



# HERITAGE LOTTERY FUND NATIONAL HERITAGE MEMORIAL FUND

LOTTERY DISTRIBUTION ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2006

## **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 19 JULY 2006

LAID BEFORE THE SCOTTISH PARLIAMENT BY THE SCOTTISH MINISTERS 20 JULY 2006

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## ANNUAL REPORT

### Management commentary

#### 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 the National Heritage Memorial Fund for sums allocated under the provisions of the 1980 Act and the Heritage Lottery Fund for the receipts from the 1993 Act.

Under section 21(1) of the 1993 Act, a fund known as the National Lottery Distribution Fund (NLDF) is maintained under the control and management of the Secretary of State for Culture, Media and Sport. 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 16<sup>2</sup>/<sub>3</sub>% in October 1997 following the Government's creation of the New Opportunities Fund (now the Big Lottery Fund).

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.

#### Principal activities

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 members who are not Trustees.

## Aims

We have three core aims for the Heritage Lottery Fund, which define in broad terms how we are trying to improve quality of life through the heritage and, following on from these, six subsidiary purposes on which our grant-making and other activities focus. The core aims are:

- to encourage more people to be involved in and make decisions about their heritage;
- to conserve and enhance the UK's diverse heritage;
- to ensure that everyone can learn about, have access to, and enjoy their heritage.

The subsidiary purposes are:

- to encourage communities to identify, look after and celebrate their own heritage;
- to promote heritage conservation as an integral part of urban and rural regeneration;
- to help conserve and sustain heritage at risk;
- to increase opportunities for learning about heritage;
- to open up heritage resources and sites to the widest possible audience;
- to promote a greater appreciation of the value and importance of heritage for our future well-being and sense of identity.

## Financial Instruments

Financial Reporting Standard 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.

**Liquidity risk** – in 2005-06, £230,416,000 (85%) 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 £39,707,000 (14%), bank interest and sundry income £627,000 (1%). The Trustees consider that the Heritage Lottery Fund is not exposed to significant liquidity risks as they are satisfied that they will have sufficient liquid resources within the NLDF and the bank to cover all likely grant payment requests in the coming years. DCMS has assured Trustees that they will continue to receive a share of the National Lottery until 2009. Trustees anticipate receiving a share of National Lottery funds after 2009 and base their levels of commitment on that assumption.

**Interest rate risk** – 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 our investments in the NLDF was £796.4 million. In the year, the average return on these investments was around 4.7%. 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 4.4% in the year. The cash balance at the year end was overdrawn by £0.2 million. The Trustees consider that the Heritage Lottery Fund is not exposed to significant interest rate risks.

**Foreign currency risk** – the Heritage Lottery Fund is not exposed to any foreign exchange risks.

**Cash flow, price and credit risk** – Trustees consider that the Heritage Lottery Fund is not exposed to anything other than immaterial risks in these areas.

## Future developments

There are a number of changes occurring in some of our long-standing grant programmes. We have renamed the Public Parks Initiative and joined forces with the Big Lottery Fund (BLF) to start the Parks for People programme. The target audience remains unchanged, but with an additional £90 million of BLF money over the next three years we will be able to make a far bigger impact on the parks of the UK (although BLF funds are restricted to England).

We have also applied to BLF for £30 million of additional funding over the next three years for the Landscape Partnership Scheme. The result of our application will not be known until the autumn. Should we be successful, we aim to use the funds to increase greatly the number of awards we can make under this programme.

The Local Heritage Initiative, where we delegate processing to the Countryside Agency, was closed to new applications on 30 June and the residual work brought in-house. This is because the Countryside Agency will soon cease to exist. From an applicant's point of view, there will be no change in the payment of grants.

With the success of London's bid for the 2012 Olympics, Trustees recognise that HLF will receive a smaller income – funds that would have gone to the heritage, and other good causes, will be used to pay for the Olympic infrastructure. This is coupled with anticipated changes resulting from the Lottery Bill currently being debated by Parliament, which will reduce the amount of interest the Heritage Lottery Fund receives from the National Lottery Distribution Fund – in 2005-06 we received £45.2m in interest; in 2006-07 projected interest is only £23.4m. Trustees will ensure that the Fund's administrative structure is commensurate with the reduced level of new awards that HLF will be able to make.

Trustees welcomed the Secretary of State's announcement of the continuation of our 16.66% share of good causes money after 2009 – the date of expiry of Camelot's current operating licence. Trustees were grateful for the supportive submissions made by third parties during DCMS's consultation.

### **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 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 to achieve 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. During the year the Fund employed an average of 4 people who are registered disabled. 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 2005-06, the average age of invoices paid was 13.7 working days. Over 87% of invoices were paid within 30 calendar days.

### **Pension liabilities**

The Fund makes contributions to the pension schemes of staff. Other than making these payments, the Fund has no pension liabilities with the exception of one former member of staff. Trustees consider that the balance sheet provision, made for paying the pension of that former member of staff, is sufficient. Further information is available in the notes to the accounts.

### **Register of interests**

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.

### 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.

### Key stakeholders

The key stakeholder of the Heritage Lottery Fund is the Lottery division of the Department for Culture, Media and Sport. The Lottery division also controls the National Lottery Distribution Fund which invests the money received from the National Lottery. Other key stakeholders are those bodies that carry out assessment processing on our behalf for certain grant programmes. They are the Big Lottery Fund (Awards for All programme), Countryside Agency (Local Heritage Initiative) and English Heritage (Repair Grants for Places of Worship).

### Chair and Trustees of the National Heritage Memorial Fund

CHAIR: Dame Liz Forgan #

TRUSTEES: Professor Tom Pritchard (until 22 April 2005)

Dan Clayton Jones (from 12 July 2005)

Primrose Wilson

Madhu Anjali

Earl of Dalkeith # (until 19 July 2005)

Nicholas Dodd \*

Mike Emmerich

Catherine Graham-Harrison #

Tristram Hunt

Brian Lang

Derek Langslow \*

Dr Mike Phillips

Matthew Saunders

Giles Waterfield

Richard Wilkin # (from 3 February 2006)

James Wright \*

DIRECTOR: Carole Souter #

\* member of Audit Committee

# member of Finance & Investment Committee

#### Director

Carole Souter

#### Chair

Dame Liz Forgan

4 July 2006

### Financial Review

The National Heritage Memorial Fund ("the Fund") operates two funds – the Heritage Lottery Fund and the National Heritage Memorial Fund. It is required, by the accounts directions of the Secretary of State for Culture, Media and Sport, to account for its activities separately and so no consolidated accounts are prepared. This review discusses solely the activities of the Heritage Lottery Fund.

The Fund receives applications from thousands of heritage organisations across all communities of the United Kingdom and awards grants on the basis of its aims. Since the Lottery started, HLF has made a difference to over 17,500 completed projects. In addition, a further 3,750 projects are in progress. During the year, over 3,000 grant applications were received, which is an increase on last year. 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.

During the course of 2005/06, Trustees made new soft commitments totalling £322.6 million (soft and hard commitments are defined in note 1 to the accounts). This was slightly down on last year because Trustees are aware that income levels will fall significantly in future years and that they cannot continue to commit to more awards than they have funds. Income for the year was £231m, with an additional £45.2m in investment income earned by the National Lottery Distribution Fund (NLDF) on our behalf.

The balance of HLF funds at the NLDF fell below £800 million at the end of the financial year – in line with our forecast. This was despite our forecast being based on the income projection provided by DCMS in October 2004, understating income by nearly £25m. Trustees greatly appreciate the efforts of staff in speeding up draw-down by grantees. Trustees continue to recognise that the balance at the NLDF should fall further. The commitment of awards in excess of income is the main method by which Trustees expect to reduce the balance at the NLDF. To this end, the grant award budget for 2006/07 is £290 million, far in excess of anticipated income of around £234 million, including interest. At the end of the financial year, HLF had committed £362 million more than it had in the NLDF, well in excess of one year's expected income. Trustees expect to reach their self imposed limit of committing up to two years expected income during 2006-07. Trustees recognise that the Fund's contractual liabilities, in the form of outstanding grant commitments, may exceed its assets in the coming months. The accounts have been prepared on a going concern basis as required by the Secretary of State's accounts direction and because Trustees have been assured that they will receive income from the National Lottery until at least 2019.

The table below illustrates the soft commitments made and also the conversion of soft commitments in previous years into hard commitments in 2005-06. Soft commitments are converted to hard commitments when there is a signed contract with the grant recipient.

Over half of the decisions made in the year (£181.2 million) were for stage one passes under the two-stage decision process. The remainder (£139.4 million) were for grant awards in the year. During the year, contracts were signed for grants of £339.9 million – i.e. new hard commitments.

£m	Stage one pass	Approval in principle	Grant awards	Hard commitments	Total decisions
<b>At 1 April 2005</b>	<b>376.9</b>	<b>0.1</b>	<b>104.1</b>	<b>732.9</b>	
Trustees' decisions in the year	181.2	2.0	139.4	–	322.6
Converted in the year	(187.0)	(0.1)	187.1	–	
Converted in the year	–	–	(339.9)	339.9	
De-commitments	(1.3)	–	(3.3)	(17.1)	
Grant payments	–	–	–	(356.6)	
<b>At 31 March 2006</b>	<b>369.8</b>	<b>2.0</b>	<b>87.4</b>	<b>699.1</b>	

Staff costs rose by 5% in the year due to the cost of contributing to the Principal Civil Service Pension Scheme, which rose significantly in the year. Other administrative costs in the year were kept strictly under control to compensate for the increase in staff costs. Trustees applaud the work done by management and staff in reducing other costs by over 2% meaning the rise in overall administrative costs was restricted to 1%. The average number of staff remained fairly constant during the year as Trustees believe that they have attained the right balance of staff numbers whilst recognising the need to keep administrative costs under review.

Trustees recognise that greater efficiencies in the costs of administration should not be achieved at the expense of service to our stakeholders. They are pleased to report that the achievement of service level targets has improved during the year. Further information on our service level targets is available elsewhere in this document.

The Trustees considered the risks faced by the Heritage Lottery Fund in the year and reflected their considerations in a register of those risks. They do not believe there to have been a significant change in the risk environment during the year. The principal risks are discussed further in the Statement on Internal Control.

## Remuneration Report

### 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. Two Trustees waived their right to a salary.

	<b>2005-06 £000</b>	2004-05 £000
Dame Liz Forgan (Chair)	<b>40 – 45</b>	40 – 45
Richard Wilkin	<b>0 – 5</b>	0
Professor Tom Pritchard	<b>0 – 5</b>	20 – 25
Primrose Wilson	<b>20 – 25</b>	15 – 20
Nicholas Dodd	<b>10 – 15</b>	10 – 15
Dan Clayton Jones	<b>10 – 15</b>	0
James Wright	<b>5 – 10</b>	10 – 15
Giles Waterfield	<b>5 – 10</b>	5 – 10
Dr Mike Phillips	<b>5 – 10</b>	5 – 10
Derek Langslow	<b>5 – 10</b>	5 – 10
Catherine Graham-Harrison	<b>5 – 10</b>	5 – 10
Madhu Anjali	<b>10 – 15</b>	5 – 10
Earl of Dalkeith	<b>0 – 5</b>	0 – 5
Tristram Hunt	<b>5 – 10</b>	0
Matthew Saunders	<b>5 – 10</b>	0
Brian Lang	<b>20 – 25</b>	0 – 5
Sir Angus Grossart	<b>5 – 10</b>	15 – 20
Mike Emmerich	<b>10 – 15</b>	10 – 15

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 2005-06 was £213,049 (2004-05 £187,020). The pay and contracts of Trustees are discussed and set by the Department for Culture, Media and Sport.

## Remuneration of employees

The remuneration of directors was as follows:

	Salary including performance bonus 05/06	Salary including performance bonus 04/05	Real increase in pension and lump sum	Total accrued pension at age 60 and lump sum	Cash Equivalent Transfer Value (CETV) at 31-3-06	Cash Equivalent Transfer Value (CETV) at 31-3-05	Real increase in CETV funded by NHMF
	£000	£000	£000	£000	£000	£000	£000
Carole Souter <i>Director</i>	110-115	100-105	0-2.5 plus 2.5-5 lump sum	30-35 plus 100-105 lump sum	616	452	26
Stephen Johnson <i>Director of Operations</i>	95-100	90-95	0-2.5	45-50	953	755	40
Judy Cligman <i>Director of Policy</i>	75-80	70-75	0-2.5 plus 2.5-5 lump sum	15-20 plus 55-60 lump sum	321	224	22
Steve Willis <i>Director of Resources &amp; Planning</i>	95-100	90-95	0-2.5 plus 5-7.5 lump sum	40-45 plus 120-125 lump sum	754	571	34

The CETV quoted for 31 March 2005 does not agree with that quoted in last year's accounts. This is because the Principal Civil Service Pension Scheme (PCSPS) has changed the manner in which it calculates the figures during 2005-06.

