grant commitments made	-	(8,517)	(107)	(6,606)	(15,230)	(20,558)
Surplus/(Deficit) for the year	(31,870)	(449)	4,560	(3,939)	(31,698)	6,496
Balance of funds brought forward	65,597	17,208	15,390	10,389	108,584	102,088
Balance of funds carried forward at 31 March 2024	33,727	16,759	19,950	6,450	76,886	108,584

					Year ended 31 March 2024	Year ended 31 March 2023
	England	Scotland	Wales	Northern Ireland	Total	Total
	£000	£000	£000	£000	£000	£000
Movement of grant accruals						
Grant commitments brought forward at 1 April 2023	90,499	8,184	7,050	8,283	114,016	48,743
Grant commitments made	111,779	8,566	116	6,608	127,069	86,439
Lapsed and revoked commitments	-	(49)	(9)	-	(58)	(34)
Grant commitments met	(122,801)	(7,206)	(1,797)	(6,666)	(138,470)	(21,132)
Accrual carried forward at 31 March 2024	79,477	9,495	5,360	8,225	102,557	114,016
Ageing of grant accruals						
Due within one year	79,477	5,942	2,138	5,615	93,173	101,487
Due within more than one year but less than two years	-	2,832	1,402	2,038	6,272	7,431
Due within more than two years but less than three years	-	721	851	572	2,144	3,659
Due within more than three years but less than four years	-	-	529	-	529	601
Due within more than four years but less than five years	-	-	354	-	354	410
Due after more than five years	-	-	86	-	86	428
	79,477	9,495	5,360	8,225	102,557	114,016

Contingent asset

Under the provisions of the Dormant Assets Acts 2008 to 2022 banks, building societies and other financial institutions may pass funds from dormant assets to RFL, a not-for-profit entity authorised to act as the reclaim fund. RFL transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the Fund for onward distribution.

RFL calculates the liability due to the Fund and recognises this as a creditor, which corresponds to a debtor and related income being accounted for by the Fund. In addition, RFL notes a provisional amount of future income which may be passed to the Fund. The Fund now recognises this as a contingent asset according to IAS 37: Provisions, Contingent Liabilities and Contingent Assets. RFL has indicated this value is likely to be £143.4 million for 2023-24 (2022-23: between £83 million and £93 million).

Contingent liability

The Fund has recognised a contingent liability of £5 million at 31 March 2024 (31 March 2023: £5.5 million) in respect of a possible obligation to pay up to £500,000 per annum to The Oversight Trust (OST) - Assets for the Common Good (formerly Big Society Trust) for its administration costs. This possible obligation is as per a deed of agreement between OST and the Fund made on 10 December 2019, which is valid for 15 years from that date. The contingent liability we recognise at 31 March 2024 is for the remaining 10 years.

Our statutory background

Policy directions

Our sponsor department and the devolved administrations are given power under the National Lottery etc. Act 1993 to give directions as to matters to be taken into account in grant making.

The current policy directions with regard to England, the Isle of Man and UK funding are set out below. These were issued by the Cabinet Office and took effect from 1 April 2012. Responsibility for future policy directions will be the responsibility of the Secretary of State for the Department for Culture, Media and Sport.

The Fund has complied with these Directions throughout the financial year 2023-24 in every material aspect.

The current policy directions with regard to Scotland, Wales and Northern Ireland, issued by the respective devolved administrations, are set out later in this section.

England and UK

Directions given to 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 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

Our statutory background

(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 and 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 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 Big Lottery Fund ('the Fund') and obtained the consent of the Minister for the Cabinet Office 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

Our statutory background

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; working within the context of the national performance framework to build a fairer Scotland and tackle inequalities.

B. The need to ensure that the Fund, achieves over time the distribution of money to address the priority of reducing inequality; 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. The need to ensure that the Fund contributes to sustainability by supporting activity that helps to embed change and influences long-term development.

E. 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 and development;
- (ii) The promotion of community safety and cohesion;
- (iii) The promotion of community empowerment and inclusive opportunities for participation and
- (iv) The promotion of physical and mental well-being.

4. In relation to Scottish devolved expenditure the Fund shall take into account the need to distribute money under section 25(1) to work which is intended to achieve one or more of the following objectives.

- (i) Reducing inequalities through tackling disadvantage and discrimination
- (ii) Empowering people, through enabling people's engagement and influence.

