



Heritage Lottery Fund

National Heritage Memorial Fund Lottery Distribution
Annual Report and Accounts for the year ended 31 March 2009



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Annual Report

This annual report is presented 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

This statement of accounts, and report thereon by the Comptroller and Auditor General, are presented in accordance with section 35(5) of the National Lottery etc. Act 1993.

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Background information

The National Heritage Memorial Fund (NHMF or 'the Fund') 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 him 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 $\frac{2}{3}$ % 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 (HLF), which define in broad terms how we are trying to improve quality of life through the heritage. The core aims are:

- conserve the UK's diverse heritage for present and future generations to experience and enjoy;
- help more people, and a wider range of people, to take an active part in and make decisions about their heritage;
- help people to learn about their own and other people's heritage.

As an organisation we strive to achieve economy, efficiency and effectiveness in all that we do. In addition clarity, prioritisation, judgement, responsible authority and accountability are core principles for us as an organisation. They inform our approach to funding, and how we work with customers and colleagues. We aim to be recognisable wherever we work through consistent practice and presentation while retaining the flexibility to respond to differences and needs through our local teams across the UK.

Financial Instruments

FRS 29 Financial Instruments Disclosure requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk for NHMF than is typical of the listed companies to which

FRS 29 mainly applies. NHMF does not have powers to borrow, but can invest grant-in-aid derived funds. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the organisation.

Liquidity risk

In 2008–09, £208.2million (95%) 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 £9.9million (4%), bank interest and sundry income £1.8million (1%). The Trustees recognise that their hard commitments (i.e. signed grant contracts) and their other creditors exceeded the value of funds in the NLDF at 31 March 2009. However, 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. The Department for Culture, Media and Sport ('DCMS') has assured Trustees that they will continue to receive a share of the National Lottery until 2019. Trustees have set a long-term grant award strategy to ensure that HLF's liabilities are in line with their assets and that they do not run out of funds before 2019.

Market and 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 £451.2million. Funds at the NLDF earned on average 3.72% in the year. However, following the change in 2007–08 in the way that investment income is allocated by DCMS the average return to HLF on these investments was around 2.1%. 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 3.5% in the year. The sharp decline in market interest rates has had an impact on returns, but as there is no room for rates to fall further, the risk is small. The cash balance at the year end was £4.1million. Trustees recognise that their return on their balances at the NLDF was significantly less than that obtained from their bank accounts. However, investment of Lottery funds is under the control of DCMS which states that the long-term rate of return of the NLDF should be higher than that of a bank account. The Trustees consider that the Heritage Lottery Fund is not exposed to significant interest rate risks. Other financial assets and HLF's financial liabilities carried nil rates of interest.

	2008-09 £'000	2007-08 £'000
Cash balances		
– sterling at floating interest rates	4,105	11
– sterling at a mixture of fixed rates	452,562	567,428
	456,667	567,439

Credit risk

HLF's debtors comprise prepayments mostly on property leases, intra-government balances and one loan to a heritage organisation. The intra-government balances are mostly with fellow Lottery distributors and all had been repaid by the time of signing the accounts. The loan to a heritage organisation is due to be repaid over a number of years to assist that organisation's cash-flow. HLF does not consider that there is a significant risk that the heritage organisation will fail to repay the debt; the loan is at nil interest. Trustees do not consider that HLF is exposed to significant credit risk.

Foreign currency risk

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

Financial assets by category

	2008-09 £'000	2007-08 £'000
Assets per the balance sheet		
– loans and receivables		
Prepayments and accrued bank interest	659	678
Loan	675	0
Intra-government debtor	1,959	253
	3,293	931

Financial liabilities by category

	2008-09 £'000	2007-08 £'000
Liabilities per the balance sheet		
– other financial liabilities		
Grant commitments	593,131	660,367
Operating creditors	1,235	1,252
Other creditors	334	332
Accruals	677	1,239
	595,377	663,190

Fair Values

Set out below is a comparison, by category, of book values and fair values of HLF's financial assets and liabilities as at 31 March 2009.

Financial assets at 31 March 2009

	Book value £'000	Fair value £'000
Cash ¹	4,105	4,105
Investments ²	452,012	452,562
Debtors ³	3,293	3,293
	459,410	459,960

Financial assets at 31 March 2008

	Book value £'000	Fair value £'000
Cash	11	11
Investments	566,179	567,428
Debtors	931	931
	567,121	568,370

Financial liabilities at 31 March 2009

	Book value £'000	Fair value £'000
Grant commitments ⁴	593,131	593,131
Operating creditors ⁵	1,235	1,235
Other creditors ⁵	334	334
Accruals ⁵	677	677
	595,377	595,377

Financial liabilities at 31 March 2008

	Book value £'000	Fair value £'000
Grant commitments	660,367	660,367
Operating creditors	1,252	1,252
Other creditors	332	332
Accruals	1,239	1,239
	663,190	663,190

Basis of fair valuation

- 1 The figure here is the value of deposits with commercial banks. It is expected that book value equals fair value.
- 2 Investments are controlled by the Secretary of State for Culture, Media and Sport. He provides the Trustees with details of the book cost and fair value of our balances at the balance sheet date.
- 3 No provision for bad debt is deemed necessary. One of the debts is long-term and no interest rate has been applied to the loan.
- 4 Whilst we disclose £326.3million of grant commitments as not being due for payment until after one year, we have not made a fair value adjustment. Trustees have a contractual obligation to pay these amounts on demand, subject to contract, and so the amounts could be paid within the next 12 months.
- 5 All creditors are due within normal contractual terms, usually 14–30 days, and so no difference exists between book cost and fair value.

Maturity of financial liabilities

	2008–09 £'000	2007–08 £'000
In less than one year	269,036	293,170
In more than one year, but less than two	326,341	370,020
In two to five years	0	0
In more than five years	0	0
	595,377	663,190

Future developments

Whilst income from the National Lottery has been maintained, the impact of the government diverting some of our funds in the National Lottery Distribution Fund to the 2012 Olympics (£161million) and the effect of years of making awards significantly in excess of our income, means that our grant budgets have had to be curtailed for future years. We aim to award £180million per annum from 2009–10 onwards. It is too early to say with certainty if the recession will have any impact on ticket sales although early signs are reassuring, but the investment returns at the NLDF are falling. Trustees will monitor income closely over the next 12 months and revise future grant budgets if necessary.

Trustees recognise that the activities of HLF will not decline in line with falling grants budgets. There is no reason to believe that grant applications will decline in number; we will continue to offer pre-application advice to any organisation that requests it; and we will continue to monitor and make payments to the many thousands of grant-aided projects that have yet to be completed.

In order that potential applicants are not put off by the reduced chances of obtaining a grant, HLF has made its application process more straightforward and initial decisions will be made on applications earlier in the assessment process. This will mean applicants need do less work before being given an indication as to whether they stand a chance of success and will find out sooner. This also means that they could receive financial assistance in completing their full application at an earlier point in the cycle. In addition, we are funding mentors who will assist some grantees work up their full application.

From April 2009, HLF will no longer contribute to the Awards for All scheme operated by the Big Lottery Fund on behalf of a number of Lottery distributors. To compensate, we have reduced the minimum

grant value on our Your Heritage and Young Roots programmes.

The government has introduced the requirement that all public sector bodies change to using international financial reporting standards. HLF will adopt these standards from 1 April 2009 onwards. This is not expected to have a significant impact of the numbers reported in the year-end accounts.

Employee consultation

The nature of the operations of the National Heritage Memorial 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 Board 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 achieving their own potential through regular consultation and discussion. To this end, a Staff Council is in existence. Comprising representatives from each department, it discusses matters of interest to staff with representatives from management. It meets nine times a year.

Equal opportunities

As an employer, the National Heritage Memorial Fund abides by equal opportunities legislation. It does not discriminate against staff or eligible applicants for job vacancies on the grounds of gender, marital status, race, colour, nationality, ethnic origin, religious belief, disability, age or sexual orientation. Every possible step is taken to ensure that staff are treated equally and fairly and that decisions on recruitment, selection, training,

promotion and career management are based solely on objective and job related criteria. It does not tolerate any form of discrimination, harassment or victimisation. The Fund welcomes job applications from people with disabilities, and currently around 4% of our workforce are people with disabilities. 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 2008–09, the average age of invoices paid was 11 working days. Over 92% of invoices were paid within 30 calendar days.

Pension liabilities

The Heritage Lottery Fund makes contributions to the pension schemes of staff. Other than making these payments, the Heritage Lottery Fund has no pension liabilities with the exception of three former members of staff. Trustees consider that the balance sheet provision, made for paying the pension of those former members 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 main stakeholder of the Heritage Lottery Fund is the Department for Culture, Media and Sport which also controls the National Lottery Distribution Fund that 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) and English Heritage (Repair Grants for Places of Worship programme).

Post balance sheet events

There were no events that occurred after 31 March 2009, up until the date the Accounting Officer signed these accounts, that need to be brought to the attention of the reader. The Accounting Officer authorised the accounts for issue on 9 July 2009, which was the date the accounts were certified by the Comptroller and Auditor General.

Personal data

HLF has had no incidents where personal data was inadvertently disclosed to a third party. HLF will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvements of its systems.

Sickness absence

In 2008–09, 2,655 days were lost due to 494 sickness episodes. That represents 2.92% of all working days and is very modest.

Chair and Trustees of the National Heritage Memorial Fund

Chair

Dame Jenny Abramsky ² *Trustee from 1 September 2008 and Chair from 1 October 2008*

Dame Liz Forgan *until 30 September 2008*

Chief Executive

Carole Souter ²

Trustees

Madhu Anjali *until 21 July 2008*

Mike Emmerich

Kim Evans ² *from 22 July 2008*

Yinnon Ezra ¹

Kathy Gee

Catherine Graham-Harrison *until 22 July 2008*

Doug Hulyer ¹

Tristram Hunt

Dan Clayton-Jones

Hilary Lade ² *from 1 October 2008*

Brian Lang

Alison McLean ¹

Matthew Saunders

Ronnie Spence ¹

Richard Wilkin ²

Christopher Woodward

¹ Member of Audit Committee

² Member of Finance & Resources Committee

Dame Jenny Abramsky
Chair

Carole Souter
Chief Executive

7 July 2009

Financial review

The National Heritage Memorial 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.

HLF receives applications from thousands of organisations across all communities of the United Kingdom and awards grants on the basis of its aims. Since the Lottery started in 1994, HLF has made almost 34,000 awards and dealt with over 49,000 grant applications. During the year, over 3,000 grant applications were received, requesting over £600million (i.e. 3 times our income). This demonstrates that there is still huge demand for Lottery money 15 years after the Lottery started.

In April 2008, Trustees issued their third Strategic Plan covering the period 2008 to 2013 and made a number of significant grant application assessment system changes. Trustees have altered the way in which applications to the largest grant programme (Heritage Grants) are processed. The change was made to give applicants an earlier idea of whether or not their application had a chance of success. This saves them time and money on pursuing projects which have little chance of receiving a grant.

The impact of this change is that the initial decision is no longer regarded as a soft commitment. The first round decision, as it is now called, does not almost inevitably result in a second round award in the same way that a stage 1 pass became a stage 2 award. We have also completely overhauled our methods of processing and assessment times, with the result that we now make decisions quicker even on those applications that do not go through a two round process.

During the course of 2008–09, Trustees made new soft commitments totalling £150.9million (soft and hard commitments are defined in note 1 to the accounts). This was less than last year's £283.9million because Trustees have had to reduce levels of awards to take account of reduced income in the year and in the future and because they cannot continue to commit to more awards than they have funds. In addition, the consequence of the change to a two round process for Heritage Grants is that at the early stages of implementation the level of soft commitments being made will fall.

Income for the year was £208million, with an additional £10million in investment income earned by the National Lottery Distribution Fund on our behalf. Falling balances at the NLDF as well as the significant reductions in market interest rates and gilt yields are the reason for the lower investment income returns.

Commitments table

	Stage one & round one soft commitments* £m	Grant awards £m	Hard commitments £m	Total decisions £m
At 1 April 2008	273.9	80.9	660.3	
Trustees' decisions in the year	80.6	70.3	–	150.9
Converted in the year	(162.4)	162.4	–	
Converted in the year	–	(238.4)	238.4	
De-commitments	(10.2)	(0.5)	(8.5)	
Grant payments	–	–	(297.1)	
At 31 March 2009	181.9	74.7	593.1	

* Not all round one passes are soft commitments. Round one passes for applications under the Heritage Grants programme are not regarded as soft commitments.

The balance of HLF funds at the NLDF fell to £452million at the end of the financial year – a fall of £115million in the year. Ticket sale income was slightly above the projection supplied by DCMS in March 2008, by £9million, whilst investment income was below their projection, by £3million. In addition, DCMS began its re-allocation of funds from the NLDF to help fund the 2012 London Olympic and Paralympic Games. HLF had its balance reduced by almost £11million in February 2009. A further £150million will be taken over the next few years.

