



HERITAGE LOTTERY FUND NATIONAL HERITAGE MEMORIAL FUND

LOTTERY DISTRIBUTION ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

Annual Report

This has been prepared in accordance with section 34(3) of the National Lottery etc. Act 1993
by the Secretary of State for Culture, Media and Sport.

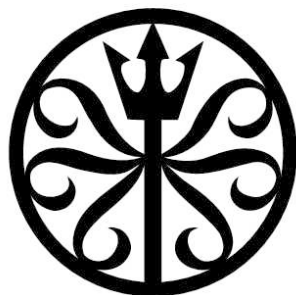
Annual Accounts

These have been prepared in accordance with section 35(5) of the National Lottery etc. Act 1993 and presented
by the Comptroller and Auditor General.

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 18 JULY 2005

LAID BEFORE THE SCOTTISH PARLIAMENT BY THE SCOTTISH MINISTERS 19 JULY 2005

Heritage Lottery Fund



A N N U A L A C C O U N T S

Foreword

Background information

The National Heritage Memorial Fund (NHMF) is vested in and administered by a body corporate known as the Trustees of the National Heritage Memorial Fund, consisting of a Chair and not more than 14 other members appointed by the Prime Minister. The Fund was set up on 1 April 1980 by the National Heritage Act 1980 ("the 1980 Act") in succession to the National Land Fund as a memorial to those who have given their lives for the United Kingdom. The powers of the Trustees and their responsibilities were extended by the provisions of the National Lottery etc. Act 1993 (the "1993 Act"), the National Heritage Act 1997 (the "1997 Act") and the National Lottery Act 1998 (the "1998 Act").

Under the 1993 Act, Trustees of the National Heritage Memorial Fund became responsible for the distribution of that proportion of the National Lottery proceeds allocated to the heritage. Trustees of the National Heritage Memorial Fund have to prepare separate accounts for the receipt and allocation of grant-in-aid and for their operation as a distributor of National Lottery funds. Trustees have chosen to refer to the funds as *National Heritage Memorial Fund* for sums allocated under the provisions of the 1980 Act and *Heritage Lottery Fund* for the receipts from the 1993 Act.

Under section 21(1) of the 1993 Act a fund is maintained under the control and management of the Secretary of State for Culture, Media and Sport known as the National Lottery Distribution Fund ("NLDF"). All sums received from the licensee of the National Lottery under section 5(6) are paid to the Secretary of State and placed by her in the NLDF. Trustees of the National Heritage Memorial Fund apply to the NLDF for funds to meet grant payments and administration expenses.

Under section 22 of the 1993 Act, the Secretary of State for Culture, Media and Sport shall allocate 20% of the sum paid into the NLDF for expenditure on, or connected with, the national heritage. Section 23(3) establishes the Trustees of the National Heritage Memorial Fund as distributors of that portion. The percentage allocation was subsequently reduced to 16²/₃% in October 1997 following the Government's creation of the New Opportunities Fund (now the Big Lottery Fund).

Under section 3 of the 1980 Act, Trustees of the National Heritage Memorial Fund may make grants and loans out of the Fund for the purpose of acquiring, maintaining or preserving:

- (a) any land, building or structure which in the opinion of the Trustees is of outstanding scenic, historic, aesthetic, archaeological, architectural or scientific interest;
- (b) any object which in their opinion is of outstanding historic, artistic or scientific interest;
- (c) any collection or group of objects, being a collection or group which taken as a whole is in their opinion of outstanding historic, artistic or scientific interest.

Section 4 of the 1993 Act extends the powers of Trustees to improving the display of items of outstanding interest to the national heritage by providing financial assistance to construct, convert or improve any building in order to provide facilities designed to promote the public's enjoyment or advance the public's knowledge.

Under the 1997 Act, Trustees are now also able to assist projects directed to increasing public understanding and enjoyment of the heritage and to interpreting and recording important aspects of the nation's history, natural history and landscape. Following consultation with potential applicants, advisers, and other bodies, further new initiatives – dealing with revenue grants (to widen access in general to the heritage), as well as in the fields of archaeology, townscapes, information technology, and education – were set up. The 1998 Act gave Trustees the power to delegate Lottery grant decisions to staff and also to committees containing some independent members.

These accounts have been prepared in a form directed by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury in accordance with section 35(3) of the 1993 Act.

Operating review

Since the Lottery started, HLF has made awards to almost 18,400 projects. Over 14,600 of them had been completed by 31 March 2005. Between 1 April 2004 and 31 March 2005, over 2,900 grant applications were received. This shows that our work to encourage and facilitate more applications has been successful and it is gratifying that many of the applications are from smaller organisations.

Work on monitoring projects while grant is being paid has continued at a high level. Over the course of the year, there were on average 3,750 live projects being monitored (up more than 7% on last year). During 2004/5, we also continued work on reviewing the extent to which completed projects which had received all of their grant continued to comply with the contractual obligations attached to their awards. Further work has also been done on the framework for evaluating projects and some of our programmes, which will lead to refinements of the way in which we collect information on the impact of our grants.

Financial review

During the course of 2004/5, Trustees made new soft commitments totalling £357.6 million (soft and hard commitments are defined in note 1 to the accounts). This was £16 million more than last year. Income for the year was £266 million, including £40 million in investment income earned by the National Lottery Distribution Fund ("NLDF") on our behalf. Actual investment income earned by the NLDF was £43.6 million, but changes in the market value of investments led to the net figure of £40.2 million.

The commitment of awards in excess of income is one of the methods by which Trustees expect to reduce the balance at the NLDF. At the end of the year, HLF had committed £313 million more than it had in the NLDF, well in excess of one year's income.

Two-thirds of the commitment (£238.7 million) was stage one passes under the two stage decision process. The remainder (£118.9 million) was for grant awards in the year. By the end of the year, contracts had been signed for grants of £366.4 million – ie new hard commitments.

The table below illustrates the soft commitments made and also the conversion of soft commitments in previous years into hard commitments in 2004/5. Soft commitments are converted to hard commitments when there is a signed contract with the grant recipient.

£m	Stage one pass	Approval in principle	Grant awards	Hard commitments	Total decisions
At 1 April 2004	306.1	22.2	174.9	660.4	
Trustees' decisions in the year	238.7	–	118.9	–	357.6
Converted in the year	(158.8)	(20.1)	178.9	–	
Converted in the year	–	–	(366.4)	366.4	
De-commitments	(9.1)	(2.0)	(2.2)	(9.1)	
Grant payments	–	–	–	(284.8)	
At 31 March 2005	376.9	0.1	104.1	732.9	

Appointment of Auditors

The National Heritage Act 1980 provides for the annual accounts of the National Heritage Memorial Fund to be audited by the Comptroller and Auditor General. The National Lottery etc. Act 1993 extends this to the lottery activities of Trustees.

Employee Consultation

The nature of the operations of the Fund means that grant application processing staff work closely with Trustees. Staff are involved in project evaluation and applicant visits with Trustees. Many members of staff attend meetings of Trustees, which enables them to be aware of thinking about the development of the Fund and its operations. Additionally, senior management ensures, through summaries of Management Group meetings in the weekly Newsletter; face-to-face meetings and a high level of personal accessibility, that matters of concern to all staff can be readily addressed. It is essential that all staff are given the opportunity to contribute to the development of the Fund as well as achieving their own potential through regular consultation and discussion. To this end, a Staff Council is in existence. Comprising representatives from each department, it discusses matters of interest to staff with representatives from management. It meets nine times a year.

Equal opportunities

As an employer, the National Heritage Memorial Fund abides by equal opportunities legislation. It does not discriminate against staff or eligible applicants for job vacancies on the grounds of gender, marital status, race, colour, nationality, ethnic origin, religious belief, disability, age or sexual orientation. Every possible step is taken to ensure that staff are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job related criteria. It does not tolerate any form of discrimination, harassment or victimisation. All staff are required to co-operate in making this policy work effectively.

Creditors

The National Heritage Memorial Fund adheres to the Government-wide standard on bill-paying and the CBI Better Payment Practice Code, which is to settle all valid bills within 30 days. In 2004/5, the average age of invoices paid was 12 working days. Over 89% of invoices were paid within 30 calendar days.

Euro

The activities of the Heritage Lottery Fund are entirely within the United Kingdom. Although some exposure to transactions denominated in the euro may occur, these will be treated no differently to transactions in any foreign currency. Therefore, at present, the euro has no impact on the systems of the Heritage Lottery Fund.

Statement of Trustees' and Director's Responsibilities

Under section 34(1) of the National Lottery etc. Act 1993, the Trustees of the National Heritage Memorial Fund are required to prepare a statement of accounts for each financial year on their lottery distribution activities in the form and on the basis determined by the Secretary of State for Culture, Media and Sport with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Fund's state of affairs at the year end, of its recognised gains and losses and of its income and expenditure and cash flows for the financial year.

In preparing the accounts Trustees of the National Heritage Memorial Fund are required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Fund will continue in operation.

The Accounting Officer of the Department for Culture, Media and Sport has appointed the senior full-time official, the Director, as the Accounting Officer for the Fund. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances, for the safeguarding of the Fund's assets and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum, issued by the Treasury and published in Government Accounting.

MRS CAROLE SOUTER
DIRECTOR

MS LIZ FORGAN
CHAIR
JULY 2005

Statement of internal control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the National Heritage Memorial Fund's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

I work closely with the Trustees of the National Heritage Memorial Fund ("NHMF") who share a responsibility to:

- Give leadership and strategic direction;
- Define control mechanisms to safeguard public resources;
- Supervise the overall management of NHMF's activities;
- Report on the stewardship of public funds.

This responsibility is enacted through regular meetings of Trustees with senior management to set policy for the NHMF and make decisions in line with policy. In addition, sub-committees of Trustees, particularly the Finance & Investment Committee and the Audit Committee, oversee the activities of management and provide support. All policy setting and grant decision making is informed by the risk management culture of the NHMF. In particular, the Audit Committee regularly discusses the risk reports produced by management and questions them about the methods by which they mitigate risk. During the year, I put in place a system that made more explicit the extent to which risk management was embedded within the decision making of the organisation. In addition, the NHMF became a member of the Lottery Forum Risk Management Group. This group, comprising representatives of Lottery distributors, has created a common risk framework.

The annual operating plan of the NHMF – the Business Plan – is discussed with our sponsor department, the Department for Culture, Media and Sport. We also operate in line with an agreed Management Statement and Financial Memorandum based upon a template devised by the Treasury. This includes regular meetings with senior officers of the Department and with fellow Lottery distributors.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the NHMF's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Fund for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

Capacity to handle risk

The Management Group, comprising the most senior managers of the NHMF, takes the lead on all aspects of risk management. It appoints risk owners and charges them with the creation and application of strategies to mitigate the risk under their control. Risk owners, who are invariably senior members of staff, involve their staff in the risk identification and monitoring processes. In addition, they review the plans of other departments that may have an impact on their risk control.

The Audit Committee, which comprises three Trustees, regularly discusses the risk management process and reports back to the main body of Trustees on the management of risk. Furthermore, both internal and external audit review the risk management processes as part of their work and can provide the benefit of their experience of other organisations' risk management activities.

Staff, from middle management upwards, have received training in risk management techniques from the Civil Service College.

The risk and control framework

Management Group devised a risk management statement that details how the NHMF identifies, monitors and controls risks and opportunities. This statement is reviewed regularly. On an annual basis, risks are categorised by considering the likelihood of occurrence should no risk mitigation activity occur and the impact should the risk happen. The risks where the potential impact is deemed high form the NHMF risk register. Management Group then assigns to senior managers (the "risk owners") the task of putting procedures in place to monitor and, where possible, mitigate the risk. Management Group reviews the effectiveness of their work on a quarterly basis. The Audit Committee also regularly reviews and questions the activities of risk owners.

In 2004/5, the NHMF considered the following to be the most significant areas of risk:

- that our income declines, including through a loss of reputation;
- that grants awarded fail to meet our strategic objectives;
- that our heritage aims are not supported by adequate evidence, research and evaluation;
- failure to set and follow efficient procedures correctly or consistently giving rise to the risk of fraud or of making perverse decisions open to challenge in law;

Statement of internal control (continued)

- failure to recruit and retain staff of sufficient calibre;
- inconsistency of message throughout the spread of regional and country offices;
- that we do not take full advantage of profile, advocacy and media opportunities offered by strengthened local presence.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and senior management within the NHMF who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I receive guidance from both the Board and the Audit Committee, which sees reports from both the internal and external auditors, and a plan to address weaknesses and ensure continuous improvement of the internal control system is in place.

All reports of the internal auditors are discussed by the Audit Committee with senior members of staff in attendance. Heads of departments that have failings identified by the internal auditors are required to devise a corrective action and set a completion date for that action in consultation with the internal auditors. I receive a regular report from the auditors notifying me of the progress my department heads have achieved in clearing up points raised by both internal and external auditors.

As a result of the above, there is nothing of which I am aware that leads me to believe that our systems for detecting and responding to inefficiency, for preventing conflicts of interest, for preventing and detecting fraud and for minimising losses of grant-in-aid and Lottery grant are not adequate.

