

Details of the Consultation

Document being consulted on:	PROPOSED NEW BIG LOTTERY FUND POLICY DIRECTIONS FOR CONSULTATION
Closing date:	Midnight on Friday 18 th November 2011.
Responses to be sent to:	biglotteryfundconsultation@cabinet-office.gsi.gov.uk
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Consultation Questions

Question 1: Is there anything set out in these directions that the Big Lottery Fund should not be doing? If your answer is yes, please tell us what it is and why they shouldn't be doing it. (a maximum of **200 words**)

NCVO believes that 100% of Big Lottery Funding should go to the VCS. The guidance states that funding can be allocated to facilitate 'collaborative action between funded organisations and public, private and civil society partners' in section G.6. The VCS should, where appropriate, be able to spend a proportion of its funding on partnership working with the statutory sector in order to ensure that positive elements of the work between the sectors are protected. However, such a funding decision across the sectors should be made by the VCS and not be prescribed by guidance. It is important that the intelligent funding model be protected, which allowed for such decisions to be taken by individual VCOs receiving BIG Lottery funding.

In addition, the guidance refers exclusively to 'projects' and 'programmes' and no longer applies to organisations. Whilst flexibility is positive, NCVO would seek reassurance that government does not have a restrictive definition or criteria of an acceptable 'project'. A balance needs to be struck between focused short-term projects and offering financial support to organisations that are able to take on longer term development work. Such a move, if not adequately monitored, could hinder certain organisations' ability to innovate and take risks.

Question 2: Is there anything the Big Lottery Fund should be doing in addition to these directions? If your answer is yes, please tell us what they should be doing and why. (a maximum of **200 words**)

The proposed guidance includes 'social enterprises'. Whilst NCVO welcomes social enterprises as a growing part of civil society, it is important that government more precisely define 'social enterprise'. The inclusion of social enterprises as potential recipients must not divert money away from important community organisations and projects without clarity on why these organisations should receive funds.

It is also important that the additionality principle is adhered to, which ensures that funding from lottery distributors must be additional to that which is properly funded by government and not a substitute. It should not be used to fund essential services or government-inspired programmes, including any proposals for the Open Public Services and Big Society agendas.

Another concerning part of the guidance is in section 2C(iii), on strengthening and increasing the capacity of the social investment market. Whilst NCVO supports Big Society Capital and believes that the wider social investment market has a lot of potential, the guidance must ensure that Lottery funds are the catalyst for innovative social investment and not the capital of the social investment market.

The sole reference to sustainability is in the context of programmes that reduce the causes and impact of climate change, in section G.3. The guidance should also make explicit reference to the importance of developing a sustainable funding environment. In particular, lottery funding should cover the full cost of the activity being funded.

Lastly, the proposed guidance does not detail how the distribution of funds will be monitored. Whilst we see the move away from overly prescriptive guidance as generally positive, the omission of effective measures of impact is concerning. An effective and transparent allocation of funds is more important than ever as the importance of Lottery funding grows for the VCS.