Trustees continue to recognise that the balance at the NLDF should fall further. As a result of the policy of previous years where they have made awards well in excess of income, the level of grant payments being made is far in excess of income and so the NLDF balance will continue to fall. At the end of the financial year, HLF had committed £398million more than it had in the NLDF – around two year’s expected income. The balance of contractual liabilities exceeded the HLF’s net assets during the year and there was a net deficit on the balance sheet in excess of £135million at 31 March 2009. 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.

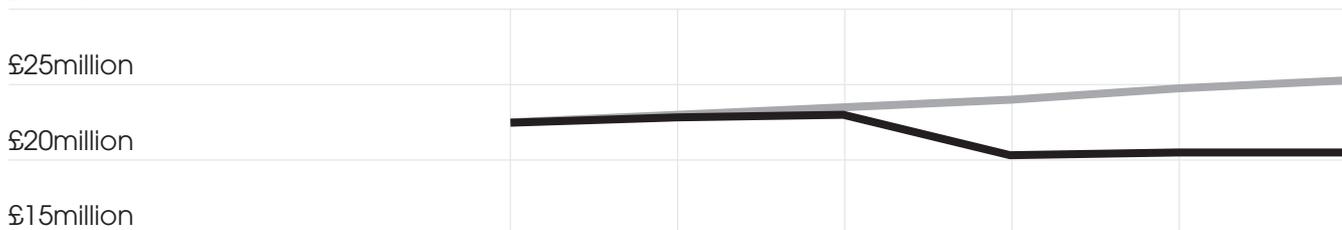
The table on page 8 illustrates the soft commitments made and also the conversion of soft commitments in previous years into hard commitments in 2008–09. Soft commitments are converted to hard commitments when there is a signed contract with the grant recipient.

Over half of the decisions made in the year (£80.6million) were for stage one passes under the old two-stage decision process that was replaced mid-year. The remainder (£70.3million) were for grant awards in the year. During the year, contracts were signed for grants of £238.4million – i.e. new hard commitments. (See table on page 8.)

Overall, administrative costs fell by 0.4% during the year. This was as a result of a 5.6% fall in staff costs and a 5% rise in administrative costs. The apparent fall in staff costs actually reflects a return to a normal level of expenditure following a number of redundancies and early retirements in 2007–08. The rise in administration is due to the cost of updating our systems to operate our third Strategic Plan and is not representative of an increase in underlying costs. The contribution from the Big Lottery Fund (BLF) towards the cost of running the Parks for People programme remained constant at £657,000 (2007–08: £653,000). Trustees applaud the work done by management and staff in achieving an overall 0.4% cut. Trustees recognise that

Actual administration costs vs inflated 2003–04 costs

£30million



	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Admin - actual costs	22.42	22.73	22.96	20.34	20.58	20.50
Admin - inflated 2003-04 costs	22.42	23.03	23.50	24.15	24.82	25.44

transfers of funds to help the 2012 London Olympic Games and falling investment income must be met by a fall in administrative costs through efficiency savings. The work involved in producing the new Strategic Plan and the necessary system changes were successfully carried out despite the continuation of the declining trend in staff numbers. Trustees expect staff numbers to fall slightly in future years. For more details on staff numbers see note 3 to the accounts.

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 for both applicants and grantees has again been impressive. 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. There is concern about the impact of the loss of the money diverted to support the London Olympics and Trustees will work towards mitigating the effect over the coming year. The recession does not appear to be impacting on National Lottery ticket sales at present, but there is evidence of a build-up in concern being expressed by current and potential grantees in their being able to raise sufficient funding for their projects and in suffering the insolvency of their contractors. Trustees are monitoring the situation, but they believe it is too early to draw any firm conclusions. The principal risks are discussed further in the Statement on Internal Control.

Key performance indicator

The Heritage Lottery Fund has a reputation as an efficient distributor of Lottery funds. The graph at the bottom of page 9 sets out our administration costs in each of the last six years – the dark line. The pale line shows the value of administration costs incurred six years ago when increased in line with the Treasury’s GDP deflator – an estimate of the general level of inflation in the UK economy. Trustees are pleased to note that administration costs in 2008–09 are £4.9million (or 21.9%) lower than inflation since 2003–04 would have suggested – representing a significant real terms reduction in administration costs.

Audited information

	2008-09 £'000*	2007-08 £'000
Dame Liz Forgan	20-25	40-45
Dame Jenny Abramsky <i>Chair</i>	20-25	0
Madhu Anjali	0-5	5-10
Mike Emmerich	5-10	5-10
Kim Evans	0-5	0
Yinnon Ezra	0-5	0-5
Kathy Gee	10-15	5-10
Catherine Graham-Harrison	0-5	5-10
Doug Hulyer	10-15	10-15
Tristram Hunt	5-10	5-10
Dan Clayton-Jones	20-25	20-25
Hilary Lade	5-10	0
Brian Lang	20-25	20-25
Alison McLean	5-10	0-5
Matthew Saunders	5-10	5-10
Ronnie Spence	20-25	20-25
Richard Wilkin	10-15	10-15
Christopher Woodward	5-10	5-10

* Significant changes in reported remuneration including taxable expenses are due to Trustees not being employed for a full year in either 2007–08 or 2008–09.

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 reimbursed travel expenses of certain Trustees from their homes to their office of employment in London, Edinburgh, Cardiff or Belfast. The Heritage Lottery Fund met the tax liability on these expenses.

The remuneration of those Trustees that received payment, including reimbursement of taxable expenses and the tax thereon, falls into the bands in the table on page 10. One Trustee, Yinnon Ezra, waived his right to a salary.

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 HLF 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 2008–09 was £207,674 (2007–08: £227,946). The pay and contracts of Trustees are discussed and set by the Department for Culture, Media and Sport.

The accrued pension quoted is the pension the member is entitled to receive when they reach 60, or immediately on ceasing to be an active member of the scheme if they are already 60.

Remuneration of employees (Audited information)

The remuneration of directors was as follows:

	Salary including performance bonus 2008–09 £'000	Salary including performance bonus 2007–08 £'000	Real increase in pension and lump sum £'000	Total accrued pension at age 60 and lump sum £'000	Cash Equivalent Transfer Value (CETV) at 31/3/09 £'000	Cash Equivalent Transfer Value (CETV) at 31/3/08 £'000*	Real increase in CETV funded by NHMF £'000
Carole Souter <i>Chief Executive</i>	125–130	120–125	0–2.5 plus 2.5–5 lump sum	40–45 plus 130–135 lump sum	801	715	20
Robert Bewley <i>Director of Operations</i>	90–95	65–70**	0–2.5 plus 5–7.5 lump sum	25–30 plus 75–80 lump sum	510	436	34
Judith Cligman <i>Director of Policy and Strategy</i>	85–90	85–90	0–2.5 plus 2.5–5 lump sum	25–30 plus 75–80 lump sum	452	395	21
Karen Brookfield*** <i>Acting Director of Policy and Strategy</i>	70–75	65–70	0–2.5 plus 2.5–5 lump sum	25–30 plus 75–80 lump sum	450	434	21
Steve Willis <i>Director of Finance & Corporate Services</i>	105–110	105–110	0–2.5 plus 0–2.5 lump sum	45–50 plus 145–150 lump sum	1,037	958	1

* These figures are different to those quoted in last year's accounts. This is due to CETV factors being updated to comply with the Occupational Pension Schemes (Transfer Values) Amendment Regulations 2008.

** Robert Bewley joined us part way through 2007–08, hence the apparent large rise in salary.

*** Karen Brookfield was made acting Director for 15 weeks during the temporary absence of Judith Cligman.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the civil service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

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% (2007–08: 99%: 1%). The pay and contracts of senior employees are discussed and set by the Finance & Resources Committee. (Membership of this committee is disclosed on page 7.) 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 Chief Executive are set by the Chair of the Board of Trustees, and the Chief Executive in turn agrees personal objectives with the function directors. Objectives reflect the strategic and operational goals of HLF and the contribution expected of each individual senior manager to achieving the goals. HLF 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 & Resources 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, HLF would adhere fully to the rules of the Civil Service Compensation Scheme and any associated guidance from Treasury or DCMS.

Carole Souter
Chief Executive

7 July 2009

Statement of Trustees' and Chief Executive'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 HLF'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 HLF will continue in operation.

The Accounting Officer of the Department for Culture, Media and Sport has appointed the senior full-time official, the Chief Executive, as the Accounting Officer for the National Heritage Memorial Fund. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances, for the safeguarding of the HLF'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 Managing Public Money.

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.

Dame Jenny Abramsky
Chair

Carole Souter
Chief Executive

7 July 2009

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 Heritage Lottery 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 Managing Public Money.

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

- Give leadership and strategic direction;
- Define control mechanisms to safeguard public resources;
- Supervise the overall management of HLF'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 HLF and make decisions in line with policy. In addition, sub-committees of Trustees, particularly the Finance & Resources 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. 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 (the Welsh Assembly has

also issued some policy directions with regard to our activities in Wales). 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 HLF'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 HLF for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

Capacity to handle risk

The Management Board, 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.

The Audit Committee, which comprises four 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.

The risk and control framework

The Management Board 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. The Management Board then assigns to senior managers (the 'risk owners') the task of putting procedures in place to monitor and, where possible, mitigate the risk. The Management Board reviews the effectiveness of their work on a quarterly basis. The Audit Committee also regularly reviews and questions the activities of risk owners.

NHMF has an information risk policy to be followed by all staff – new staff read it as part of their induction. The policy, which is reviewed on an annual basis, requires all data to be held securely.

In 2008–09, 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 thereby giving rise to the risk of inefficiency, fraud or of making decisions open to challenge;
- failure to recruit, retain and develop staff;
- lack of adequate acknowledgement of the HLF/NHMF contribution by grantees;

- that support and influence lessens as a result of low awareness and understanding of our contribution by stakeholders and the Lottery-playing public;
- changes to membership and delegations of Board and Committees leads to confusion and inconsistency in decision making.

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 of Trustees 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 regular reports from the auditors notifying me of the progress my department heads have achieved in clearing up points raised by both internal and external auditors.

I have investigated allegations of impropriety in relation to the calculation of the pay award for staff which arose towards the end of the financial year. A forensic audit carried out by a specialist team from our internal auditors (Grant Thornton) found no evidence of fraud or impropriety. It did, however, identify errors in calculation over a number of years. These errors may have

led to the agreement of higher pay approvals than may otherwise have been obtained, although this is not considered to be significant and still within Treasury guidelines. The team's process recommendations for the future have been discussed by the Audit Committee, accepted and fully implemented. They also identified control weaknesses in relation to segregation of duties and oversight. A further governance review is to be undertaken during the current financial year and will identify any other areas where similar weaknesses may exist.

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.

Carole Souter
Chief Executive

7 July 2009

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 National Heritage Memorial Fund's Lottery Distribution Activities for the year ended 31 March 2009 under the National Lottery Act 1993 (as amended). These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Trustees, Chief Executive and auditor
The Trustees and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the National Lottery 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 Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited 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 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 report to you whether, in my opinion, the Management Commentary,

included in the Annual Report, is consistent with the financial statements. 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.

In addition, I report to you if the National Heritage Memorial Fund has 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 HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the National Heritage Memorial Fund's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers 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 the unaudited part of the Remuneration Report and all other sections of the Annual Report except for 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 opinions

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 Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the circumstances of the Lottery Distribution Activities of the National Heritage Memorial Fund, 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.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with National Lottery 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 National Heritage Memorial Fund's Lottery Distribution Activities affairs as at 31 March 2009 and of its deficit, recognised gains and losses and cash flows 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 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

- the Management Commentary, included within the Annual Report, is consistent with the financial statements.

Opinion on regularity

In my opinion, 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.

Report

I have no observations to make on these financial statements.

Amyas CE Morse

Comptroller and Auditor General

9 July 2009

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

Income and Expenditure Account for the year ended 31 March 2009

	Notes	£'000	2008-09 £'000	2007-08 £'000
Proceeds from the National Lottery	9		208,196	200,394
NLDF investment income	9	9,882		15,396
Loss on the revaluation of investments at NLDF		(0)		(0)
			9,882	15,396
			218,078	215,790
Less: amount transferred to the Olympic Lottery Distribution Fund by the Secretary of State for Culture, Media and Sport			(10,847)	0
			207,231	215,790
Interest receivable		614		936
Sundry income	2	1,234	1,848	238
Total income			209,079	216,964
New hard commitments	11	(238,403)		(294,330)
Hard de-commitments	11	8,585		14,002
			(229,818)	(280,328)
Staff costs	3	(9,698)		(10,271)
Depreciation	7	(270)		(280)
Other operating charges	4	(10,527)		(10,030)
			(20,495)	(20,581)
Total expenditure			(250,313)	(300,909)
Operating deficit			(41,234)	(83,945)

All figures shown relate to continuing activities.

Statement of Recognised Gains and Losses for the year ended 31 March 2009

	Note	2008-09 £'000	2007-08 £'000
Revaluation gain on the balance at the National Lottery Distribution Fund	16	549	1,248

The notes on pages 22 to 32 form part of the accounts.