Mrs Carole Souter

Director

July 2005

The Certificate and Report of the Comptroller and Auditor General on the accounts of the respective body

I certify that I have audited the financial statements on pages 7 to 18 under the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 10.

Respective responsibilities of the Trustees, the Director and Auditor

As described on page 3, the Trustees and Director are responsible for the preparation of the financial statements in accordance with the National Lottery etc. Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, as agreed by HM Treasury and for ensuring the regularity of financial transactions. The Trustees and Director are also responsible for the preparation of the Foreword and other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the National Lottery etc. Act 1993 (as amended) and directions made thereunder by the Secretary of State, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Trustees of the National Heritage Memorial Fund have not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 4 and 5 reflects the National Heritage Memorial Fund's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the National Heritage Memorial Fund's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees and the Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the National Heritage Memorial Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error; or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Trustees of the National Heritage Memorial Fund's Lottery Distribution Activities at 31 March 2005 and of the surplus/deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the National Lottery etc. Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

JOHN BOURN
COMPTROLLER AND AUDITOR GENERAL
JULY 2005

NATIONAL AUDIT OFFICE
157-197 BUCKINGHAM PALACE ROAD
VICTORIA
LONDON SW1W 9SP

Income and Expenditure account for the year ended 31 March 2005

	Notes	£'000	2004-05 £'000	2003-04 £'000
Proceeds from the National Lottery	9		226,074	216,474
NLDF investment income	9	43,593		41,544
Loss on the revaluation of investments at NLDF		(3,395)		(11,703)
			40,198	29,841
Interest receivable		871	266,272	246,315
Repayment of grants	2	1,199	2,070	516
				198
Total Income			268,342	247,029
New hard commitments	11	(366,476)		(302,068)
Hard de-commitments	11	9,069		12,119
			(357,407)	(289,949)
Staff costs	3	(9,513)		(8,962)
Over provision of pension costs	6	0		177
Depreciation	7	(591)		(509)
Other operating charges	4	(12,626)		(13,127)
			(22,730)	(22,421)
Total Expenditure			(380,137)	(312,370)
Decrease in funds			(111,795)	(65,341)

There are no gains and losses accruing to the Heritage Lottery Fund other than disclosed in the income and expenditure account. Accordingly, no statement of total recognised gains and losses has been prepared.

All figures shown relate to continuing activities.

The notes on pages 10 to 18 form part of the accounts.

	Notes	£'000	2004/5 £'000	2003/04 £'000
Fixed Assets				
Tangible fixed assets	7		1,487	1,903
Current assets				
Investments – balance at the NLDF	9	900,574		942,570
Debtors	8	1,433		1,647
Cash at bank and in hand		4,613		1,072
			906,620	945,289
Creditors: amounts falling due within one year	10		(3,456)	(3,274)
Grant commitments due in one year	11		(316,114)	(297,557)
Net current assets			587,050	644,458
Provisions for liabilities and charges	6		(75)	(122)
Grant commitments in more than one year	11		(416,819)	(362,801)
Total assets less liabilities			171,643	283,438
Represented by;				
Income and expenditure account brought forward		283,438		348,779
Movement in the year		(111,795)		(65,341)
Income and expenditure account carried forward			171,643	283,438

The notes on pages 10 to 18 form part of the accounts.

Mrs Carole Souter
DIRECTOR

Ms Liz Forgan
CHAIR
JULY 2005

Cashflow Statement for the year ended 31 March 2005

	Notes	2004/5 £'000	2003/4 £'000
Operating activities			
Cash drawn down from the NLDF	9	308,268	323,792
Cash from other sources		1,199	198
Cash paid to and on behalf of employees		(9,565)	(9,057)
Cash paid to suppliers		(12,422)	(11,826)
Cash paid to grant and loan recipients		(284,536)	(303,652)
Net cash inflow/(outflow) from operating activities	13a	2,944	(545)
Returns on investment and servicing finance			
Interest received on bank accounts		772	521
Capital expenditure and financial investment	13b	(175)	(188)
Increase/(decrease) in cash		3,541	(212)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		3,541	(212)
Changes in net funds	13c	3,541	(212)
Net funds at 1 April 2004		1,072	1,284
Net fund at 31 March 2005		4,613	1,072

The notes on pages 10 to 18 form part of the accounts.

10 Notes to the Accounts for the year ended 31 March 2005**1. Statement of Accounting Policies****a) Accounting convention**

These accounts are drawn up in a form directed by the Secretary of State for Culture, Media and Sport and approved by the Treasury. They are prepared under the modified historic cost convention. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and the Statements of Standard Accounting Practice issued by the member bodies of the Consultative Committee of Accountancy Bodies, so far as those requirements are appropriate. The National Lottery Accounts' Directions issued to NHMF in October 2002 by the Secretary of State specifically excludes the preparation of consolidated accounts. Copies of the National Lottery Accounts' Direction may be obtained from the Secretary to the Trustees, 7 Holbein Place, London SW1W 8NR.

b) Fixed assets

Depreciation is provided on a straight line basis on all tangible fixed assets, including those held under finance leases, at rates calculated to write-off the cost or valuation of each asset over its expected useful life. These lives are as follows:

short leasehold property	– the life of the lease.
office equipment	– 4–10 years
office fittings	– 4–10 years

c) Allocation of costs

The operations of the National Heritage Memorial Fund are split into two funds – the National Heritage Memorial Fund and the Heritage Lottery Fund – reflecting the two sources of income. The National Heritage Memorial Fund incurs indirect costs which are shared between activities funded by grant-in-aid and activities funded by the National Lottery. The National Heritage Memorial Fund is required to apportion these indirect costs in accordance with the Fees and Charges Guide issued by the Treasury. This cost apportionment seeks to reflect the specific proportion of time and expenses committed to each fund. At the end of the financial year, the proportion of joint costs apportioned to the Heritage Lottery Fund was 99%. The results of the National Heritage Memorial Fund are reported in a separate set of accounts.

d) Taxation

No provision is made for general taxation as the National Heritage Memorial Fund is statutorily exempt. The National Heritage Memorial Fund is unable to recover Value Added Tax charged to it and the VAT inclusive cost is included under the relevant expenditure heads.

e) Pension

The regular cost of providing benefits is charged to the income and expenditure account over the service lives of the members of the scheme on the basis of a constant percentage of pensionable pay. The majority of staff are members of PCSPS and the percentage of pensionable pay is notified by the Cabinet Office at the start of each financial year.

f) Leases

The annual rentals on operating leases are charged to the income and expenditure account on a straight-line basis over the term of the lease.

g) Balances at the National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund remain under the control of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the Trustees of the National Heritage Memorial Fund is as shown in the accounts and, at the balance sheet date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by the Trustees in respect of current and future commitments.

h) Grant Commitments

'Soft' commitments, as defined by the Accounts' Direction of the Secretary of State for Culture, Media and Sport, represent positive decisions made by Trustees subject to the successful completion of a contract. When the contract is successfully completed, the commitments are described as 'hard'.

i) Loans

Trustees are entitled to make loans to heritage bodies under the Financial Directions of the Secretary of State for Culture, Media and Sport. Interest rates and repayment terms are at the discretion of Trustees.

2. Sundry income

	2004/05 £'000	2003/04 £'000
Repayment of grants	1,199	198

3. Staff costs and numbers

	2004/05 £'000	2003/04 £'000
Salaries	7,580	7,101
Employer's NI payments	536	521
Payments to pension scheme (see note 6)	937	949
Temporary staff costs	460	391
	9,513	8,962

Remuneration of the Chair and Trustees

All Trustees were entitled to receive an annual salary for the time spent on the activities of the National Heritage Memorial Fund. In addition, the National Heritage Memorial Fund re-imbursed travel expenses of certain Trustees from their homes to their office of employment in London, Edinburgh, Cardiff or Belfast. The Fund met the tax liability on these expenses.

The remuneration of those Trustees that received payment, including re-imbursement of taxable expenses and the tax thereon, falls into the following bands. Three Trustees waived their right to a salary.

	2004/05 £'000	2003/04 £'000
Ms. Liz Forgan (Chair)	40 – 45	40 – 45
Sir Angus Grossart	15 – 20	20 – 25
Tom Pritchard Esq.	20 – 25	20 – 25
Mrs. Primrose Wilson	15 – 20	15 – 20
Nicholas Dodd Esq.	10 – 15	10 – 15
Chris Baines Esq.	0 – 5	10 – 15
James Wright Esq.	10 – 15	10 – 15
Giles Waterfield Esq.	5 – 10	5 – 10
Mike Phillips Esq.	5 – 10	5 – 10
Derek Langslow Esq.	5 – 10	5 – 10
Ms. Catherine Graham-Harrison	5 – 10	5 – 10
Ms. Madhu Anjali	5 – 10	5 – 10
Ms. Sue Palmer	0	0 – 5
Earl of Dalkeith	0 – 5	5 – 10
Tristram Hunt Esq.	0	0
Matthew Saunders Esq.	0	0
Brian Lang Esq.	0 – 5	0
Mike Emmerich Esq.	10 – 15	5 – 10

All Trustees have three-year appointments, potentially renewable for a second term. They are appointed by the Prime Minister. They are not members of the pension scheme utilised by the National Heritage Memorial Fund. No contributions were made by the Fund to a pension scheme on the Trustees' behalf. All Trustees' remuneration was allocated between the Heritage Lottery Fund and the National Heritage Memorial Fund on the basis of 99%:1%. The total remuneration of Trustees in 2004/5 was £187,020 (2003/4 £183,132).

12 Notes to the Accounts for the year ended 31 March 2005*Remuneration of employees*

The remuneration of directors was as follows:

	Salary including performance bonus 04/05 £'000	Salary including performance bonus 03/04 £'000	Real increase in pension and lump sum £'000	Total accrued pension at age 60 and lump sum £'000	Cash Equivalent Transfer Value (CETV) at 31/3/05 £'000	Cash Equivalent Transfer Value (CETV) at 31/3/04 £'000	Real increase in CETV funded by NHMF £'000
Carole Souter Director	100 – 105	100 – 105	0 – 2.5 plus 2.5 – 5 lump sum	30 – 35 plus 95 – 100 lump sum	464	423	17
Stephen Johnson Director of Operations	90 – 95	85 – 90	0 – 2.5	40 – 45	626	589	7
Judith Cligman Director of Policy	70 – 75	65 – 70	0 – 2.5 plus 2.5 – 5 lump sum	15 – 20 plus 50 – 55 lump sum	238	205	18
Steve Willis Director of Resources & Planning	90 – 95	85 – 90	0 – 2.5 plus 5 – 7.5 lump sum	35 – 40 plus 110 – 115 lump sum	605	543	26

All senior employees had permanent contracts of employment and were ordinary members of the Principal Civil Service Pension Scheme. Their costs were allocated between the Heritage Lottery Fund and the National Heritage Memorial Fund on the basis of 99%: 1% (2003–04: 99%: 1%).

The average number of employees during the year was as follows:

2004–05	Grant applications	Finance & Administration	Policy & Research	Communications	Total
Permanent staff	171	42	16	19	248
Secondes, temps & contract staff	18	7	2	1	28
Total	189	49	18	20	276

2003–04	Grant applications	Finance & Administration	Policy & Research	Communications	Total
Permanent staff	165	34	10	14	223
Secondes, temps & contract staff	18	5	4	3	30
Total	183	39	14	17	253

4. Operating deficit

The operating deficit is stated after charging the following:

	2004/05 £'000	2003/04 £'000
Auditor's remuneration	34	33
Payments under operating leases –		
Leasehold premises	1,225	1,379
Hire of office equipment	228	120

An analysis of other operating charges, including the above items, is as follows:

	2004/05 £'000	2003/04 £'000
Accommodation	1,900	2,093
Postage and telephone	603	450
Office supplies, print and stationery	399	396
Travel, subsistence and hospitality – Trustees	113	129
Travel, subsistence and hospitality – staff	473	477
Professional fees – grant related	3,525	3,599
Professional fees – non-grant related	3,264	3,210
Public relations and communications	1,404	1,521
Office equipment	482	899
Staff training	312	256
Loss on disposal of fixed assets	0	3
Sundry expenses	151	94
	12,626	13,127

5. Recharged costs

As disclosed in note 1 to these accounts, the National Heritage Memorial Fund is required to apportion its costs to the Heritage Lottery Fund. At the end of the financial year, the proportion of joint costs apportioned was 99%. From 1 April 2002, all activities of the National Heritage Memorial Fund were transferred to Holbein Place, London. Consequently, the costs of operating all other offices are fully recharged to the Heritage Lottery Fund.

6. Pensions

Towards the end of 1999/00, the National Heritage Memorial Fund was admitted to the Principal Civil Service Pension Scheme ("PCSPS"). At that time, all current employees, with the exception of one current member of staff, were transferred to the PCSPS. Former employees, in receipt of a pension or with a preserved pension, and one current member of staff remained in the NHMF Pension Scheme. This other NHMF scheme was managed by the Joint Superannuation Services Scheme ("JSS"). The PCSPS is an unfunded multi-employer defined benefit scheme, but the NHMF is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation (www.civilservice-pensions.gov.uk).

Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. Departments, agencies and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. For 2004/5, employer's contributions of £937,173 (2003/4: £948,558) were paid to the PCSPS at the rates set out in the table below. Employer contributions are to be reviewed every four years following a full scheme valuation by the scheme Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Pension benefits are provided through the PCSPS. From October 2002, staff who are members of the scheme can be in one of three statutory based "final salary" defined benefit schemes (classic, premium, and classic plus). New entrants after September 2002 may choose between membership of the premium scheme or can join a good quality "money purchase" stakeholder based arrangement with a significant employer contribution (partnership pension account). The differences between the schemes can be found on the www.civilservice-pensions.gov.uk website. No member of staff had a stakeholder-based arrangement at the end of the year.

14 Notes to the Accounts for the year ended 31 March 2005

The employer's payments were calculated on the basis of salary banding, as follows. Rates in 2005/6 will be higher and are disclosed in the table below.

Salary in 2004/5	% in 2004/5	Salary in 2005/6	% in 2005/6
£17,500 and under	12%	£18,000 and under	16.2%
£17,501 – £36,000	13.5%	£18,001 – £37,000	18.6%
£36,001 – £62,000	16.5%	£37,001 – £63,500	22.3%
£62,001 and above	18.5%	£63,501 and above	24.6%

At the year end, one member of staff was covered by provisions made by the Fund from guidance provided by JSS. JSS provides the Fund with details on the expected provisions that the Fund is required to make each year so as to enable the Fund to meet the pension liabilities that will accrue under the scheme. The last time such advice was given was 31 March 1998. The scheme is a defined benefit scheme. Payments made to retired Fund employees who remain members of the JSS scheme are paid out of the Fund's cash resources, and not through the JSS, which has no assets. As the JSS is a closed scheme, under the projected unit method the current service costs will increase as the member of the scheme approaches retirement. New employees of the National Heritage Memorial Fund do not join the JSS, but instead join the PCSPS.

In March 2003, the National Heritage Memorial Fund received confirmation from the Government Actuary that the cost of transferring its outstanding pension liabilities to the PCSPS was £5.075 million. At the end of March 2003, the DCMS agreed to reimburse the Fund the cost of its pension transfer to PCSPS for those liabilities relating to the the National Heritage Memorial Fund. An estimate of the split between grant-in-aid and Lottery liabilities was included in the accounts for 2002–03 and payments made to PCSPS on that basis. The Government Actuary provided a split of the £5.075 million between grant-in-aid liabilities and Lottery liabilities in September 2003. This revealed that our estimated split understated the grant-in-aid liabilities by £177,220. This meant that the provision in the Heritage Lottery Fund accounts at 31 March 2003 was overstated by that sum and that the HLF had paid too much to PCSPS in March 2003. Correcting payments were made in 2004–05.

	2004/05 £'000	2003/04 £'000
Provision at 1 April	122	176
Decrease in pension liabilities identified in 03/04	0	(177)
Amount due from the National Heritage Memorial Fund	0	177
Payments to former Director	(52)	(58)
Increase to provision based upon payroll costs	5	4
Pension payments made	0	0
Provision at 31 March	75	122

7. Tangible fixed assets

	Improvements to Short Leasehold Property £'000	Office Equipment £'000	Office Fittings £'000	Total £'000
Cost at 1 April 2004	2,106	2,007	724	4,837
Additions	130	35	10	175
Disposals	0	0	0	0
at 31 March 2005	2,236	2,042	734	5,012
Depreciation at 1 April 2004	734	1,476	724	2,934
Charge for the year	340	249	2	591
Adjustment on disposal	0	0	0	0
at 31 March 2005	1,074	1,725	726	3,525
Net book value at 31 March 2004	1,372	531	0	1,903
at 31 March 2005	1,162	317	8	1,487

The Trustees have considered the value of the fixed assets and are satisfied that their value, at 31 March 2005, was not less than their net book value shown in the accounts. No assets were held under finance leases. The value of fixed assets represents a proportionate split of the assets used by the National Heritage Memorial Fund and the Heritage Lottery Fund.

A review of the current cost values of fixed assets, at 31 March 2005, revealed no material difference to historic cost values. Therefore, no adjustment has been made in these accounts to reflect current cost values. The improvements to short leasehold property consist of adaptation and refurbishment costs at the premises of the National Heritage Memorial Fund, which are held under operating leases.

8. Debtors

	2004/05 £'000	2003/04 £'000
Loans to heritage organisations	593	888
Prepayments and accrued income	792	540
Amounts owed by NHMF for pensions	0	177
Staff loans	48	42
	1,433	1,647

At the year end, there was one loan to a heritage organisation outstanding. This was a loan of £2,067,500 made in June 1999 to the Royal Academy of Music. This loan is repayable in seven annual instalments, the fifth of which was received in the year leaving an outstanding balance of £592,500. No interest is payable on the loan, unless repayment terms are breached.

The amount of the outstanding loan, due after more than one year, was £296,250 (31 March 2004: £592,500). There were no other balances due after more than one year.

9. Investments

Movement in balances at the National Lottery Distribution Fund:

	2004/05 £'000	2003/04 £'000
Current cost at 1 April 2004	942,570	1,020,047
Income received from the National Lottery	226,074	216,474
Funds drawn down (323,792)	(308,268)	
Investment return	43,593	41,544
Unrealised loss on investment (11,703)	(3,395)	
Current cost at 31 March 2005	900,574	942,570

There is no liability to taxation on gains realised by the NHMF. Investment of this money is carried out by the Commissioners for the Reduction of the National Debt, who add their return to the balance held. Trustees of the NHMF have no control over investment policy. The statement of accounting policies contains further information on this matter.

10. Creditors: amounts falling due within one year

	2004/05 £'000	2003/04 £'000
Operating creditors	885	1,568
Other creditors including taxation and social security	197	178
Accruals and deferred income	2,374	1,528
	3,456	3,274

None of the liabilities of the Heritage Lottery Fund was secured. The operating creditors' balances can be analysed as follows:

	2004/05 £'000	2003/04 £'000
Balances with central Government	292	500
Balances with local authorities	21	16
Balances with public corporations	0	0
Balances external to government	572	1,052
	885	1,568

16 Notes to the Accounts for the year ended 31 March 2005**11. Grant commitments**

	2004/05 £'000	2003/04 £'000
Hard commitments		
Brought forward at 1 April	660,358	674,356
Transfers from soft commitments	366,476	302,068
De-commitments	(9,069)	(12,119)
Commitments paid	(284,832)	(303,947)
Carried forward at 31 March	732,933	660,358
	2004/05 £'000	2003/04 £'000
Soft commitments		
Brought forward at 1 April	503,127	483,441
Soft commitments made	357,799	341,266
Soft de-commitments	(13,315)	(19,512)
Transfers to hard commitments	(366,476)	(302,068)
Balance carried forward at 31 March	481,135	503,127

The balance at the year end represents amounts due to applicants in the following periods:

	2004/05 £'000	2003/04 £'000
Hard commitments		
in one year	316,114	297,557
in two to five years	416,819	362,801
in more than five years	0	0
	732,933	660,358

The hard commitment balance at the year end represents amounts owing to public sector bodies as follows:

	2004/05 £'000	2003/04 £'000
Balances with central Government	71,931	54,720
Balances with local authorities	310,892	310,449
Balances with public corporations	0	2,541
Balances external to government	350,110	292,648
	732,933	660,358

12. Commitments

Annual commitments of the Heritage Lottery Fund under operating leases are as follows:

	2004/05 £'000	2003/04 £'000
Short leasehold property		
Expiring within one year	80	0
Expiring in years two to five	747	264
Expiring thereafter	460	1,141
	1,287	1,405
Other operating leases		
Expiring within one year	16	22
Expiring in years two to five	17	94
Expiring thereafter	0	0
	33	116

The Heritage Lottery Fund has no capital commitments contracted for, or capital commitments approved but not contracted for.

13. Notes to the cash flow statement**a) Reconciliation of operating deficit to cash inflow/(outflow) from operating activities**

	2004/05 £'000	2003/04 £'000
Decrease in funds	(111,795)	(65,341)
Less: interest receivable	(871)	(516)
Add back non-cash items:		
– depreciation	591	509
– loss on disposal of fixed assets	0	3
– decrease in other provisions	(47)	(231)
– increase/(decrease) in grant commitment reserve	72,575	(13,998)
– decrease in balance at NLDF	41,996	65,774
– unrealised losses on investments at NLDF	0	11,703
Decrease in non-interest debtors	313	497
Increase in non-capital creditors	182	1,055
Net cash inflow/(outflow) from operating activities	2,944	(545)

b) Capital expenditure

	2004/05 £'000	2003/04 £'000
Payments to acquire tangible fixed assets	175	188

c) Analysis of changes in net funds

	1 April 2004 £'000	Cash flows £'000	31 March 2005 £'000
Cash at bank	1,072	3,541	4,613

14. Related party transactions

The National Heritage Memorial Fund is a non-departmental public body sponsored by the Department for Culture, Media and Sport ("DCMS"). DCMS is regarded as a related party. During the year, the National Heritage Memorial Fund and the Heritage Lottery Fund have had various material transactions, other than grant awards, with DCMS and other entities for which DCMS is regarded as the sponsor department, being the Big Lottery Fund, English Heritage and Sport England.

In addition, the National Heritage Memorial Fund and the Heritage Lottery Fund have had a number of material transactions with other Government departments. These transactions have been with entities that regard the Department for Environment, Food and Rural Affairs as their parent department (being English Nature and the Countryside Agency); the National Audit Office and the Government Office for the Regions.

As a matter of policy and procedure, the Trustees declare any direct interests in grant applications and commercial relationships with the National Heritage Memorial Fund and exclude themselves from the relevant grant appraisal, discussion and decision processes within the National Heritage Memorial Fund. In their contacts with grant applicants, Trustees seek to avoid levels of involvement or influence that would be incompatible with their responsibilities as a Trustee of the National Heritage Memorial Fund. There are corresponding arrangements for staff to report interests and avoid possible conflicts of interest. The Register of Trustees' Interests is available for public inspection by contacting the Secretary to the Trustees, 7 Holbein Place, London SW1W 8NR.

During the year, five Trustees of the National Heritage Memorial Fund had interests in twelve bodies to which Lottery grants were made. Liz Forgan, the chair of the Trustees, is the chair of a trust owning a newspaper group. The NHMF spent £34,837 directly with this organisation or via a third party. The Trustees are satisfied that in no such case was there any possibility of personal financial gain for Trustees. Similarly, 21 committee members had interests in 22 bodies to which Lottery grants were made. The Trustees are satisfied that in no such case was there any possibility of personal financial gain for the committee members. No members of staff had any interests in bodies to which grants were made by the Heritage Lottery Fund in the year.

15. Financial Instruments

FRS 13, "Derivatives and other Financial Instruments", requires disclosure of the role which financial instruments have had during the period, in creating or changing the risks the Heritage Lottery Fund faces in undertaking its role.

18 Notes to the Accounts for the year ended 31 March 2005**Liquidity Risks –**

In 2004–05, £226,063,000 (84%) of the Heritage Lottery Fund's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the National Lottery Distribution Fund £40,213,000 (15%), bank interest and sundry income £2,070,000 (1%). The Trustees consider that the Heritage Lottery Fund is not exposed to significant liquidity risks as they are satisfied that they have sufficient liquid resources within the NLDF and in the bank to cover all the awards made in the year.

Interest Rate Risks –

The financial assets of the Heritage Lottery Fund are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. The Trustees have no control over the investment of these funds. At the balance sheet date the market value of investments in the NLDF was £900.6 million. In the year, the average return on these investments was around 4.5%. Cash balances, which are drawn down from the NLDF to pay grant commitments and operating costs, are held in instant access variable rate bank accounts which on average carried an interest rate of 4.2% in the year. The cash balance at the year end was £4.6 million. The Trustees consider that the Heritage Lottery Fund is not exposed to significant interest rate risks.

Foreign Currency Risks –

The Heritage Lottery Fund is not exposed to any foreign exchange risks.

16. Awards for All

The Heritage Lottery Fund provides lottery funds to the Awards for All programme ("A4A") administered by the Community Fund (now part of the Big Lottery Fund). In 2004–05 our contribution was £4.7 million, 8.7% of the total funding. In September 2004, the Community Fund identified that A4A may have been subject to fraud from applicants who had made multiple applications for small grants. Early investigations suggest that the current best estimate of the loss attributable to the Heritage Lottery Fund for the year ended 31 March 2005 would be £43,000. Based on the proportion of funds contributed to A4A, the current best estimate of the loss attributable to the Heritage Lottery Fund since we began contributing to A4A in December 1998 would be £202,000. A full investigation into the suspected frauds is underway and, on completion of this investigation, the Awards for All partners will consider whether recoveries are possible and appropriate. Any remaining losses will then be formally written off.