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

- (i) Achieving the most effective use of resources by selecting the most appropriate approach in specific policy areas in order to add value to the overall public effort
- (ii) Leveraging the highest potential value for people and communities from resources through support for volunteering, fair work and sustainable procurement.

Signed on behalf of Scottish Ministers
February 2016.

Our statutory background

Wales

Directions given to Big Lottery Fund under section 36E of the National Lottery etc. Act 1993

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

Welsh Ministers, in exercise of the powers conferred on them by Section 36E(4)(a) of The National Lottery etc. Act 1993 and having consulted the Big Lottery Fund (operating as The National Lottery Community Fund and subsequently referred to as ‘the Fund’) and obtained the consent of the Minister for the Cabinet Office pursuant to Section 36E(8) (b) of that Act, hereby give the following directions to the Fund.

Welsh devolved expenditure

In deciding to whom it distributes Welsh devolved expenditure, for what purpose and under what conditions, the Fund shall consider the following matters under Section 25(1).

A. To have regard to the principles of the Wellbeing of Future Generations (Wales) Act 2015, particularly:

- improving the social, economic, environmental and cultural wellbeing of Wales
- encouraging public bodies to think more about the long term, work better with people, communities and each other
- preventing problems and taking a more joined up-approach

- the five ways of working: long-term; prevention; integration; collaboration; involvement
- the seven wellbeing goals.

B. Ensure that the Fund distributes funds to a wide spread of projects that are primarily delivered by the third sector. This should include local, regional and national organisations, including social enterprises.

C. Ensure that the Fund operates within the distinctive Welsh policy, governmental, social, economic, environmental and cultural context, ensuring funds complement and add value to, whilst remaining distinct from, the work of Government.

D. Ensure that funds are distributed in a manner that supports communities to thrive, and that is accessible to all communities, including those that will require additional support.

E. Have regard for the interests of Wales as a whole and the interests of different parts of Wales, taking account of:

- the diverse demographic and deprivation patterns in the different parts of Wales
- the views of Wales’ communities in setting priorities and distributing funds.

F. Ensure that money is distributed to projects promoting public and social benefit and that are not intended primarily for private gain.

G. Promote and support the Welsh language, reflecting the bilingual nature of Wales by:

- working to the principle of not treating the Welsh language less favourably than English in all the Fund's activities in Wales
- operating in accordance with our Welsh Language Standards and Welsh Language Scheme, in partnership with the Welsh Language Commissioner.
- Conditions are strengthened for stronger, safer and more cohesive communities, enhancing social justice whilst mitigating the effect of poverty as well as encouraging sustainable economic growth.

Northern Ireland

Directions given to Big Lottery Fund under section 36E(4)(b) of the National Lottery etc. Act 1993 (as amended)

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 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.

H. Ensure that money is distributed that improves Wales' environment today and for future generations while promoting its potential to improve the quality of life for communities and individuals.

I. Provide support to those applying to the Fund, and to organisations receiving funding, to improve the delivery of project outcomes and to enable them to deliver solutions to the issues that matter to them and to their communities.

J. Support innovation and tried and tested models, to generate learning to help policy development and practice beyond the Fund's funding.

K. Include a condition in all awards that recipients must acknowledge National Lottery funding and use common National Lottery branding.

L. Ensure that the Fund focuses expenditure on the achievement of the following outcomes over time:

- People are healthy and living productive lives in a prosperous and innovative society
- A resilient rural and urban environment with more sustainable use of Wales's natural resources

Our statutory background

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

3. 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 wellbeing.

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.

4. 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

C. Community ownership of better and safer rural and urban environments.

D. Improved physical and mental health for all people.

5. 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 wellbeing at individual and community level.

Signed on behalf of Secretary of State
Northern Ireland

Our statutory background

Accounts direction

Account direction given by the Secretary of State for Culture Media and Sport in accordance with section 35(3) of the National Lottery etc. Act 1993

1. This direction applies to National Lottery Community Fund (formally, the Big Lottery Fund) in respect of the separate annual accounts that it is required to prepare in respect of its lottery distribution activities.

2. The National Lottery Community Fund shall prepare accounts for the financial year ended 31 March 2024 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ('the FReM') which is in force for the financial year for which the accounts are being prepared, together with any additional disclosure or other requirements as agreed with the department, including the Task Force on Climate-related Financial Disclosures (TCFD) aligned disclosure application guidance.

