



**Fresh thinking - The next chapter**



# BIG's strategic framework refresh

## Section one – Introduction

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Chair



### Background

In 2009 we published Big thinking, our strategic plan that sets out where we want to be by 2015. Big thinking was developed following a comprehensive consultation when you told us what you liked about BIG's funding, what we could do better and how we should build on our experience and expertise as an intelligent funder.

The world has moved on since the original plan – inside and outside our organisation – and now seems a good time to look again at our strategic direction. We've considered carefully whether the plan truly reflects our current work and, more importantly, whether it shows the new ways of working we've embraced.

We have not started from scratch. We are proud of what we have achieved and both the mission and themes set out in Big thinking will remain at the heart of what you can expect from us. We will continue to support those most in need through our funding. But we also recognise that the economic circumstances in which we operate have changed and our understanding of the voluntary and community sector (VCS) is more important than ever when making difficult decisions about what we fund.

### So, why a strategic refresh now?

BIG must be responsive to the evolving needs of the communities we serve and it is right that we re-examine the way we fund and support beneficiaries and organisations applying for our funding.

The current financial climate has had an impact on funders, service deliverers, statutory bodies and, most importantly, the people we work with. This should not be underestimated. For many the effects of the economic downturn are yet to be felt and the full picture will not be revealed for some time. However, these changes have also created opportunities to look at new and better ways of reducing need, for example through the potential of social investment.

The Cabinet Office, our new sponsor Department, recently undertook a consultation exercise on new policy directions for BIG in England, the Isle of Man and United Kingdom. These directions set out a framework for our future direction and reinforce the need for us to look at the journey we are taking towards being a more efficient and intelligent funder.

Fresh thinking outlines how we are adapting to these changes and offers a clear vision of what you can expect from us as a funder up until 2015, the principles that will inform our work and the funding priorities that will guide us.

## Section two – Our fundamental principles

### We're changing inside too

Life inside BIG has also changed since Big thinking was produced. Along with other funders, we have been asked to reduce core admin costs to five per cent of Lottery income by 2014, a challenging target which we plan to achieve through efficiency improvements and reductions in our expenditure.

At the same time, we are committed to improving customer experience which is why our new Funding Management System, currently in development, is key to our future success. It will help us to streamline and improve the experience of customers so they can apply for funding in an easier and more efficient way as well as achieving considerable cost savings.

### Local, regional and national reach

We continue to be proud of our ability to think nationally but deliver locally. We reflect the diversity of the UK with four distinct country portfolios and we have recently established a fifth UK-wide portfolio which seeks to test new approaches, models and ideas. With the use of digital technologies and broadcast media spreading information faster, our approach to defining local, regional and national reach must also keep pace. We want to make it easier than ever before for the beneficiaries of our funding to talk, share and learn from each other.

### Distributing with others

BIG has also taken on the distribution of funding for other organisations and we plan to make third party funding a significant aspect of our work over the next few years. That way we can share and build upon the wide ranging expertise and knowledge that we have gained from our Lottery business to help others make real improvements to communities and the lives of people most in need.

### New and emerging opportunities

Since Big thinking was launched there have been a number of growth areas where BIG has been at the forefront of developing expertise and supporting new investments. It's clear there is considerable interest and excitement around public involvement, formal collaborations and effective partnership working; the same applies for engaging with the social investment market. This document highlights the journey to 2015 we have planned for these.

### What you can expect from BIG

In Big thinking we told you about what is most important to us. Those fundamental principles still remain and you can continue to expect the following from us.

- ▶ Our mission remains the same – we are committed to bringing real improvements to communities and the lives of people most in need.
- ▶ We are a committed outcomes funder, driven by the difference our funding makes for individuals and communities.
- ▶ We will continue to have a mixed funding portfolio: small and large grants, open and targeted and place based funding.
- ▶ BIG will always promote equalities and expect the people we work with to do so as well.
- ▶ We will continue to distribute the majority of our funding to the VCS.
- ▶ We will continue to value learning which contributes to the sharing and sustaining of effective practice.
- ▶ We will continue to develop programmes and fund projects that are additional to Government expenditure.
- ▶ In the Big thinking consultation you agreed with us that we should focus our funding on those people undergoing difficult transitions in their lives or experiencing isolation. This will remain a priority for BIG.