Balance Sheet

for the year ended 31 March 2009

	Notes	£'000	2008-09 £'000	2007-08 £'000
Fixed Assets				
Tangible fixed assets	7		639	821
Current Assets				
Investments – balance at the NLDF	9	452,562		567,428
Debtors	8	3,293		931
Cash at bank and in hand		4,105		11
			459,960	568,370
Creditors: amounts falling due within one year				
Grant commitments due in one year	11		(2,246)	(2,823)
			(266,790)	(290,347)
Net current assets			190,924	275,200
Total assets less current liabilities			191,563	276,021
Grant commitments due in more than one year	11		(326,341)	(370,020)
Provisions for liabilities and charges	6		(4)	(98)
Total assets less liabilities			(134,782)	(94,097)
Represented by:				
Revaluation reserve	16		549	1,248
Income and expenditure account brought forward		(95,345)		(11,400)
Transfer from revaluation reserve	16	1,248		0
Movement in the year		(41,234)	(135,331)	(83,945)
			(134,782)	(94,097)

The notes on pages 22 to 32 form part of the accounts.

Dame Jenny Abramsky **Carole Souter**
Chair Chief Executive

7 July 2009

Cash Flow Statement

for the year ended 31 March 2009

	Notes	2008-09 £'000	2007-08 £'000
Operating activities			
Cash drawn down from the NLDF	9	322,646	309,867
Cash from other sources		563	238
Cash paid to and on behalf of employees		(9,871)	(10,225)
Cash paid to suppliers		(12,757)	(9,408)
Cash received from loan recipients		0	0
Cash paid to grant and loan recipients	11	(297,054)	(299,377)
Net cash inflow/(outflow) from operating activities	13a	3,527	(8,905)
Returns on investment and servicing of finance			
Interest received on bank accounts		655	894
Capital expenditure and financial investment	13b	(88)	(115)
Increase/(decrease) in cash		4,094	(8,126)

Reconciliation of Net Cash Flow to Movement in Net Funds for the year ended 31 March 2009

	Note	2008-09 £'000	2007-08 £'000
Increase/(decrease) in cash in the period		4,094	(8,126)
Changes in net funds	13c	4,094	(8,126)
Net funds at 1 April 2008		11	8,137
Net funds at 31 March 2009		4,105	11

The notes on pages 22 to 32 form part of the accounts.

Notes to the Accounts

for the year ended 31 March 2009

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. The accounts have been prepared on a going concern basis as DCMS has assured Trustees that they will continue to receive funds from the National Lottery until at least 2019. Copies of the National Lottery Accounts' Directions 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, was not in PCSPS. A separate provision was 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”. Soft de-commitments occur when an award or part award is not converted into a hard commitment – normally because the grantee decides not to undertake their project. Hard de-commitments occur when the project being funded does not require all the money set aside for it under the contract. All grant commitments are payable immediately upon receipt of valid payment requests.

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

	2008-09 £'000	2007-08 £'000
Repayment of grants	1,234	238

3. Staff costs and numbers

	2008-09 £'000	2007-08 £'000
Salaries	7,554	7,875
Employer’s NI payments	525	533
Payments to pension scheme (see note 6)	1,387	1,493
Temporary staff costs	232	370
	9,698	10,271

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

2008-09	Grant applications	Finance & administration	Policy & research	Public Relations	Total
Permanent staff	153	35	26	16	230
Secondees, temps and contract staff	16	2	1	3	22
Total	169	37	27	19	252

2007-08	Grant applications	Finance & administration	Policy & research	Public Relations	Total
Permanent staff	159	36	25	17	237
Secondees, temps and contract staff	14	4	2	3	23
Total	173	40	27	20	260

Note that comparative figures have been altered to reflect the transfer of a section within Operations to the Policy and Strategic Development department on 1 April 2008. Other minor changes have occurred to the comparative figures to reflect the requirement to disclose figures as full-time equivalents rather than headcount.

4. Operating deficit

The operating deficit is stated after charging the following:

	2008-09 £'000	2007-08 £'000
Auditor's remuneration including work on the preparation for International Financial Reporting Standards	42	36
Payments under operating leases		
- leasehold premises	1,340	1,353
- hire of office equipment	51	25

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

	2008-09 £'000	2007-08 £'000
Accommodation	2,191	2,147
Postage and telephone	488	383
Office supplies, print and stationery	237	164
Travel, subsistence and hospitality – Trustees	118	120
Travel, subsistence and hospitality – staff	345	387
Professional fees – grant related	3,180	3,535
Professional fees – non-grant related	2,001	1,496
Public relations and communications	1,263	1,250
Office equipment	323	292
Staff training	211	200
Sundry expenses	170	56
	10,527	10,030

5. Recharged costs

As disclosed in note 1 to these accounts, the National Heritage Memorial Fund is required to disclose its Lottery distribution costs in the accounts of the Heritage Lottery Fund. At the end of the financial year, the proportion of joint costs apportioned was 99%. In 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.

6a. Pensions

Pension benefits are provided through the Civil Service pension arrangements (PCSPS). Since 30 July 2007, new staff without any previous membership of PCSPS are able to join Nuvos. This is an index linked defined benefit pension scheme. This currently has a 3.5% member contribution rate and will provide a defined benefit pension with a pension age of 65.

Staff who joined before 30 July 2007, or who have qualifying previous PCSPS membership on joining since that date, remain 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.

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 $\frac{1}{80}$ th 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 $\frac{1}{60}$ th 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 alternative pension scheme arrangement is a Stakeholder Pension known as a Partnership Pension Account. The partnership pension account is a stakeholder pension arrangement with an employer contribution. 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. 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 PCSPS to cover the cost of centrally-provided lump sum risk benefit cover (death in service and ill health retirement). There are currently five members of staff with a partnership pension account. No members of staff retired early on health grounds during 2008–09.

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

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 2008–09, employer's contributions of £1,441,760 (2007–08: £1,493,316) 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 2008–09	% in 2008–09
£19,000 and under	17.1%
£19,001–£39,000	19.5%
£39,001–£66,500	23.2%
£66,501 and above	25.5%

In 2005–06, the one member of staff who had remained a member of the Joint Superannuation Services (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. Pension payments made to this former employee would have been met from the Fund's cash resources, and not through the JSS, which has no assets. Whilst the pensioner is receiving his pension payments, NHMF has yet to reimburse the PCSPS pension administrator (who are operating the scheme on behalf of JSS) as they have yet to ask for the funds. In view of assurances from PCSPS that no liability exists on NHMF, the provision has been written back. New employees of the National Heritage Memorial Fund do not join the JSS, but instead join the PCSPS. In addition, during 2007–08 two members of staff took early retirement (none in 2008–09). NHMF is paying the cost of early retirement until those people reach the age of 60 and PCSPS takes over the pension cost.

6b. Provisions for liabilities and charges

	2008-09 £'000	2007-08 £'000
Provision at 1 April 2008	98	77
Early retirement provision	0	54
Provision written back	(55)	0
Pension payments made	(39)	(33)
Provision at 31 March 2009	4	98

7. Tangible fixed assets

	Improvements to Short Leasehold Property £'000	IT Equipment £'000	Office Fittings £'000	Total £'000
Cost at 1 April 2008	2,073	1,527	58	3,658
Additions	0	88	0	88
Disposals	0	(130)	0	(130)
at 31 March 2009	2,073	1,485	58	3,616
Depreciation at 1 April 2008	1,520	1,260	57	2,837
Charge for the year	155	114	1	270
Adjustment on disposal	0	(130)	0	(130)
at 31 March 2009	1,675	1,244	58	2,977
Net book value at 31 March 2008	553	267	1	821
at 31 March 2009	398	241	0	639

The Trustees have considered the value of the fixed assets and are satisfied that their value, at 31 March 2009, 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 2009, 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

	2008-09 £'000	2007-08 £'000
Prepayments and accrued income	600	625
Other debtors	2,634	253
Staff advances	59	53
	3,293	931

Included in other debtors is an amount of £424,500 due after more than one year (2007-08: £nil). This represents the partial repayment of a grant following a change in circumstances at a grantee. A repayment schedule has been agreed and the first payment was received on 31 March. Of the above sums, £1,959,000 was owed by central government bodies and £1,000 by local authorities. At the year end, 64 members of staff had outstanding payroll advances (at 31 March 2008 there were 58).

9. Investments

Movement in balances at the National Lottery Distribution Fund:

	2008-09 £'000	2007-08 £'000
Current cost at 1 April 2008	567,428	660,257
Income received from the National Lottery	208,196	200,394
Funds drawn down	(322,646)	(309,867)
Funds transferred to the Olympic Lottery Distribution Fund	(10,847)	0
Investment return	9,882	15,396
Unrealised gain on investment	549	1,248
Current cost at 31 March 2009	452,562	567,428

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

	2008-09 £'000	2007-08 £'000
Operating creditors	1,235	1,252
Other creditors including taxation and social security	334	332
Accruals and deferred income	677	1,239
	2,246	2,823

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

	2008-09 £'000	2007-08 £'000
Balances owing to central government	250	222
Balances owing to local authorities	27	73
Balances owing to public corporations	0	0
Balances external to government	958	957
	1,235	1,252

11. Grant commitments

Hard commitments

	2008-09 £'000	2007-08 £'000
Brought forward at 1 April	660,367	679,416
Transfers from soft commitments	238,403	294,330
De-commitments	(8,585)	(14,002)
Commitments paid	(297,054)	(299,377)
Carried forward at 31 March	593,131	660,367

Soft commitments

	2008-09 £'000	2007-08 £'000
Brought forward at 1 April	354,800	399,710
Soft commitments made	150,876	283,973
Soft de-commitments	(10,689)	(34,553)
Transfers to hard commitments	(238,403)	(294,330)
Balance carried forward at 31 March	256,584	354,800

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

Hard commitments

	2008-09 £'000	2007-08 £'000
in one year	266,790	290,347
in two to five years	326,341	370,020
in more than five years	0	0
	593,131	660,367

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

	2008-09 £'000	2007-08 £'000
Balances owing to central government	60,751	64,827
Balances owing to local authorities	299,311	317,647
Balances owing to public corporations	16,856	17,583
Balances external to government	216,213	260,310
	593,131	660,367

12. Commitments

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

	2008-09 £'000	2007-08 £'000
Short leasehold property		
Expiring within one year	372	54
Expiring in years two to five	436	1,166
Expiring thereafter	151	154
	959	1,374
Other operating leases		
Expiring within one year	1	11
Expiring in years two to five	63	12
Expiring thereafter	0	0
	64	23

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 from operating activities

	2008-09 £'000	2007-08 £'000
Operating deficit	(41,234)	(83,945)
Less: interest receivable	(614)	(936)
Add back non-cash items:		
- depreciation	270	280
- loss on disposal of fixed assets	0	0
- (decrease)/increase in other provisions	(94)	21
- balance on revaluation reserve	549	1,248
- decrease in grant commitment reserve	(67,236)	(19,049)
- decrease in balance at NLDF	114,866	92,829
(Increase)/decrease in non-interest debtors	(2,403)	323
(Decrease)/increase in non-capital creditors	(577)	324
Net cash outflow from operating activities	3,527	(8,905)

b) Capital expenditure

	2008-09 £'000	2007-08 £'000
Payments to acquire tangible fixed assets	88	115

c) Analysis of changes in net funds

	1 April 2008 £'000	Cash flows £'000	31 March 2009 £'000
Cash at bank	11	4,094	4,105

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 (including its Lottery distribution activities) has 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 and English Heritage. The Big Lottery Fund operated the Awards for All scheme on behalf of a number of Lottery distributors and we made a contribution towards their administration costs. At the year end, HLF owed the Big Lottery Fund £13,000 including accruals for invoices not received. The Big Lottery Fund contributed towards the grants made under our *Parks for People* programme and also towards the administration costs. They also contributed towards the cost of running the Lottery Forum, which is currently administered by NHMF. At the year end, the Big Lottery Fund owed £1,906,000. English Heritage operate the Repair Grants for *Places of Worship* programme and provide expert advice on various grant applications and awards. At the year end, they were owed £197,000 including accruals for invoices not received.

In addition, the National Heritage Memorial Fund (including its Lottery distribution activities) has had a number of material transactions with other Government departments. These transactions have been with the Department of Business, Enterprise and Regulatory Reform and entities that regard the National Assembly for Wales (being Cadw) as their parent department. Cadw provides expert advice on various grant applications and awards. At the year end, they were owed £5,000 including accruals for invoices not received.

Liz Forgan, the former chair of the Trustees, is the chair of a trust owning a newspaper group. The NHMF spent £23,244 with this organisation via a third party whilst she was chair of the Trustees. Veryan Heal, a member of the committee for the South West, took up a job with English Heritage during the year. HLF spent £778,265 on administrative services with English Heritage during 2008–09. Chris Baines, a member of the Trustees' expert panel for Lottery applications, provided HLF with project monitoring services on one grant at a cost of £620. Alison Millward, who was appointed to the Trustees expert panel on Lottery applications during the year, provided HLF with project monitoring services on a number of grants and also assistance in producing a policy leaflet. For this work, she received £8,103 in the time after she was appointed to the panel.