Heritage Lottery Fund



C O R P O R A T E P E R F O R M A N C E

20 Corporate Performance

Corporate Performance

Strategic Plan targets – three years to 31 March 2005

	31 March 2005		31 March 2004		31 March 2003	
1. 50% of the total value of awards will go to grants of under £1m.	36.6%		37.4%		35.9%	
2. No more than 25% of the total value of awards will go to grants of £5m and over.	28.8%		26.3%		33.0%	
3. Maintain current level of spend on A4A (annual spend reported)	£5.4m		£5.0m		£4.9m	
4. The number of projects to be supported should be in excess of (annual figures reported):						
Heritage grants – 355;	221 new projects (267 inc. existing projects)		232 (308)		330 (441)	
Your heritage – 800;	550 (550)		507 (510)		405 (409)	
A4A – 1,650;	2,349 (2,349)		1,083 (1,083)		937 (937)	
THI – 21;	20 (21)		23 (23)		20 (21)	
Parks – 30;	15 (24)		10 (27)		12 (47)	
RPOW – 150;	287(670)		335 (403)		260 (260)	
Landscape – 10;	9 (9)		1 (1)		2 (2)	
LHI – 300;	295 (299)		245 (245)		216 (216)	
Young Roots – 240	123 (123)		180 (180)		n/a	
5. The percentage of first time applicants to certain programmes will exceed:						
A4A – 50%;	49%		62%		62%	
Your heritage – 30%	84%		87%		89%	
6. Success rate of first time applicants equals or exceeds other applicants	1st	Other	1st	Other	1st	Other
A4A	60%	61%	58%	57%	51%	51%
Your heritage	80%	80%	83%	89%	86%	92%
7. Applications from priority areas reach per capita region average during the life of the Strategic Plan.	Met by no region or country. Best – NE and WM (met in 4 out of 6 priority areas) Worst – London, NI, Scotland and Wales (met in one priority area) {Data not available for A4A and LHI}		Met by no region or country. Best – NE & WM (met in 83% of priority areas). Worst – London, NI, Scotland, SE and Wales (met in one priority area) {Data not available for A4A and LHI}		Met by no region or country. Best – NE (met in 83% of priority areas). Worst – NW & SW (met in 0% of priority areas) {Data not available for A4A and LHI}	

	31 March 2005	31 March 2004	31 March 2003
8. Success rate in priority areas equals or exceeds other areas in the UK.	Met by WM Worst – NI and Wales (met in one priority area) {Data not available for A4A and LHI}	Met by no region or country. Best – London (met in 80% of priority areas). Worst – Scotland and SW (met in no priority area) {Data not available for A4A and LHI}	Met by no region or country. Best – WM (met in 67% of priority areas). Worst – {Data not available for A4A and LHI}
9. Increased volume of HLF-generated positive media coverage about heritage issues: regional and national.	Met and ongoing. Media analysis continues to rise in volume and bias in both national and regional press. Substantial increase in sectoral and specialist coverage. Handled a controversial major batch announcement in January 2005 with all announcements supported by relevant political/partner endorsing quotes including press conference in Scotland with ministerial attendance. Resulting coverage balanced with positive messages achieved across blanket national media and negative coverage minimal. Handled regional/country grant announcement Jan-March 2005 with positive 'heritage matters' and endorsing political quotes in all. Successfully managed Tyntesfield March announcement with National Trust with positive result for HLF.		
10. Improved awareness of, and support for, heritage amongst opinion leaders.	A leaflet describing our work on 'Heritage and Identity' last year has been produced. As well as reminding people of proceedings at our national conference last summer, it reports on work in Wales and elsewhere in the Autumn, and mentions plans for 2005. Round One Policy Sectoral Factsheets are now complete; the first five include Biodiversity, Public Parks, Industrial Heritage, Education, and Museums & Galleries. This family of factsheets focuses on priority topics that set out clearly what HLF has achieved in a specific sector or against a specific government agenda over the past 10 years, to help sector/policy-makers make the case for continued funding and to provide consistent figures for external use. Our new website is now up and running, following a 'soft launch' at the end of last year. It has been very well received so far and a number of new features are being well used by visitors.		
11. Deliver 3 public events on heritage issues	High HLF profile within Heritage Counts and National Lottery 10th Birthday events. Ran major national conferences on Heritage and Identity in London and Cardiff. Worked with Museum's Association to deliver "Game Plan – Museum's and Lottery Funding" – conference supported by Ministerial announcement and key note speech.		

22 Corporate Performance Indicators

Corporate Performance Indicators

Strategic Plan targets

This is the third year of our 2002-7 Strategic Plan and the following notes are a commentary on our progress towards meeting the targets we have set ourselves over the lifetime of the plan.

Indicator 1

The figure of 36.6% of the total grant awards this year to grants of less than £1 million is attributable to a number of factors. We have attracted fewer applications than anticipated for some of our smaller grant programmes; there have been fewer grants of between £2 million and £5 million, but there have also been a substantial number of awards of between £1 million and £2 million going through the normal committee business.

Indicator 2

The Board has awarded £111.5 million this year in awards of more than £5 million. This figure is around 31.2% of the total 2004/5 award figure of £357.6 million. This means that over the three years of the strategic plan, the figure awarded to projects of more than £5 million is close to 29%.

Indicator 3

This figure for expenditure on A4A throughout the UK has slightly decreased against last year's figure. However, two new offshoots of the Awards for All programme – Home Front Recall (£660,000) and Micro-grants (£15,000) have resulted in the total figure rising to £5.4 million.

Indicator 4

We have met our planned targets for Townscapes, for Landscape Partnerships, and for the Repair Grant scheme for Places of Worship in England. The A4A figure is up on last year, but still has not managed (see above) to commit all the resources available.

Heritage Grants are numerically below target, even though in resources we have committed substantially in excess of the figures we forecast this year. Part of the reasons for this is the decision to commit the £111.5 million to eight new substantive grant applications under the Major Grants portfolio. The average size of grant request is on the increase, and it was not possible in 2004/5 for us to seek to deploy both £211 million (the overall figure for Heritage Grants in 2004/5) and make 355 awards when nearly half of the available figure was committed on only eight major awards.

Your Heritage Grants have stayed only marginally (around 10%) above last year's figure. We continue to hope to grow our coverage in this area next year to closer to the 800 a year figure that we had originally predicted for the middle year of our Plan.

Indicator 5

Intended as a measure of the extent to which our smaller grant programmes are continuing to attract new audiences to the heritage, the A4A figure remains more or less on target and the YH figure remains impressive in terms of the applicant base it is attracting.

Indicator 6

Intended as a measure to show that first time applicants are not disadvantaged by their lack of familiarity with HLF. The figures show virtual parity of success for both first time and repeat applicants for A4A and for Your Heritage grants.

Indicator 7

The figures still show work in progress to raise the profile of HLF's ability to fund projects in some of the toughest areas for us to reach with our funding. All teams have been able to report some success here.

Indicator 8

The success rate of applicants from our priority development areas is a measure of the extent to which we are encouraging supportable applications to come forward. These figures become cumulative over the five years of the Strategic Plan, but there has in the last three years been some improvement in our performance and the extent of success rates achieved in a number of our selected priority areas.

12 months to 31 March 2005

Indicators of service level –	March 2005	March 2004
1. All applications will be assessed against key criteria within 3 months of receipt and failures notified at that stage.	74% average 69 days	70% average 77 days
2. The average time from receipt to decision: Heritage grants programme –		
• Stage 1 – 6 calendar months	5.4 months 68% met the target	6.4 months 47%
• Stage 2 – 4 calendar months;	5.2 months 54%	5.6 months 48%
Your Heritage – 3 calendar months;	2.9 months 64%	3.4 months 49%
THI – 6 calendar months;	5.1 months 96%	4.6 months 100%
RPOW – 6 calendar months;	4.6 months 87%	5.4 months 85%
Public Parks Initiative –		
• Stage 1 – 9 calendar months;	7.2 months 67% met target	11.7 months 15%
• Stage 2 – 5 calendar months	6.3 months 50%	6.8 months 25%
Landscape Partnership –		
• Stage 1 – 6 calendar months;	5.2 months 82%	5.5 months 100%
• Stage 2 – 4 calendar months	n/a	n/a
LHI – 3 calendar months;	2.5 months	2.2 months
A4A – 3 calendar months;	1.9 months	2.2 months
Project Planning Grants – 3 calendar months	3.4 months 48%	3-8 months 41%
3. Decisions will be placed on HLF's website within 10 working days of the meeting.	Updated on average 6.8 days	average of 10 days
4. Successful applicants will be issued with a contract within 35 working days.	94% average 17 days	90% 17 days
5. Grant payments will be made to the applicant, on average, within 15 working days from receipt of the payment request.	Operations 6 days 92% met the target Finance 2 days Total 8 days	Ops 4 days 94% Fin 2 days Total 6 days
6. All cases referred to the Review and Complaints Committee will be determined within four months.	100%	No meeting in year
7. A survey of grant applicants will show a 75% satisfaction rating with HLF's service (for assessment) and 88% (for monitoring).	Assessment – 75% Monitoring – 82%	Assessment 74% Monitoring 85%
8. The unit cost of processing grant applications, excluding the cost of post-decision monitoring and evaluation, will be less than £2,150 for all applications.	£1,778 (£4,487 excluding externally processed cases)	£2,153 (£4,467)

Data excludes English RPOW

Indicators of service level

The end of year performance indicators on the key service targets show a satisfactory improvement in most areas on the 2003/4 end of year achieved figures. We have reduced all the processing times on average for Initial Review, Stage 1 and Stage 2 awards and for Your Heritage grants; and we have increased by a substantial percentage the numbers of cases being processed, in consequence, within these deadlines.

Indicator 1

Performance in initial assessment of cases now takes on average eight days quicker than in 2003/4. For 26% of cases we are not meeting our target of 91 days. In some cases, this is because we proceed straight to full assessment.

24 Corporate Performance Indicators

Indicator 2

There are substantial improvements to report on the figures recorded in 2003/4 on a number of the processing times against individual grant programmes, and we now meet our turnaround targets on average for Heritage Grants and Your Heritage. Even for Public Parks, where we have increased the turnaround target to 9 months to reflect the long timescales we have taken in previous years, our performance is now improving. Our batched and managed programmes – often with an assigned timetable – are those kept most closely to schedule.

Stage 2 applications for Heritage Grants and for Public Parks cases continue to cause problems. Continuing issues over the complexity of the proposals and our need to ensure the quality of the outcomes have made it difficult for us to reduce the processing times here.

Indicator 3

A significant improvement in performance was achieved.

Indicator 4

We continue to improve performance in this area and previous delays in dealing with contracts should also now be averted by our inclusion of the contract documents with application packs.

Indicator 5

We have maintained a rapid processing time for grant payments this year.

Indicator 6

We received very few complaints in the year. Those that were received were dealt with on target.

Indicator 7

Customer satisfaction levels with both our assessment and monitoring work, measured by independently conducted telephone surveys, shows satisfaction running at the expected and slightly heightened levels for our applicants, but there has been a slight dip in the previously recorded high spot of 85% performance for our monitoring services.

Indicator 8

The unit cost target for 2004/5 was made harder by reducing it from £2,400 to £2.150. We managed to achieve that target through keeping our administrative costs under control (a rise of 0.6%) whilst processing more applications.

Monitoring

Monitoring projects underway continues to be a major part of our work. During the year, the number of live cases being monitored continued to rise from last year's levels, from around 3,700 in April 2004 to just over 4,000 in March 2005. Around 2,500 of these have been designated low risk and are monitored by our applicants themselves reporting to our staff. We have taken steps during this year to review our approach to monitoring projects in the light of 10 years experience, the result of which was to increase the number of projects considered to be low risk and therefore subject to less intrusive monitoring. We have also re-tendered our Register of Professional Advisers to reflect the need for experienced monitors who can help us achieve the best results from the grants we have awarded.

Evaluation

During 2004/05 we made important progress on the evaluation of our grant programmes, with the publication of a report that we commissioned from the think-tank Demos. We had asked Demos to develop a framework that we could use to describe and present the benefits of our funding. Their proposal was that we use the idea of 'cultural value'. Through this framework we will be able to bring together the intrinsic value of heritage and the instrumental benefits of our funding, along with impacts associated with the way that we work as an institution. The Demos report, 'HLF and Cultural Value' is available on our web-site, or from our publications department.

We continue to improve our use of the data that we collect from applicants. We have also refined the post-project information that we request from grantees. A number of new research projects are looking at the social and economic benefits of our Heritage Grants and Your Heritage programmes. During the year we continued the evaluations of our targeted initiatives, with more work taking place on THI, Young Roots and Joint Places of Worship schemes.

Heritage Lottery Fund



PROGRESS ON PROJECTS + £5 MILLION

26 Progress on Projects

The following table shows the progress on uncompleted projects involving £5m or more of Lottery funding.