All senior employees had permanent contracts of employment and were ordinary members of the PCSPS. Their costs were allocated between the Heritage Lottery Fund and the National Heritage Memorial Fund on the basis of 99%: 1% (2004-05: 99%: 1%). The pay and contracts of senior employees are discussed and set by the Finance & Investment Committee. (Membership of this committee is disclosed on page 5.) The remuneration of senior managers is performance-related. The sum is based on performance against individual objectives and on overall contribution to corporate strategy and goals. Individual objectives for the Director are set by the Chair of the Board of Trustees, and the Director in turn agrees personal objectives with the 3 directors. Objectives reflect the strategic and operational goals of the Fund and the contribution expected of each individual senior manager to achieving the goals. The Fund has a performance management system and performance is reviewed in line with this. Performance is reviewed annually in March/April and rated on a scale of 4 different levels of achievement. There is a bonus scheme for the directors which takes into account the Finance & Investment Committee's view of the individual's contribution towards the wider success of the organisation, with particular reference to their management of their own department and their impact on other areas; the individual's impact on Trustees and their effectiveness; and any exceptional contribution or achievement during the year which was not reflected in the key objectives for the year. This policy is expected to continue in future years. Senior management are appointed on open-ended contracts with notice periods of no more than 6 months. In the event of considering termination payments, the Fund would adhere fully to the rules of the Civil Service Compensation Scheme and any associated guidance from Treasury or DCMS.

## Director

Carole Souter

4 July 2006

## 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.

So far as the Accounting Officer is aware, there is no relevant audit information of which our auditors are unaware. The Accounting Officer has taken all steps that she ought to have taken to make herself aware of any relevant audit information and to establish that our auditors are aware of that information.

### Director

Carole Souter

### Chair

Dame Liz Forgan

4 July 2006

## Statement on 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 is 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 (DCMS). DCMS has also set Policy and Financial Directions with which we have to comply in our Lottery activities. 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 DCMS 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 2006 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 2005-06, the NHMF considered the following to be the most significant areas of risk:

- decline of our income beyond expectations;
- failure of awarded grants to meet our strategic objectives;
- failure of our strategy to keep pace with the needs of the heritage and changes in the external environment, and therefore lack of support for it by our stakeholders;
- 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;
- failure to recruit and retain staff of sufficient calibre;
- lack of adequate acknowledgement of the HLF/NHMF contribution.

### 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. For example, we have strengthened our checks against fraud during the year by instigating a system for identifying unusual grant applications where certain key information matches with applications from organisations with no apparent connection.

### Director

Carole Souter

4 July 2006

## **The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament**

I certify that I have audited the financial statements of the National Heritage Memorial Fund's Lottery Distribution Activities for the year ended 31st March 2006 under the National Lottery etc. Act 1993 (as amended). These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

### **Respective responsibilities of the Trustees, Director and auditor**

The Trustees and Director are responsible for preparing the Annual Report, the Remuneration Report and 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, with the consent of HM Treasury, and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Trustees' and Director's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited 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, with the consent of HM Treasury. I also report 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 to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Trustees have not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 10 to 11 reflects the National Heritage Memorial Fund's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the National Heritage Memorial Fund's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report and the Management Commentary. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Trustees and Director in the preparation of the financial statements, and of whether the accounting policies are most 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 and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error 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 also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinion

In my opinion:

- the financial statements give a true and fair view, 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, with the consent of HM Treasury, of the state of the National Heritage Memorial Fund's Lottery Distribution Activities as at 31st March 2006 and of its decrease in funds for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited 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, with the consent of HM Treasury; 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**

National Audit Office, 157-197 Buckingham Palace Road, London, SW1W 9SP

7 July 2006

## Note:

The maintenance and integrity of HLF's web site is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

## Income and Expenditure Account

for the year ended 31 March 2006

	Notes	£000	2005-06 £000	2004-05 £000
Proceeds from the National Lottery	9		<b>230,416</b>	226,074
NLDF investment income	9	<b>45,157</b>		43,593
Loss on the revaluation of investments at NLDF		<b>(5,450)</b>		(3,395)
			<b>39,707</b>	40,198
			<b>270,123</b>	266,272
Interest receivable		<b>563</b>		871
Sundry income	2	<b>64</b>	<b>627</b>	1,199
<b>Total Income</b>			<b>270,750</b>	268,342
New hard commitments	11	<b>(339,933)</b>		(366,476)
Hard de-commitments	11	<b>17,122</b>		9,069
			<b>(322,811)</b>	(357,407)
Staff costs	3	<b>(10,013)</b>		(9,513)
Depreciation	7	<b>(455)</b>		(591)
Other operating charges	4	<b>(12,496)</b>		(12,626)
			<b>(22,964)</b>	(22,730)
<b>Total Expenditure</b>			<b>(345,775)</b>	(380,137)
<b>Operating deficit</b>			<b>(75,025)</b>	(111,795)

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 17 to 25 form part of the accounts.

**Balance Sheet**

for the year ended 31 March 2006

	Notes	£000	2005-06 £000	2004-05 £000
<b>Fixed assets</b>				
Tangible fixed assets	7		<b>1,187</b>	1,487
<b>Current assets</b>				
Investments - balance at the NLDF	9	<b>796,414</b>		900,574
Debtors	8	<b>1,294</b>		1,433
Cash at bank and in hand		<b>—</b>		4,613
			<b>797,708</b>	906,620
<b>Creditors: amounts falling due within one year</b>	10		<b>(2,948)</b>	(3,456)
Bank overdraft			<b>(156)</b>	—
Grant commitments due in one year	11		<b>(340,180)</b>	(316,114)
<b>Net current assets</b>			<b>454,424</b>	587,050
Total assets less current liabilities			<b>455,611</b>	588,537
<b>Provisions for liabilities and charges</b>	6		<b>(77)</b>	(75)
Grant commitments due in more than one year	11		<b>(358,916)</b>	(416,819)
<b>Total assets less liabilities</b>			<b>96,618</b>	171,643
<b>Represented by:</b>				
Income and expenditure account brought forward		<b>171,643</b>		283,438
Movement in the year		<b>(75,025)</b>		(111,795)
<b>Income and expenditure account carried forward</b>			<b>96,618</b>	171,643

The notes on pages 17 to 25 form part of the accounts.

**Director**

Carole Souter

**Chair**

Dame Liz Forgan  
4 July 2006

**Cash Flow Statement****for the year ended 31 March 2006**

	Notes	2005-06 £000	2004-05 £000
<b>Operating activities</b>			
Cash drawn down from the NLDF	9	<b>374,283</b>	308,268
Cash from other sources		<b>64</b>	1,199
Cash paid to and on behalf of employees		<b>(10,003)</b>	(9,565)
Cash paid to suppliers		<b>(12,969)</b>	(12,422)
Cash paid to grant and loan recipients		<b>(356,648)</b>	(284,536)
<b>Net cash (outflow)/inflow from operating activities</b>	13a	<b>(5,273)</b>	2,944
<b>Returns on investment and servicing of finance</b>			
Interest received on bank accounts		<b>659</b>	772
<b>Capital expenditure and financial investment</b>	13b	<b>(155)</b>	(175)
<b>(Decrease)/increase in cash</b>		<b>(4,769)</b>	3,541
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease)/increase in cash in the period		<b>(4,769)</b>	3,541
<b>Changes in net fund</b>	13c	<b>(4,769)</b>	3,541
Net funds at 1 April 2005		<b>4,613</b>	1,072
<b>Net funds at 31 March 2006</b>		<b>(156)</b>	4,613

The notes on pages 17 to 25 form part of the accounts.

## Notes to the Accounts

for the year ended 31 March 2006

### 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, generally accepted accounting practices in the United Kingdom (UK GAAP) and the disclosure and accounting requirements contained in the Financial Reporting Manual (Frem), so far as those requirements are appropriate. The National Lottery Accounts' Direction 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.
IT 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. Staff are members of PCSPS and the percentage of pensionable pay is notified by the Cabinet Office at the start of each financial year. One member of staff, now retired, is not in PCSPS. A separate provision is maintained for his pension payments. The NHMF has not followed FRS17 with regard to obtaining an actuarial valuation of this person's pension liabilities. This is due to the cost of obtaining such a valuation.

#### 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 signed by both parties, the commitment is 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**

	<b>2005-06 £000</b>	2004-05 £000
Repayment of grants	<b>64</b>	1,199

**3. Staff costs and numbers**

	<b>2005-06 £000</b>	2004-05 £000
Salaries	<b>7,832</b>	7,580
Employer’s NI payments	<b>583</b>	536
Payments to pension scheme (see note 6)	<b>1,344</b>	937
Temporary staff costs	<b>254</b>	460
	<b>10,013</b>	9,513

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

<b>2005-06</b>	Grant applications	Finance & Administration	Policy & Research	Public Relations	Total
Permanent staff	171	39	16	19	245
Secondes, temps & contract staff	11	7	2	1	21
<b>Total</b>	<b>182</b>	<b>46</b>	<b>18</b>	<b>20</b>	<b>266</b>

  

2004-05	Grant applications	Finance & Administration	Policy & Research	Public Relations	Total
Permanent staff	171	42	16	19	248
Secondes, temps & contract staff	18	7	2	1	28
<b>Total</b>	<b>189</b>	<b>49</b>	<b>18</b>	<b>20</b>	<b>276</b>

#### 4. Operating deficit

The operating deficit is stated after charging the following:

	2005-06 £000	2004-05 £000
Auditor's remuneration	34	34
Payments under operating leases -		
Leasehold premises	1,330	1,225
Hire of office equipment	84	228

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

	2005-06 £000	2004-05 £000
Accommodation	2,177	1,900
Postage and telephone	407	603
Office supplies, print and stationery	289	399
Travel, subsistence and hospitality – Trustees	126	113
Travel, subsistence and hospitality – staff	471	473
Professional fees – grant related	3,851	3,525
Professional fees – non-grant related	2,757	3,264
Public relations and communications	1,575	1,404
Office equipment	520	482
Staff training	223	312
Sundry expenses	100	151
	<b>12,496</b>	<b>12,626</b>

#### 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

Pension benefits are provided through the Civil Service pension arrangements ("PCSPS"). From 1 October 2002, staff may be in one of three statutory based "final salary" defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements, which prepare their own scheme statements, can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

Although the schemes are defined benefit schemes, 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 2005-06, employer's contributions of £1,343,655 (2004-05: £937,173) 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. The employer's payments were calculated on the basis of salary banding, as follows:

Salary in 05-06	% in 05-06
£18,000 and under	16.2%
£18,001 - £37,000	18.6%
£37,001 - £63,500	22.3%
£63,501 and above	24.6%

During the year, the one member of staff who had remained a member of the Joint Superannuation Services Scheme ("JSS") scheme retired. JSS had provided the Fund with details on the expected provisions that the Fund would be 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 this former employee will be paid out of the Fund's cash resources, and not through the JSS, which has no assets. New employees of the National Heritage Memorial Fund do not join the JSS, but instead join the PCSPS.

	2005-06 £000	2004-05 £000
Provision at 1 April	75	122
Payments to former Director	—	(52)
Increase to provision based upon payroll costs	2	5
Pension payments made	—	—
Provision at 31 March	77	75

## 7. Tangible fixed assets

	Improvements to Short Leasehold Property £000	IT Equipment £000	Office Fittings £000	Total £000
Cost at 1 April 2005	2,236	2,042	734	5,012
Additions	18	137	—	155
Disposals	—	—	—	—
<b>at 31 March 2006</b>	<b>2,254</b>	<b>2,179</b>	<b>734</b>	<b>5,167</b>
Depreciation at 1 April 2005	1,074	1,725	726	3,525
Charge for the year	230	222	3	455
Adjustment on disposal	—	—	—	—
<b>at 31 March 2006</b>	<b>1,304</b>	<b>1,947</b>	<b>729</b>	<b>3,980</b>
Net book value at 31 March 2005	1,162	317	8	1,487
<b>at 31 March 2006</b>	<b>950</b>	<b>232</b>	<b>5</b>	<b>1,187</b>

The Trustees have considered the value of the fixed assets and are satisfied that their value, at 31 March 2006, 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 2006, 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

	2005-06 £000	2004-05 £000
Loans to heritage organisations	298	593
Prepayments and accrued income	942	792
Staff loans	54	48
	<b>1,294</b>	1,433

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 sixth of which was received in the year leaving an outstanding balance of £297,500. 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 £nil (31 March 2004: £296,250). There were no other balances due after more than one year. Of the above sums, £441,000 was owed by central government bodies.