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## Section three – Our key priorities for funding

### Better outcomes through...



### ...focusing on those most in need

Our mission to bring improvements to communities and the lives of those most in need continues to be at the very heart of everything we do. Supporting those most in need has become even more important in the current social and financial climate as other funding opportunities decrease. The strong demand for our funding means we have to make some very tough decisions about the projects we can fund and the often excellent projects we have to reject. We feel a responsibility to support those who work with the most vulnerable people in society and we will continue to support them through a mix of funding programmes that suits their need.

### Better outcomes through...



### ...building partnerships and facilitating collaboration

As a major funder we have a lot to offer, and to learn, by working in partnership with other organisations. We will encourage partnership working and collaboration through the whole lifecycle of our funding. Firstly, when developing new funding opportunities and seeking new solutions to deep-rooted social issues. Secondly, through our own programme development we will actively seek to work with other bodies and partners from the funding world to develop new opportunities. Finally, through our support for projects we will encourage collaboration and partnership working across the VCS, the public sector and the private sector. Embracing communications technology and making full use of its capabilities is just one way in which we will achieve this.



## Better outcomes through...



## ...involving people and communities

In Big thinking we stated our aim to work closely with local communities and this remains a key priority for us. We recognise that Lottery money does belong to communities and through our initiatives we will continue to empower local people to develop their own solutions to the issues and opportunities that face them. Most importantly we want to enable them to build on the considerable assets and resources that they already have. We will continue to offer community funding so that people can take ownership of what they want to do for their own local communities and design the best solutions that work for them.

## Better outcomes through...



## ...building stronger organisations

We will strengthen our commitment to supporting voluntary and community sector organisations to continually expand their skills, improve performance, develop their potential and build their resilience. We recognise this becomes even more important given the changes to the way the statutory sector commission services and the fact that organisations are increasingly looking beyond grant funding to continue their work. We plan to continue to work with organisations and support them to become more resilient and flexible and to continue to develop effective ways of measuring the impact of their projects.

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## Section four – New and emerging for BIG



### Supporting the development of social investment

The growth of the social investment market is a good example of where we can look to develop our funding beyond traditional grant-making approaches. For some VCS organisations and social enterprises, social investment may be a complementary or alternative source of funding that helps them achieve their mission.

BIG is keen to explore how social investment can make a difference for communities and those most in need. We are already learning from pilot activity we have supported in England, such as the Peterborough Social Impact Bond. We will consider further opportunities to support the growing social investment market, where we think this could help organisations better serve their communities and beneficiaries.

More widely, BIG will continue to help organisations adapt to the changing funding environment. Whether they want to measure impact more effectively, bid for contracts or work with others, we will do what we can to help organisations plan for a sustainable future.



### Delivering outcomes with others

We are now able to deliver funding programmes for other organisations. This is separate from our Lottery distribution role and we deliver this under the name of the Big Fund. Alongside our Lottery funding, Big Fund helps us meet our mission.

As a non-profit making organisation we do not make a profit from Big Fund but we are able to share our experiences of being a major grant distributor and intelligent funder and put these skills at the disposal of others. We can work with all types of organisations such as government departments, trusts, foundations and the private sector. So far we have delivered a number of successful programmes on behalf of other organisations and we aim to build on this aspect of our work, developing joint programmes where possible and seeking more collaborative opportunities under the Big Fund banner.



### **Increasing engagement with the private sector**

There are a large number of factors that lead to successful Lottery funded projects. Our close links with the VCS and the public bodies that work with them have been essential in delivering successful outcomes and helping those in need, especially at a very local level.

In order to build on the knowledge and expertise we have gained from these relationships we now aim to increase our engagement with the private sector.

We will support VCS bodies to build stronger relationships with both local and national companies to share know-how, tools and techniques in order to deliver positive social outcomes for those most in need. In turn, we hope this will help organisations unlock alternative sources of investment and deliver even better outcomes in the long-term.

We will explore opportunities for joint working both locally and nationally that support the long-term sustainability of the VCS. For example working in partnership with the private sector in order to develop more innovative programmes that meet the evolving needs of the communities we serve.

## **BIG's strategic framework refresh**

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### **We care about the environment**

The Big Lottery Fund seeks to minimise its negative environmental impact and only uses proper sustainable resources.

### **Our mission**

We are committed to bringing real improvements to communities and the lives of people most in need.

### **Our values**

We have identified three values that underpin our work: being supportive and helpful, making best use of Lottery money and using knowledge and evidence.

You can find out more about us, our values and the funding programmes we run by visiting our website [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk)

The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grantmaker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.

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