3. The accounts shall be prepared so as to:

- give a true and fair view of the state of affairs at 31 March 2024 and subsequent financial year-ends, and of the income and expenditure (or, as appropriate, net resource outturn), changes in taxpayers' equity and cash flows for the financial year then ended; and
- provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions

that have not conformed to the authorities which govern them.

- Follow the additional accounting and disclosure requirements set out in Annex A and Annex B.

4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed with the Department for Culture, Media & Sport and HM Treasury.

5. Accounts should conform to all relevant guidance and requirements as per the Consolidated Budgeting Guidance (CBG), Managing Public Money (MPM) and the management agreement or framework document.

Authority of the Secretary of State for Culture, Media & Sport

11th April 2024

ANNEX A

The following paragraphs detail the additional requirements as agreed by the Treasury, the Department and National Lottery Community Fund, over and above those disclosures required in the FReM.

1. The **statement of net comprehensive income/expenditure** shall include as separate items, where material:
 1. the share of Lottery proceeds attributable to The National Lottery Community Fund
 2. the share of investment income of the National Lottery Distribution Fund attributable to the National Lottery Community Fund
 3. interest receivable on lottery funds
 4. repayment of grants
 5. any other income
 6. grant made from lottery funds
 7. lapsed or revoked grant previously recorded as commitments from lottery funds
 8. the total operating costs incurred in respect of National Lottery distribution activities
2. The **statement of financial position** shall include:
 1. under the heading “Current assets”: shown as an investment, the balance held on behalf of The National Lottery Community Fund at the National Lottery Distribution Fund;
 2. Grant falling due for payment within one year should be disclosed separately under the heading ‘current liabilities’.
 3. Grant falling due for payment after more than one year should be separately disclosed under the heading ‘non-current liabilities’.
3. The **Cash Flow Statement** shall use the indirect method when presenting ‘cash flow from operating activities’;
4. The **Notes to the Accounts** should meet the requirements of the FrEM and include:
 1. A statement that the accounts have been prepared in a form directed by the Secretary of State with the consent of Treasury in accordance with Section 35(3) of the National Lottery etc. Act 1993
 2. A statement of the accounting policies. This must include a statement explaining the nature of the balances held on The National Lottery Community Fund’s behalf in the National Lottery Distribution Fund as follows:
 3. “Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to The National Lottery Community Fund is as shown in the Accounts and, at the statement of financial position date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by The National Lottery Community Fund in respect of current and future commitments.”
 4. the value of grant commitments at the year-end which The National Lottery Community Fund has made but which have not been included as liabilities in the statement of financial position because they did not meet the criteria for being treated as liabilities at that date
 5. Where grants exceed available resources as shown in the statement of financial position, a note explaining the rationale for the over-commitment taking into account any advice received from the Department as appropriate.
 6. A note reconciling the opening and closing balance of investments

Our statutory background

held at the NLDF. This should disclose proceeds received from The National Lottery, investment income, unrealised gains and losses on investment, and cash drawn down from the NLDF.

7. A breakdown of the total grant liabilities (current and non-current) in the SoFP to show:
 - Liability brought forward
 - Commitments in the year
 - Decommitments
 - Commitments paid
 - Liability carried forward
 - A breakdown of the liability for each year up to and including five years and over five years.

ANNEX B

Additional disclosure requirements

IFRS 16 Leases

The accounts shall ensure that they comply with the FreM adaptations and interpretations of International Financial Reporting Standard 16 Leases (IFRS 16) from 2019-2020. This means that the entity must take the option within the FreM to early adopt this standard.

Dormant assets directions

Directions given to the Big Lottery Fund (operating as The National Lottery Community Fund) under section 22(3) of the Dormant Bank and Building Society Accounts Act 2008 as amended

The Secretary of State for Culture, Media and Sport in exercise of the powers conferred on her by section 22(3) of the Dormant Bank and Building Society

Accounts Act 2008 (“the Act”) (c.31) and having consulted The National Lottery Community Fund (“the Fund”) pursuant to section 22(7) of that Act, hereby gives the following directions to the Fund.