## 9. Investments

Movement in balances at the National Lottery Distribution Fund:

	2005-06 £000	2004-05 £000
Current cost at 1 April 2005	900,574	942,570
Income received from the National Lottery	230,416	226,074
Funds drawn down	(374,283)	(308,268)
Investment return	45,157	43,593
Unrealised loss on investment	(5,450)	(3,395)
Current cost at 31 March 2006	<b>796,414</b>	900,574

There is no liability to taxation on gains realised by the NHMF. Investment of this money is carried out by the Department for Culture, Media and Sport who delegate management to 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

	2005-06 £000	2004-05 £000
Operating creditors	1,153	885
Other creditors including taxation and social security	196	197
Accruals and deferred income	1,599	2,374
	<b>2,948</b>	3,456

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

	2005-06 £000	2004-05 £000
Balances owing to central Government	497	292
Balances owing to local authorities	1	21
Balances owing to public corporations	–	–
Balances external to government	655	572
	<b>1,153</b>	885

## 11. Grant commitments

### Hard commitments

	2005-06 £000	2004-05 £000
Brought forward at 1 April	732,933	660,358
Transfers from soft commitments	339,933	366,476
De-commitments	(17,122)	(9,069)
Commitments paid	(356,648)	(284,832)
Carried forward at 31 March	<b>699,096</b>	732,933

### Soft commitments

	2005-06 £000	2004-05 £000
Brought forward at 1 April	481,135	503,127
Soft commitments made	322,668	357,799
Soft de-commitments	(4,664)	(13,315)
Transfers to hard commitments	(339,933)	(366,476)
Balance carried forward at 31 March	<b>459,206</b>	481,135

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

### Hard commitments

	2005-06 £000	2004-05 £000
in one year	340,180	316,114
in two to five years	358,916	416,819
in more than five years	–	–
	<b>699,096</b>	732,933

The hard commitment balance at the year end represents amounts owing as follows:

	<b>2005-06 £000</b>	2004-05 £000
Balances owing to central Government	<b>58,053</b>	71,931
Balances owing to local authorities	<b>337,356</b>	310,892
Balances owing to public corporations	<b>5,792</b>	–
Balances external to government	<b>297,895</b>	350,110
	<b>699,096</b>	732,933

## 12. Commitments

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

	<b>2005-06 £000</b>	2004-05 £000
Short leasehold property		
Expiring within one year	<b>–</b>	80
Expiring in years two to five	<b>868</b>	747
Expiring thereafter	<b>446</b>	460
	<b>1,314</b>	1,287
Other operating leases		
Expiring within one year	<b>1</b>	16
Expiring in years two to five	<b>24</b>	17
Expiring thereafter	<b>–</b>	–
	<b>25</b>	33

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 (outflow)/inflow from operating activities

	<b>2005-06 £000</b>	2004-05 £000
Operating deficit	<b>(75,025)</b>	(111,795)
Less: interest receivable	<b>(563)</b>	(871)
Add back non-cash items:		
- depreciation	<b>455</b>	591
- loss on disposal of fixed assets	<b>–</b>	–
- increase/(decrease) in other provisions	<b>2</b>	(47)
- (decrease)/increase in grant commitment reserve	<b>(33,837)</b>	72,575
- decrease in balance at NLDF	<b>104,160</b>	41,996
- unrealised losses on investments at NLDF	<b>–</b>	–
Decrease in non-interest debtors	<b>43</b>	313
(Decrease)/increase in non-capital creditors	<b>(508)</b>	182
Net cash (outflow)/inflow from operating activities	<b>(5,273)</b>	2,944

**b) Capital expenditure**

	<b>2005-06 £000</b>	2004-05 £000
Payments to acquire tangible fixed assets	155	175

**c) Analysis of changes in net funds**

	April 2005 £000	Cash flows £000	<b>31 March 2006 £000</b>
Cash at bank	4,613	(4,769)	<b>(156)</b>

**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 the British Museum.

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 Scottish Executive (being Scottish Natural Heritage).

Liz Forgan, the chair of the Trustees, is the chair of a trust owning a newspaper group. The NHMF spent £28,680 directly with this organisation or via a third party.

Seven members of staff had interests in bodies to which grants were made by the Heritage Lottery Fund in the year. Those members of staff played no part in deciding upon the award of grant and Trustees are satisfied that in no case was there any possibility of personal financial gain for the members of staff.

As set out below, Trustees of the National Heritage Memorial Fund had interests in bodies to which the Board made Lottery grants. Similarly, members of the country and regional committees had interests in bodies to which their committee made Lottery grants. The Trustees are satisfied that in no such case was there any possibility of personal financial gain for trustees or committee members.

**Board of Trustees**

Holburne Museum of Art: a grant of £520,500 and a stage one pass of £4,354,000. Giles Waterfield is a former trustee of the Holburne Museum of Art.

British Waterways: a grant of £11,924,000. Derek Langslow is a non-executive director of British Waterways.

Sheffield City Council: a grant of £2,060,000. Nicholas Dodd is Chief Executive of Sheffield Galleries and Museums Trust. The City Museum and Mappin Art Gallery is located in Weston Park, the subject of the grant.

Sheffield Galleries and Museums Trust: a further grant of £1,109,000. Nicholas Dodd is Chief Executive of Sheffield Galleries and Museums Trust.

**Country and regional committees**

Nottinghamshire County Council: a grant of £56,600 and a stage one pass of £907,000. Derek Latham is Chairman of Latham Architects, working for the applicant.

RSPB: a grant of £546,500. Richard Powell is Regional Director for RSPB in the East of England.

The Ipswich Hospital Band: a grant of £772,000. John Blatchly is Chairman of Ipswich Historic Churches Trust which holds the head lease of St Peter's Church, the subject of the grant.

Islington Council: a grant of £918,000. Terry Stacy is an Islington councillor.

Lake District National Park Authority: a grant of £171,000. John Whittle is one of the volunteers to be trained as part of the project.

Coleraine Borough Council: a grant of £90,000. Jane Williams was a consultant to the Causeway Museums Service.

The Greater Easterhouse Development Company: a grant of £400,000. Bridget McConnell is Director of Cultural and Leisure Services at Glasgow City Council; the Council provided partnership funding.

The Landmark Trust: a further grant of £358,500. Dina Thorpe's brother is a partner in the firm contracted to carry out the work.

Oxford Preservation Trust: a further grant of £186,000. Deborah Dance is Director of Oxford Preservation Trust.

The Landmark Trust: a grant of £436,700. David Sekers' wife was a trustee of the Landmark Trust.

American Museum in Britain: a grant of £450,500. Adrian Tinniswood is a personal friend of the Director of the Museum.

Exmoor National Park Authority: a grant of £18,700 and a stage one pass of £603,500. Graham Wills is employed by Exmoor National Park Authority. Roger Martin is a Member of Exmoor National Park Authority. David Sekers was contracted by Exmoor National Park Authority to develop part of the application.

East Riding of Yorkshire District Council: a grant of £130,500. Patrick Ferguson is a former employee of East Riding of Yorkshire District Council.

## POLICY 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 2005-06 shows that around 29% of our funding in that year was awarded to local authority schemes, 41% to charities, 16% to public sector bodies, 7% to community and voluntary groups, and 6% 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. During the last year, Trustees again reviewed the support we give to private owners, and reaffirmed their previous policy, whilst agreeing that we could be more flexible about schemes relating to landscape and biodiversity.

### 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.

In July 2005 the board again considered the needs of the national heritage, based on research, workshops and consultation with different sectors – museums libraries and archives, historic environment, land and biodiversity and transport heritage. The report on current priorities in those sectors, and how HLF might contribute, informed the consultation document, *Our Heritage, Our Future, Your Say*, published in October 2005. Although some sectors have pressed for a higher share of funding, the work showed that HLF's current priorities are addressing many of the needs of the national heritage.

We continue, through the work on "coldspots" of 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 956 pre-application enquiries from potential applicants in these areas during 2005-06, and made 500 awards in these areas – around 10% more than in 2004-05. The success rate of first-time applicants to us for our small grants programmes continues to be as good as for those who have applied before.

We reported this year in *Our Heritage, Our Future* about the economic impacts overall of HLF expenditure on heritage. HLF has increased expenditure in the most deprived parts of the UK. Around 40% of all HLF funding has been committed in areas which are in the top 10% of areas of greatest deprivation, and around 60% to those in the top 33%. Many of our individual projects report major regeneration benefits, and there are good examples in places such as Glasgow, Nottingham, Liverpool and Chatham, where HLF's funding, often in association with others, has been instrumental in heritage-led regeneration schemes. Our Townscape Heritage Initiative continues to make annual awards which maintain that impetus.

### 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.

Providing access to our heritage is more than simply making sure the heritage continues to exist or even creating more opportunities for people to visit and engage with a historic site, park or museum; it is also about uncovering the heritage of groups and individuals who are not always seen to be part of our islands' stories or represented in our collections. This year we published *Hidden Histories*, research into heritage and diversity in the West Midlands, to inspire people to explore our Black and Asian history, and *Remembering Slavery in 2007*, a guide to resources for projects wishing to mark the 200th anniversary of the abolition of the slave trade. We funded projects looking at the heritage of disabled people, a wide of cultural and faith communities, travellers, women, young people and older people. 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. Awards we made in 2005-06 have continued to focus on promoting knowledge and interest in the heritage by children and young people. The Young Roots scheme, delivered with the National Youth Agency in England, provides £5m to enable youth clubs and societies to run heritage projects, developed and managed by young people themselves. By building strong partnerships between youth groups and heritage organisations, the 510 Young Roots projects to date, 179 of which were awarded in 2005-06, have made heritage relevant to a new generation. We published the evaluation of the first year of Young Roots, which showed that 85% of project leaders felt that the young people's understanding of heritage had increased and 91% felt the young people had acquired new skills. We are continuing to support 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 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 through sustainable use of natural materials, reducing waste, recycling and providing access through public transport, foot and cycle rather than by car. This year we convened an internal working group to explore how we could do more to further the objectives of sustainable development. As a result, we put a paper to the board in February which recommended that our appraisal processes should be reviewed and amended in order to better ensure that we fund projects that make the fullest contribution to sustainable development objectives. Our sustainable timber policy has been in place for one year, and we commissioned government advisor ProForest to review progress and uptake.

**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: a point recognised by NAO in their study of the lottery balances held in the NLDF. We limit our support for revenue costs to projects which last for up to 5 years. In 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 5 years, and have taken measures this year to reinforce this message.

**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, and 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.

Every award we make must follow the guidance in our application forms which insists on partnership either in cash or in kind to match the HLF's contribution. We require funding of this type to be at different levels for different sizes of grant. For our smaller grant schemes, Your Heritage or Young Roots, we allow contributions in kind or in volunteer time where applicants are unable to provide a cash sum as part of their funding.

**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 been involved during the year in discussions and arrangements for the changes in governance and transfer of operational responsibility for this scheme to the Big Lottery Fund. We have continued to work in partnership with other lottery distributors on the launch this year of the new 'Lottery Funds' website and phone portal, as well as on a number of working groups examining areas such as the customer care charter; independent complaints reviewing, freedom of information requests, research portfolios, and the formation of the Big Lottery Fund's centre of excellence for Major Grants. In addition, during this year we formed a three-year partnership with the Big Lottery Fund to deliver a combination of resources to a revised Parks for People programme launched in January 2006.

We have partnership arrangements in place for our Repair Grants for Places of Worship Scheme in England. We also have an arrangement for staffing from the National Youth Agency and some of its other country equivalent bodies to help us deliver our Young Roots programme. However, 2005-06 was the last full year of operation of the Local Heritage Initiative, the pioneer small grants scheme run with the Countryside Agency, since the reform of that organisation has meant that the scheme will not be able to continue in its current form after September 2006. In addition, the Tomorrow's Heathland Heritage Scheme run with English Nature is now well into its delivery phase and our partnership arrangement has come to an end.

**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 our grant programmes attract a wide range of applications, many of which meet our strategic objectives. We use our development teams to seek to encourage applications from parts of the UK where there have been few applications so far, and we report on their work in section b. above.