As set out below, Trustees of the National Heritage Memorial Fund had interests in bodies to which NHMF made Lottery grants. Similarly, members of the country and regional committees had interests in bodies to which their committee made Lottery grants or recommendations to Trustees. The Trustees are satisfied that in no case did the individuals have an influence on the decision-making process.

Board of Trustees

Exmoor National Park Authority

A grant of £69,700 and a stage one pass of £912,500 – Exmoor Moorland Landscape Partnership. Doug Hulyer, who is on the Board of Natural England, declared an interest. In addition, a committee member, Christopher Pennell, has links with Natural England.

Great Dixter Charitable Trust

A grant of £3,797,000 – Great Dixter Conservation Project. Christopher Woodward is Director of the Museum of Garden History which has a working relationship with the grantee. Matthew Saunders is a friend of a Trustee of the grantee.

East Sussex County Council

A grant of £1,920,000 – Weald Forest Ridge Landscape Partnership. Doug Hulyer, who is on the Board of Natural England, declared an interest as Natural England are one of the partnership funders. In addition, a committee member, Christopher Pennell, has links with Natural England. Chris Corrigan declared an interest because he was Regional Director of the Royal Society for the Protection of Birds, which was one of the partners and owner of part of the land to be restored.

National Trust

A first round pass of £1,500,000 – Opening the door to a new Stowe – The Landscape Garden. Keith Halstead declared an interest as former Regional Director of the National Trust. Hilary Lade declared an interest as she was a former council member of the National Trust. Richard Wilkin is Chairman of the National Trust Wessex region.

Stowe House Preservation Trust

A grant of £12,500 and a round one pass of £3,112,500 – A Shared Vision for Stowe – Transforming the Experience. Keith Halstead declared an interest as former Regional Director of the National Trust, with whom the applicant would be working closely. Hilary Lade was a former council member of the National Trust. Richard Wilkin is Chairman of the National Trust Wessex region.

Watts Gallery

A grant of £4,377,000 – Watts Gallery Hope Project. Tristram Hunt is related to the Director of the gallery.

Wigan Metropolitan Borough Council

A grant of £12,000 and a round one pass of £1,972,000 – Wigan, Mesnes Park Phase B. Ian Bancroft declared an interest as a recent employee of the grantee. Mike Emmerich made a generic declaration of interest as Greater Manchester's local authorities (which includes Wigan) were to become the owners of Manchester Enterprises where he was Chief Executive.

Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough

A grant of £7,204,000 – Restoring our Fenland Heritage – the purchase and restoration of the Holmewood Estate. Doug Hulyer, who is on the Board of Natural England, declared an interest as Natural England are one of the project partners. In addition, a committee member, Christopher Pennell, has links with Natural England and another committee member, Michael Allen, is chairman of the council of the grantee.

Committee members

Wayland Partnership Development Trust

A grant of £124,000 – Capturing Our Wayland Heritage. Anne Mason declared an interest as she expected to bid for work with the project if the application was successful.

Museum of Lancashire

A first round pass of £696,600 – Renovation, Restoration and Reinterpretation. Edmund Southworth declared an interest as he was employed by Lancashire County Council, the applicant organisation.

Culture and Sport Glasgow

A grant of £150,000 – 'Stirling Station' oil painting by William Kennedy. Bridget McConnell, in her capacity as Chief Executive for Culture and Sport Glasgow, declared an interest.

Glasgow Women's Library

A grant of £410,000 – Women's Archive, Scotland. Bridget McConnell, in her capacity as Chief Executive for Culture and Sport Glasgow, declared an interest.

University of Aberdeen

A first round pass of £875,000 – University of Aberdeen Library and Special Collections Centre: Conservation Studio. Professor Duncan Rice, Principal and Vice-Chancellor of the University of Aberdeen, University of Aberdeen Library and Special Collections Centre, declared an interest.

Charleston Trust

A grant of £68,000 and a round one pass of £1,850,000 – Charleston Barns Project. Marilyn Scott declared an interest because she had helped the applicant with their fundraising strategy.

English Heritage

A grant of £139,500 and a round one pass of £1,139,000 – Wrest Park Revitalisation Project. Veryan Heal has recently been given a job by English Heritage.

Cornwall County Council

A grant of £1,850,000 – Caradon Hill Area Heritage Project. Veryan Heal has recently been given a job by English Heritage who are providing partnership funding.

St James Priory Project

A grant of £3,087,000 – Conservation and Development of St James Priory, Bristol. Veryan Heal has recently been given a job by English Heritage who are providing partnership funding.

Sheffield City Council

A grant of £499,500 – Shepherd Wheel Conservation Project. John Hamshere declared an interest because of his position as Executive Director of the Sheffield Industrial Museums Trust. Sheffield City Council will be asking the Trust to take on the management of the site after restoration. The Trust had also provided information that had been used in the bid.

Rotherham Metropolitan Borough Council

A grant of £81,900 and a round one pass of £590,000 – Boston Castle, The Learning Tower of Rotherham. Ken Wyatt declared an interest because he was a councillor with Rotherham Metropolitan Borough Council.

Nottingham City Council

A grant of £181,500 and a round one pass of £3,198,000 – Nottingham, Forest Recreation Ground. Joan Bray declared an interest as she was an employee of the applicant.

Repair Grants for Places of Worship in England

Grants of £14.6million and stage one passes of £11.9million to 428 separate organisations. Veryan Heal has recently been given a senior job by English Heritage with whom we run this grant programme. Under this programme, all awards to buildings of grade 1 and grade 2* are regarded as being jointly funded by HLF and English Heritage.

Truro Cathedral

A grant of £13,300 and a round one pass of £400,000 – Inspire Cornwall. Veryan Heal has recently been given a job by English Heritage who are providing partnership funding.

15. Financial instruments

Full disclosure under FRS29 Financial Instruments Disclosure is in the Management Commentary.

16. Revaluation reserve

	2008-09 £'000	2007-08 £'000
At 1 April	1,248	0
Realisation of revaluation gain on NLDF balance	(1,248)	0
Year-end revaluation gain on NLDF	549	1,248
At 31 March	549	1,248

The reserve relates to the difference between book cost and market value of the balance at the National Lottery Distribution Fund (see note 9). The difference between book and market value of fixed assets (see note 7) is not material.

Policy Directions

The Government issues HLF with policy directions under the National Lottery Act of 1993. Following the Government's consultation on the future of Lottery good causes income in 2005–06, HLF received revised directions which took effect in 2008. As before, these are matters to be taken into account when distributing money. At the same time, the Welsh Assembly Government issued policy directions related to money distributed in Wales; these complement the UK-wide directions and are reproduced in full on pages 39–40.

a) Needs of the heritage

"(HLF's) assessment of the needs of the national heritage and their priorities for addressing them."

The current strategic plan, *Valuing our heritage, investing in our future*, launched in April 2008, was informed by a needs assessment carried out in partnership with the lead strategic bodies for the heritage sector. This demonstrated substantial need for funding across a wide range of issues, not all of which could or would be met by Lottery money.

Our public consultation on our strategy, *Our Heritage, Our Future*, showed that there was very strong support for HLF's three strategic aims of conservation, participation and learning as priorities for our funding, and these underpin the focus of all our grant programmes on conserving, sustaining and sharing heritage. Our partners and stakeholders also indicated that they wished HLF to continue funding projects of all types and sizes, across the full range of the UK's heritage, and this has informed our current approach.

b) Public involvement

"The need to involve the public and local communities in making policies, setting priorities and distributing money."

In developing our current strategy, we consulted the lottery-playing public, to gain an 'end-user' perspective on the projects we fund, inform our policy and practice,

and increase public understanding of our work. This was done through the *Our Heritage, Our Future* consultation and by 'citizens' juries' that appraised the value and benefits of heritage and HLF-funded projects. The conclusions aligned closely with other research we have undertaken. Together, these consultations endorsed our integrated approach to heritage projects delivering benefits for both conservation and people.

In 2008–09, we increased the direct involvement of young people in our work with the launch of a youth-participation strategy. This is designed to bring fresh perspectives to the development of HLF's business and build young people's skills and understanding of heritage. As part of the European City of Culture celebrations in Liverpool, we also undertook a major youth-led initiative, *Portrait of a Nation*, that involved more than 3,000 young people from 17 cities across the UK exploring who they are, where they come from and their hopes for the future as young British adults.

We have continued our policy of open recruitment to our regional and country committees, and in 2008–09 appointed 10 new committee members, whose role it is to make decisions on awards up to £2million in their area. However, by far the largest contribution to public involvement in heritage comes through the thousands of volunteers who lead, manage and participate in Lottery-funded projects each year.

c) Access and participation

"The need to increase access and participation for those who do not currently benefit from the heritage opportunities available in the United Kingdom."

Our current strategic plan re-states our aim to help "more people, and a wider range of people, to take an active part in and make decisions about their heritage". This year we have continued to fund hundreds of projects that not only make it easier to get to and around heritage sites, historic buildings, museums and landscapes, but also interpret

the heritage in ways that meet the needs of a wide range of audiences. We have funded many projects that enable community groups, including those representing people with disabilities and people from black, Asian and minority ethnic (BAME) communities, to lead on exploring their own heritage and to work with heritage organisations to ensure that these stories are more fully reflected for the public. As part of our new strategy, our country and regional development teams have nominated priority social groups – for example, BAME communities in the South West and people from lower socio-economic groups in the North East – and these are receiving additional support to access our funding.

d) Children and young people

“The need to inspire children and young people, awakening their interest and involvement in the activities covered by the heritage good cause.”

Children and young people are the future advocates for heritage, and we are keen to encourage projects that enable them to gain new insights and experience. The vast majority of our projects benefit children and young people. In 2008–09, projects inspired children by bringing heritage into schools and supporting learning outside the classroom, as well as developing spaces for play, and creating fun and interesting things for families to explore together. These projects have provided positive activities for young people, providing teenagers with something to do and raising the aspirations of young people. They have also enabled children and young people to have greater contact with the wider community, for example through working with older people to record the history of their local area.

Our Young Roots funding programme is specifically designed for young people aged 13 to 25 to take part in creative and engaging activities exploring heritage. All projects must allow young people to take a leading role in the development and delivery of

activities, and provide opportunities for a wider range of young people to be involved. Since 2002, we have made almost 1,000 Young Roots awards, with 90 made in the last year. These included a huge variety of projects, from teenagers making an acclaimed film about their city street over the last 50 years to young volunteers conserving the natural environment. Our evaluation shows that these young people have demonstrated a new understanding of heritage and its relevance for their lives. In 2008, as part of our youth participation strategy, we piloted work to involve young people in leading the evaluation of the Young Roots programme.

e) Communities

“The need to foster initiatives which bring people together, enrich the public realm and strengthen communities.”

Our view of heritage is broad, progressive and inclusive. We believe that understanding, valuing and sharing our diverse histories can change lives, bring people together and provide the foundation of a confident, modern society. Our projects have given a wide range of communities the opportunity to explore their heritage and share what they value with others. In many cases, projects have enabled people from different ages and backgrounds to work together, for example through inter-generational and cross-cultural activities.

Our funding has a huge impact on the spaces communities share and how people feel about their local area. In our 2008 research, half of local residents told us that HLF-funded sites make them feel proud and help to make their area a good place to live. In some cases, these sites also have a strong impact on community cohesion. For example, 85% of people local to Congleton Town Park agreed that the site helps to bring people that live in the area together; 76% of residents felt that Lincoln Arboretum had improved life for the local community. Our Landscape Partnerships, Townscape Heritage Initiative and Parks for People

programmes all support regeneration and provide social, economic and environmental benefits. These programmes also involve the participation of local people and encourage communities to be involved in looking after rural and urban spaces in the long term.

f) **Volunteers**

“The need to support volunteers, and encourage volunteering activity, in heritage.”

We actively encourage volunteering through our strategic aims, and the vast majority of projects funded over the last year involve volunteers. This includes projects led by volunteer-run organisations, projects that focus on recruiting and training volunteers, and projects where volunteers contribute to broader heritage conservation and learning programmes. We also encourage greater diversity in volunteering, and support opportunities for young people, disabled people and people from a range of ethnic and socio-economic backgrounds to volunteer. Youth volunteering is a priority for our Young Roots programme, and a number of projects have specifically recruited young people and unemployed people as volunteers in 2008–09.

We support volunteers by promoting and supporting best practice within projects. Our guidance and application process sets out clear advice and expectations for volunteer management, development and the reimbursement of expenses. In particular, we ensure that projects include appropriate plans and budgets for volunteer training. We also contribute directly to the recognition and reward of volunteers. In 2008, we celebrated volunteers throughout the United Kingdom in partnership with the Nationwide Building Society. The Nationwide Community and Heritage Awards highlighted the enormous contribution of volunteers in heritage and the inspiring stories of the eight national winners.

g) **Skills**

“The need to encourage innovation and excellence and help people to develop their skills.”