1. All spending directions to date are withdrawn with immediate effect and are replaced with this spending direction.

Previous allocations

2. The Fund has previously been directed to distribute the following amounts from the English portion of dormant account money under the scheme, and is required to continue to do so until these commitments are met in full (figures are rounded to the nearest decimal for the purposes of this direction):

Under the terms of a Memorandum of Understanding between DCMS and the Fund agreed on 17 October 2018, the Fund distributed £1.144 million in total in the form of non-repayable grants to youth-focused voluntary organisations in targeted locations through the Youth Capacity Fund, such grants having been agreed by the Fund and DCMS. The Fund will continue to manage these grants until their completion

£90 million (of which £55.9 million was distributed by December 2021) to meet expenditure on or connected to the provision of services, facilities or opportunities to meet the needs of young people, in accordance with s18(1)(a) of the Act, delivered by Youth Futures Foundation Limited;

£96 million (of which £51.5 million was distributed by December 2021) to meet expenditure on or connected to (i) the development of individuals’

ability to manage their finances, or (ii) the improvement of access to personal financial services, in accordance with s18(1)(b) of the Act, delivered by Fair4All Finance Limited; and

£435 million (of which £435 million was distributed by December 2021) in the form of non-repayable grants to the Big Society Trust to invest in Big Society Capital and to meet the initial funding requirement of Access – the Foundation for Social Investment, acting as a social investment wholesaler in accordance with section 18 of the Act.

£30 million (of which £21 million was distributed by December 2021) in the form of non-repayable grants to Access- the Foundation for Social Investment, acting as a social investment wholesaler in accordance with section 18 of the Act.

New allocations

3. The Fund is now required to distribute further sums from the English portion of dormant account money as follows:

£20 million in the form of non-repayable grants to Access – the Foundation for Social Investment, acting as a social investment wholesaler in accordance with section 18 of the Act;

£20 million to meet expenditure on or connected to the provision of services, facilities or opportunities to meet the needs of young people, in accordance with s18(1)(a) of the Act, delivered by Youth Futures Foundation Limited; and

£4 million to meet expenditure on or connected to (i) the development of

individuals' ability to manage their finances, or (ii) the improvement of access to personal financial services, in accordance with s18(1)(b) of the Act, delivered by Fair4All Finance Limited.

Additionality

4. The Fund will consider how the relevant terms and conditions of its arrangements with these organisations can ensure that:

the funds are used only for projects, or aspects of projects, for which funds would be unlikely to be made available by a Government department.

The Oversight Trust

5. The Fund will also continue to distribute up to £500,000 per annum from the English portion of dormant account money, in the form of a grant, to The Oversight Trust – Assets for the Common Good (OST) on an ongoing basis (unless and until further directions are issued by the Secretary of State for Culture, Media and Sport to amend or supersede this direction).

6. OST will only use this funding to assist other bodies which are within the sole or majority legal control of OST, and which distribute dormant account money for meeting expenditure that has a social or environmental purpose. £1 million had been distributed to OST for these purposes by December 2021, with another £0.4 million likely to be distributed before the end of December 2021.

Such other bodies must, in addition, either (i) be a social investment wholesaler; or (ii) use the dormant

Our statutory background

account money in the performance of their functions which:

- i. meet expenditure on or are connected with the provision of services, facilities or opportunities to meet the needs of young people; or
- ii. meet expenditure on or are connected with (a) the development of individuals' ability to manage their finances, or (b) the improvement of access to personal financial services.

No other payments

7. The Fund is directed to make no other payments of the English portion of dormant account money until further Directions are issued by the Secretary of State under the Act.

Signed by Authority of the Secretary of State for Culture, Media and Sport

Directions given to Big Lottery Fund under section 22(5)(b) of the Dormant Bank and Building Society Accounts act 2008 in relation to Scottish expenditure

The Scottish Ministers, in exercise of the powers conferred on them by section 22(5)(b) of the Dormant Bank and Building Society Accounts Act 2008 and having consulted Big Lottery Fund ('the Fund') pursuant to section 22(7) of that Act, hereby give the following directions to the Fund:

General directions

1. In exercising any of its functions in distributing dormant account money under that Act in relation to Scottish

expenditure, the Fund must comply with the following general directions in determining the persons to whom the Fund makes distributions, the purposes for which the Fund makes distributions, the process used to determine what payments to make and the terms and conditions on which the Fund makes distributions.

2. The distribution of dormant account money:

- A. must be to projects which promote the public good and which are not intended primarily for private gain;
- B. must be to projects which make real and sustainable improvements to the quality of life of local communities;
- C. may only be to third sector organisations i.e. organisations that exist wholly or mainly to provide benefits for society or the environment;
- D. must balance the need to encourage innovation with the need to manage risk in a manner commensurate with the type of project and applicant; and
- E. should seek to further the objectives of sustainable development.