Project title	Total project cost	Grant amount	% Grant Paid to date	Latest site report
Air Space Duxford	£19,443,420	£9,000,000	20%	Enabling works complete. Main capital project commenced with steelwork and roof of new building now in place in time for the front extension. Anticipated completion date is early summer 2006.
Ancoats, Murray's Mills	£11,800,000	£7,164,563	18%	Shell repair works commenced on site and anticipated for completion in April 2006.
Battersea Park (London, Wandsworth)	£10,865,787	£7,500,000	100%	Restoration scheme now complete and full grant payment made in April 2005.
Big Pit: National Mining Museum of Wales	£7,085,427	£5,278,000	86%	Project complete with the exception of snagging. Official project launch was April 2004. Practical completion expected August 2005.
Birkenhead Park	£11,381,645	£7,423,000	8%	Design phase for Grand Lodge nearing completion. Pavilion package likely to complete in June 2005. Practical completion expected December 2006
Birmingham Town Hall	£24,540,076	£13,500,000	0%	Work has commenced on site. First drawdown imminent. Completion date October 2007.
British Film Institute, Berkhamstead	£18,500,000	£9,149,560 (original grant £13,875,000 – less decrease £4,725,440)	90%	Project largely complete, with one small package (Nationwide tapes) due for completion in June 2005. To time and budget.
Cardiff Castle	£7,782,940	£5,742,500	53%	Visitor Centre due for completion end of 2006. Tenders have been received for 2nd phase of the external conservation of the house
Chatham Historic Dockyard	£17,372,000	£13,514,981	96%	Project largely complete – only remaining element is the draining and repainting of the caissons due for completion in Summer 2005.
Christ Church Spitalfields, Tower Hamlets, London	£9,446,182	£5,984,500	91%	Works complete. Awaiting Final drawdown
City & County Museum, Lincoln	£11,023,870	£5,141,000	68%	Work begun on site in February 2003. Capital works progressing well within anticipated completion date July 2005.
Covent Garden Project, London Transport Museum	£16,567,368	£8,608,000	1%	Enabling works commenced on site April 2005
The Darwin Centre II	£65,820,000	£19,900,000	0%	Enabling works in the Galleries and at Wandsworth in progress to facilitate the decant of the existing entomology building. Stage E drawings complete and first payment imminent
Dean Gallery, Edinburgh	£8,331,158	£6,311,000	90%	Project complete. Final grant drawdown currently being assessed.
East Park Restoration, Kingston upon Hull	£9,232,246	£6,397,364	13%	Work started on site with bridge works completed and lake bridge now reopened. Landscaping to historic core commenced in March 2005. Grant increase of £995,300 awarded Jan 2005. Anticipated completion date summer 2006.

Progress on Projects

Fitzwilliam Museum Courtyard Development	£11,404,688	£5,626,000	100%	Project completed on time and budget.
Football Museum, Preston	£14,020,201	£9,384,000	99%	Capital project completed 2004. Remaining grant being monitored is a revenue grant for Education Officer. This will continue until 2006
Gilbert Collection, Somerset House, London	30750000 (capital grant £20.75m + endowment £10m)	£30,750,000	100.0%	Project now complete
Glasgow Green, Glasgow	£14,580,000	£8,821,000	85%	Six ongoing contracts remain out of a total of fifteen. Grant expiry date March 2007
John Rylands Library, Manchester	£15,007,098	£8,194,000	33%	Main capital work progressing with steel structure for new building in place. Decant complete. Anticipated completion date spring 2006.
Kelvingrove New Century Project, Glasgow	£25,508,000	£12,793,000	69%	Museum closed at end of June 2003 for capital programme. Core repair and conversion work to historic building now complete. The building has been handed over for fit-out.
Kennet & Avon Canal, Devizes	£33,240,000	£25,000,000	99%	Project complete and official opening held. Final payment imminent.
Leeds City Museum	£25,972,000	£19,479,000	5%	Works commenced on site with work on Resource Centre to commence in July 2005. Anticipated completion date June 2007.
Lowry Centre, Salford	£21,563,700	£10,875,000	100.0%	Capital scheme now complete and full grant now paid.
Manchester City Art Gallery Phase II Expansion Project	£24,731,000	£18,800,000	98%	Project complete. Anticipating final drawdown summer 2005.
Museum in Docklands, Tower Hamlets, London	£17,999,950	£15,298,000	90%	Capital phase complete. Drawdown on 3 year revenue phase underway. Anticipated date of completion April 2006.
Museum of Science and Industry, Manchester	£13,200,000	£8,800,000	92%	Project complete 2004. Awaiting Final drawdown.
National Maritime Museum, Falmouth	£30,175,431	£18,431,638	95%	Main capital project completed 2004. Grant increase for access and education revenue funding awarded Jan 2005. Revenue grant completes 2010.
National Waterfront Museum Swansea	£30,894,398	£10,699,000	87%	Full project completion expected July 2005 with official opening October 2005.
NMGM 2001 (National Museums Liverpool)	£36,686,790	£32,161,000	90%	Project complete. Museum opened March 2005. Awaiting final drawdown.
Playfair Project, Edinburgh	£25,667,000	£7,390,000	94%	Capital project complete and official opening in August 2004. Final grant drawdown pending.
Restoration of the London Coliseum	£14,531,390	£10,650,000	91%	The Coliseum re-opened in February 2004 and the final elements were undertaken in 2004 Summer closure. The capital works are now complete on site and final drawdown awaited.

28 Progress on Projects

Roundhay Park, Leeds	£8,195,174	£6,111,000	74%	All landscape and buildings works complete, excluding works to Mansion House. Final completion date May 2006.
Royal Albert Hall Development, London	£57,690,000	£20,180,000	100%	Project complete.
Royal Festival Hall Project	£21,727,000	£19,176,000	0%	Detailed planning for project underway but capital scheme has not yet commenced.
Royal Hall Harrogate	£8,000,000	£6,000,000	0%	Grant awarded March 2005. Contract to be signed and project to commence.
Rural History Centre, Reading	£10,485,000	£5,170,000	80%	Works progressing well. Soft opening for the exhibition area planning for July 2005. Final completion expected end of 2005.
Saltwell Park, Gateshead	£9,300,000	£6,949,000	95%	Project is largely completed. Formal opening planned for Summer 2005
Sheffield Botanical Gardens	£6,751,015	£5,063,800	90%	Works largely complete and within budget. Final drawdown anticipated November 2005
Sheffield City Museum & Mappin Art Gallery	£16,800,000	£12,600,000	44%	Capital work progressing. Exhibition materials manufactured off site and due for installation in November 2005. Completion date anticipated early 2006.
ss Great Britain – Securing the Heritage Core	£11,224,530	£8,473,000	91%	Project close to completion. Official opening planned for July 2005.
St George's Hall, Liverpool	£17,916,264	£14,598,000	78%	First phase now complete. Grant increase of £2m awarded Jan 2005 to complete postponed works from first phase. Anticipated completion date March 2007.
St Martin-in-the-Fields, London	£34,099,000	£13,377,000	0%	Grant awarded December 2004. Some enabling work commenced but main capital programme not started.
Stanley Mills, Perthshire, Scotland	£6,813,000	£5,127,000	55%	Capital works ongoing with some changes agreed. Anticipated date for completion is December 2005.
Stowe House Preservation Plan – Phase II	£7,371,000	£5,528,000	73%	All works due to be completed by end of June 2005.
Time and Space: Developing the Royal Observatory, Greenwich	£9,054,310	£6,789,000	0%	Work started on site February 2005.
Tower Environs, London	£15,154,808	£5,533,000	89%	The capital project is complete with final snagging currently being resolved. Final grant request anticipated.
Unlocking the Archives, Royal Geographical Society	£6,718,083	£5,040,000	98%	Project complete. Final accounts being settled and final grantdown expected end June 2005
Wentworth Castle and Landscape of Stainborough Park	£13,809,526	£10,357,000	7%	Return dates for tender due April 2005 and project to then commence.
Woodhorn Colliery: Experience Northumberland at Woodhorn	£15,015,634	£10,000,000	5%	Main contract work commenced on site December 2004. Scheduled completion date April 2006.

Heritage Lottery Fund



G R A N T S A W A R D E D + £ 1 0 0 , 0 0 0

30 Grants of £100,000 and over awarded between 1 April 2004 and 31 March 2005

All Saints Church £140,000.00	Bennachie Centre Trust The Bennachie Project £639,000.00	British Motor Industry Heritage Trust (BMIHT) 'Going Places': Bringing a private archive of the British motor industry (the Baldwin Collection) into the public domain and providing access for all. £569,000.00	Cambridgeshire County Council on behalf of the Biodiversity Partnership for Cambridgeshire and Peterborough Sharing Information About Wildlife £224,000.00
Ancoats Building Preservation Trust Ltd Skills, Schools and Stories (at Murrays' Mills, Ancoats, Manchester) £106,500.00	Berkshire, Buckinghamshire & Oxfordshire Wildlife Trust Woodlands Farm Acquisition £233,500.00	British Museum Acquisition of the Coenwulf Coin £175,000.00	Cannock Chase Council Chase Heritage Trail, Cannock, Staffs £946,000.00
Arts and Leisure Department Leicester City Council Welford Road Cemetery Restoration Project £759,500.00	Birmingham City Archives Connecting Histories £821,500.00	British Waterways Droitwich Barge and Junction Canals – Restoration £4,658,000.00	Carving a Foundation for the Isle of Purbeck £1,443,000.00
Arun District Council Bognor Regis, Hotham Park £147,500.00	Blackpool Borough Council Stanley Park, Blackpool £3,780,000.00	British Waterways Foxton Locks £1,782,000.00	Catton Park £578,000.00
Ashfield District Council Teversal Manor Rooms Restoration Project £156,000.00	Bluebell Railway – Operation Undercover (Phase 3) £2,875,000.00	British Waterways Renaissance of the Cotswold Canals £411,000.00	Catton Park Trust Ltd Catton Park £128,000.00
Ashmolean Museum Ashmolean Plan £907,500.00	Bognor Regis, Hotham Park £1,548,000.00	British Waterways Midlands & South West Region Restoration of Stourport Canal Basins £1,678,000.00	Causeway Museum Service Causeway Museum Service Outreach Project £150,500.00
Ashmolean Plan £15,000,000.00	Boomerang Kids Boomerang Kids Club £319,000.00	Broad Street/Stafford Street THI £960,000.00	Cefn Mawr THI £1,000,000.00
Assemblies of the First Born £252,000.00	Borough of Barrow-in-Furness Council Barrow Public Park £248,000.00	Brunel 200: 200th anniversary of the birth of Isambard Kingdom Brunel £980,000.00	Central Barrow Gateway £1,000,000.00
Assemblies of the First Born Church £176,000.00	Borough of Poole Renascent Waterfront Museum £750,000.00	Brynmill Park, Swansea £1,054,000.00	Central St Leonards, THI 2004–07 £850,000.00
At Close Quarters £8,551,000.00	Botolph's Barn Committee Botolph's Barn £175,500.00	Buckinghamshire County Council Wexham, Buckinghamshire: Langley Park Estate £218,000.00	Charlecote PCC £126,273.00
Avon Wildlife Trust Folly Farm Nature Reserve £2,567,000.00	Bridge Street No 2 – Lisburn THI £955,000.00	Bude Canal Regeneration Project £1,600,000.00	Cheltenham Borough Council Montpellier Gardens, Cheltenham £722,000.00
Bahamas Locomotive Society Ltd Steam Locomotive – LNWR 'Coal Tank' No 1054 £154,000.00	Bridgend Town Centre THI £910,000.00	Burghley House Preservation Trust Ltd Burghley Brewhouse Project £983,500.00	Cheshire County Council Cheshire Tithe Map Digital Archive £159,000.00
Ballymoney Museum £288,500.00	Brighton & Hove Hebrew Congregation £154,352.40	Burslem Townscape Heritage Initiative Scheme 2 £970,000.00	Chorley Borough Council Astley Park, Chorley £2,004,000.00
Bank Hall £1,579,000.00	Bristol Museums and Art Gallery National Gallery Touring Partnership (2006 to 2008) £396,000.00	Cae'r Gors: Canolfan Dreftadaeth Kate Roberts £662,500.00	Christian Life Church Trust £160,000.00
Barnsley Metropolitan Borough Council In Touch: Access and Lifelong Learning at Cannon Hall £254,000.00	British Aviation Preservation Council National Aviation Heritage Skills Initiative £569,500.00		Church of St Barnabas £273,334.80
Bath Place Community Venture Bath Place Community Archive Project £152,000.00	British Library British Library Centre for Conservation: Raising Awareness of Conservation and Enhancing Training £999,500.00		Church of St Lawrence £155,000.00

Clavell Tower Restoration
£436,700.00

Cleveland Buildings Preservation Trust Limited
Restoration of Redcar Town Clock
£148,500.00

Congleton Museum Trust
Congleton Museum Trust
£126,000.00

Conway Mill Preservation Trust Ltd
Conway Mill
£950,000.00

Cornish Maritime Trust
Barnabas Restoration
£159,600.00

Cornwall County Council
Mineral Tramways Heritage Project
£1,602,000.00

CORRINGHAM PCC
£100,579.50

Council for National Parks
The Mosaic Partnership
£635,000.00

Coupar Angus Townscape Heritage Initiative
£880,000.00

Coventry City Council
Coventry History Centre & Galleries
£1,912,000.00

Coventry City Council
Far Gosford Street – Townscape Heritage Initiative
£1,700,000.00