Helping people develop the skills to care for the culture, places and knowledge we have inherited is at the heart of what we do. We actively encourage all of our applicants to offer opportunities for people to gain new and increased skills including traditional craft and conservation skills, new life skills developed through heritage activity, and skills that enable sustainable management of heritage assets and places. For example, in 2008 we funded the Railway Preservation Trust of Ireland to train new people to drive and manage steam trains, and the Churches Conservation Trust to provide local people with the range of skills required to help conserve All Souls Church in Bolton and to promote and manage it as a new community space.

Increasing the skills of staff and volunteers is an explicit aim of most of our targeted programmes re-launched in 2008, including Parks for People, Landscape Partnerships, Townscape Heritage Initiative and Young Roots. Our evaluation report on Young Roots in 2008 demonstrated dramatic results in the improvement of young people’s heritage and transferable skills: 79% of grantees rated the young people’s skills as quite poor or poor at the start of the project; by the end young people’s skills had developed significantly, with 92% of all grantees reporting skills to be good or excellent. Our Training Bursaries programme, which has invested £7million in schemes providing on-the-job training and accreditation, has trained over 100 people this year in skills as varied as reed cutting and textile conservation.

h) Public value

“The need to ensure that money is distributed for projects which promote public value and which are not intended primarily for private gain.”

We have a distinctive, integrated approach to Lottery funding which is grounded in what people value, and we invest in the UK’s heritage for the long term. Our assessment of applications takes into account the benefits that projects will deliver for both heritage and people, and their wider social and environmental impacts. We encourage applicants to focus on the difference they expect our funding to make as described in the outcomes we have defined for each of our programmes.

We give priority to not-for-profit organisations and to partnerships led by not-for-profit organisations. Since 1994, 39% of funding by value has gone to community and voluntary organisations (rising to 47% when religious organisations are included), and local authorities have received 35% of the value of awards. Other public sector bodies make up the balance. Awards which may benefit private owners of heritage form a very small percentage of the total, restricted to elements of area-based schemes where the main grant-recipient is a public body, and small grants under our Your Heritage programme for activities that meet our participation and learning aims.

i) Sustainable development

“The need to further the objectives of sustainable development.”

In our current strategic plan, we have considerably strengthened our focus on environmental impact in our assessment process and on sustainable use of resources. Decisions on the first applications assessed against the new criteria were taken in December 2008. Our guidance *Planning greener heritage projects* indicates what we expect capital projects to be able to achieve on a range of factors including energy efficiency, renewable energy, water, building materials, construction waste,

soil (including peat), timber, biodiversity and visitor transport. Our expectations are proportionate to the size and scale of project and grant requested, and we will review and revise the guidance over time in the light of emerging experience and practice in the sector.

j) Economic and social deprivation

“The desirability of reducing economic and social deprivation and of ensuring that all areas of the United Kingdom have access to the money distributed.”

Around 44% of HLF funding has been committed in the most deprived local authority areas (based on the most recent indices of multiple deprivation for England, Wales, Scotland and Northern Ireland). Our research shows that capital projects in residential areas typically have an impact on local quality of life, or well-being, for around one-third of local residents. Half of large capital projects (over £2million grant) have economic regeneration impacts through employment creation, at an average HLF-grant-per-job ratio of £140,000. In addition, around 40% of projects can be shown to have generated wider community benefits such as improved social cohesion and inclusion.

We have development teams in Scotland, Wales, Northern Ireland and all the English regions to encourage good-quality applications from areas or social groups that have been less well represented in our funding to date. For the current strategic plan we have identified new geographical and social priorities as a focus for our development work. As a result of development work since 2002, the number of local authorities that have received less than 25% of the UK per capita average award value now stands at 74 (17%), and that of local authorities receiving less than 25% of the UK per capita number of awards is 8 (2%). In 2008–09, 38% of our awards went to organisations or groups receiving a grant from HLF for the first time.

k) Joint working

“The desirability of working jointly with other organisations, including other distributors, where this is an effective means of delivering elements of the Fund’s strategy.”

Through the Lottery Forum and National Lottery Promotions Unit, we continue to work with other Lottery distributors on joint initiatives and to ensure close coordination of activities. Since 2006 we have worked in partnership with the Big Lottery Fund to deliver the Parks for People programme in England, and we operate a joint scheme for funding of places of worship with English Heritage in England.

In 2008 we collaborated with Nationwide Building Society on the Nationwide Community and Heritage Awards, which recognised the contribution of volunteers and voluntary groups to heritage projects. We worked with the charity GreenSpace and the Big Lottery Fund on ‘Postcards from the Park’, a national campaign celebrating our investment in public parks through a photographic competition and exhibition. In 2008 over 700 people submitted photographs, and the campaign is estimated to have reached at least nine million people through media coverage.

In March 2009 we withdrew from the Awards for All joint distributor programme, having relaunched our two small-grants programmes (Your Heritage and Young Roots) with a lower grant threshold of £3,000, and simplified application materials and processes to better meet the needs of voluntary groups seeking smaller grants. All distributors took part in a joint promotion for Lottery small grants programmes to help voluntary and community groups find the right programme for their project.

l) Acknowledgement

“The need to include a condition in all grants to acknowledge Lottery funding using the common Lottery branding.”

We believe receiving a Lottery grant is something to celebrate, and place importance on raising awareness of the benefits of Lottery funding for heritage. We require all applicants to acknowledge our grants appropriately both during their projects’ development and delivery, and following project completion. We produce the guidance *How to acknowledge your grant*, which forms part of our standard terms of grant. We provide grantees with a choice of acknowledgement materials, in a range of formats, and check that acknowledgement takes place through our monitoring and contract compliance processes. From 2009 we will undertake post-completion visits to a sample of projects throughout the UK to confirm that suitable acknowledgement of Lottery funding remains in place.

m) Partnership funding

“The need to require an element of partnership funding, or contributions in kind from other sources, to the extent that this is reasonable to achieve for different kinds of applicants in particular areas.”

All of our programmes require a contribution from the applicant in cash or in kind to demonstrate their commitment to the project and to increase the value for money achieved through our grants. Since 1994, we have made awards totalling £4.4billion, which have attracted over £3billion in partnership-funding contributions. We take a proportionate approach, requiring a minimum of 25% partnership funding for grants over £1million, and 10% for grants between £50,000 and £1million. For awards under £50,000 we allow contributions in kind or through volunteer time, where applicants are unable to provide a cash sum.

n) Decisions

“The need (a) for money distributed to be applied to projects only for a specific time-limited purpose, (b) to ensure that they have the necessary information and expert advice to make decisions on each application, and (c) for applicants to demonstrate the financial viability of projects.”

- a) The projects we support are specific and time-limited. We limit our support to a maximum of five years for projects involving activities. Three-quarters of projects are completed on schedule.
- b) 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 that risks and opportunities are fully balanced. In 2008 we introduced a new business model for our main general grants programme, Heritage Grants (grants over £50,000), to respond to high levels of demand and to reduce the amount of work applicants need to do before receiving an initial decision from us. Following a successful first-round pass and a development period, for which we may offer a development grant and/or the support of a mentor, full proposals are assessed at the second round before the award decision is made. This assessment may include expert advice on key aspects of the application and input from our Expert Panel if required.
- c) 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 they are proposing to make from their own resources or from grants or donations from other sources. We ask for cash-flow and, for larger projects, income and spending projections for 10 years, showing how

the applicant plans to sustain the project in the long term. We publish guidance on this, and on financial and market appraisal for larger and more complex projects.

o) Project planning and management

“Where capital funding is sought, the need (a) for a clear business plan showing how any running and maintenance costs will be met for a reasonable period, and (b) to ensure that appraisal and management for major projects reflect the Office of Government Commerce’s Gateway Review Standards.”

- a) The revised application forms for our Heritage Grants programme require applicants to set out their second-round applications in a business-plan format, with supplementary information contained in an activity plan, cash-flow forecasts and an income and spending table. For grants over £1million, we ask for a full financial and market appraisal.

We ask conservation projects to include sound plans for maintaining heritage in the long term in order to ensure that it has a viable future, and to protect our investment through better long-term management. For projects involving over £200,000 worth of capital works, we require a Management and Maintenance Plan detailing how the applicant will meet the extra costs of this following completion of their project, and publish guidance on how to produce this. Under our Parks for People programme we allow applicants to include 10 years’ worth of additional maintenance costs arising from their projects as part of their partnership funding contribution.

- b) We require all applicants to demonstrate that their projects will be well-managed, and meet relevant standards regarded as good practice for the area for which the grant was given. For capital projects

we include formal review points in our assessment and monitoring processes (corresponding to RIBA stages) and all national projects adopt the Office of Government Commerce Review Standards. We employ external monitors on all major projects to ensure that projects deliver the approved purposes as contracted, that the risks to HLF are understood and managed, that best practice is achieved in all critical areas, and that financial reporting and management are sound and transparent.

Policy directions in Wales

Policy direction B requires HLF to take account of 'the need to promote and support the Welsh language and reflect the bilingual nature of Wales, including the principle of equality between the English and Welsh languages in the Fund's activities in Wales, in line with the guidance set out in the Welsh Language Board's publication*, and monitored in accordance with agreed procedures.'

Our Welsh Language Scheme sets out HLF's commitment to treating the Welsh and English languages on the basis of equality in delivery of service and to ensure that policies and initiatives meet the standards set out in the scheme. This covers administrative actions for providing a bi-lingual public service in Wales, the organisation's public face, including corporate identity, application forms, guidance notes and the website, press and marketing activity, assessment and monitoring of applications, staffing and recruitment, and consultation exercises and research. We monitor our performance annually through our commitment to an Equality Scheme and in 2008 produced new guidance to support applicants in Wales in developing bi-lingual approaches, *Incorporating the Welsh language into your project*.

Directions issued to the Trustees of the National Heritage Memorial Fund under Section 26(1) and (2) of the National Lottery Etc. Act 1993

The Welsh Ministers, in exercise of their powers conferred by section 26(2) of the National Lottery Etc. Act 1993 as transferred by the National Assembly for Wales (Transfer of Functions) Order 1999 and having consulted the Trustees of the National Heritage Memorial Fund ('the Fund') pursuant to section 26(5), hereby gives the following directions to the Fund:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993, as amended.

Directions in relation to Wales

2. In exercising any of its functions, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the terms and conditions subject to which they may make grants or loans, and the process used to determine what payments to make in distributing any money under section 25(1):
 - a) The need to have regard to the interests of Wales as a whole and the interests of different parts of Wales, taking account of the diverse demographic and deprivation patterns in the different parts of Wales, and the desirability of encouraging public service bodies to work together wherever it will result in better outcomes for people and heritage.
 - b) The need to promote and support the Welsh language and reflect the bilingual nature of Wales, including the principle of equality between the English and Welsh languages in the Fund's activities in Wales, in line with the guidance set out in the

- Welsh Language Board's publication*, and monitored in accordance with agreed procedures.
- c) The need to ensure an outcome-focused approach, working closely with appropriate partners for the benefit of communities and heritage across Wales, where this is an effective means of achieving the Fund's strategy.
 - d) The need to encourage the conservation, preservation, presentation, promotion and interpretation of all aspects of the heritage of Wales.
 - e) The need to encourage the financial sustainability of the heritage assets of Wales.
 - f) The need to provide opportunities for people, especially young people and the disadvantaged parts of society, to gain the skills required to conserve and preserve the heritage of Wales.
 - g) The need to encourage the use of appropriate professional standards in all projects.
 - h) The need to provide opportunities for people of all ages and all backgrounds, especially children and young people and the disadvantaged parts of our society, to have access to, to learn about, to enjoy and thereby promote the diverse heritages of Wales, where appropriate.

* Awarding Grants, Loans and Sponsorship: Welsh Language Issues, March 2007.

Corporate Performance

Service level targets to 31 March 2009

Indicators of service level	12 months to March 2009	12 months to March 2008	12 months to March 2007
1 The decision on an application will normally be taken:			
Heritage Grants			
• first round – at the next available meeting 3 months after application (previous target)	3.1 months	5.1 months (6 months)	5.0 months (6 months)
• second round – at the next available meeting 3 months after application (previous target)	1.8 months	4.4 months (4 months)	4.2 months (4 months)
Parks for People			
• stage 1 – within 6 calendar months	5.6 months	5.0 months	4.4 months
• stage 2 – within 6 calendar months	5.1 months	4.7 months	3.9 months
Landscape Partnerships			
• first round – within 5 calendar months (previous target)	6.7 months	6.3 months (6 months)	5.8 months (6 months)
• second round – within 5 calendar months (previous target)	4.9 months	4.8 months (4 months)	4.0 months (4 months)
Repair Grants for Places of Worship			
• within 6 calendar months	5.4 months	5.4 months	5.2 months
Townscape Heritage Initiative			
• first round – within 5 calendar months (previous target)	n/a	5.0 months (6 months)	5.0 months (6 months)
• second round – within 5 calendar months	4.8 months	n/a	n/a
Your Heritage and Young Roots			
• within 10 weeks (previous target)	2 months	2.5 months (3 months)	2.7 months (3 months)
2 Decisions will be placed on HLF's website within 10 working days of the meeting	Updated on average in 10.38 days	Updated on average in 10.0 days	Updated on average in 10.0 days
3 Grant payments will be made to the applicant, on average, within 15 working days from receipt of the payment request	Information not available	Average 6 days	Average 6 days
4 An annual survey of grant applicants will show a 75% satisfaction rating with HLF's service (for assessment) and 80% (for monitoring)	Assessment – 80% Monitoring – 84%	Assessment – 82% Monitoring – 84%	Assessment – 80% Monitoring – 84%

Indicators of service level

The customer performance indicators show another year of good performance in most areas.