**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 minimise the amount of information we need. We seek independent expert advice on key aspects of many applications. Last year we refreshed our registers of independent expert advisers and have worked this year to keep these up-to-date and relevant.

We have also in 2005-6 completely revised the appointment and working of our internal Expert panel of advisors, which reviews many of the largest or potentially most controversial cases prior to decisions on them by our board and Committees.

## Monitoring

Monitoring projects underway continues to be a major part of our work. During the year, efforts have been made to mark as closed all projects that have finished, so that unspent funds can be decommitted and awarded to new projects. This has resulted in a drop in the number of live cases being monitored, from around 4,000 in April 2005 to just over 3,400 in March 2006. Around 2,200 of these have been designated as low-risk and are monitored by applicants themselves reporting to our staff.

We have taken steps this year to better manage our expenditure on monitoring and to take greater account of the changing risks during the life of a project. We have moved to issuing commissions only for work which is due to be carried out before the end of the financial year. We now also cancel all outstanding and unused commissions for the preceding years.

With the ending of our agreement with English Nature, we have transferred the monitoring of all the Tomorrow's Heathland Heritage projects to our regional and country teams, and we are now putting plans in place for the smooth transfer of over 800 Local Heritage Initiative projects to our teams.

We have delivered a range of training for advisers on several of our directories and registers to update them on recent developments and capture best practice from their experiences of monitoring our projects. During the year we have reviewed and streamlined our Heritage Grants monitoring documents to make them more helpful and to improve our ability to capture the information we need.

## Evaluation

During the year we continued the evaluations of both our generic and targeted initiatives. The consultation document *Our Heritage, Our Future, Your Say* drew upon completed research into heritage needs, the results of Citizen's Juries in South Wales and East Midlands, and a variety of other HLF research. Earlier this year our detailed response to DCMS as part of the consultation on the future shares of Lottery funding also made extensive use of the results of our evaluation work.

## CORPORATE PERFORMANCE

### Strategic Plan targets – four years to 31 March 2006

	31 March 2006	31 March 2005	31 March 2004	31 March 2003
1. 50% of the total value of awards will go to grants of under £1m.	39.7%	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.	28.7%	28.8%	26.3%	33%
3. Maintain current level of spend on A4A (annual spend reported).	£6.3m (including Home Front and micro-grants)	£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;  Your heritage – 800; A4A – 1,650; THI – 21; Parks – 30; RPOW – 150; Landscape – 10; LHI – 300; Young Roots – 240	206 new projects (244 inc. existing projects)  579 (582) 4,881 (4,881) 12 (13) 13 (18) 220 (458) 4 (4) 235 (246) 179 (179)	221 (267)  550 (550) 2,349 (2,349) 20 (21) 15 (24) 287 (670) 9 (9) 295 (299) 123 (123)	232 (308)  507 (510) 1,083 (1,083) 23 (23) 10 (27) 335 (403) 1 (1) 245 (245) 180 (180)	330 (441)  405 (409) 937 (937) 20 (21) 12 (47) 260 (260) 2 (2) 216 (216) n/a
5. The percentage of first-time applicants to certain programmes will exceed: A4A – 50%; Your heritage – 30%.	66% 82%	49% 84%	62% 87%	62% 89%
6. Success rate of first time applicants equals or exceeds other applicants:  A4A Your heritage	<b>Ist Other</b>  78% 65% 80% 80%	<b>Ist Other</b>  60% 61% 80% 80%	<b>Ist Other</b>  58% 57% 83% 89%	<b>Ist Other</b>  51% 51% 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 – WM (met in 5 out of 6 priority areas) Worst – East of England, NI and Scotland (met in only one priority area) {Data not available for A4A and LHI}	Met by no region or country. Best – NE & WM (met in 67% of priority areas). Worst – NI, Scotland, London 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 – NI, SE, Scotland & 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 – NI, SE, Scotland & Wales (met in one priority area) {Data not available for A4A and LHI}

	31 March 2006	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 – London, NI, SW and Wales (met in only two priority areas) {Data not available for A4A and LHI}	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 – SW and Scotland (met in 0% of priority areas) {Data not available for A4A and LHI}	Met by no region or country. Best – WM (met in 67% of priority areas). Worst – SW (met in no priority area) {Data not available for A4A and LHI}
9. Increased volume of HLF-generated positive media coverage about heritage issues: regional and national.	Met. Recent evaluations show continued positive media coverage trends, with increases since 2002. HLF gained highest distributor profile in the NLPU's 2005 National Lottery Day press coverage, according to evaluation.			
10. Improved awareness of, and support for, heritage amongst opinion leaders.	Met. A second round of sectoral Factsheets have been published and widely distributed. Our newsletter was relaunched as 'Heritage Matters' in a UK-wide format, keeping opinion-leaders informed of our work. We also sent a Prospectus to all MPs, MSPs and AMs in summer 2005, and widely publicised the Our Heritage, Our Future, Your Say consultation through mailings and national and specialist media.			
11. Deliver 3 public events on heritage issues.	Met. Delivered 'Who Do We Want To Be' heritage and identity event in Scotland; 'Vision of Wales' and 'Identity Day' in Wales; Hidden Histories and 2007 discussions in Birmingham and London; and a Public Value conference in January 2006, in partnership with DCMS, English Heritage and the National Trust.			

The above data is cumulative unless otherwise stated.

## Corporate Performance Indicators

### Strategic Plan targets

This is the fourth year of our second Strategic Plan and the following is a commentary on our progress towards meeting the targets we have set ourselves over the period 2002-07.

#### Indicator 1

Although the number of applications to our smaller programmes increased in 2005-06, both the Board and our Country and English regional Committees received a substantial number of bids for sums larger than £1m. In 2005-6, the Board awarded only £127.2m (around 39% of the £320m awarded during the year) to grants of between £2m and £5m, but a substantial number of awards of between £1m and £2m were made by committees. In addition, many of our awards to Landscape Partnership Schemes are for more than £1m, even though they are made up of a number of smaller awards made locally.

The target set in 2002 reflected our policy of devolving decisions to the countries and regions so that they were taken closer to the grass roots. In 2002 the threshold for delegated decisions was £1m. It might have been sensible to have revised the strategic target when we raised the threshold for delegated decisions to £2m in 2003: at a threshold of £2m, the target should be less than 50%. We should also have given more thought in 2002 to inflation driving up the average value of applications.

#### Indicator 2

The Board committed only £64.9m in 2005-06 in awards of more than £5m, just over 20% of the total for the year. But restraint in 2005-06 reduced the overall proportion over 4 years by only 0.1%. The Board responded to demands made for grants at this level in previous years: our commitment in 2004-05 of nearly £110m makes our aspirational target hard to meet.

**Indicator 3**

This figure for expenditure on A4A throughout the UK has been increased against last year's figure, so the target has been exceeded.

**Indicator 4**

Very few of the numerical targets set for our grant programmes have been met. Only in A4A and Repair Grants for Places of Worship have we exceeded the target in 2005-6. But we have had little trouble in meeting our monetary targets.

Heritage Grants are again numerically well below target, though at £209m in 2005-06 they formed 65% of our commitment overall. There is a wide range of grant sizes included in the Heritage Grants portfolio.

Your Heritage Grants have again increased slightly in number, but not to the target of 800 that we set in 2002. It looks as if realistically, the level of awards we can expect to make under this programme is around 600 per year. Parks, THI, LHI, LPS and Young Roots have all fallen short of the numerical targets set, even though almost all the resources have been used.

The numerical targets reflected our desire to broaden horizons: making more grants seemed a reasonable indicator. However, in practice, the average size of applications to us has been steadily rising and we have never cut back on the amounts we award to individual projects in order to meet our numerical targets.

It is clear that we are meeting the strategic objective of broadening horizons (see indicator 5 below) even though the numerical targets are not being met. With the benefit of experience, numerical targets have not proved to be useful indicators of performance and none were included in the 2006-07 Business Plan: in the fifth year of SP2 we will not measure ourselves against numerical targets, relying instead on other targets to demonstrate that we are succeeding in broadening horizons.

**Indicator 5**

Intended as a measure of the extent to which our smaller grant programmes are broadening horizons by attracting new audiences, the targets are being substantially exceeded. The success of Your Heritage grants in attracting new applicants is far higher than we had originally expected, and is powerful evidence of our success in broadening horizons.

**Indicator 6**

This measure was intended to show that first time applicants are not disadvantaged by their lack of familiarity with HLF. The figures show that first-time applicants have a better chance of success in applying for A4A, and that there is an equal chance of success as for repeat applicants in applying for Your Heritage.

**Indicator 7**

The figures show work still in progress to raise the profile of HLF and increase our ability to attract applications in some of the hardest areas to reach. 'Met by no region' substantially underplays the effort that has gone into target areas: all country and English regional teams have been able to report success, though none of the teams has yet been able to meet this target in all of the priority areas simultaneously.

The aspiration to match the per capita region average with fresh applications within the lifetime of the strategic plan is a target that constantly moves as the per capita region average changes and may be unattainable in every cold spot simultaneously.

**Indicator 8**

The success rate of applicants from our priority development areas – those most difficult to reach – was intended as a broad measure of the extent to which we are encouraging supportable applications to come forward: another indicator of our success in broadening horizons. As with indicator 7 above, the picture at the end of each year is a snapshot of how these success rates are moving against a target that is itself continuously moving. The figures are cumulative through the lifetime of the Strategic Plan, but show a gradual improvement over the last three years: although the target is met by only one of our regional teams, all country and regional teams are meeting this target for at least a third of their priority areas, and most are meeting it for half or more of these areas. As with indicator 7, the target may be unattainable in every cold spot simultaneously.

Indicators of service level	March 2006	March 2005
1. All applications will be assessed against key criteria within 3 months of receipt and failures notified at that stage.	81% average 59 days	74% average 69 days
2. The average time from receipt to decision: Heritage grants programme – <ul style="list-style-type: none"> <li>• Stage 1 - 6 calendar months;</li> <li>• Stage 2 – 4 calendar months;</li> </ul> Your Heritage – 3 calendar months; THI – 6 calendar months; RPOW – 6 calendar months; Public Parks Initiative – <ul style="list-style-type: none"> <li>• Stage 1 - 9 calendar months;</li> <li>• Stage 2 – 5 calendar months;</li> </ul> Landscape Partnership – <ul style="list-style-type: none"> <li>• Stage 1 - 6 calendar months;</li> <li>• Stage 2 – 4 calendar months;</li> </ul> LHI – 3 calendar months; A4A – 3 calendar months; Project planning – 3 calendar months	5.8 months 61% met the target 4.5 months 53% 2.7 months 72% 4.9 months 95% 3.5 months 92% 7.6 months 78% met target 5.2 months 80% 4.6 months 60% n/a 2.4 months 1.7 months 2.8 months 64%	5.4 months 68% 5.2 months 54% 2.9 months 64% 5.1 months 96% 4.6 months 87% 7.2 months 67% 6.3 months 50% 5.2 months 82% n/a 2.5 months 1.9 months 3.4 months 48%
3. Decisions will be placed on HLF's website within 10 working days of the meeting.	Updated on average 10 days	average of 6.8 days
4. Successful applicants will be issued with a contract within 35 working days.	94% average 12 days	94% 17 days
5. Grant payments will be made to the applicant, on average, within 15 working days from receipt of the payment request.	Operations 4 days 95% met the target Finance 2 days Total 6 days	Ops 6 days 92% Fin 2 days Total 8 days
6. An annual survey of grant applicants will show a 71% satisfaction rating with HLF's service (for assessment) and 85% (for monitoring).	Assessment – 77% Monitoring - 82%	Assessment 75% Monitoring 82%
7. 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.	£1,233 (£5,069 excluding externally processed cases)	£1,778 (£4,487)

Annual data shown.

## Indicators of service level

The performance indicators for 2005-6 show a further year of improvement in most areas. We have again reduced some of the processing times, for example for our assessment against key criteria and for Your Heritage grants; and we have increased by a substantial percentage the number of cases being processed within deadline. Heritage Grants have slipped a little, but our average processing times are still within the target figure. Only Stage 2 applications remain an area where it is difficult for us to keep rigidly to the expected four-month timetable.

### Indicator 1

Performance in initial assessment of cases now takes on average 59 days, 10 days fewer than in 2004-5. For 19% of cases we are not meeting our target of 91 days. In some cases, this is because we proceed straight to full assessment.

