

9 August 2016

OCSI Support Team

Dear Colleague

Consultation on new policy directions for the Big Lottery Fund : distribution of National Lottery money in England and UK-wide funding programmes

Newcastle CVS is the lead infrastructure organisation for Newcastle and Gateshead's voluntary and community sector. As well as developing and supporting voluntary and community organisations to be more sustainable and resilient, we organise networks and events and represent the voluntary and community sector in strategic discussions. We carry out research and produce policy studies. We have nearly 700 members that are local voluntary and community organisations. This response is based on our experience over the years.

The electronic format for responses is quite difficult to use and somewhat reductionist, so we wish to submit our response in this way.

Section 1

I am submitting this response on behalf of an organisation (Newcastle CVS). It is a membership organisation (umbrella charity). It is an infrastructure organisation based in the North East of England.

Section 2

This is a public letter and will be published on the CVS website so I am happy for you to contact me, use the name of Newcastle CVS and include it in the list of contributing organisations.

Section 3

The response is written in free text as it isn't clear how to capture all the concerns on the response form template.

The Big Lottery Fund is a major funder of voluntary and community organisations in Newcastle and Gateshead. Our recent report (Taking the Temperature 2016) illustrated that 40 of the 107 organisations that responded received grants from Big Lottery. Although this was mainly for smaller amounts, for eleven of the forty organisations, the BLF funding formed more than 50% of their income.

Given the impact of austerity and cuts to local government and the closure of the Northern Rock Foundation, the Big Lottery Fund is seen as a major source of funding to many local organisations. Both the smaller grants e.g. Awards for All and the larger ones e.g. Reaching Communities are vital to many organisations.

Staff at Newcastle CVS hold regular meetings with Big Lottery staff, we see them at events, we engage in activities, we contact them for advice and promote information. One of the important features is the current flexibility of the BLF to alter its scope and respond to changing circumstances.

These are hard times for many organisations, particular with the reduction of grants programmes and the shift to contracts by many local authorities. The focus on contracting, and indeed bigger contracts, albeit for lower funding, means a number of small and medium size organisations can no longer access local authority funding for the development of new services, or even to keep vital services going. The Big Lottery Fund currently enables sensible grant-making that can respond quickly to the external environment.

The tone and thrust of the new 'directions' appear to mitigate against this freedom and flexibility and risk undermining the BLF identity as a separate and independent organisation. One of the benefits has been the complementarity to the Government, and not being part of it. These new directions would align the BLF to the Government agenda, rather than the needs of local communities.

The use of the £400m to fund the London Olympics (which has not yet been replaced) and the underspend of the BLF in the last financial year has already started to raise concerns about independence, and the new directions will increase these suspicions.

We have experience of being consulted by BLF staff on current tensions and priorities, and in some instances we have seen specific funds being created e.g. working with women and girls. This flexibility is welcomed by the sector and it would be a shame to lose it. Demand-led fund is appropriate for some specific themes and this makes a worthwhile contribution to developing communities and addressing urgent needs.

We believe the new directions push clearly towards government priorities – currently the three priorities are social involvement, capacity of the voluntary and community sector and social investment. Whilst we would not support the focus on social investment, we recognise it is a stated government priority; however the new direction (2C) states that “the desirability of ensuring that funding supports the policy directions issued by the Devolved Administration”. This implies overt Government direction.

Some of new wording is vague and woolly and could mean that the BLF is pulled away from how it has previously operated. Any final guidance must be clear and inclusive. A lot of the wording and references are out of date eg 'Big Society' as this concept has been quietly buried.

The issue of potential grant recipients needs clarification, currently it is “VCSE”; although charities, co-operatives, CIOs and CICs are legal structures, 'social enterprise' is a descriptor and the lack of clarity in the draft document means it is not specific whether profit-making organisations could be funded.

There is a difference between equality and equity, spend should not be distributed evenly, but instead reflect need; this isn't merely urban / rural, north / south but must include a recognition of poverty and austerity.

In conclusion the key points are :

Independence – the Big Lottery Fund was established to be separate from government spend. It should add value and not substitute for any reduction in government funding. It should not be used to fund 'pet projects'. All decisions should be made openly and transparently and fairly.

Priorities - these should be the priorities of people and communities and not the Government / Devolved Administration

Flexibility and responsive – one of the joys of the BLF has been the way it has responded to emerging needs, encouraged innovative responses and been able to reflect clear concerns. Clearly the uncertainty following the Brexit vote will have an impact on communities and organisations.

Newcastle CVS recognises the value of the Big Lottery Fund and the impact its funding makes to many local communities and organisations. It has become an essential part of the voluntary sector fabric. We are concerned that a number of these new directions mean a fundamental shift and move the BLF away from supporting the good work it was established to support. We would like these views to be taken into account as part of the consultation process.

Yours sincerely

Sally

Sally Young

**Chief Executive
Newcastle CVS**