Indicator 1

On 1 April 2008 HLF published its third Strategic Plan, which introduced new processes and procedures. Those new processes brought with them reductions in the time we take to give an applicant a decision for most of our grant programmes. Where the target was changed in April 2008, the target that applied in previous years is shown in parenthesis.

We have met published processing times with the exception of Landscape Partnerships the decision for meeting for which was held 21 days after the 6-month target.

In the transition to our third Strategic Plan decisions on applications under the Townscape Heritage Initiative were moved to April 2009: no decisions were therefore taken in the year 1 April 2008 to 31 March 2009.

Indicator 2

We just missed our target of posting decisions on our website in 10 days.

Indicator 3

The changes introduced with our third Strategic Plan required changes to the IT systems that underpin HLF's procedures. We prioritised the changes that were most important to customer service and that means that some of the management reports have not yet been produced, including the measurement of the time taken to make grant payments. There is however no reason to believe that we are taking longer than 6 days to make payments.

Indicator 4

Customer satisfaction with both our assessment and monitoring work, researched by independently conducted telephone surveys, remains very high. The satisfaction of applicants, both successful and unsuccessful, has fallen by 2% to the same level achieved in 2007 while satisfaction with our service after we have made an award has remained constant at 84%.

Progress on projects over £5million

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

Project title	Total project cost	Grant awarded	% grant paid to date	Latest site report
Acquisition of John Murray Archive	£35,207,000	£17,700,000	98.97%	The archive was acquired in February 2006. Exhibition opened in June 2007 and further additions to exhibition made in summer 2008.
Air Space, Duxford	£25,250,000	£10,500,000	100%	Project now complete. Full grant paid.
Ancoats, Murray's Mills	£11,800,000	£7,164,000	100%	Project now complete. Full grant paid.
Ashmolean Plan	£45,189,000	£15,000,000	70.32%	Museum closed for refurbishment. Building works progressing. Due to reopen November 2009.
At Close Quarters – The Tank Museum	£14,814,400	£9,651,000	88.17%	Arena complete in May 2008 and main museum building now complete. Exhibition installation completing. Opening June 2009.
Birkenhead Park	£11,381,645	£7,423,000	100%	Project now complete. Full grant paid.
Birmingham Town Hall	£24,540,076	£13,500,000	100%	Project now complete. Full grant paid.
Burns Birthplace: An International Museum	£14,000,000	£5,827,000	0%	Grant awarded June 2008. Contract agreed. Work starting on site.
Buxton Crescent and Spa	£33,180,338	£12,533,000	0%	Discussions on HLF contract still ongoing.
Cardiff Castle	£7,782,940	£6,702,500	90%	Full project completion expected summer 2009.
Chiswick House and Garden	£11,667,500	£7,619,000	20.55%	Project on site and works progressing. Completion expected summer 2010.
Christ Church Spitalfields, Tower Hamlets, London	£9,446,182	£5,984,500	99.65%	Project complete. Final grant payment made.
Covent Garden Project, London Transport Museum	£17,060,403	£8,608,000	100%	Project complete. Full grant paid.
Creating the Museum of Bristol – The people's story	£19,201,358	£10,277,000	0%	Full grant awarded in July 2006. A topping-out ceremony was held in November 2008. Work progressing – grant payments expected to commence summer 2009.
The Cutty Sark	£33,358,500	£21,750,000	36.58%	Fire broke out on site in May 2007 and project was put on hold. HLF awarded extraordinary grant increase of £10million in January 2008 to allow work to recommence. Economic downturn and exchange rates have since had an adverse impact; financial position being reviewed.
The Darwin Centre II	£65,820,000	£19,900,000	97.3%	Construction complete, fit-out and internal re-organisation ongoing. Expected opening remains on schedule for autumn 2009.
East Park Restoration, Kingston upon Hull	£9,232,246	£6,397,300	90%	Project due to complete by summer 2009.
Experience Northumberland at Woodhorn	£15,015,634	£10,000,000	100%	Project complete. Full grant claimed.

Progress on projects over £5million

Project title	Total project cost	Grant awarded	% grant paid to date	Latest site report
The Galleries of Modern London and Learning Centre Project	£16,089,192	£10,609,000	50.38%	Work progressing, with expected opening in spring 2010.
Great Fen – restoring our fenland heritage: The purchase and restoration of the Holmewood Estate	£13,350,785	£7,204,000	69%	Grant awarded in July 2008. Contract and permission to start agreed in December 2008. Work progressing.
Great North Museum	£25,750,000	£8,750,000	50.11%	Main building and Hancock building contracts almost complete. Off-site storage contract complete. Project opening May 2009.
Hull History Centre	£10,697,161	£7,506,000	0%	Permission to start signed in November 2007, with work commencing on site in January 2008. Soft opening planned for October 2009.
Leeds City Museum	£25,972,000	£19,063,000	100%	Project complete. Full grant paid.
Museum of Liverpool	£19,373,633	£11,000,000	5.46%	Grant awarded July 2008. Contract and permission to start agreed. Construction works progressing. Expected completion early 2013.
National Maritime Museum, Falmouth	£30,175,431	£18,431,638	98.7%	Main capital project completed 2004. Grant increase for access and education awarded January 2005, expected to complete 2010.
The Panopticon	£14,149,349	£4,999,000	0%	Enabling works commenced January 2007. Fundraising ongoing.
People's History Museum	£10,150,000	£6,820,000	41.33%	Full grant awarded November 2007. Contract signed and project ongoing with fit-out due to start soon.
Renaissance of the Cotswold Canal	£27,641,254	£11,924,000	0%	In February 2008 British Waterways withdrew from the project. In June 2008 HLF agreed transfer of grant to Stroud District Council. Discussions on HLF contract ongoing.
Riverside Museum and Glasgow Resource Centre (Phase 2)	£77,619,299	£17,150,000	36.51%	Glasgow Museums Resource Centre is opening April 2009. Riverside museum construction on programme.
Roundhay Park, Leeds	£8,195,174	£6,111,000	100%	Project complete. Full grant paid.
Royal Albert Museum & Art Gallery	£13,922,000	£8,922,000	26.81%	Construction ongoing. Exhibition and fit-out progressing. Due for completion winter 2010.
Royal Festival Hall Project	£89,000,000	£22,176,000	100%	Project complete. Full grant paid.
Royal Hall, Harrogate	£7,999,120	£6,000,000	100%	Project complete. Full grant paid.
Royal Museum Project, Edinburgh	£44,039,239	£16,710,000	15.12%	Main works progressing and museum closed to public.
St Martin-in-the-Fields, London	£32,708,402	£14,043,000	96.83%	Practical completion achieved. Final grant draw-down expected summer 2009.
Stanley Mills, Perthshire, Scotland	£8,054,822	£5,110,000	100%	Project complete. Final grant paid.
Tyntesfield	£31,450,680	£20,000,000	72.72%	Endowment paid out in full. Old sawmill opening May 2009. Works to Chaplain's House also complete. Other works progressing on site.

Project title	Total project cost	Grant awarded	% grant paid to date	Latest site report
V&A Medieval and Renaissance Galleries	£31,750,000	£9,750,000	53.22%	Practical completion achieved for gallery 50A in September 2008. Upper and lower perimeter galleries work on programme and completing spring 2009. Other galleries progressing. Planned completion November 2009.
Wedgwood Museum	£9,472,364	£5,867,000	97.5%	Official opening October 2008. Practical completion achieved and final grant draw-down expected in April 2009.
Wentworth Castle and Landscape of Stainborough Park	£13,809,526	£10,357,000	100%	Project complete. Full grant paid.

Grants awarded over £100,000

Applicant	Project title	Commitment
Aberdeen City Council	The Green Townscape Heritage Initiative	£1,400,000.0
Aberdeen City Council	Aberdeen: Duthie Park	£2,563,000.00
Abingdon Town Council	Access to Abingdon County Hall Museum	£210,000.00
Abingdon Town Council	Access to Abingdon County Hall Museum	£1,789,000.00
Alderley Edge Methodist Church Council	Alderley Edge Methodist Church	£298,000.00
All Saints Daresbury PCC	Lewis Carroll Interpretation Centre	£371,000.00
Antrim Borough Council	Antrim Castle Gardens	£3,359,000.00
Assemblies of the First Born	Assemblies of the First Born Church	£133,000.00
Barnsley Metropolitan Borough Council	Experience Barnsley	£2,612,000.00
Barnstaple Town Council	Albert Clock Restoration and Education Projects	£188,000.00
Birmingham Museums and Art Gallery	Birmingham Museum and Art Gallery 20 Year Plan Phase 2 – Birmingham – A City in the Making	£107,000.00
Bishops Itchington Parochial Church Council	Church of St Michael	£161,000.00
Bishopsgate Institute	Bishopsgate Institute – Heritage Improvements	£1,510,000.00
Black Cultural Archives	Documenting the Archives	£134,500.00
Blaenau Gwent County Borough Council	Tredegar, Bedwellty House and Park	£3,599,000.00
Blyth Valley Borough Council	Recharging Blyth Battery	£250,000.00
Boyton PCC	Church of St Andrew	£101,000.00
Bristol City Council	Stokes Croft THI Regeneration Scheme	£535,000.00
Burton Manor College	Burton Manor Walled kitchen Garden	£488,200.00
Bute Conservation Trust	Discover Bute: Isle of Bute Landscape Partnership Scheme	£1,787,000.00
Cadwgan BPT	Cardigan Castle – Unlocking the Potential	£295,500.00
Camarthenshire Heritage Regeneration Trust	Restoration of Llanelly House, Carmarthenshire	£146,500.00
Camarthenshire Heritage Regeneration Trust	Restoration of Llanelly House, Carmarthenshire	£3,440,000.00
Canolfan a Menter Gymraeg Merthyr Tudful	Cynllun Soar Project	£527,000.00
Canterbury City Council	The Canterbury Beaney: Combined Art Museum and Library	£5,988,000.00
Canterbury City Council	Whitstable, Whitstable Castle Park	£825,200.00
Carlisle City Council	Carlisle: Chances Park	£434,750.00
Carntogher Community Association	ENVISION – Carntogher community heritage	£157,000.00
Carrick District Council	Falmouth, Gyllyngdune Gardens	£469,500.00
Chepstow Museum, Monmouthshire County Council Museums Service	The Wye Tour	£200,000.00
Cheshire County Council	Habitats & Hillforts of Cheshire's Sandstone Ridge	£1,394,000.00
Chichester District Council	Chichester City Walls	£685,000.00
Christ Church Liversedge Parochial Church Council	Christ Church	£149,000.00
Christ Church PCC	Christ Church	£179,000.00

Applicant	Project title	Commitment
Church of The English Martyrs	Church of The English Martyrs	£109,000.00
City and County of Swansea	Conservation of Oystermouth Castle	£764,000.00
Clackmannanshire Council	The Ochils Landscape Partnership	£631,500.00
Congregation of St Mary the Virgin, Horbury Junction	Church of St Mary the Virgin	£184,001.00
Cornwall County Council	Caradon Hill Area Heritage Project	£1,850,000.00
Council of St Michael and St Bishoy	St Michael and St Bishoy Coptic Orthodox Church (was St Stephen's Methodist Church)	£364,000.00
Coventry County Council	War Memorial Park	£1,131,600.00
Cowbridge United Free Church	Cowbridge United Free Church	£100,000.00
Crafts Study Centre	Developing a National Collection of Modern Crafts	£185,000.00
Crossness Engines Trust	The Great Stink	£1,515,000.00
Culture and Sport Glasgow	Purchase for display of 'Stirling Station' oil painting by William Kennedy	£150,000.00
Darlington Borough Council	Darlington, Brinkburn Denes Park	£401,640.15
Dedham Vale AONB and Stour Valley Project	Managing a Masterpiece: The Stour Valley Landscape Partnership	£925,000.00
Derbyshire County Council	Enlightenment! Derbyshire Setting the Pace in the 18th Century	£200,000.00
Derry City Council	Derry, Brooke Park	£1,450,000.00
Devizes Town Council	Devizes, Hillworth Park	£601,500.00
Diocese of Hexham & Newcastle	Church of St Bede	£139,000.00
District of Easington Council	Apollo Pavillion Reborn	£336,000.00
Dorset County Council	Durlston World Heritage Gateway Project	£3,083,000.00
Dorset County Council	Jurassic Life Initiative	£200,000.00
Downpatrick & County Down Railway Society Limited	Downpatrick Carriage Viewing Gallery	£450,500.00
Downs Baptist Church	Downs Baptist Church	£201,000.00
Dudley Metropolitan Borough Council	Dudley, Priory Park	£55,000.00
Dudley Metropolitan Borough Council	Dudley, Priory Park	£893,000.00
Dudley Metropolitan Borough Council	Wren's Nest National Nature Reserve - Ripples through Time	£711,000.00
Dungannon & South Tyrone Borough Council (DSTBC)	Castle Hill and Ranfurly House Development	£2,241,000.00
Durham Wildlife Trust	WildPlaces	£309,500.00
East Anglia Transport Museum Society	Tar, Sweat and Steam	£198,500.00
East Ayrshire Council	Kilmarnock John Finnie Street & Bank Street Heritage Initiative	£1,990,000.00
East Lothian Council	John Gray Centre Project	£1,390,000.00
East Sussex County Council	Weald Forest Ridge Landscape Partnership Scheme	£1,920,000.00
Edinburgh College of Art	Edinburgh Cast Collection	£498,500.00
English Heritage	Wrest Park Revitalisation Project	£139,500.00
Erewash Borough Council	Long Eaton Townscape Heritage Initiative	£957,000.00