### Indicator 2

We are now meeting our turnaround targets on average for Heritage Grants (at stage 1), Your Heritage and Public Parks, though it has slightly slipped from last year. Our batched and managed programmes – often with an assigned timetable – are those kept most closely to schedule. Whilst for the most part we are meeting the turnaround targets, we are still not achieving our other target of responding to 80% of our customers within the target deadlines.

Stage 2 applications for Heritage Grants and for Public Parks continue to cause problems. 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

We continue to meet the target we have set for getting information into the public domain.

### Indicator 4

We continue to quicken our turnaround of contracts.

### Indicator 5

We have maintained a rapid processing time for grant payments this year, and even managed to speed it up still more from last year's overall 8 day average.

### Indicator 6

Customer satisfaction levels with both our assessment and monitoring work, researched by independently conducted telephone surveys, shows satisfaction running at a higher level than last year of 77% for applicants, but at the same level of 82% for our grantees; we have found it impossible to repeat the high point of 85% achieved in 2003-4

### Indicator 7

The unit cost of processing grant applications, which includes the cost of externally processed cases, has again been brought down from last year's figure. The unit cost of dealing with cases in-house is rising slightly; this is partly due to having reached what appears to be saturation point for small grant applications, and a slight decrease in larger Heritage Grant applications, as well as a tendency for applicants to apply for larger sums.

## PROGRESS ON PROJECTS over £5 million

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

Project title	Total project cost	Grant amount	% of Grant paid to date	Latest site report
Air Space, Duxford	£25,250,000	£10,500,000	63%	Work on construction underway with target date for completion late summer 2006. Exhibition fit-out ready to commence.
Ancoats, Murray's Mills	£11,800,000	£7,164,563	76%	Anticipated completion date May 2006, and celebration of shell repair to take place in June 2006.
Ashmolean Plan	£45,189,000	£15,000,000	0%	Permission to start given. Construction period of 56 weeks will commence in July 2006.
Big Pit: National Mining Museum of Wales	£7,085,427	£5,278,000	86%	Project complete with the exception of snagging. Final payment imminent.
Birkenhead Park	£11,381,645	£7,423,000	46%	Construction underway, and practical completion expected December 2007.
Birmingham Town Hall	£24,540,076	£13,500,000	73%	Work progressing well on site. Anticipated completion date October 2007.
British Film Institute, Berkhamstead	£18,500,000	£9,149,560 (original grant of £13,875,000 less £4,725,440 decrease)	90%	Project complete. Final payment made in April 2006.
Cardiff Castle	£7,782,940	£5,742,500	70%	Conservation project well advanced. Interpretation/visitor centre to start late summer 2006. Completion expected June 2007.
Chatham Historic Dockyard	£17,372,000	£13,514,981	97%	Project complete. Final payment expected May 2006.
Christ Church Spitalfields, Tower Hamlets, London	£9,446,182	£5,984,500	93%	Main project complete and final payment expected May 2006.
City Museum and Mappin Art Gallery, Sheffield	£18,871,214	13,709,000	78%	Practical completion issued in March 2006. Fit out to commence. Completion expected December 2006.
Coliseum, London	£14,531,390	£10,650,000	93%	Project complete on site. Final grant payment expected June 2006.
Covent Garden Project, London Transport Museum	£17,060,403	£8,608,000	19%	Project ongoing and completion expected March 2007.
The Darwin Centre II	£65,820,000	£19,900,000	15%	Enabling works under way and demolition works will be complete by April 2006. Construction to commence in May 2006, with final completion anticipated in 2009.
East Park Restoration, Kingston upon Hull	£9,232,246	£6,397,364	31%	Work under way on site. Official opening planned for June 2006, with final completion and payment by end of 2006.
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 complete by end of 2006.
Glasgow Green, Glasgow	£14,580,000	£8,821,000	95%	Capital works complete, remaining elements relate to revenue. Project due to finish in March 2007.
Great North Museum	£25,750,000	£8,750,000	0%	Grant awarded January 2006. Planning work ongoing, construction to commence soon. Anticipated completion date 2008.

Project title	Total project cost	Grant amount	% of Grant paid to date	Latest site report
John Murray Archive (Acquisition, Interpretation Display)	£35,207,000	£17,700,000	93%	Full award January 2006. Acquisition complete, interpretation and display and underway.
John Rylands Library, Manchester	£15,007,098	£8,194,000	41%	Project underway, with official opening date April 2007.
Kelvingrove New Century Project, Glasgow	£25,508,000	£12,793,000	87%	The core repair and conservation work is complete. Fit-out commenced in July 2005, with full completion expected June 2006.
Leeds City Museum	£25,972,000	£19,063,000	17%	Work on Resource Centre 70% complete and construction underway on main building. Anticipated completion date June 2008.
Museum in Docklands, Tower Hamlets, London	£17,999,950	£14,246,000	97%	Capital phase complete. Three-year revenue support nearing close in April 2006.
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 January 2005. Revenue grant completes in 2010.
Renaissance of the Cotswold Canals, Phase 1	£27,641,254	£11,924,000	0%	Full award January 2006. Project planning underway. Anticipated completion date December 2008.
Riverside Museum and Resource Centre (Phase 2)	£77,619,299	£17,150,000	0%	Full award January 2006. Anticipated Glasgow completion date June 2009.
Roundhay Park, Leeds	£8,195,174	£6,111,000	74%	All landscape and buildings works complete, excluding works to Mansion House. Final completion date August 2007.
Royal Festival Hall Project	£89,000,000	£22,176,000	49.8%	RFH now closed to public and construction commenced in July 2005. Anticipated completion date April 2007.
Royal Hall, Harrogate	£7,999,120	£6,000,000	4%	Project underway. Anticipated completion date October 2007.
Sheffield Botanical Gardens	£6,751,015	£5,063,800	95%	Works complete. Final payment expected June 2006.
ss Great Britain – the Heritage Core	£12,742,352	£8,855,000	99%	Project largely complete. Final grant Securing drawdown expected June 2006.
St George's Hall, Liverpool	£23,016,264	£14,598,000	78%	First phase now complete. Grant increase of £2m awarded January 2005 to complete postponed works from first phase. Anticipated completion date mid 2007.
St Martin-in-the-Fields, London	£32,708,402	£13,377,000	10%	Phased construction work started on site in mid-January 2006. Anticipated completion date early 2009.
Stanley Mills Perthshire, Scotland	£8,054,822	£5,110,000	59%	Capital works underway. Final phase commenced in February 2006. Anticipated completion date June 2007.
Time and Space: Developing the Royal Observatory, Greenwich	£9,054,310	£6,789,000	33%	Work started on site February 2005 and construction underway. Anticipated completion date April 2007.
Wedgwood Museum	£9,472,364	£5,867,744	0%	Enabling works commenced. Anticipated completion date September 2007.
Wentworth Castle and Landscape of Stainborough Park	£13,809,526	£10,357,000	21%	Work progressing. Anticipated completion date February 2007.
Woodhorn Colliery: Experience Northumberland at Woodhorn	£15,015,634	£10,000,000	44%	Main construction underway. Anticipated completion date September 2006.

**GRANTS AWARDED over £100,000**

<b>Applicant</b>	<b>Title</b>	<b>Commitment</b>
Abertillery & District Museum Society	Refit of Abertillery & District Museum	£224,000.00
All Saints PCC	All Saints	£105,840.40
All Saints PCC	Church of All Saints	£171,000.00
American Museum in Britain	American Heritage Exhibition	£450,500.00
Angus Council	City of Brechin THI*	£1,483,000.00
Armagh Public Library	Registry – 5 Vicars Hill, Armagh*	£304,500.00
Arnos Vale Cemetery Trust	Arnos Vale Cemetery	£4,820,000.00
Ashby-de-la-Zouch Museum	Development and Extension of Ashby-de-la-Zouch Museum	£425,000.00
Ashmolean Museum	Ashmolean Plan	£15,000,000.00
Assemblies of the First Born Church	Assemblies of the First Born Church	£176,000.00
Barony 'A' Frame Trust	Barony 'A' Frame	£484,500.00
Bath Postal Museum	Bath Postal Heritage Moves	£238,500.00
Belfast Family & Community History (Belfam)	Belfast Lives	£122,000.00
Belmont Abbey General Trust	Discovering Belmont Abbey*	£704,000.00
Besses O' Th' Barn United Reformed Church	Besses O' Th' Barn United Reformed Church	£107,316.00
Bexley Heritage Trust	Hall Place and Gardens	£155,000.00
Bexley Heritage Trust	Hall Place and Gardens*	£1,844,000.00
Birmingham & Midland Motor Omnibus Trust	Additional Vehicle Display Hall for the Birmingham & Midland Museum of Transport	£911,000.00
Birmingham City Council	Lozells and Soho Hill Townscape Heritage Initiative	£800,000.00
Birmingham City Council	Aston Hall & Park	£4,152,000.00
Birmingham Museum & Art Gallery	The Equiano Project	£653,000.00
Blackburn with Darwen Borough Council	Darwen Town Centre THI	£1,000,000.00
Blackpool Borough Council	Talbot Square THI	£1,000,000.00
Bluecoat Arts Centre	Bluecoats Arts Centre	£1,500,000.00
Borough of Telford and Wrekin	Wellington Town Centre THI	£450,000.00
Boston Borough Council	Boston Guildhall and Museum Collection	£877,000.00
Bracknell Forest Borough Council	Lily Hill Park Restoration – Phase 2	£994,000.00
Bradford Metropolitan District Council	Connect: People, Place & Imagination – Bradford Museums, Galleries & Heritage Collections	£132,000.00
Bradford Metropolitan District Council	Connect: People, Place & Imagination – Bradford Museums, Galleries & Heritage Collections*	£1,022,000.00
Braemar Community Limited	Restoration of 'A' listed cottage and Horse Mill at Auchtavan-Braemar	£142,500.00
Bressingham Steam Preservation Company Ltd	Royal Scot Project, Diss	£208,000.00
Bridgend County Borough Council	Bridgend Town Centre THI	£910,000.00
Bridgend County Borough Council	Maesteg Townscape Heritage Initiative (Phase 2)*	£680,000.00
Bristol Cultural Development Partnership	Brunel 200: 200th anniversary of the birth of Isambard Kingdom Brunel	£980,000.00
British Film Institute	The Chaplin Studio at BFI Southbank	£783,000.00
British Museum	Acquisition of an enamelled and inscribed Roman bronze pan	£112,200.00
British Waterways	Montgomery Canal – First Stage Restoration	£547,500.00
British Waterways	Renaissance of the Cotswold Canals	£11,924,000.00

\* Approvals in principle and stage 1 passes.

## GRANTS AWARDED over £100,000

Applicant	Title	Commitment
Broads Authority	Reeds, Sedge, Fens and Mills: HLF Bursary Training Scheme	£714,500.00
Brunel 200 South West	Brunel 200 South West Celebrations 2006	£528,500.00
BTCV Scotland	Natural Talent HLF Training Bursary Scheme	£677,500.00
Burgh Community Complex	Burgh-le-Marsh Recreational Centre	£274,500.00
Burnley Borough Council	Towneley Park Restoration	£2,017,000.00
Burnley Borough Council	Weavers' Triangle Townscape Heritage Initiative Scheme, Burnley*	£1,950,000.00
Bury St Edmunds Theatre Management Ltd	Restoration & Development of the Theatre Royal, Bury St Edmunds	£1,950,000.00
Bushey Museum and Art Gallery	Relocation and Restoration of Frobisher Studio Project	£156,000.00
Butterfly Conservation	Moths at Your Window – national macro-moth recording scheme	£806,000.00
Caithness Horizons Ltd	Caithness Horizons	£999,000.00
Calderdale Metropolitan Borough Council	Halifax THI	£1,400,000.00
Calderdale Metropolitan Borough Council	Shibden Park Restoration Scheme – Halifax	£3,955,000.00
Calvert Trust Exmoor	Accessing the History of Wistlandpound	£325,000.00
Cambridgeshire County Council Library Learning Services	Cambridgeshire Community Archive Network (CCAN)	£299,500.00
Cardinal O'Faich Memorial Library and Archive	Cardinal O'Faich Heritage Outreach	£195,000.00
Catton Park Trust Ltd	Catton Park	£652,500.00
Charles Rennie Mackintosh Society	Queen's Cross Church: Refurbishment and Development	£357,000.00
Charlottesville Jubilee Trust Ltd.	Spike (Community Centre) Project, Guildford	£1,195,000.00
Chatham Historic Dockyard Trust	Chatham Dockyard – Building and Infrastructure Repair Programme – Phase 3	£318,813.07
Chester City Council	Chester Station & Approaches Townscape Heritage Initiative*	£550,000.00
Chesterfield Borough Council	Chesterfield THI*	£750,000.00
Chiltern Woodlands Project Ltd	Special Trees and Woods of the Chilterns	£268,000.00
Church of Ireland	St Columb's Cathedral, L'derry	£283,000.00
Churchdown St Bartholomew's and St Andrew's PCC	St Bartholomew's Church	£195,291.40
City of Wakefield Metropolitan District Council Cultural Services	The Hepworth, Wakefield*	£4,981,000.00
Cockburn Conservation Trust	Blackburn House	£167,644.00
Colne Valley & Halstead Railway Trust	Purchase of the Colne Valley Railway	£999,500.00
Comhairle Nan Eilean Siar Iomairt Dualchas Dealbh-baile Steornabhaigh	Stornoway Townscape Heritage Initiative –	£1,200,000.00
Community Services, Shropshire County Council	Llanymynech Limeworks Heritage Project, 'The Story of Limestone'.	£492,000.00
Congregation of St John's Church	St John the Baptist	£115,427.00
Copeland Borough Council	Beacon II – A New Story	£624,000.00
Cornwall County Council	Geevor Tin Mine	£180,000.00
Cornwall County Council	Geevor Tin Mine*	£2,264,000.00
Craven District Council	Craven Phoenix Project	£202,500.00
Crossness Engines Trust	The Great Stink*	£1,401,000.00
Cumrae Development Steering Group	Garrison House Restoration	£300,000.00

\* Approvals in principle and stage 1 passes.