3. In distributing dormant account money Big Lottery Fund must ensure that applicants:

- A. in all cases demonstrate the financial viability of the project for the period of the distribution;
- B. in cases where capital funding is sought;

- a). demonstrate a clear business plan incorporating 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). demonstrate, for major projects, that project evaluation and management processes match those of the Office of Government Commerce's Gateway Reviews; or

C. in cases where capital funding is not sought, demonstrate the likely availability of other funding to meet any continuing costs for a reasonable period after dormant account funding ceases, taking into account the size and nature of the project, and for the dormant account funding to be used to assist progress towards viability wherever possible.

4. In distributing dormant account money BIG must:

- A. set specific time limits on the periods in respect of which distributions are payable, whether for capital or revenue expenditure;
- B. include a condition in all distributions that recipients acknowledge the use of dormant assets funding, using the agreed branding for the Dormant Assets Scheme for Scotland;
- C. ensure that it has such information as it considers necessary to make decisions on each application, including independent expert advice where required;
- D. work with other organisations, including other distributors, where

this is an effective means of fulfilling its functions and objectives;

E. involve the public, where possible, in making policies, setting priorities and making distributions;

F. 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;

G. ensure over time a distribution of money to a reasonably wide range 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;

H. have regard to the interests of Scotland as a whole, the interests of different parts of Scotland and their relative population sizes and the scope for reducing economic and social deprivation in the different parts of Scotland;

I. ensure that projects are intended to contribute towards the achievement of the Scottish Government's overarching purpose of increased and sustainable economic growth and also one or more of the following strategic objectives:

Smarter: People having better chances in life

Safer and stronger: Communities work together to tackle inequalities

Our statutory background

Greener: People have better and more sustainable services and environments

Healthier: People and communities are healthier; and

J. take into account the following principles:

Engagement – the development of programmes should be based on the active engagement of public, private and third sector partners.

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.

Sustainability – to improve Scotland’s environment today and for future generations while reducing Scotland’s impact on the global environment.

Specific directions

5. Before exercising any of its functions in distributing dormant account money in relation to Scottish expenditure the Fund must comply with the following specific direction in determining the persons to whom the Fund should make distributions and the purposes for which the Fund should make those distributions:

A. The Fund must produce an evidence based impact assessment of distributing the dormant account money in accordance with prescribed restrictions laid down in the Dormant Bank and Building Society Accounts (Scotland) Order 2010 and in accordance with one of the following options:

Option 1: To support four broad policy themes: the Fund would have to ensure that the distribution of money is reasonably apportioned to support four broad policy themes:

Opportunities for children and young people;

Addressing health inequalities through increased activity;

Strengthening inter-generational activities; and

Creating community-based employment opportunities.

Option 2 To apportion 50%, 67% or 100% of the initial funds to be passed by the BIG Lottery to an endowed trust. The remainder of the monies would then be distributed by the Fund to support the four broad policy themes.

Direction given to the Big Lottery Fund under section 22 of the Dormant Bank and Building Society Accounts Act 2008 in relation to Welsh expenditure

The Welsh Ministers, in exercise of the powers conferred on them by section 22 of the Dormant Bank and Building Society Accounts Act 2008 and having consulted the Big Lottery Fund (operating as The National Lottery Community Fund and subsequently referred to as ‘the Fund’), hereby give the following directions to the Fund:

General directions

1. In deciding to whom it distributes money from dormant assets in relation to Welsh funds, for what purpose and under what conditions, the Fund must comply with the following:

A. To have regard to the principles of the Wellbeing of Future Generations (Wales) Act 2015, particularly:

improving the social, economic, environmental and cultural wellbeing of Wales

encouraging public bodies to think more about the long term, work better with people, communities and each other

preventing problems and taking a more joined up-approach

the five ways of working: long-term; prevention; integration; collaboration; involvement

the seven wellbeing goals.

B. Ensure money is distributed to projects promoting public and social good and not intended primarily for private gain.

C. Ensure money is distributed to projects that make sustainable improvements to the quality of life of local communities.

D. Ensure that the Fund distributes money to a wide range of projects that are primarily delivered by the third sector. This should include local, regional and national organisations, including social enterprises. Exceptionally, money can be distributed to local authorities or other statutory bodies where a project involves a partnership or consortium, and the statutory body is acting in a coordinating capacity.