Grants awarded over £100,000

Applicant	Project title	Commitment
Exeter City Council	Pompeo Batoni – the Devon Connection: Acquisition of the John Rolle Walter Portrait	£189,000.00
Exmoor National Park Authority	Exmoor Moorland Landscape Partnership	£912,500.00
Fermanagh District Council	Connection and Division	£100,000.00
Fewston and Blubberhouses Parochial Church Council	The Washburn Heritage Centre	£561,000.00
Fife Council	Dysart THI	£1,587,000.00
Flintshire County Council	Flint Townscape Heritage Initiative	£920,000.00
Ford Park Cemetery Trust	Chapel and Heritage Centre Projects	£463,000.00
Forestry Commission	Wyre Forest Landscape Partnership Scheme – Grow with Wyre	£1,846,000.00
Forestry Commission	The Westonbirt Partnership	£177,800.00
Forestry Commission Scotland	The Great Trossachs Forest Project	£965,500.00
Friends of Medway Archives (FOMA)	Archives of Great Expectations	£154,500.00
Glasgow Women’s Library	The Women’s Archive, Scotland	£410,000.00
Glenarm Old Presbyterian Church Committee	Glenarm (N.S) Presbyterian Church	£100,000.00
Gloucester City Council	Heritage Learning Initiative	£730,000.00
Gloucester Civic Trust	Tower of Learning	£199,000.00
Greenock West United Reformed Church	Greenock West United Reformed Church	£116,500.00
Guru Teg Bahadur Sikh Gurdwara	Guru Teg Bahadur Sikh Gurdwara	£154,000.00
Halton Borough Council	Hale Park, Hale Village	£257,200.00
Hampshire & Isle of Wight Wildlife Trust	Winnall Moors – An Exemplar for the Itchen Valley	£983,000.00
Hampshire and Wight Trust for Maritime Archaeology	Maritime Archaeology: Engaging New Audiences	£359,000.00
Hampshire County Council	Basing House Ruins	£1,071,000.00
Hampshire County Museums and Archives	New Light on Mars	£143,000.00
Harris Development Ltd	Isle of Harris Landscape Partnership Scheme	£580,000.00
Harris Museum & Art Gallery	A New History Gallery for 2012: Harris Museum and Art Gallery	£100,000.00
Heritage Trust for the North West	Lytham Hall	£160,000.00
Heritage Trust of Lincolnshire	116 High Street, Boston – Restoration	£200,000.00
High Peak Borough Council	Whaley Bridge, Memorial Park	£218,536.13
Hindley St John’s Methodist Church Council	St John’s Methodist Church	£186,000.00
Holy Innocents PCC	Holy Innocents	£164,000.00
Holy Trinity Casterton PCC	Church of Holy Trinity	£129,000.00
Holy Trinity Church Parochial Church Council	Holy Trinity Church	£105,000.00
Holy Trinity Parish Church	Holy Trinity	£132,000.00
Holy Trinity Parochial Church Council, Holmfirth	Church of the Holy Trinity	£166,000.00

Applicant	Project title	Commitment
Holyrood & St Teilo's RC Church	Holyrood & St Teilo's Roman Catholic Church	£100,000.00
Isle of Anglesey County Council	Holyhead Town Centre THI	£1,002,000.00
Isle of Wight Council	Through the Eye of the Needles – Landscape Partnership	£1,729,000.00
Jane Austen Memorial Trust	Jane Austen's House Museum – Meeting the needs of visitors now and in the future	£540,000.00
Kent Wildlife Trust	Blean Conservation Complex	£917,000.00
Keswick Museum and Art Gallery Trust	Keswick Museum and Art Gallery Enhancement Project	£1,214,000.00
Kirton in Lindsey Diamond Jubilee Town Hall Trustees	Project Diamond Jubilee	£932,500.00
Knockando Woolmill Trust	Knockando Woolmill	£1,300,000.00
Larne Borough Council	Larne, Dixon Park	£514,000.00
Lee Valley Regional Park Authority	The Bowles Story at Myddelton House Gardens	£487,500.00
Leeds City Council	City Varieties Music Hall	£2,739,000.00
Leeds City Council	Leeds, Middleton Park	£50,500.00
Leeds City Council	Leeds, Middleton Park	£732,500.00
Leighton House Museum	Returning Leighton's 'Clytie' to Leighton House Museum	£337,500.00
Lewes Priory Trust	Priory Park – Lewes. Bringing To Life A Medieval Monastery	£545,500.00
Lichfield District Council	Lichfield: Beacon Park, Minster Pool and Gardens of Remembrance	£1,959,500.00
Lincolnshire County Council	Lincoln Castle Revealed	£227,640.00
Liverpool City Council/ St George's Hall Charitable Trust	St George's Hall (addendum)	£648,907.40
Llanarthney Parochial Church Council	St David's Church, Llanarthney	£100,000.00
Llanvapley Parochial Church council	St Mabli's Church	£100,000.00
London Borough of Bromley	Discover Darwin's Origins at Downe	£227,500.00
London Borough of Camden	Living Heritage	£119,000.00
London Borough of Enfield	Forty Hall & Estate Development Project	£167,500.00
London Borough of Enfield	Forty Hall & Estate Development Project	£1,832,000.00
London Borough of Hammersmith and Fulham	Bishops Park and Fulham Palace Grounds	£135,000.00
London Borough of Hammersmith and Fulham	Bishops Park and Fulham Palace Grounds	£1,824,000.00
London Borough of Lambeth	Brockwell Park	£874,250.00
London Borough of Tower Hamlets	The Victoria Park Project, London	£135,099.22
London Borough of Tower Hamlets	The Victoria Park Project, London	£4,555,000.00
Longholme Methodist Church	Longholme Methodist Church	£161,000.00
Longridge Town Council	Restoration & Conversion of the Old Station Building, Longridge	£221,600.00
Maidstone Borough Council	Maidstone, Mote Park	£56,919.98
Maidstone Borough Council	Maidstone, Mote Park	£853,571.04

Grants awarded over £100,000

Applicant	Project title	Commitment
Manchester City Council and the Manchester Victoria Baths Trust	The Restoration Fund – Manchester Victoria Baths	£100,000.00
Maryhill Burgh Halls Trust	Maryhill Burgh Halls	£990,000.00
Massey Shaw and Marine Vessels Preservation Society	Massey Shaw Education and Restoration Project	£425,500.00
Media Archive for Central England	Full Circle: Local history, community archives and the audiovisual record	£440,500.00
Memorial Baptist Church	Memorial Community Church	£156,000.00
Mendip District Council	Shepton Mallet THI	£250,000.00
Mid Hants Railway Ltd/Mid Hants Railway Preservation Society Ltd	Mid Hants Railway: Redevelopment and Enhancement of the Railway's Buildings, Public Access and Activities, Training and Education	£550,000.00
Monmouthshire County Council	Restoration of Shire Hall, Monmouth	£3,119,000.00
Mummers Foundation	Art of Mumming	£216,500.00
Nailsea Town Council	Nailsea Tithe Barn Community Project	£473,000.00
National Museums Liverpool	Museum of Liverpool	£11,000,000.00
National Museums Northern Ireland	Titanic Built in Belfast	£174,500.00
National Railway Museum	NRM+	£200,000.00
New Forest National Park Authority	Our Threatened Heritage – The New Forest Coast	£175,000.00
New Kadampa Tradition – International Kadampa Buddhist Union	Conishead Priory Restoration Project – Phase II	£899,000.00
Newark and Sherwood District Council	Newark – Sconce and Devon Park	£565,000.00
Newbiggin by the Sea Heritage Partnership Limited	Newbiggin Maritime Centre	£250,000.00
Newcastle upon Tyne City Council	Newcastle upon Tyne, Ouseburn Parks	£1,123,500.00
Newland with Redbrook PCC	Church of All Saints	£122,516.40
Norfolk Museums and Archaeology Service	The Bridewell Project: Norwich People and their City	£998,000.00
North Kesteven District Council	Lincolnshire's Integrated Aviation Heritage Project	£436,000.00
North Lanarkshire Council	Burngreen Park, Kilsyth	£420,300.00
North Lanarkshire Council	Sir John Wilson Town Hall, Airdrie – Refurbishment and Redevelopment Project	£500,000.00
North Tyneside Council	Wallsend, Wallsend Parks	£80,250.00
North Tyneside Council	Wallsend, Wallsend Parks	£1,303,500.00
Northampton Museums and Art Gallery	Collecting Cultures – Trainers, Sneakers, Pumps and Daps	£130,000.00
Northern Visions	Our Generation	£244,500.00
Norwich Castle, Museum and Art Gallery	Collecting Cultures: Sharing Norfolk's Past	£199,500.00
Nottingham City Council	Nottingham, Forest Recreation Ground	£82,979.72

Applicant	Project title	Commitment
Nottingham City Council	Nottingham, Forest Recreation Ground	£1,462,089.01
Nottinghamshire Wildlife Trust	Restoring the Idle Valley – Re-establishing the links between a community and its landscape	£939,500.00
Oldham MBC	Oldham, Dunwood Park	£545,000.00
Order of Friars Minor Conventual	All Saints' Church	£204,607.20
Ordsall St Clement's PCC	Church of St Clement	£177,000.00
Oriel Mostyn Gallery	Oriel Mostyn Gallery Refurbishment	£283,000.00
Orkney Islands Council	Stromness Town Centre Regeneration	£1,440,000.00
Orkney Islands Council	Scapa Flow Landscape Partnership Scheme	£1,309,000.00
Parochial Church Council of Skirwith	Church of St John	£182,172.20
Parochial Church Council of St John the Evangelist, Middlesbrough	St John the Evangelist	£100,067.90
Parochial Church Council of St John the Evangelist, Sparkhill	St John the Evangelist	£130,000.00
Parochial Church Council of St Johns Church, Truro	Church of St John	£245,000.00
PCC of Howden Minster	Howden Minster	£150,309.00
PCC of Sowerby	St Mary's Church	£106,000.00
PCC of St Peter, Otterhampton with Combwich	Church of St Peter	£142,000.00
PCC of St Paul's Church, Peel	Church of St Paul	£170,000.00
PCC St John	St John	£134,000.00
Pendleton St James's Church PCC	Church of St James (HOPE)	£121,000.00
Perth and Kinross Council	MacRosty Park, Crieff	£1,161,500.00
Plymouth City Council	Devonport – The People's Park	£1,317,600.00
Polesworth Abbey PCC	Polesworth Abbey Gatehouse	£627,000.00
Primary Colours Ltd	Leading to Leeds	£449,000.00
Quorndon Parish Council	Quorn, Stafford Orchard	£322,750.00
Rhondda Cynon Taf County Borough Council	Aberdare Townscape Heritage Initiative	£950,000.00
Ripon Museum Trust	The Gatehouse Project, Ripon Workhouse	£823,500.00
Roughtown St John the Baptist PCC	Church of St John the Baptist	£110,000.00
Royal Botanic Gardens, Kew	The Marianne North Gallery (MING) Project	£1,867,000.00
Salford City Council	Ordsall Hall, Salford	£4,134,000.00
Sandwell Metropolitan Borough Council	West Bromwich, Dartmouth Park	£1,100,750.00
Sandys Row Synagogue	Sandys Row Synagogue	£229,000.00
Scarborough Borough Council	Pannett Park, Whitby	£696,500.00
Scott Polar Research Institute	Promoting Britain's Polar Heritage: Developing the Scott Polar Research Institute Museum	£994,500.00