**GRANTS AWARDED over £100,000**

<b>Applicant</b>	<b>Title</b>	<b>Commitment</b>
Cumbria County Council Archive Service	Cumbria Archives (Carlisle) – Heritage in the Community	£109,500.00
Cumbria County Council Archive Service	Cumbria Archives (Carlisle) – Heritage in the Community*	£4,798,000.00
Cyfeillion Cae'r Gors	Cae'r Gors: Canolfan Dreftadaeth Kate Roberts	£656,000.00
Dartford Borough Council	Dartford Town Centre Townscape Heritage Initiative*	£649,500.00
Dawn Sailing Barge Trust	Restoration of the SB Dawn Sailing Barge	£174,580.00
De La Warr Pavilion Charitable Trust	De La Warr Pavilion Bexhill – Restoration	£400,000.00
Denbighshire County Council	Heather & Hillforts Landscape Partnership	£102,500.00
Denbighshire County Council	Heather & Hillforts Landscape Partnership*	£1,500,000.00
Derby Museum and Art Gallery	The Soldiers' Story*	£564,000.00
Derbyshire Wildlife Trust	Grounds for a Change*	£252,500.00
District Church Council of Holy Trinity	Church of the Holy Trinity	£235,000.00
Dorset Wildlife Trust	New Frontiers	£373,000.00
Driffeld Navigation Trust	Driffeld Navigation Restoration*	£1,000,000.00
Dudley Metropolitan Borough Council	THI – Dudley Town Centre Conservation Area*	£1,955,000.00
Dunblane Museum Trust	Dunblane Museum Development	£650,000.00
Durham County Council	Noses Point, Dawdon – Gateway to the Heritage Coast	£343,000.00
East Ayrshire Council	Dick Institute – External Building Conservation Project	£203,000.00
East Grinstead Town Museum	New East Grinstead Town Museum	£157,000.00
East Lindsey District Council	Louth THI	£420,000.00
East Riding of Yorkshire Council	Acquisition, Conservation & Display of the South Cave Weapons Cache	£130,500.00
East Staffordshire Borough Council	Rejuvenating Uttoxeter Town Centre THI	£400,000.00
Eastbury Manor House	Eastbury Manor House, Phase 3	£107,000.00
Eastbury Manor House	Eastbury Manor House, Phase 3*	£862,000.00
English Heritage	Chiswick House and Gardens Regeneration Project: Phase I	£281,000.00
English Heritage	Historic and Botanic Gardens – HLF bursary training scheme	£721,000.00
English Heritage	Traditional Building Skills Bursary Scheme for England and Wales: HLF Training Bursary Scheme	£900,000.00
English Heritage	Chiswick House and Gardens Regeneration Project: Phase I*	£7,619,000.00
Environment Agency	South Humber Bank Wildlife & People Project	£535,000.00
Environment Agency	Bassenthwaite Reflections*	£1,858,000.00
Essex County Council	Dovercourt Townscape Heritage Initiative	£460,000.00
Exmoor National Park Authority	West Somerset Mineral Railway Project*	£603,500.00
Fairford Town Council	Fairford Community Centre Project	£699,500.00
Fairhaven United Reformed Church Elders	Fairhaven United Reformed (The White Church)	£125,323.60
Farnham Castle	Farnham Castle – Repair & Conservation Phase I	£956,000.00
Fenland Archaeological Trust Ltd	Flag Fen – Education For ALL	£178,000.00
Field Studies Council (FSC)	Biodiversity Training	£221,000.00
Fife Council	The Kinghorn and Burntisland THI	£990,000.00
Flintshire County Council	Holywell THI – Phase II	£760,000.00
Friends of St Mary's Church	Conservation of Wall Paintings at St Mary's Church, Houghton-on-the-Hill	£191,500.00

\* Approvals in principle and stage I passes.

## GRANTS AWARDED over £100,000

Applicant	Title	Commitment
Fusiliers' Museum, Lancashire	Fusiliers' Museum, Lancashire (Formerly Bury's Museum of the Lancashire Fusiliers)	£136,500.00
Fusiliers' Museum, Lancashire	Fusiliers' Museum, Lancashire (Formerly Bury's Museum of the Lancashire Fusiliers)*	£1,863,000.00
Fylde Borough Council	Ashton Gardens*	£1,436,000.00
Glasgow City Council	Parkhead Cross THI	£1,400,000.00
Glasgow City Council: Museum of Transport	Riverside Museum and Glasgow Museums Resource Centre (Phase 2) Project	£17,150,000.00
Gordon Russell Trust	Gordon Russell Heritage Centre	£434,000.00
Green Howards Museum, Richmond	Beyond Four Walls – Green Howards Museum, Richmond	£220,000.00
Groundwork West London	Wild West – Nature Conservation for All in Hammersmith & Fulham	£171,500.00
Guild of Cornish Hedgers	The Guild of Cornish Hedgers' HLF training bursary scheme	£180,500.00
Guild of Handicraft Trust	Court Barn – Chipping Campden	£890,000.00
Gungreen House Trust	Gungreen House Restoration	£743,000.00
Hampshire & Isle of Wight Wildlife Trust	Itchen Navigation Heritage Trail	£102,500.00
Hampshire & Isle of Wight Wildlife Trust	Itchen Navigation Heritage Trail*	£1,595,000.00
Hampshire and Isle of Wight Wildlife Trust	Winnall Moors Wildlife Reserve, Winchester	£277,500.00
Hampshire County Council	Transport Heritage HLF Training Bursary Scheme	£360,500.00
Hampshire County Council	Odiham Castle	£382,500.00
Hanes Llandocho	Coach House Refurbishment, St Dogmaels	£314,500.00
Harewood House Trust	Harewood Explored: Learning and Access Programme	£484,500.00
Hastings Borough Council	St Leonards Gardens and South Lodge Restoration	£999,500.00
Headcorn Parish Council	Headcorn Community Centre – Renovation of Longmeadow Hall	£317,500.00
Herefordshire Council	Friar Street Museum Resource and Learning Centre Phase 3	£1,223,000.00
Herefordshire Nature Trust	LEMUR HLF Training Bursary Scheme	£704,000.00
Heritage Building Preservation Trust	Lochgelly Miners Institute	£340,000.00
Herpetological Conservation Trust	Community Officer	£199,000.00
Hghr Crumpsall & Hghr Broughton Hebrew Congregation	Higher Crumpsall and Higher Broughton Synagogue	£126,000.00
Historic Scotland	Masonry Conservation in Scotland and Northern Ireland: HLF Training Bursary Scheme	£1,000,000.00
Holy Trinity Parochial Church Council	Holy Trinity	£157,000.00
Holywood Old School Preservation Trust	Holywood Old School	£455,000.00
Hull City Council	Hull St Andrew's Townscape Heritage Initiative – Building a Sustainable Community (THI)*	£997,500.00
Hull Museums and Art Gallery	Wilberforce House Museum Development Project	£800,500.00
Institute of Conservation	New routes into conservation through work based learning: HLF Training Bursaries Scheme	£1,000,000.00
Institute of Field Archaeologists	HLF training bursary scheme in Archaeological Skills Development	£730,000.00
Isle of Anglesey County Council	Holyhead Town Centre THI*	£1,002,000.00
Jewish Museum	Jewish Museum Development Project	£372,500.00
Jewish Museum	Jewish Museum Development Project*	£3,825,000.00

\* Approvals in principle and stage 1 passes.

**GRANTS AWARDED over £100,000**

<b>Applicant</b>	<b>Title</b>	<b>Commitment</b>
Keighley St Andrews PCC	Keighley Shared Church	£137,000.00
Kent County Council	Shorne Woods Heritage Project	£996,500.00
Kerrier District Council	Camborne, Tuckingmill and Roskear THI	£800,000.00
Kettering Borough Council	Into the Wardrobe	£250,000.00
Kingston Upon Hull City Council	Hull Fruit Market (THI)*	£1,535,000.00
Kirk Session of New Kilpatrick Church, Bearsden	New Kilpatrick Parish Church, Bearsden – Conservation Works	£140,000.00
Kirklees Metropolitan Council	Greenhead Park, Huddersfield	£228,500.00
Kirklees Metropolitan Council	Greenhead Park, Huddersfield*	£3,753,000.00
Lake District National Park Authority	Access To Archaeology: The Historic Environment of the Lake District National Park	£171,000.00
Lake District National Park Authority	Fix the Fells*	£1,965,000.00
Lancashire County Museum Service	Helmshore Mills Textile Museum – Improvements to Interpretation & Access	£720,000.00
LB Barking and Dagenham	Barking Park Restoration and Improvement Project	£245,000.00
LB Barking and Dagenham	Barking Park Restoration and Improvement Project*	£3,254,000.00
Lion Salt Works Trust	Lion Salt Works Restoration*	£4,958,000.00
Lisburn City Centre Management	Bridge Street No 2 – Lisburn THI	£955,000.00
Lisburn City Council	Castle Gardens, Lisburn	£2,213,500.00
Lochwinnoch Parish Church Congregational Board	Lochwinnoch Parish Church	£120,000.00
London Borough of Hammersmith & Fulham	Restoration of Fulham Palace	£467,000.00
London Borough of Haringey	The Bruce Grove Core Centre	£1,000,000.00
London Borough of Hillingdon	Manor Farm – Restoration and Development	£1,715,000.00
London Borough of Islington, Library and Cultural Services	A New Islington Museum	£918,000.00
London Borough of Lambeth	Myatt's Field Park Project*	£1,523,000.00
London Borough of Redbridge	Valentines Mansion – Internal and External Restoration*	£1,956,000.00
Luton Museums Service	Luton Voices	£183,000.00
Luton Museums Service	Stockwood Discovery Centre*	£3,717,000.00
Mackintosh Sports Club	Works of Conservation and Repair: 'The Mackintosh'	£301,000.00
Manchester City Council and the Manchester Victoria Baths Trust	The Restoration Fund – Manchester Victoria Baths	£3,000,000.00
McManus Galleries and Museum	Who We Are: McManus Galleries and Museum – Dundee's 21st Century Development	£4,906,000.00
Medway Valley Countryside Partnership	Medway Riverside Communities	£198,000.00
Merchant City Townscape Heritage Initiative	Merchant City THI Phase 2	£820,000.00
Mid Suffolk District Council	The Mid Suffolk Discovery Project	£161,500.00
Midland and Great Northern Joint Railway Society	Construction of Carriage Sheds for the Midland and Great Northern Joint Railway Society.	£308,000.00
Mousehole Community Centre Committee	Solomon Browne Memorial Hall	£160,000.00
Museum of London	The Galleries of Modern London and Learning Centre Project	£956,500.00
Museum of London	The Galleries of Modern London and Learning Centre Project*	£10,609,000.00

\* Approvals in principle and stage 1 passes.

