

EXPLANATORY NOTE

The Order

The Order specifies new funding initiatives for NOF. The funding initiatives are based on the three high level themes on which the Big Lottery Fund has already consulted: an initiative to promote community learning in order to create opportunities; an initiative to promote community safety and cohesion; and an initiative to promote physical and mental well being.

The Order repeals NOF's existing initiative Orders except the Order relating to transformational grants. We are satisfied that all the other of NOF's current initiatives can be carried out within its framework, with one exception - the small-scale grants scheme (Awards for All). As this forms a small part of a wider initiative Order, we will repeal the existing Order and include the scheme as an initiative in this Order. Similarly, there will be separate provision for the small-scale grants scheme and transformational grants in the prescribed expenditure Order we intend to issue to the Big Lottery Fund once the Bill is enacted.

The directions

The directions are in two parts: directions in regard to general distribution; and directions in regard to distribution relating to England. The directions cover both NOF and the Community Fund, but there are slightly different requirements in relation to direction 3 of the general directions, and direction 3 of the England directions, reflecting the different powers of direction currently applying to each Fund. The directions relating to England provide the framework for delivery of the funding outcomes and priorities on which the Big Lottery Fund has already consulted. The devolved administrations will issue their own policy directions with regard to distribution in relation to Scotland, Wales and Northern Ireland. We expect these to follow the same model as the England directions.

The directions relating to general distribution are based on a composite of the existing general policy directions issued to NOF and the Community Fund. We have added some new directions, based on the policies set out in the National Lottery Funding Decision document. You may in particular want to note the following:

- 2B requires NOF and the Community Fund to take into account the need to ensure that money is distributed to projects which make real and sustainable improvements to the quality of life in local communities. This reflects the central theme of the Decision Document that the Big Lottery Fund should be a true community distributor, funding projects to regenerate and revitalise communities.
- 2D requires NOF and the Community Fund to take into account the need to be innovative and take risks in distributing money, balanced with the need to manage risk in a manner commensurate with type of project and applicant. This reflects the Decision Document policy that Lottery funding should support innovation and act as venture capital for communities.

- 2N requires NOF and the Community Fund to take into account the need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding. This reflects the policy of increasing understanding of what Lottery money has funded, including by use of the crossed fingers logo.
- 2O requires NOF and the Community Fund to take into account the need to involve the public in making policies, setting priorities and making grants. This reflects the policy of giving the public a much greater say in how Lottery money is spent.

The directions on transformational grants are based on those we have already consulted on and issued to NOF and the Community Fund, to allow the Big Lottery Fund to launch the Living Landmarks programme in June. They are included here for ease, as it is more straightforward to have all the new directions together in one document.

The directions will replace the existing general policy directions issued to NOF and the Community Fund. However, the existing detailed policy directions issued to NOF in respect of its various funding initiatives will stay in place until the National Lottery Bill is enacted. In practice nearly all of the existing initiatives will have come to an end by the end of this year.