E. Balance the encouragement of innovation with managing risk.

F. Promote and support the Welsh language, reflecting the bilingual nature of Wales by:

working to the principle of not treating the Welsh language less favourably than English in all the Fund's activities in Wales

operating in accordance with our Welsh Language Standards and Welsh Language Scheme, in partnership with the Welsh Language Commissioner.

G. Set time limits on the periods in which grants are payable, whether for capital or revenue expenditure.

H. Ensure that applicants demonstrate the financial viability of the project for the period of the grant.

I. Ensure the Fund works with other organisations where this is an effective way of delivering elements of dormant assets funding in Wales.

J. Ensure the Fund has the necessary information to make decisions on each application, including independent expert advice where required.

K. Include a condition in all awards that recipients acknowledge dormant assets funding and use agreed Dormant Assets Scheme branding.

L. Adopt an outcome focussed approach, working closely with appropriate partners to achieve the best pattern of investment for the benefit of communities across Wales.

M. In distributing dormant account money, the Fund must have regard to the interests of Wales as a whole, the interests of different parts of Wales,

Our statutory background

the relative population sizes and the scope for reducing economic and social deprivation in the different parts of Wales.

Specific directions

2. The Fund must comply with the following specific directions in determining the persons to whom it makes grants and for what purpose.

A. The Fund must act in accordance with the prescribed restrictions laid down in the Dormant Bank and Building Society Accounts Act 2008 (Prescribed Restrictions) (Wales) Order 2010, and in accordance with the following themes:

Supporting children and young people to reach their full potential by working through the third sector to promote social inclusion and eliminate barriers to personal development and employment.

Tackling climate change and promoting wider sustainable development through focused community-based activity.

B. The Fund must take account of the wider benefits that applications may offer, particularly their potential to attract funding from other sources (e.g. match funding) and the contribution that they can make to Welsh Government policies and strategies.

Spending directions to The National Lottery Community Fund under section 22(5)(c) of The Dormant Bank and Building Society Accounts ACT 2008

The Dormant Bank and Building Society Accounts Act 2008, (as amended by the Dormant Assets Act 2022), hereafter known as the “Act”, in exercising any of its functions under the Act, the Big Lottery Fund (now known as the National Lottery Community Fund) shall comply with directions given to it under section 22 of the Act.

The Department of Finance, in exercise of the powers conferred on it by Section 22(5)(c) of the Act, and having consulted with the National Lottery Community Fund as required under Section 22(7) of the Act, hereby give the following directions to the National Lottery Community Fund in relation to Northern Ireland expenditure under the Act.

- Under these updated Policy Directions, The National Lottery Community Fund should prepare and adopt a strategic plan for Northern Ireland as set out in Schedule 3 Part 1 of the Act.
- The National lottery Community Fund shall consult on the contents of the Strategic Action Plan in advance of laying in the Assembly as set out in Schedule 3 Part 1 Paragraph 4 Sub-Section 6 (b) of the Act.

The Scheme should be made available to benefit the third sector in Northern Ireland, through projects/work primarily delivered by Voluntary, Community and Social Enterprise organisations to increase capacity, grow resilience and encourage sustainability.

- The Scheme should ensure that projects/work funded demonstrate an equitable geographical representation across Northern Ireland.
- Lessons learnt from the distribution of Dormant Account funds elsewhere, should be reflected in the Northern Ireland Scheme where possible.
- The Department will not restrict the use or distribution of the Scheme, however, dormant account money should not be used to fund projects or aspects of projects that would normally attract statutory funding.
- In respect of delivery models these could mean, but are not limited to, an Investment Loan Model for more established organisations, a grant/ loan hybrid model or a more traditional grant style model to support grass roots community organisations to develop capacity and build resilience.
- As allowed under the Act, the National Lottery Community Fund may deliver the Scheme in its entirety or work with a third party. Any third party should be appointed in line with Section 25 (1) of the Act and adhere to the conditions thereafter as set out in the Act.
- A condition of all funding distributed from the Scheme is that successful applicants must acknowledge the use of Dormant Assets funding, using the agreed branding for the Dormant Assets Scheme for Northern Ireland.
- The distribution of funding under the Dormant Asset Scheme will be limited to projects located within Northern Ireland as stipulated in Section 22 5(c) of the Act.
- Reporting and Accounting arrangements should be as set out in Schedule 3, Part 3, of the Act.



The Star Project, Scotland



Sangat Advice Centre, England



Baltic Flour Mills Visual Arts Trust, England



Get in touch

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