## GRANTS AWARDED over £100,000

Applicant	Title	Commitment
National Coal Mining Museum	Cutting Edge Heritage – Conserving the Past for the Future	£350,500.00
National Library of Scotland	Acquisition, interpretation and display of the John Murray Archive	£17,700,000.00
National Museums Liverpool	National Museum and Centre for the Understanding of Transatlantic Slavery (NMCUTS) Phase I	£150,000.00
National Museums Liverpool	National Museum and Centre for the Understanding of Transatlantic Slavery (NMCUTS) Phase I*	£1,500,000.00
National Museums of Scotland	The Royal Museum Project	£1,052,000.00
National Museums of Scotland	The Royal Museum Project*	£15,813,000.00
National Railway Museum	Flying Scotsman – The Legend Returns Home	£275,000.00
National Railway Museum	Search Engine – Opening Up the NRM's Hidden Archives	£995,000.00
National Theatre	The Re-housing of the Royal National Theatre's Archive	£250,000.00
Neath Port Talbot County Borough Council	Redevelopment of the Margam Castle and Park*	£629,500.00
New Wellwynd Parish Church	New Wellwynd Parish Church*	£110,600.00
Newport City Council	The Newport Ship Recording Project	£799,500.00
Newport City Council	Lower Dock Street THI, Phase II	£800,000.00
Norfolk County Council, Cultural Services	Archiving Rural Community Heritage (ARCH) Across Norfolk	£230,000.00
North Cornwall District Council	Atlantic Coast and Valleys Project	£148,000.00
North Cornwall District Council	Launceston THI	£525,000.00
North Cornwall District Council	Atlantic Coast and Valleys Project*	£1,344,000.00
North East Lincolnshire Council	Grimsby – Peoples Park Renaissance	£1,937,000.00
North Lanarkshire Council	Dalzell Estate: Restoration, Conservation and Access Programme	£879,000.00
North Pennines AONB Partnership	Unique North Pennines – A Landscape Moulded by People*	£1,958,000.00
North Ronaldsay Trust	The Refurbishment and Conservation of the North Ronaldsay Lighthouse Keepers' Houses	£300,000.00
North Shore Methodist Church	North Shore Methodist Church	£126,164.00
North Tyneside Council	Regeneration of North Shields Fish Quay*	£412,500.00
North Warwickshire Borough Council	North Arden Heritage trail	£442,500.00
Northumberland County Council	Access to Northumberland's History	£268,000.00
Northumberland Wildlife Trust	Save Our Squirrels	£626,000.00
Nottingham City Council	The Re-interpretation of Wollaton Hall & Park	£4,500,000.00
Nottinghamshire County Council	Bestwood Engine Winding House*	£907,000.00
Octavia Hill Birthplace Museum Trust Ltd	The Re-unification of Octavia Hill's Birthplace House and Enhancement of Museum and Educational Facilities*	£851,000.00
Oxford Preservation Trust (OPT)	Oxford Castle Yard	£186,000.00
P.C.C St. Mary the Virgin, Huntingfield.	St Mary the Virgin, Huntingfield – Conservation Project.	£106,500.00
Pallant House Gallery	Pallant House Gallery New Wing	£1,329,000.00
Parochial Church Council of St Mary's Church	St Mary's Church	£161,973.21
PCC of Holy Trinity Church	Holy Trinity Church	£117,141.00
PCC of Howden Minster	SS Peter & Paul (Minster Church)	£106,899.60
PCC of St Andrew's Earlsfield	St Andrew's Church	£142,577.00
PCC of St George's, vicar and churchwardens	St George the Martyr, Borough High Street, LB Southwark	£1,750,000.00

\* Approvals in principle and stage I passes.

**GRANTS AWARDED over £100,000**

<b>Applicant</b>	<b>Title</b>	<b>Commitment</b>
PCC of St Lawrence	Church of St Lawrence	£155,000.00
PCC of St Thomas the Apostle	St Thomas the Apostle Church	£145,000.00
PCC of St. Stephen and All Martyrs Church	St. Stephen and All Martyrs Church	£224,000.00
PCC of St. Thomas's Church	St. Thomas's Church	£183,779.00
PCC St George	St George	£205,319.20
Pembrokeshire County Council	Pembroke Dock Townscape Initiative (Phase 2)*	£945,000.00
Penicuik House Preservation Trust	Penicuik House Project*	£1,337,000.00
Penwith District Council	Penzance THI	£1,200,000.00
Penzance Town Council	Purchase of 'Lamorna Cove' by Dame Laura Knight	£112,000.00
People's History Museum	People's History Museum One Site Project	£248,000.00
People's History Museum	People's History Museum One Site Project*	£6,820,000.00
Plantlife Scotland	Living roots	£121,000.00
Preston City Council	Avenham and Miller Parks Refurbishment Stage II	£2,712,000.00
Public Achievement	Young Citizens and Museums*	£359,000.00
Punch Records DJ workshops Ltd	From Soho Road to the Punjab National Heritage Tour	£167,500.00
Reading Borough Council	Caversham Court Gardens – Reading*	£1,127,000.00
Reigate & Banstead Borough Council	Reigate Priory Park	£4,155,500.00
Renewal Trust	St Ann's Allotments – Restoration Project*	£1,895,000.00
Rhyl Steam Preservation Trust	New Station and Museum Building for Rhyl Miniature Railway	£484,500.00
Ribble Valley Borough Council	Clitheroe Castle Museum	£159,500.00
Ribble Valley Borough Council	Clitheroe Castle Museum*	£1,835,000.00
Richmondshire Building Preservation Trust Limited	Richmond Station Regeneration Project	£690,000.00
Rockingham Forest Trust	People of the Forest	£353,000.00
Rother District Council	Museums' Renaissance in Bexhill	£931,500.00
Rotherham Metropolitan Borough Council	Rotherham Town Centre (THI)*	£1,145,000.00
Rotherham Metropolitan Borough Council, Archives & Local Studies Service	Rolling out the Archives, Rotherham	£196,100.00
Royal Botanic Garden Edinburgh	The Gateway – Scotland's National Biodiversity Interpretation Centre	£103,000.00
Royal Botanic Garden Edinburgh	The Gateway – Scotland's National Biodiversity Interpretation Centre*	£3,100,000.00
Royal Geographical Society	Crossing Continents: Connecting Communities	£212,400.00
Royal Parks Agency	London, Bushy Park	£4,500,000.00
Royal Society for the Protection of Birds	North East Aberdeenshire Environmental Enhancement and People Engagement Project	£367,500.00
Royal Society for the Protection of Birds	Wild in the Parks: Get Closer to Nature in London's Green Spaces	£369,000.00
RSPB	Manor Farm, Newton Tony – Centre of Excellence for Chalk Grassland Recovery	£933,000.00
Rugby Borough Council	Caldecott Park Restoration Project*	£951,000.00
Ryde Development Trust	Ryde Inner Core Heritage Initiative THI	£750,000.00
Rye Museum Association	Ypres Tower Refurbishment	£215,000.00

\* Approvals in principle and stage 1 passes.

## GRANTS AWARDED over £100,000

Applicant	Title	Commitment
Scarborough Borough Council	Rotunda Museum Project, Scarborough	£1,863,000.00
Selby Abbey Parochial Church Council	Selby Abbey*	£175,145.60
Seven Stories the Centre for Children's Books	Storylines – Preserving and Sharing the Literary Heritage of Childhood	£288,000.00
Severn Gorge Countryside Trust	Volunteering in the Ironbridge Gorge World Heritage Site	£299,500.00
Severn Valley Railway	Locomotive Display Shed & Visitor Centre (Railway Adventure) ,Worcestershire	£3,464,000.00
Sheffield City Council	Weston Park Restoration Project, Sheffield	£2,060,000.00
Sheffield Galleries and Museums Trust	City Museum and Mappin Art Gallery, Sheffield	£1,109,000.00
Sheffield Wildlife Trust	Coalfield Heathland Project	£354,000.00
Shetland Amenity Trust	New Shetland Museum & Archives	£215,000.00
Shetland Amenity Trust	Viking Unst	£483,500.00
Somerset County Council	Lifelines – Mendip Hills AONB Dry Stone Wall Survey and Celebration	£103,000.00
South Ayrshire Council	Alloway Auld Kirk	£136,000.00
South Bank Centre	Royal Festival Hall: Restoration and Renovation (Auditorium)	£3,000,000.00
South Tyneside Council	South Shields, South Marine Park	£116,500.00
South Tyneside Council	South Shields, South Marine Park*	£3,806,000.00
South Yorkshire Forest Partnership – part of Sheffield City Council	Stone to Steel Heritage Project – Improving Access to a South Yorkshire Industrial Landscape	£470,000.00
Southampton City Council	Weston ShoreScapes Heritage Project	£411,500.00
ss Great Britain Project	ss Great Britain – Securing the Heritage Core	£382,000.00
St Anne in the Grove PCC	St Anne in the Grove	£157,000.00
St Barnabas Parochial Church Council	Church of St Barnabas	£326,950.80
St Bartholomew's and St Andrew's PCC	St Bartholomews*	£109,019.20
St Deiniol's Library	The Gladstone Project – Phase 2*	£569,000.00
St George with St Luke PCC	St George the Martyr	£123,000.00
St John the Evangelist Parochial Church Council	St John the Evangelist	£131,000.00
St Mary Magdalene PCC	St Mary Magdalene Church*	£203,740.80
St Mary's Priory Development Trust	Tithe Barn Restoration Project	£829,000.00
St Mary's Pype Hayes PCC	St Mary's Church	£230,000.00
St Michael and All Angels PCC	St Michael and All Angels	£101,000.00
St Michael with St Bartholomew Great Lever PCC	St Michael with St Bartholomew	£113,285.00
St Michael's & Lark Lane Community Association	The Old Police Station – Heritage and Community Centre*	£268,000.00
St Michaels Church Byker	St Michaels Church	£123,000.00
St Michaels Parish Church	St Michaels Parish*	£174,252.00
St Michael's PCC	St Michael Shap	£129,000.00
St Michael's PCC	St Michael's Church*	£144,763.20
St Nicholas Buccleuch Parish Church	St Nicholas Buccleuch Parish Church*	£100,000.00
St Peter Greenhil PCC	St Peter	£126,000.00
St Stephen's Restoration and Preservation Trust	Restoration of St Stephen's, Rosslyn Hill	£2,452,000.00

\* Approvals in principle and stage 1 passes.

**GRANTS AWARDED over £100,000**

<b>Applicant</b>	<b>Title</b>	<b>Commitment</b>
St Thomas PCC	St Thomas	£231,519.20
St. Mary and St. Nicholas Parochial Church Council	Restoration of a Georgian Organ	£183,500.00
St. Matthew Housing	Else's Maltings Heritage Centre, Bury St Edmunds	£347,000.00
Staffordshire and Stoke on Trent Archives	The Sutherland Collection	£1,354,000.00
Strawberry Hill Trust	Strawberry Hill Restoration Project	£373,000.00
Strawberry Hill Trust	Strawberry Hill Restoration Project*	£4,613,000.00
Suffolk Wildlife Trust	Captain's Wood, Suffolk, Acquisition	£219,000.00
Sunderland City Council	Old Sunderland Townscape Heritage Initiative	£900,000.00
Surrey County Council	Exploring Surrey's Past (ESP)	£218,500.00
Surrey County Council	Old Surrey Downs	£960,500.00
Swaythling Parish	Church of St Alban the Martyr	£185,000.00
Swindon Borough Council	Swindon Lydiard Park	£3,004,000.00
The Berwick Upon Tweed Preservation Trust	Dewar's Lane Granary: Restoration & Re-use	£150,000.00
The Berwick Upon Tweed Preservation Trust	Dewar's Lane Granary: Restoration & Re-use*	£350,000.00
The Black Country Museum Trust Ltd	Cradley Heath Workers Institute	£1,535,000.00
The Black Country Museum Trust Ltd	Cradley Heath Workers Institute*	£1,114,000.00
The City of Edinburgh Council	Leith Townscape Heritage Initiative*	£1,873,000.00
The Dalriada Project	The Dalriada Project	£145,500.00
The Dalriada Project	The Dalriada Project*	£1,800,000.00
The Gateway Gardens Trust	'Opening the Gates' West Midlands Garden Access Project	£541,500.00
The General Trustees of the Church of Scotland	Craigsbank Parish Church	£134,800.00
The Glasgow School of Art	The Glasgow School of Art Mackintosh Conservation and Access Project	£153,500.00
The Glasgow School of Art	The Glasgow School of Art Mackintosh Conservation and Access Project*	£4,466,000.00
The Greater Easterhouse Development Company	Blairtummock House – Social Enterprise Centre	£400,000.00
The Hawk and Owl Trust	Restoration and Interpretation of Sculthorpe Moor Community Nature Reserve phase 2	£494,500.00
The Holburne Museum of Art	Holburne Museum of Art Development Project	£520,500.00
The Holburne Museum of Art	Holburne Museum of Art Development Project*	£4,354,000.00
The Imperial War Museum at Duxford	Air Space, Duxford	£1,500,000.00
The Inniskillings Museum	Inniskillings Museum Development Project	£225,000.00
The Ipswich Hospital Band	St Peter's, Ipswich	£772,000.00
The Ironbridge Gorge Museum Trust	The Coalbrookdale Literary & Scientific Institute	£162,000.00
The King's Royal Hussars Museum in Winchester	King's Royal Hussars Museum Refurbishment	£144,000.00
The Landmark Trust	The Grange-Ramsgate	£358,500.00
The Landmark Trust	Clavell Tower Restoration	£436,700.00
The Lydia Eva and Mincarlo Charitable Trust Ltd	Save the Lydia Eva*	£719,000.00

\* Approvals in principle and stage 1 passes.