Craigsbank Parish Church
£145,000.00

Crescent Arts Centre
£319,000.00

Creswell Crags Museum & Archaeology Park
£4,234,000.00

Creswell Heritage Trust
Creswell Crags Museum & Archaeology Park
£192,000.00

Crewe & Nantwich Borough Council
Queens Park Restoration
£2,775,000.00

Cumbria Wildlife Trust
Grounds for Wildlife
£115,500.00

Cumbria Wildlife Trust
Cumbria's Wealth of Wildlife Project
£628,500.00

Cutty Sark Conservation Project
£11,750,000.00

Cutty Sark Trust
Cutty Sark Conservation Project
£1,251,000.00

Cyfeillion Cadw Tremadog
Former Saint Mary's Church, Tremadog / Hen Eglwys y Santes Fair, Tremadog
£755,500.00

Cyngor Sir Ceredigion County Council
Caring for Cardigan (Aberteifi THI)
£735,000.00

Cyrenians Cymru
St Matthew's Community Resource Centre
£290,000.00

Derbyshire College Estates Limited
Devonshire Royal Hospital
£1,228,000.00

Diocese of Durham
£137,000.00

Dorchester Town Council
Dorchester Borough Gardens
£950,500.00

Dorset County Museum
Jurassic Coast Gallery
£336,500.00

Dumfries and Galloway Council
Annan THI
£578,500.00

Dunster Tithe Barn Community Hall
Dunster Tithe Barn – Restoration, Conservation and Community Use
£287,500.00

Durham County Council on behalf of North Pennines AONB Partnership
Down to Earth
£416,000.00

East Coast Sail Trust
Thalatta Centenary 2006
£527,500.00

Eastbourne Borough Council
Towner Art Gallery – Relocation
£1,960,000.00

Eden Court Theatre and Cinema
Repair and Conservation of the Bishop's Palace
£793,000.00

Eden Rivers Trust
Restoring Eden
£985,000.00

Elmton and Creswell Parish Council
Creswell Social Centre
£262,000.00

Environmental Advisory Service
Merseyside Biobank
£546,000.00

Eric Lidell Centre
The Eric Liddell Centre
£209,000.00

Exeter City Council
Royal Albert Memorial Museum and Art Gallery Development
£538,000.00

Falkirk Council
Bo'ness THI
£1,300,000.00

Forest Enterprise (England)
Neroche Project within the Blackdown Hills AONB
£118,000.00

Friar Street Museum
Resource and Learning Centre Phase 3
£1,223,000.00

Friends of St Anne's Hall
St Anne's Hall Restoration
£137,000.00

Friends of the Western Buddhist Order
£156,000.00

Fusion (Southwark Community Leisure Ltd)
Brockwell Park Lido
£500,000.00

Gallery Oldham
Following the Banner
£140,000.00

Galley Common PCC
£392,000.00

Geffrye Museum Trust
At Home 1600–1800
£412,000.00

Glasgow Building Preservation Trust
The Restoration of Castlemilk Stables Block and Site for Community Use
£332,000.00

Glasgow City Council
Purchase of a private collection of original artwork, and associated archive, by the artist and illustrator Jessie Marion King (1875–1949), for Glasgow Museums and Art Galleries
£130,000.00

Glasgow City Council:
Museum of Transport
Riverside Museum and Glasgow Museums Resource Centre (Phase 2) Project
£990,000.00

Glossopdale THI
£1,300,000.00

Gracehill Old School Restoration
£1,125,000.00

Great North Museum
£8,750,000.00

GreenSpace
Heritage Parks: Community Events Programme
£962,000.00

Groundwork Camden & Islington
Up to No Good?
£134,500.00

Hackney Historic Buildings Trust
St. Augustine's Tower, Hackney
£231,000.00

Hainford PCC
£102,000.00

Halton Borough Council
Wild about Halton
£464,000.00

Halton Borough Council
Victoria Park, Widnes
£1,682,000.00

Harrogate Borough Council
Restoration of the Royal Hall, Harrogate
£6,000,000.00

Herbert Art Gallery and Museum – Phase 3
£2,875,000.00

Herefordshire Community Commons Project
£460,500.00

32 Grants of £100,000 and over awarded between 1 April 2004 and 31 March 2005

Herefordshire Nature Trust Herefordshire Community Commons Project £123,000.00	Kerrier District Council Wheal Peevor Project £407,500.00	London Borough of Camden Camden Archaeological Workshops £205,000.00	Maryport Townscape Heritage Initiative Scheme £1,100,000.00
Heritage Conservation Group, Kent County Council Exploring Kent's Past £177,000.00	Kingston upon Hull City Council East Park Restoration, Kingston upon Hull £995,300.00	London Borough of Croydon Museum of Croydon £933,500.00	Medway Gap 'Valley of Vision' Landscape Partnership £1,814,000.00
Heritage Trust for the North West Bank Hall £116,000.00	Kirkconnel Parish Heritage Society Kirkconnel Set in Stone £132,000.00	London Borough of Hackney Restoration of St John at Hackney Churchyard Gardens £1,790,000.00	Melcombe Regis Townscape Renewal £565,000.00
Highfield Trinity Anglican & Methodist Church £180,000.00	Lagan Valley LPS £1,529,000.00	London Borough of Harrow Canons Park Historic Restoration Project £917,700.00	Merchant City THI Phase 2 £820,000.00
Hill Close Gardens Trust Ltd Victorian Detached Pleasure Gardens: Hill Close Gardens, Warwick £906,500.00	Launceston THI £525,000.00	London Borough of Hillingdon Heritage Builds Bridges £247,500.00	Middleton Railway Trust Limited The Middleton Railway Collection, Leeds £737,500.00
Hindley Town Centre Renaissance £315,000.00	Learning Through Landscapes Hearts and Minds £515,500.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	Mitcheldean PCC £105,901.95
Historic Chapels Trust Bethesda Methodist Church, Stoke on Trent £265,500.00	Leicestershire County Council The Revitalisation of Bosworth Battlefield – Phases II and III £990,000.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	Mo Building – Sheringham Museum £692,500.00
Holy Innocents PCC £148,000.00	Lincolnshire County Council Lincolnshire Limewoods £700,000.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	Momentum Arts Untold Stories: BME History and Heritage £265,500.00
Holy Trinity £157,000.00	Little Bolton THI £795,000.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	Moyle District Council Bushmills THI £440,000.00
Holy Trinity Church £157,000.00	Liverpool City Council Liverpool World Heritage Site THI £1,800,000.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	Museum of Childhood at Bethnal Green Redevelopment of the Museum of Childhood at Bethnal Green (Phase 2) £3,500,000.00
Holy Trinity Church £152,000.00	Liverpool City Council Sefton Park: Restoration and Improvement £224,000.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	Museum of Childhood Rejuvenation Project £1,593,000.00
Holywell THI – Phase II £760,000.00	Liverpool City Council Sefton Park: Restoration and Improvement £224,000.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	Museum of London Museum of London Inclusion Programme £160,500.00
Ipswich Borough Council Restoration of Christchurch Park – Ipswich £3,211,000.00	Liverpool City Council/St Georges Charitable Trust St George's Hall, Liverpool – Development £2,000,000.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	Museum of London The acquisition of 'Eastward Hol' and 'Home Again' £713,000.00
Ipswich Caribbean Association Ipswich Caribbean Experience £184,000.00	Llandoverly and Llangadog THI, phase II £770,000.00	London Borough of Lambeth Clapham Common Bandstand £898,500.00	National Maritime Museum/Cornwall Maritime Museum Falmouth Maritime Initiative £1,145,713.00
Kent County Council Sevenoaks Kaleidoscope – re- modelling the Museum £995,000.00	Llangybi PCC St Cybi's Church £100,000.00	London's Transport Museum Covent Garden Project £8,608,000.00	National Museum of Photography, Film & Television Experience TV, Bradford £400,000.00
Kerridge Ridge & Ingersley Vale Project £727,000.00	London Borough of Bexley Danson Park Historic Restoration £1,195,000.00	Lurgan Forward Lurgan THI £699,000.00	
		Manchester City Council Dig Manchester £431,500.00	
		March Civic Trust March Town Hall: Multi Purpose Community Facilities £187,000.00	

Grants of £100,000 and over awarded between 1 April 2004 and 31 March 2005

National Museum of Science and Industry Collections Access Facility £358,000.00	North Tyneside Council Interpretation of the Waggonways Network £100,000.00	Parochial Church Council £103,000.00	Rejuvenating Uttoxeter Town Centre THI £400,000.00
National Museums and Galleries of Northern Ireland Opening up the Ulster Museum £186,000.00	North York Moors National Park Authority Heritage Connections – New Audiences £298,500.00	Parochial Church Council of All Saints' Stand £107,203.20	Renaissance of the Cotswold Canals £10,924,000.00
National Trust (Wessex Region) Discovering the Wilderness – Prior Park, Bath £483,000.00	Northampton Theatres Trust Restoration of Royal Theatre Northampton £114,000.00	PCC £144,827.40	Rhayader and District Chronicles Community Museum and Outreach Project £444,500.00
National Wildflower Centre Wildflower Heroes (Plants and People) £385,000.00	Northampton Theatres Trust Restoration of Royal Theatre Northampton £1,840,000.00	PCC £135,056.00	Richmond Station Regeneration Project £690,000.00
Natural History Museum Darwin Centre £5,000,000.00	Northumberland National Park Authority Northumberland National Park Authority – Traditional Boundaries – Traditional Skills £989,000.00	PCC of St George's Church & St John the Evangelist St George's Bloomsbury Restoration Project £462,500.00	Ripon – Hackfall Landscape £872,000.00
Neroche Project within the Blackdown Hills AONB £1,882,000.00	Norton Priory Museum Trust Ltd HA2 (Heritage Access, Halton Area) £231,000.00	PCC of St Mary West Twyford £146,000.00	River and Rowing Museum Foundation Henley River and Rowing Museum Education Centre £683,000.00
New Hostry Project £2,119,000.00	Norwich Cathedral New Hostry Project £184,000.00	Penwith District Council Leach Pottery (St Ives) Project £610,000.00	Riverside Museum and Glasgow Museums Resource Centre (Phase 2) Project £15,000,000.00
New Station and Museum Building for Rhyl Minature Railway £484,500.00	Nottingham City Council Holme Pit De-silting Project £225,500.00	Perth & Kinross Countryside Trust Perthshire Big Tree Country Heritage & Access Project £526,500.00	Roman Catholic Parish of Our Lady of Fatima £128,000.00
Newcastle City Council Down Your Way? £635,000.00	Opening up the Ulster Museum £4,527,000.00	Plymouth Hospitals NHS Trust Learning from the Past to Prepare for the Future £196,500.00	Rotunda Museum Project, Scarborough £1,863,000.00
Newham – Central Park £1,902,000.00	Orleans House Gallery Orleans House Gallery: Education Centre Development £936,000.00	Portsmouth City Council Portsmouth's Voices: Oral History in Portsmouth £223,500.00	Royal Air Force Museum Divided World – Connected World £4,900,000.00
Norfolk County Council Of Giants, Wisewomen, Ploughboys and Kings £129,500.00	Our Lady of Reconciliation de la Salette £118,000.00	Presbyterian (Unitarian) Chapel £108,000.00	Royal Albert Memorial Museum and Art Gallery Development £8,452,000.00
Norfolk Museums and Archaeology Service The Norfolk Heritage Explorer £203,000.00	Oxford Preservation Trust Acquisition of Chilswell Fields, Boars Hill, Oxford £120,000.00	Purbeck District Council Carving a Foundation for the Isle of Purbeck £126,300.00	Royal Borough of Kensington and Chelsea Drawing Inspiration: A New Future for the Leighton House Drawings Collection £215,500.00
North East Theatre Trust Ltd Live Theatre – the Ideas Factory – 29 Broad Chare £550,000.00	Oxford Preservation Trust (OPT) Oxford Castle Yard £3,708,000.00	Reading Borough Council Outside the Box £957,500.00	Royal College of Organists Refurbishment of Curzon Street £2,605,900.00
North Lanarkshire Council/Community Services Summerlee Heritage Park £119,000.00	Parish Church of St James Garlickhythe St James Garlickhythe, EC4: Organ Restoration £226,500.00	Redditch Borough Council Palace Theatre Restoration £920,500.00	Royal Commission on the Ancient and Historical Monuments of Scotland Sir Basil Spence Archive Project £975,000.00
North Pennines Heritage Trust Alston Arches Viaduct Restoration £328,000.00		Redevelopment of the Playhouse £1,120,000.00	
		Reigate & Banstead Borough Council Reigate Priory Park £306,500.00	
		Reigate Priory Park £4,155,500.00	