Grants awarded over £100,000

Applicant	Project title	Commitment
Scott Polar Research Institute	Arctic Visions: Inuit Art and Material Culture	£200,000.00
Sefton Council	Southport, King's Gardens	£109,725.25
Sefton Council	Southport, King's Gardens	£1,864,872.14
Sefton Metropolitan Borough Council	Sefton Coast Landscape Partnership Scheme	£1,174,000.00
Session of the Mearns Coastal Parish Church	St Cyrus Parish Church	£115,500.00
Severndroog Castle Building Preservation Trust	Severndroog Castle Restoration and Development Project	£256,500.00
Sheffield City Council	Shepherd Wheel Conservation Project	£499,500.00
Shrewsbury & Atcham Borough Council	Music Hall Resource Development Facility	£999,000.00
Silloth on Solway Town Council	Silloth-on-Solway, The Green	£48,461.99
Silloth on Solway Town Council	Silloth-on-Solway, The Green	£601,660.14
Sir John Soane's Museum	Soane Masterplan Core Project: Opening up the Soane	£196,500.00
Slough Borough Council (Parks Section)	Slough – Herschel Park	£679,200.00
Snowdonia National Park Authority	Dolgellau THI	£900,000.00
South Lanarkshire Council	Cambuslang Park Redevelopment Project	£551,500.00
South Pennines Rural Regeneration Company Ltd (Pennine Prospects)	The South Pennines Watershed Landscape	£100,500.00
South Pennines Rural Regeneration Company Ltd (Pennine Prospects)	The South Pennines Watershed Landscape	£1,878,000.00
Southampton City Council	Tudor House Phase II (Interpretation)	£3,532,000.00
Southampton City Council	Southampton Sea City Museum Project	£499,900.00
Southampton City Council	St James' Park – Southampton	£551,000.00
Southend-on-Sea Borough Council	Prittlewell Priory Museum Re-development	£142,000.00
Southend-on-Sea Borough Council	Prittlewell Priory Museum Re-development	£1,272,000.00
St Clement's Church PCC	Church of St Clement	£170,000.00
St James (Hope) PCC	Church of St James (Hope)	£183,000.00
St James PCC	Church of St James The Great	£137,000.00
St James Priory Project	Conservation and Development of St James Priory, Bristol	£3,087,000.00
St John the Baptist Greek Orthodox Church	St John the Baptist Greek Orthodox Church	£141,000.00
St John's – Renfield Church Deacon's Court	St John's – Renfield Church of Scotland	£103,500.00
St John's Methodist Church Council	St John's Methodist Church	£180,000.00
St Luke's PCC	Church of St Luke	£152,000.00
St Luke's PCC	Church of St Luke	£108,000.00
St Marks PCC	Church of St Mark	£226,000.00

Applicant	Project title	Commitment
St Mary & St Michael Whitley Lower PCC	Church of St Mary and St Michael	£107,000.00
St Mary's Church PCC	St Mary's Church	£172,000.00
St Matthew with St Barnabas PCC	St Matthew	£147,000.00
St Paul's Church Norden, PCC	Church of St Paul	£175,000.00
St Peter's Church Parish of Bramley	St Peters Church	£114,000.00
St Peters Parochial Church Council	St Peter's Church	£204,000.00
St Ricarius Parochial Church Council	St Ricarius Church	£127,000.00
St Stephen's PCC	Church of St Stephen	£158,000.00
St Thomas Church Stockton Heath PCC	St Thomas Church	£203,000.00
St Vincent de Paul Parish	St Vincent de Paul Church	£145,000.00
St Barbe Museum & Art Gallery	St Barbe Museum Exhibitions Development Project	£204,000.00
St Marys Church Parochial Church Council	St Mary's Church	£136,000.00
St Mary's Parochial Church Council	St Mary's Tottenham Hill Organ Restoration	£165,500.00
St Paul's Church, Norden PCC	Church of St Paul	£136,000.00
Stevenage Borough Council	Stevenage Town Centre Gardens	£888,500.00
Stockton on Tees Borough Council Museum Service	Preston Hall Museum Project	£3,580,000.00
Stoke-on-Trent City Council	Burslem, Burslem Park	£71,000.00
Stoke-on-Trent City Council	Burslem, Burslem Park	£1,048,500.00
Sunderland City Council	Barnes Park	£1,210,000.00
Surrey Wildlife Trust	Surrey Greenspace Project	£482,500.00
Tamworth Castle	Accessing Tamworth's Past	£121,900.00
Teign Heritage	Teign Heritage Project	£400,000.00
Telford and Wrekin Council	Telford Town Park	£74,064.55
Telford and Wrekin Council	Telford Town Park	£976,097.58
The Abbotsford Trust	The Abbotsford Conservation and Presentation Project	£144,000.00
The Applecross Trust	Applecross Landscape Partnership Scheme	£999,000.00
The Black Country Museum Trust Limited	The Bradburn and Wedge Garage	£347,500.00
The Carpet Museum Trust	The Carpet Museum, Kidderminster	£1,677,000.00
The Chapter of Hereford Cathedral	Regeneration of Hereford Cathedral Close	£4,012,000.00
The Churches Conservation Trust	All Souls Church, Bolton	£265,500.00
The Churches Conservation Trust	All Souls Church, Bolton	£3,330,000.00
The City of London	Branching Out: Epping Forest	£4,756,000.00

Grants awarded over £100,000

Applicant	Project title	Commitment
The Congregation of the Most Holy Redeemer (Redemptorists' Congregation)	Church of the Most Holy Redeemer, Clonard II	£100,000.00
The Co-operative Heritage Trust	Rochdale: Renewing Our Co-operative Heritage, Developing the Archive and Learning Experiences	£136,700.00
The Co-operative Heritage Trust	Rochdale: Renewing Our Co-operative Heritage, Developing the Archive and Learning Experiences	£1,449,000.00
The Council of the Borough of Broxbourne	Cheshunt, Cedars Park	£79,093.62
The Council of the Borough of Broxbourne	Cheshunt, Cedars Park	£798,251.23
The Drapers' Towns Partnership Ltd	Five Parishes	£100,000.00
The Drapers' Towns Partnership Ltd	Five Parishes	£850,000.00
The Foundling Museum	Foundling Lives: Foundling Hospital pupils' oral history project	£322,000.00
The Great Dixter Charitable Trust	The Great Dixter Conservation Project	£3,797,000.00
The Greenbank Trust	Itford Farm – Hostel/Field Study and Activity Centre	£100,000.00
The Herbert	Peace and Reconciliation Project	£199,500.00
The Horniman Public Museum and Public Park Trust	Horniman Gardens	£414,670.02
The Irish Landmark Trust Ltd	Magherintemple Gate Lodge	£204,000.00
The Landmark Trust	Queen Anne's Summerhouse, Old Warden, Bedfordshire	£350,000.00
The Landmark Trust	Astley Castle, Astley, Warwickshire	£1,467,000.00
The Laurence Sterne Trust	"Opening the Door": Increasing understanding of a house and collection	£200,000.00
The Lincolnshire Wildlife Trust	Lincolnshire Fenland for People and Wildlife – Phase 1 Willow Tree Farm	£800,000.00
The Literary and Philosophical Society of Newcastle upon Tyne	Widening Access to the Heritage And Collections of The Lit & Phil and Mining Institute	£300,000.00
The National Galleries of Scotland	Portrait of the Nation: the Scottish National Portrait Gallery	£4,531,000.00
The National Maritime Museum	The Maritime Archive	£478,000.00
The National Maritime Museum	The Maritime Archive	£4,510,000.00
The National Trust	Real Lives: Ickworth Past and Present	£999,500.00
The National Trust for Scotland	Burns birthplace: An International Museum	£5,827,000.00
The North End Trust	Museum Extension Project	£294,000.00
The North Yorkshire Moors Historical Railway Trust Limited	Train of Thought	£998,000.00
The Parish Church of Saint Giles, Willenhall Parochial Church Council	St Giles Church	£137,000.00
The Parochial Church Council of Christ Church	Christ Church	£142,000.00
The PCC of All Saints' Church	All Saints' Church	£109,956.00
The PCC of St Gabriel's	St Gabriel's Church	£151,211.90

Applicant	Project title	Commitment
The Prince's Trust	Get Into Heritage Skills	£200,500.00
The Priory Trust Limited	St Catherine's Community Heritage	£1,329,000.00
The Stockport Plaza	The Restoration of the Plaza Stockport	£1,900,000.00
The Tramway Museum Society	The Stone Workshop Exhibition and Learning Centre	£869,500.00
The Vindolanda Trust	Vindolanda Trust Heritage Access & Interpretation Project	£3,989,000.00
The Wayland Partnership Development Trust	Capturing Our Wayland Heritage	£124,000.00
The Whitworth Art Gallery	Cultural Reflections: Strategic Acquisition for the Whitworth Art Gallery Wallpaper Collection	£196,500.00
The Whitworth Institute	Conservation and Enhancement of the Joseph Whitworth Centre	£1,337,000.00
The Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough	Restoring our Fenland Heritage - the purchase and restoration of the Holmewood Estate	£7,204,000.00
Torbay Coast and Countryside Trust	Berry Head on the Edge	£850,500.00
Torfaen County Borough Council	Forgotten Landscapes Partnership	£136,500.00
Torfaen County Borough Council	Forgotten Landscapes Partnership	£1,474,000.00
Training For Life	Dollis Hill House - restoring the historical focal point of Gladstone Park	£250,000.00
Training For Life	Dollis Hill House - restoring the historical focal point of Gladstone Park	£950,000.00
Trustees of the Roman Catholic Archdiocese of Glasgow	St Teresa's of Lisieux	£142,000.00
Trustees of the Roman Catholic Archdiocese of Glasgow	St Paul's Roman Catholic Church	£129,000.00
Tweed Forum	Coldingham Priory and Gardens	£237,500.00
Tyne & Wear Museums	Creative Spirit	£250,000.00
Tyne & Wear Museums (TWM)	Collecting Design	£145,000.00
Union Chapel Congregational Church	Union Chapel, 18-19 Compton Terrace	£177,724.80
University of East Anglia (East Anglian Film Archive)	Building the People's Digital Film Archive for the East of England	£553,500.00
V&A Museum of Childhood	British Toy Making	£244,500.00
Vale Royal Borough Council	Frodsham, Castle Park	£734,000.00
Victoria and Albert Museum	Staying Power: The Story of Black British Identity 1950-90	£157,500.00
Walsall Metropolitan Borough Council	Willenhall Conservation Area THI	£950,000.00
Wansbeck District Council	Bedlington Conservation area heritage led regeneration	£587,000.00
Watts Gallery Trust	Watts Gallery Hope Project	£4,377,000.00
West Derby Community Association	Lowlands Renewal Project Phase 1	£115,000.00
West Lothian Council	Linlithgow Burgh Halls	£772,500.00
Whitworth Art Gallery, University of Manchester	The 21st Century Gallery in the Park: Extending Access to the Whitworth's Collections	£152,000.00

Grants awarded over £100,000

Applicant	Project title	Commitment
Wigan Council Partnered with Wigan Leisure & Culture Trust	Wigan, Mesnes Park	£986,000.00
Worcester City Council	Gheluvelt Park, Worcester	£200,875.00
Wrexham County Borough Council	Wrexham Community Heritage Project	£950,000.00
Wychavon District Council	Port Street Regeneration Scheme	£257,000.00
Yester Kirk Session	Yester Parish Church	£107,500.00
Youth Hostel Association (YHA) England and Wales	Castleton Youth Hostel – Access and Learning for More	£950,000.00

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 the Fund's 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 2008–09

2.1 Permanent staff in post as at 5 May 2009

Headcount on 5 May 2009

Ethnic origin	Total
African	4
Asian and White	1
Asian Indian	3
Asian Pakistani	3
Caribbean	5
Other	4
Other Asian	1
Other Mixed Ethnic	2
White	232
Grand Total	255

2.2 Applications for employment in 2008–09

Monitoring information of job applicants, including internal applicants, who applied through our jobs website for 13 externally advertised vacancies*, between 1 July 2008 and 31 March 2009.

Ethnic origin	Returning application	Successful at interview
African	7	1
Asian and White	1	
Asian Other	0	
Black African and White	1	
Black Caribbean and White	0	
Black Other	0	
Caribbean	2	
Indian	5	1
Mixed Other	1	
Not stated	2	
Other	8	
Pakistani	5	
White	278	11

* Incomplete data provided because of software problems with the externally hosted jobs website, which was discontinued in June 2008.

2.3 Numbers of training days undertaken by staff

The Fund's database on internal training shows that we met our policy aim of ensuring that all staff from all racial groups had equal access to training and development opportunities throughout the year.

2.4 Performance assessment procedures
In 2008 there were 32 white employees whose performance was rated as outstanding and 4 employees from other racial groups whose performance was rated as outstanding. No employees suffered any detriment as a result of performance assessment procedures.

2.5 Applications for internal promotion
During 2008–09, three white employees and one non-white employee were permanently promoted internally.

2.6 Number of employees involved in grievance procedures during 2008–09

There was one formal grievance raised by a white employee, and one grievance raised by an employee from another racial group.

2.7 Number of employees subject to disciplinary procedures during 2008–09

Three white employees were subject to formal disciplinary proceedings during this period.

2.8 Number of employees leaving the Fund's permanent employment in 2008–09

White employees	29
All other racial groups	4

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 in its recruitment advertising to encourage job applications from black, Asian and minority ethnic groups, recognising that its workforce is not yet fully representative of local or national diversity.

Acknowledgements

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