## GRANTS AWARDED over £100,000

Applicant	Title	Commitment
The Marine Biological Association of the United Kingdom	The Shore Thing – Engaging Schools and the Public in Marine Biological Recording	£190,000.00
The McCracken Cultural Society	McCracken Centre, Duncairn Church*	£876,000.00
The National Trust	Tarn Hows and Monk Coniston Project	£450,000.00
The Nevis Partnership	The Ben Nevis Mountain Path Heritage Project	£345,000.00
The Old School Room Committee	Restoration of the Old School Room, Felkirk	£176,000.00
The Parochial Church Council	Church of St John the Apostle	£173,000.00
The Pastoral Planning Team of St Augustine's, Coatbridge	St Augustine's, Coatbridge	£111,700.00
The PCC of St John the Evangelist, Failsworth	St John the Evangelist	£226,000.00
The Royal Institution	Science In The Making	£4,500,000.00
The Royal Society for the Protection of Birds	Acquisition of Extensions to Brading Marshes, Bembridge and Culver Downs – I.O.W.	£449,500.00
The Royal Society for the Protection of Birds	Broadwater Warren – acquisition	£553,000.00
The RSPB UK Headquarters	Developing Lakenheath Fen for People and Wildlife	£546,500.00
The Rural Access Partnership of Kinross-shire (TRACKS)	Loch Leven Heritage	£450,000.00
The Society of Saint Pius X	St Cuthbert's, Gateshead – Restoration	£513,500.00
The Stanley Spencer Gallery	Stanley Spencer Gallery Improvement Project (GIP)	£882,500.00
The Tank Museum	The Tank Museum Supporting Collections Centre	£344,000.00
The Tyneside Film Theatre Trust	Picture Palace – Tyneside Cinema Heritage Project	£101,900.00
The Tyneside Film Theatre Trust	Picture Palace – Tyneside Cinema Heritage Project*	£2,793,000.00
The Vestry of Holy Trinity Scottish Episcopal Church, Stirling	Holy Trinity Episcopal Church, Stirling*	£135,000.00
The Vindolanda Trust	Vindolanda Visitor Access and Interpretation Development	£377,000.00
The Ware Museum Trust	Phase 2 Extension to Ware Museum	£113,000.00
The Wedgwood Museum	The Wedgwood Museum	£5,867,000.00
The White House Preservation Trust	White House*	£348,500.00
The Whittington Castle Preservation Trust	Whittington Castle – A Sustainable Future	£950,000.00
The Wildfowl & Wetlands Trust	Castle Espie Wetland Restoration	£153,000.00
The Wildfowl & Wetlands Trust	Castle Espie Wetland Restoration*	£2,822,000.00
The Woodland Trust	Ancient Tree Hunt	£506,000.00
The Woodland Trust Scotland	Branching Out – West Lothian	£138,000.00
Topolski Memoir Ltd	Topolski Memoir of the 20th Century	£999,000.00
Topsham Museum Society	Topsham Museum Boat Gallery	£261,000.00
Torbay Council	Torquay Waterfront Regeneration	£600,000.00
Torfaen Museum Trust	Collections, Action & Access Project, Phase 2	£224,000.00
Torquay Museum Society	Torquay Museum Phase 2 Project	£960,500.00
Trees for Cities	Capital Woodlands Project	£999,500.00
Trustees of the Roman Catholic Archdiocese of Glasgow	Sacred Heart Church*	£100,000.00

\* Approvals in principle and stage 1 passes.

**GRANTS AWARDED over £100,000**

<b>Applicant</b>	<b>Title</b>	<b>Commitment</b>
Trustees of the Roman Catholic Archdiocese of Glasgow	St Mary's Church*	£120,000.00
Trustees of the Society of Jesus Trust of 1929	Holy Name of Jesus*	£151,465.20
Tyne & Wear Museums	Refurbishment of Monkwearmouth Station Museum	£497,000.00
University of Durham	North East Inheritance	£274,500.00
University of Exeter	XArch Exploring Archaeology	£243,500.00
University of Leicester	Rethinking Disability Representation	£360,500.00
University of Newcastle Upon Tyne	Sustaining Our Coastal Heritage: The value of local knowledge	£141,500.00
University of Newcastle upon Tyne	Exploring Your Environment (EYE)	£226,500.00
University of Newcastle upon Tyne	Great North Museum	£8,750,000.00
University of Ulster	Derry and Raphoe Diocesan Library Project*	£500,500.00
Victoria and Albert Museum	V&A Medieval and Renaissance Galleries*	£9,750,000.00
Vivat Trust Ltd	Hadlow Tower, Kent – Restoration	£1,244,000.00
Wadebridge Town Council	Wadebridge, Coronation Park	£161,500.00
Walsingham College Trust Association	Welcoming Visitors to the Shrine of our Lady of Walsingham	£630,000.00
Watts Gallery	Watts Gallery Ionides family portrait	£329,000.00
West Derby Community Association	Lowlands Renewal Project Phase 1*	£970,500.00
West London Floating Classroom	West London Floating Classroom Heritage and Environment Programme	£494,200.00
Weymouth and Portland Borough Council	Melcombe Regis Townscape Renewal	£565,000.00
Wherry Yacht Charter Charitable Trust	Wherry Yachts	£492,000.00
Wildscreen Trust	ARKive's Historical Assets – recording the history of British wildlife film-making	£304,500.00
Wiltshire Wildlife Trust	Lower Moor Farm	£681,500.00
Wolverhampton City Council	Hickman Park Restoration	£892,000.00
Wolverhampton City Council	Broad Street/ Stafford Street THI	£960,000.00
Woodland Trust	Havering Park – People engagement in an ancient woodland restoration	£199,000.00
Wrexham County Borough Council	Cefn Mawr THI	£1,000,000.00
Wrexham County Borough Council	The Regeneration of Ponciau Banks Park*	£504,500.00
Yorkshire Wildlife Trust	Wildlife Wealth, Yorkshire	£497,000.00

\* Approvals in principle and stage 1 passes.

## 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 2005/06.

#### 2.1 Staff in post as at 31 March 2006

##### Ethnic Origin and sex of all employees as at 31.03.2006

	All employees		Women		Men	
Ethnic Origin	Total	% of total	Total	% of total	Total	% of total
African	4	1.63%	2	1.19%	2	2.63%
Any Chinese	1	0.4%	0	0%	1	1.31%
Any other	4	1.63%	4	2.38%	0	0
Bangladeshi	2	0.82%	2	1.19%	0	0
Black African & White	1	0.4%	1	0.59%	0	0
Black Caribbean & White	1	0.4%	0	0%	1	1.31%
Caribbean	5	2.04%	5	2.97%	0	0
Indian	5	2.04%	4	2.97%	1	1.31%
Other Asian	1	0.4%	1	0.59%	0	0
Other Black	2	0.82%	1	0.59%	1	1.31%
Other mixed ethnic	1	0.4%	1	0.59%	0	0
Pakistani	3	1.2%	2	1.19%	1	1.31%
White	214	88%	145	86.3%	69	90.78%
<b>Total</b>	<b>244</b>		<b>168</b>	<b>68.86%</b>	<b>76</b>	<b>31.14%</b>
<b>Total (ethnic minority)</b>	<b>12.27%</b>		<b>9.4%</b>		<b>2.87%</b>	

#### 2.2 Applications for employment in 2005/06

Monitoring information of job applicants who applied to our response handling agency between April 2005 to March 2006.

TMP Recruitment Monitoring information

Heritage Lottery Fund – Cumulative Equal Opportunities Monitoring Report

Type	Item	Request Information	Returning Application	Successful at Sift	Successful at Interview
AGE	25 - 34	427	303	58	10
AGE	35 - 44	251	157	33	2
AGE	45 - 54	183	113	17	4
AGE	Not Stated	229	9	1	
AGE	Over 54	54	30	2	
AGE	Under 25	187	128	10	4
DISABILITY	No	1054	703	112	19
DISABILITY	Not Stated	230	12	1	
DISABILITY	Yes	47	25	8	1
ETHNIC ORIGIN	African	24	19	2	1
ETHNIC ORIGIN	Asian and White	12	5		
ETHNIC ORIGIN	Asian Other	3			
ETHNIC ORIGIN	Bangladeshi	13	6	1	
ETHNIC ORIGIN	Black African and White				
ETHNIC ORIGIN	Black Caribbean and White	3	2		
ETHNIC ORIGIN	Black Other	6	3		
ETHNIC ORIGIN	Caribbean	23	12	1	
ETHNIC ORIGIN	Chinese	4	4		
ETHNIC ORIGIN	Indian	22	13		
ETHNIC ORIGIN	Mixed Other	9	5	1	
ETHNIC ORIGIN	Not Stated	233	19	1	
ETHNIC ORIGIN	Other	37	26	6	1
ETHNIC ORIGIN	Pakistani	9	7		
ETHNIC ORIGIN	White	933	619	109	18
GENDER	Female	720	403	77	14
GENDER	Male	596	327	44	6
GENDER	Not Stated	15	10		
NATIONALITY	British or Mixed British	624	364	72	12
NATIONALITY	English	247	211	29	2
NATIONALITY	Irish	36	21	1	1
NATIONALITY	Not Stated	241	22	1	
NATIONALITY	Other	96	79	9	2
NATIONALITY	Scottish	9	9	1	
NATIONALITY	Welsh	78	34	8	3

### 2.3 Employment Monitoring

Agency Monitoring information of job applicants between 01/04/05 – 31/03/06 is not available. All agencies will need, as part of the new tendering procedure for 2006, to confirm that this information will be sent for each recruitment campaign.

## 2.4 Applications for, and numbers of staff receiving, training

During 2005/06, there were 88 successful applications for external training made by white employees, and 10 successful applications made by employees in all other racial groups. The Fund's database on internal training and development recorded 991 training days for white employees in 2005/06, and 108 training days for employees in all other racial groups.

Twice a year the Fund invites applications for funding for relevant professional qualifications. In 2005/06, 8 members of staff were approved funding to start courses. Of the 8 staff 2 were other racial groups and 6 were white.

## 2.5 Applications for internal promotion

During 2005/06, 7 white employees were promoted internally. Five white employees were temporarily promoted.

## 2.6 Provisional outcome of performance assessment procedures (for year ended 31.03.2006)

Ethnic origin of employees, by appraisal rating for 2005/06

<b>Ethnic Origin</b>	<b>Outstanding</b>	<b>Good</b>	<b>Acceptable</b>	<b>Unsatisfactory</b>
African		2	2	
African and White		1		
Any Chinese		1		
Any other		2	2	
Bangladeshi		1		
Caribbean	1	3	1	
Caribbean and White				
Indian		3	1	
Pakistani		2	1	
Other Asian				
Unknown				
White	28	200	15	
<b>Totals</b>	<b>29</b>	<b>215</b>	<b>22</b>	

## 2.7 Number of employees involved in grievance procedures during 2005/06

There were no formal grievances from employees.

## 2.8 Number of employees subject to disciplinary procedures during 2005/06

There were no formal disciplinary procedures during this period.

## 2.9 Number of employees leaving the Fund's employment in 2005/06

White employees: 47

All other racial groups: 5

## 2.10 Ethnic origin of temporary staff in the organisation in 2005/06

White employees: 28

Non white employees: 5

Note: These 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 positive action in its recruitment advertising to encourage job applicants from ethnic minorities, recognising that its workforce is not as representative of local or national diversity as we would like.

The Equality Steering Group 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 has been followed by an in-house diversity training programme focusing on all new staff. A Diversity statement has been produced together with an action plan which is now being implemented.

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