34 Grants of £100,000 and over awarded between 1 April 2004 and 31 March 2005

Royal National Lifeboat Institution (RNLI) Re-development and Re-interpretation of RNLI Grace Darling Museum £997,500.00	Sheffield City Council Weston Park Restoration Project, Sheffield £227,300.00	St Giles' Cathedral St Giles' Cathedral: Access and Enlightenment £436,500.00	St. Peter's Church £151,000.00
Royal Naval Museum 'Sea Your History' £664,000.00	Shoreditch Tabernacle Baptist Church Shoreditch Tabernacle Baptist Church Hall £178,000.00	St John the Evangelist £115,000.00	St. Peter's PCC £106,000.00
Royal Observatory Greenwich Time and Space – Developing the Royal Observatory Greenwich £6,789,000.00	Shropshire County Council Discovering Shropshire's History £162,000.00	St John the Evangelist Parochial Church Council St John the Evangelist Conservation and Redevelopment Project £360,500.00	Steyning Museum Trust Extension to Steyning Museum £107,500.00
Royal Society for the Protection of Birds Frampton Marsh Nature Reserve £453,500.00	Shropshire County Council The Lilleshall Collection £349,500.00	St Laurence Parochial Church Council £260,000.00	Stornoway Townscape Heritage Initiative – Iomairt Dualchas Dealbh-baile Steornabhaigh £1,200,000.00
Royal Society for the Protection of Birds Acquisition of Land to extend Otmoor Nature Reserve £217,000.00	Shropshire Wildlife Trust The Wrekin £324,500.00	St Luke's Church £107,000.00	Stowe House Preservation Trust Marble Saloon Restoration £484,500.00
RVH – Restoration of Historic Areas £600,000.00	Somerset Archive and Record Office Sanford Archive Project £383,500.00	St Martin in the Fields St Martin in the Fields £13,377,000.00	Suffolk County Council Brandon Country Park £300,000.00
Scarborough Borough Council Rotunda Museum Project, Scarborough £120,000.00	South Bank Centre Royal Festival Hall: Restoration and Renovation (Auditorium) £19,176,000.00	St Mary the Virgin, Henley on Thames PCC Chantry House, Henley on Thames £177,500.00	Sulwath Connections – The Scottish Solway Coast and River Valleys £1,908,000.00
Scarborough Borough Council Scarborough, Peasholm Park – Island Restoration £309,500.00	South Humber Bank Wildlife & People Project £535,000.00	St Mary's and St James' Great Grimsby Parochial Church Council St James' Church Grimsby, Heritage Access & Learning Development Project £233,800.00	Summerlee Heritage Park £4,780,000.00
Scope Speaking For Ourselves £185,000.00	South Lowestoft Seafront Gardens & Esplanade £3,167,000.00	ST Mary's Church £122,796.00	Sussex Archaeological Society Fishbourne Roman Palace, Chichester £2,547,000.00
Scott Polar Research Institute The Herbert G. Ponting Archive of Antarctic Photographic Negatives £533,000.00	South Tawton Church House Management Committee Church House, South Tawton – Restoration £274,000.00	ST Michael & All Angels PCC £122,838.00	Tamar Valley Mining Heritage Project £2,331,000.00
Scottish Borders Council The Heritage Hub £1,896,000.00	Sri Guru Singh Sabha £100,000.00	St Thomas £105,968.40	Tate Acquisition of 'French Coast with Fishermen' c.1825 by Richard Parkes Bonington (1802–1828) £791,000.00
Scottish Screen Archive Scottish Screen Archive Access Project £696,000.00	St Augustine's, Coatbridge £114,500.00	St. Andrews Church £116,000.00	Tatton Park The Restoration of Tatton's Vinery–Pinery £515,000.00
Sefton Park: Restoration and Improvement £4,734,000.00	St Austell China Clay Museum Ltd Wheal Martyn China Clay Museum – Regeneration Prog Phase I £769,500.00	St. James's Church £123,000.00	Teme Weirs Trust Restoration of Casemill Weir and Sluices £307,000.00
SELBY ABBEY £175,751.40	St Cyprian's Church £112,000.00	St. John's Methodist Church £134,000.00	Tewkesbury Borough Council Tewkesbury Heritage Interpretation Project £1,339,000.00
	ST GEORGE £140,533.20	St. Mary De Haura Parochial Church Council £132,457.80	Thames Chase Mardyke Valley £611,000.00
	St George's Church £134,000.00	St. Matthew Housing Elsey's Maltings Heritage Centre, Bury St Edmunds £802,000.00	
		St. Paul's Church £148,000.00	

The Association of Gardens Trusts

Parks and Gardens: Access UK
£999,500.00

The Borough Council of King's Lynn and West Norfolk

Restoration of the Walks, Kings
Lynn Norfolk
£3,745,500.00

The Bradford Bulls Foundation

Bradford Bull's 'Odsal Heritage
Project'
£146,100.00

The Cathedral Church of Bangor

Bangor Cathedral – Restoration
£515,000.00

The English Baptist Church

Conservation, Adaptation and
Access Works to the English
Baptist Church, Carmarthen
£354,000.00

The Fitzwilliam Museum

Ancient Egypt
£586,500.00

The Friends of Benjamin Franklin House

Benjamin Franklin House:
Bringing History and Education
to Life
£984,500.00

The Gainsborough House Society

Gainsborough's House
Renovation
£417,000.00

The Hereford Waterworks Museum Ltd

New Development Project
£229,500.00

The Hereford Waterworks Museum Ltd

New Development Project
£229,500.00

The Holocaust Centre

The Kindertransport Operation
£499,000.00

The Holy Family Church, Port Glasgow

£105,000.00

The Ironbridge Gorge Museum Trust Limited

Jackfield Tile Museum & Factory
– Phase III
£2,000,000.00

The Kew Bridge Engines Trust and Water Supply Museum

Boulton & Watt and Maudslay
Engine House Restoration
£249,500.00

The Leigh Society

Plumbs Yard
£102,500.00

The Loch Lomond Steamship Company

Balloch Steam Slipway
Restoration, Loch Lomond
£294,500.00

The Maritime Museum

Acquisition of the Tunstall
Collection of Signals
Manuscripts and the Corbett
Research Archive
£114,000.00

The Medusa Trust

Medusa Diamond Project
£999,500.00

The Moray Council

The Falconer Museum
£353,500.00

The Musical Museum

Re-housing the Musical
Museum
£1,853,000.00

The Nadair Trust

Nadair 2 – Landscape
Partnership, Argyll Islands
£2,216,000.00

The National Archives

Moving Here – Routes to the
Future
£772,000.00

The National Football Museum

Purchase of the Oldest
Surviving FA Cup
£270,000.00

The National Trust

Dinefwr Historic Landscape
Restoration
£1,230,000.00

The National Trust

Nostell Priory Community
Engagement Project
£102,500.00

The National Trust

Making Faces at Beningbrough
Hall, York
£414,500.00

The National Trust for Scotland

Crarae Gardens – Restored for
the Nation
£297,500.00

The New Kadampa Tradition

Conishead Priory Restoration
Phase I
£899,000.00

The Old Town Cemetery, Stirling

£824,000.00

The Pembridge Amenity Trust

Pembridge Market Hall
(Herefordshire) Restoration
and Conservation Project
£190,000.00

The Puffer Preservation Trust Co. Ltd

Restoration of the VIC 32
Clyde Puffer
£105,000.00

The Regimental Trust Fund of The Gordon Highlanders – Gordon Highlanders Museum

Re-development of the Gordon
Highlanders Museum
£501,000.00

The Restoration and Interpretation of World War II Landing Craft, Tank 7074 (Landfill)

£763,000.00

The Restoration Fund

£2,500,000.00

The Royal Scots Dragoon Guards

The Royal Scots Dragoon
Guards Museum Project
£926,500.00

The Royal Scottish Geographical Society

Images for All: Making the RSGS
Collections Work
£160,000.00

The Royal Society for the Protection of Birds

Access for All on the Marshes
£998,500.00

The Scottish Fisheries Museum

Sailing Herring Drifter REAPER
Refit
£117,000.00

The Scottish Wildlife Trust

Viking Heaths
£950,500.00

The Select Vestry of Newtownards Parish

St Marks Church,
Newtownards
£954,500.00

The Sidweel Street Exeter Church Council

£156,204.00

The Stamford Mercury Archive Trust

Stamford Mercury Archive
Conservation Project
£306,000.00

The Sutherland Collection

£1,354,000.00

The Tank Museum

At Close Quarters
£393,500.00

The United Reformed Church

£108,000.00

The Weymouth Civic Society

Nothe Fort Structural Fabric
and Repair Project
£1,809,000.00

The Wildlife Trust of South and West Wales

Skomer Island Heritage
Experience
£1,675,000.00

The Wordsworth Trust

Acquisition of Collection of
books
£565,500.00

The Yorkshire Wolds Buildings Preservation Trust

St James' Church – Warton, East
Riding of Yorkshire
£498,500.00

Theatre Museum (a branch of the Victoria and Albert Museum)

THE OLIVER MESSEL
COLLECTION ACCESS
PROJECT
£440,000.00

Tremayne Hall Management Committee

Tremayne Community Hall
Regeneration Project
£333,900.00

Trustees of the Scottish Episcopal Church in Scotland

Christ Church, Morningside,
Edinburgh
£106,700.00

36 Grants of £100,000 and over awarded between 1 April 2004 and 31 March 2005

Ty Newydd Writers Centre
Ty Newydd Development plan
£250,000.00

Tyne & Wear Museums
Look, Touch, Listen and Smell
£211,500.00

Tyne and Wear Museums
The Acquisition of Three Oil
Paintings by LS Lowry (1887 –
1976)
£175,500.00

Tyntesfield
£20,000,000.00

University of Aberdeen
Old Aberdeen Town House
Restoration & Refurbishment
£250,000.00

University of Edinburgh
CURL – Britain in Print
£361,500.00

University of London
London: Gordon and Woburn
Square Gardens
£998,500.00

**University of Newcastle
upon Tyne**
Great North Museum
£496,000.00

Urdd Gobath Cymru
Caer Chwedlau, Cefn Cwrt
£318,500.00

Valley Line Trust
Countryside Visitor Centre,
Peene
£126,000.00

Vestry of St Andrews
Episcopal Church
St Andrew's Episcopal Church,
Callander
£151,600.00

Victoria & Albert Museum
Capacity Building and Cultural
Ownership – the V&A in
partnership with culturally
diverse communities
£984,000.00

Vison 4 Southam
Southam's Heritage and Holy
Well Trail
£102,500.00

Vulcan To the Sky Trust
Vulcan To the Sky
£2,734,000.00

**Warrington Borough
Council**
Lymm's Life Project
£283,000.00

**Wellington Town Centre
THI**
£450,000.00

West Berkshire Council
Shaw House, Newbury –
Restoration
£4,195,000.00

**West Devon Borough
Council**
Tamar Valley Mining Heritage
Project
£274,500.00

**Weston Park Restoration
Project, Sheffield**
£2,060,000.00

**Wexham,
Buckinghamshire: Langley
Park Estate**
£1,982,500.00

Wherry Yachts
£492,500.00

Whitechapel Gallery
Whitechapel Project
£309,300.00

Whitechapel Project
£2,950,000.00

**Whiting Bay and Kildonan
Parish Church**
£102,000.00

**Whittington Castle – a
Sustainable Future**
£950,000.00

Whitworth Art Gallery
From Toy Books to Bloody
Sunday
£224,000.00

**Wildlife Trust South and
West Wales**
Dyfed Wildlife Trust Nature
Reserves Capital Works
Programme
£711,555.95

Winifred Wharton Trust
The Wellingborough Museum
£998,000.00

**Woking Museum and Arts
& Crafts Centre**
Woking Museum Arts & Crafts
Centre
£1,564,500.00

**Wolverhampton City
Council**
Black Country Archives –
Documenting the Workshop of
the World
£442,000.00

**World Mission Korean
Presbyterian Church**
£125,911.20

**YHA (England and Wales)
Ltd**
Restoration and Development
of Abbey House for YHA
Whitby
£1,460,000.00

**York Archaeological Trust
for Excavation and
Research Ltd.**
A Community Archaeology
Project for Greater York
£212,500.00

**Yorkshire Dales Millennium
Trust**
Learning in Limestone Country
£292,500.00

Heritage Lottery Fund



E M P L O Y M E N T M O N I T O R I N G

38 Employment Monitoring

1. Under Articles 5(1), 5(2) and 5(3) of the Race Relations Act 1976 (Statutory Duties) Order 2001, the Fund has a duty to monitor, by reference to the racial groups to which they belong, and to report annually:

(a) the numbers of—

- staff in post, and
- applicants for employment, training and promotion, from each such group, and

(b) the numbers of staff from each such group who—

- receive training
- benefit or suffer detriment as a result of its performance assessment procedures
- are involved in grievance procedures
- are the subject of disciplinary procedures; or
- cease employment with the Fund

