



Since 2004 we have distributed over £4.4 billion across the UK to projects covering health, education, the environment and charitable purposes. Our mission is to bring real improvements to communities and the lives of people most in need. BIG is an outcomes funder, we are interested in what works and what makes a positive difference to the communities in which we deliver funding. We are also able to deliver non lottery funding.

Social Impact Bonds

Big Lottery Fund (BIG) has invested up to £11.25 million for a landmark social investment initiative – Social Impact Bond (SIB).

BIG are acting as joint commissioners of the Peterborough SIB with the Ministry of Justice (MOJ) as well as also funding the running costs for the development of the Bond. We were interested to be involved in this innovative pilot as we are keen to see how the use of Social Impact Bonds can help to solve key, entrenched, policy issues, such as reducing reoffending rates.

Initial evidence shows payment by results model such as a SIB can bring about significant long term savings for the Exchequer. However, we also know that potentially there are a number of benefits for beneficiaries and for the VCS organisations that work with them.

We are supporting the MOJ evaluation of the Peterborough SIB which will focus on how the SIB works towards supporting the reduction of re-offending. In addition to this we are also working with Social Finance to develop the marketplace further. As part of their £5 million grant Social Finance will develop three more SIBs over the next few years. These will focus on areas not directly related to re-offending such as substance abuse and supporting vulnerable young people.

In this pilot, BIG and MOJ act as the commissioner for the SIB and will pay the returns to investors related to the SIB's success. Further information can be found here:

http://news.biglotteryfund.org.uk/pr_310810_uk_ri_big_paves_way_forward

In addition Nick Hurd, Minister for Civil Society (OCS) recently announced 4 additional SIBs which build on the learning from the one mentioned above – further information can be found in the Cabinet Office press release –

www.cabinetoffice.gov.uk/news/big-society-innovation-aims-get-families-out-deprivation

Improving Financial Confidence

Improving Financial Confidence is a strategic investment fund, aimed at helping people become more confident in and more aware of how to take control of their finances.

The investment will target the people that most need this support. These include:

- Residents of social housing. The Department of Work and Pensions Family Resources survey has shown that the majority of those people who are social housing residents.
- 69 specific local authority areas in England, which financial advice research shows have the most financially excluded residents (taking into account factors such as age, family status, employment status, income levels and number of financial products held) as well as a measure that reflects financial exclusion experienced in some rural areas.

Financial Capability and Inclusion

BIG has funded many projects in the past which aim to help people faced with financial exclusion and have built excellent links with the sector through our Advice Plus programme.

To date, the Big Lottery Fund has awarded over £26 million to projects for finance and fundraising, financial services and money advice information across the UK. The main BIG England-wide programmes that have supported projects working with people who have low financial capability or who are experiencing financial exclusion are Advice Plus and Reaching Communities.

The Advice Plus programme aimed to help people to access good quality advice on their legal rights and responsibilities so they could avoid or overcome disadvantage. In terms of money advice services,

these could only be funded if delivered as a small part of other non-money advice services.

Big Society Capital

Big Society Capital (BSC), the new name for the Big Society Bank, will be a newly created independent organisation. BIG will pass England's share of dormant accounts money directly onto BSC in a similar to how we pass lottery funding directly onto the Olympic Lottery Distributor.

It is proposed that the BSC will have two key roles – as a wholesale social investor and as a social investment champion. As well as England's share of dormant accounts funding (thought to be around £300m) BSC will also receive £200 million from high street banks (negotiated by the government as part of Project Merlin). As this Project Merlin money is not specifically for England, BSC will be able to operate across all four countries. BSC hopes to be up and running in Spring this year.

More background information on BSC can be found on the Cabinet Office's website:
www.cabinetoffice.gov.uk/content/big-society-capital

Big Society Investment Fund

Whilst Big Society Capital is being set up, BIG has been asked to distribute money raised from dormant bank accounts via an Investment Committee. The initial amount was up to £5m but this has now been increased to up to £8m.

The aim of the funding is to build a dynamic social investment market that provides robust financial products, which enable frontline social sector organisations to improve the lives of those most in need.

We are working in partnership with external experts from BSC, NESTA and the Social Investment Business who have helped us deliver this funding.

The Investment Committee has so far made five in-principle investments – to Triodos, Social Stock Exchange, Franchising Works, Private Equity Foundation and Finance South East.

Information about these can be found on our website:
http://news.biglotteryfund.org.uk/pr_281211_bsif_invested_in_big_society_projects

Reaching Communities England funds projects that help people and communities who are most in need, and can really make a difference. A number of these have dealt specifically with people who are in

debt and need financial guidance, for example, BIG has funded 156 Citizen Advice Bureaux totalling £6,211,441.

Case Study – Scunthorpe and District Citizen's Advice Bureau

Awarded £197,002 in March 2007

This project is aimed at providing advice and support to local residents in the rural area of North Lincolnshire who are in debt or have a lack of knowledge on financial procedures. The applicant will provide support for beneficiaries in debt through regular reviews, help with budgeting and assisting them to manage their finances by helping them to negotiate an acceptable repayment schedule on their debts and also maximise their household income through exploring entitlement to welfare benefits. The applicant anticipates that reduced worry over debt will lead to improved health and well being together with improved community involvement as a result of increased confidence and self-esteem.



Further information on all programmes, awards and evaluation reports are available from www.biglotteryfund.org.uk
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