2. Results of monitoring carried out in 2004/05.

2.1 Staff in post as at 31 March 2005

Ethnic origin and sex of all employees as at 31.03.2005

Ethnic Origin	All employees		Women		Men	
	Total	% of total	Total	% of total	Total	% of total
African	6	2.4%	4	1.6%	2	0.8%
Any Chinese	1	0.4%	0	0%	1	0.4%
Any other	6	2.4%	6	2.4%	0	0%
Bangladeshi	2	0.8%	2	0.8%	0	0%
Black African & White	0	0%	0	0%	0	0%
Black Caribbean & White	2	0.8%	1	0.4%	1	0.4%
Caribbean	6	2.4%	6	2.4%	0	0%
Indian	3	1.2%	2	0.8%	1	0.4%
Other Asian	1	0.4%	0	0%	0	0%
Other Black	1	0.4%	0	0%	1	0.4%
Other mixed ethnic	1	0.4%	1	0.4%	0	0%
Pakistani	1	0.4%	1	0.4%	1	0.4%
White	219	87.95%	150	60.3%	69	27.1%
Total	249		173	69.5%	76	29.9%
Total (ethnic minority)		12%		9.2%		2.8%

2.2 Applications for employment in 2004/05

Monitoring information of job applicants who applied to our response handling agency between April 04 to March 05

Barlett Scott Edgar Recruitment Monitoring information

Heritage Lottery Fund – Cumulative Equal Opportunities Monitoring Report

Year 2004/2005

Type	Item	Info Request	Returned Applications	Shortlisted	Successful at Interview
AGE	Under 25	206	118	15	5
AGE	25 – 34	416	218	62	13
AGE	35 – 44	255	104	23	4
AGE	45 – 54	216	85	20	1
AGE	Over 54	95	46	4	
AGE	Not Stated	308	15	4	
DISABILITY	No	1111	536	119	23
DISABILITY	Not Stated	318	26	5	
DISABILITY	Yes	67	24	4	
ETHNIC ORIGIN	African	26	6		
ETHNIC ORIGIN	Asian and White	4	1		
ETHNIC ORIGIN	Asian Other	9	4	1	
ETHNIC ORIGIN	Bangladeshi	8	3		
ETHNIC ORIGIN	Black African and White	2			
ETHNIC ORIGIN	Black Caribbean and White	6	2		
ETHNIC ORIGIN	Black Other	2			
ETHNIC ORIGIN	Caribbean	13	4	1	
ETHNIC ORIGIN	Chinese	5	4		
ETHNIC ORIGIN	Indian	20	8		
ETHNIC ORIGIN	Mixed Other	12	7	2	
ETHNIC ORIGIN	Not Stated	320	28	9	
ETHNIC ORIGIN	Other	17	11	1	
ETHNIC ORIGIN	Pakistani	4	2	1	1
ETHNIC ORIGIN	White	1048	506	113	22
GENDER	Female	838	354	89	18
GENDER	Male	649	228	37	5
GENDER	Not Stated	9	4	2	
NATIONALITY	British or Mixed British	711	268	63	11
NATIONALITY	English	211	155	31	7
NATIONALITY	Irish	70	41	5	1
NATIONALITY	Not Stated	316	24	9	
NATIONALITY	Other	59	38	6	1
NATIONALITY	Scottish	39	23	4	1
NATIONALITY	Welsh	90	37	10	2

40 Employment Monitoring

Agency Monitoring information of job applicants between 01/04/04 – 31/03/05

Type	Grade F Applications	Successful – Grade F
Number	102	8
Disability	3	
Age – Under 25	58	5
Age – 25–34	36	1
Age – 35–44	3	1
Age – 45–54	3	
Age – over 54	2	1
Gender – Male	23	3
Gender – Female	74	5
Gender – Unknown	5	
Nationality (A) British	85	5
Nationality (B) English	14	3
Nationality (C) Irish		
Nationality (D) Scottish		
Nationality (E) Welsh	2	
Nationality (F) Other	1	
Asian; Bangladeshi	2	
Asian; Indian	3	
Asian; Pakistani	0	
Any other Asian Background	1	
Black; African	4	1
Black; Caribbean	5	
Any other Black background	1	
Any Chinese background	2	
Mixed; Asian & White		
Mixed; Black African & White	1	
Mixed; Black Caribbean & White	1	
Any other mixed ethnic background	1	
Any white Background	81	7
Any other ethnic background		

2.3 Applications for, and numbers of staff receiving, training

During 2004/05, there were 71 successful applications for external training made by white employees, and 13 successful applications made by employees in all other racial groups. The Fund's database on internal training and development recorded 1123 training days for white employees in 2004/05, and 141 training days for employees in all other racial groups.

Twice a year the Fund invites applications for external funding for relevant professional qualifications. In 2004/05 9 members of staff were approved funding to start courses. Of the 9 staff 2 were other racial groups and 7 were white.

2.4 Applications for internal promotion

During 2004/05, 4 white employees were promoted internally. 5 employees were temporarily promoted of which 4 were white and 1 from another racial group.

2.3 Outcome of performance assessment procedures (for year ended 31.03.2005)

Ethnic origin of employees, by appraisal rating for 2004/05

Ethnic Origin	Outstanding	Good	Acceptable	Unsatisfactory
African	1	3		
African and White		1		
Any Chinese		1		
Any other	1	7		
Bangladeshi		2		
Caribbean		2	3	
Caribbean and White		1		
Indian	1	2	1	
Pakistani		1		
Other Asian				
Unknown				
White	38	164	22	
Totals	41	184	26	

2.4 Number of employees involved in grievance procedures during 2004/05

There were two formal grievances from white employees.

2.5 Number of employees subject to disciplinary procedures during 2004/05

White employees:	2
All other racial groups:	2

2.6 Number of employees leaving the Fund's employment in 2004/05

White employees:	44
All other racial groups:	6

2.7 Ethnic origin of temporary staff in the organisation in 2004/05

White employees;	94
Non white employees;	17

Note: figures are for the London office only.

3. Specific duties

The specific duties on employment which the Order places on public authorities, including the Fund, are designed to provide a framework for measuring progress in equality of opportunity in public-sector employment. They are also aimed at providing monitoring information to guide initiatives that could lead to a workforce which is more representative of the communities in which it is based and which it serves.

The Fund continues to adopt a positive action in its recruitment advertising to encourage job applicants from ethnic minorities, recognising that its workforce is not broadly representative of local or national diversity.

The Equality Steering Group has initiated a training programme on equality in employment and in the wider functions of the Fund, which has been delivered intensively to all staff this year. A Diversity statement has been produced which will be followed by an action plan in 2005/06.

42 Policy and Financial Directions

Policy and financial directions

a. Public good

The need to continue to distribute money for projects which promote the public good (including the widening of public access) or charitable purposes, and which are not intended primarily for private gain.

Our assessment of all applications asks questions about the benefits which will be delivered to a wide public through the funding we might offer. Analysis of the awards made in 2003/4 shows that around 33% of our funding in that year was awarded to local authority schemes, 50% to charities, and 10% to church organisations. Awards we make to private owners continue to form a very small percentage of the total, restricted to area based schemes and small grants under our Your Heritage programme for educational and access provision.

b. Cover the complete range of the National Heritage

The need to ensure that the Heritage Lottery Fund considers applications which relate to the complete range of activities connected with the national heritage, taking into account:

- their assessment of the needs of the national heritage and their priorities for addressing them;
- the need to ensure that all parts of the UK have access to funding; and
- the scope for reducing economic and social deprivation at the same time as creating heritage benefits.

We ask questions about whether applications meet a need and fulfil a demand. We are also working with lead bodies for the various heritage sectors including historic environment; museums, libraries and archives; and land and biodiversity, to understand and quantify the needs of the heritage which should be met now and in the future. This work also contributes to the annual State of the Historic Environment Report in England.

We continue through our work on "coldspots" through our Development teams to seek to ensure that grants below £1m are distributed more evenly across the countries of the United Kingdom and the regions of England. We received nearly 700 pre-application enquiries from potential applicants in these areas during 2003/4, and the success rate of first time applicants to us for our small grants programmes is now as good as for those who have applied before.

A number of studies have demonstrated the economic impact our projects have had, and examples of projects that contribute to regeneration are published in "Park Life" and "New Life" published in 2003.

c. Access

The need to promote access, for people from all sections of society, to heritage objects and collections, to the built and natural heritage and to projects which relate to the history, natural history, and landscape of the United Kingdom.

Our review of our first 10 years has shown that people from all parts of society now have access to a much wider range of heritage than was the case before the National Lottery. For example: we have repaired around 8,000 historic buildings resulting in improved physical access for everyone; we have restored 250 historic parks, many in deprived towns and cities; we have given nearly £2 million to projects led by disability organisations; and 50% of our grants have been given to community or voluntary organisations which represent a wide range of social groups, cultural traditions, faiths, and interests. We continue to ask all applicants how their project will help people learn about, have access to and enjoy their heritage and their answers inform our decision-making.

d. Education

The need to promote knowledge of and interest in the heritage by children and young people.

In our first 10 years, around 86% of our funding benefited children and young people in formal education and within families and communities. We have funded more than 600 education officers and 290 purpose-built education spaces at heritage sites, and children are learning about heritage in National Curriculum subjects from history and art to maths and citizenship. During 2004/5 our Young Roots programme gave grants to 123 projects designed, led and managed by young people themselves. Our new guidance *Practical partnerships* is helping to spread best practice for youth organisations working with heritage organisations and we are supporting the implementation of the Russell Commission's recommendations on youth action and engagement.

e. Sustainable development

The need to further the objectives of sustainable development.

We continue to require applicants to us to describe the wider social, economic and environmental benefits that their projects will bring and to show how projects will be environmentally sustainable, including such issues as sustainable use of natural materials, reducing waste, recycling and providing access through public transport, foot and cycle rather than by car. In the last year we have clarified and updated our guidance to applicants on the issue of timber procurement. We have worked with Defra to produce a sustainable timber guidance note for applicants, provided training and implemented an advice-line for applicants. We are currently looking to see if we can make similar progress in other resource use areas. We ask applicants to tell us how they will manage, deliver and maintain the benefits of their project in the long term.

f. Time-limited

The need for funding to be applied to projects that are for a specific, time-limited purpose.

The projects we support are always specific and time-limited. We are mainly a funder of capital works, and commit to projects at an early stage, and when we agree to support a larger project we are committing ourselves to expenditure over many years. We limit our support for revenue costs to projects which last for up to five years. For our Townscapes Heritage Initiative and Landscapes Partnership programmes, we support projects where the funding must be committed within three years, with the aim of spending it within five years.

g. Viability

- the need for applicants to demonstrate the financial viability of a project for the period of the grant;
- where capital funding or setting up costs are sought, the need for a clear business plan beyond the period of the grant incorporating provision for associated running and maintenance costs;
- the need for consideration to be given to the likely availability of funding to meet any continuing costs for a reasonable period after completion of the period of the Lottery award.

We ask applicants to provide us with information to demonstrate the financial viability of their project, broken down into capital, activity and other costs, showing what contribution our applicants are proposing to make from their own resources or from other grants or donations. We make guidance available on how to produce a Business Plan. We also ask applicants to show that they will be able to continue to deliver the benefits of the project by meeting expected future running costs, and caring for the heritage item or property in the longer term by enhanced maintenance and protection of the investment.

h. Partnership funding

The need for projects to be supported by an element of partnership funding, and/or contributions in kind, from other sources.

We insist on a contribution from all applicants towards their project. For the smallest grants, we recognise that some applicants may not be able to provide this in cash and welcome contributions in kind or in the form of volunteer labour.

i. In partnership

The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of their strategy.

We continue to support Awards for All in partnership with other Lottery Distributors, and have also co-operated with the Big Lottery Fund during 2004/5 in the Home Front Recall programme which has delivered regional and local projects that commemorate the events of the Second World War and the contributions of people in a variety of occupations. We are also liaising regularly with other lottery distributors in a series of Forums at national and local levels, and joining with them in aspects of our work which are of benefit to us all. During 2004/5, we have launched a joint Customer Charter with all other Lottery Distributors. We have partnership arrangements in place for our Repair Grants for Places of Worship Scheme in England, for our Local Heritage Initiative in England, for our Tomorrow's Heathland Heritage scheme with English Nature, and we have an arrangement for staffing from the National Youth Agency to help us deliver our Young Roots programme.

j. Solicit applications

The need to ensure that the Heritage Lottery Fund's powers to solicit applications are used in pursuit of strategic objectives.

We rarely use our powers to solicit specific applications, since the grant programmes set out and attract a wide range of applications to which we can respond. Pre-application advice is always offered on the basis of the extent to which an applicant can best meet the criteria for the programme to which the bid is made.

k. Decisions

The need for sufficient information to make decisions on each application, including independent expert advice where required.

We seek information from applicants about the extent to which the projects they put forward meet our strategic priorities, supplemented by further information about how the project will be delivered in order for risks and opportunities to be fully balanced. We engage continually in a search for ways to simplify the questions we ask and the amount of information we need. We seek expert advice on key aspects of many applications which are made from a range of independent specialists on a diverse range of subjects; during 2004/5 we have completely refreshed our Registers of independent expert advisers, and continued to make use of advice from statutory agencies dealing with specific heritage sectors.

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