

DRAFT
Review of Lottery Funding

**The response of the Coalfield Communities Campaign to the
consultation paper published by DCMS in July 2002**

Coalfield Communities Campaign

CCC is the all-party association representing more than eighty local authorities in the present and former coal areas of England, Scotland and Wales. CCC has taken a particularly close interest in the distribution of Lottery grants, especially since the report of the government's Coalfields Task Force first highlighted the under-funding of coalfield areas. CCC has collaborated with DCMS in the organisation of national conferences to review progress in raising Lottery funding in the coalfields, and has an on-going dialogue with several of the Lottery Distributors.

CCC's position on the Lottery

In January of this year CCC submitted a paper to the Secretary of State for Culture, Media and Sport outlining proposals for the reform of Lottery grant distribution. The paper was prepared in response to a request made to CCC by the Secretary of State at the Coalfields Lottery Conference in November 2001.

Four proposals were put forward and were intended to address inequities in the distribution of Lottery grants affecting not just the coalfields but other parts of the country as well.

The Consultation Paper

Section 2 : Making the Lottery more responsive to the needs and priorities of communities.

The 1999 research into the Lottery and the coalfields carried out for DCMS by Sheffield Hallam University revealed a lack of enthusiasm for Lottery funding among potential applicants in the coalfields. There was little confidence that it could deliver what communities wanted and applications were expected to fail. The result has been, and continues to be, a low number of applications compared to most other areas. The Lottery has a lot of ground to make up if this disenchantment is to be overcome and confidence ignited in applying for grants.

A single promotional body and shared branding by the Distributors would probably help to raise awareness of the Lottery, but only at a rather superficial level. Without the provision of more fundamental structures of support, it is unlikely that attitudes will change.

Indicative financial allocations (see comments on Section 3 below) would assist in raising public awareness of the opportunities for Lottery funding and open up the grant distribution to public scrutiny. Engaging the attention of local media, particularly in areas of low take-up, might serve the useful purpose of 'shaking up' both the public and distributors alike.

For the coalfields, an in-depth examination of the decision-making process on Lottery applications may be 'putting the cart before the horse'. Getting more applications submitted has to be the priority.

Section 3 : Ensuring that funding is more fairly distributed to all areas and communities across the UK.

This is the key issue for CCC. Inequalities in the distribution of Lottery grants across the UK, particularly the under-funding of deprived areas like the coalfields, continue to discredit the Lottery. The provisions of the 1998 Act and the subsequent efforts of the Distributors have resulted in only marginal improvements.

The purpose behind three of CCC's proposals – indicative allocations, a single point of entry and development support – is to address this problem which has dogged the Lottery since it began.

There are several different ideas in the consultation paper about financial allocation, most focusing on targeting resources to specific areas and/or to specific groups. Such approaches have merit, especially for those areas/groups that are selected and several coalfield areas have already benefited. However, the problem with this 'pepper pot' approach is the lack of impact on areas outside the chosen few. There is a danger that the problems of the non-selected areas, which may be less acute but still present, would be overlooked and a new raft of Lottery 'underdogs' created.

Setting indicative allocations for all parts of the country is the best way to iron out the big differences in grant receipts between areas. All other methods attempted so far have failed to make sufficient inroads and the pace of change needs to be stepped up if fairness in the Lottery is to be achieved in the foreseeable future.

Nevertheless, indicative allocations alone would not solve the problem for under-performing areas. Side by side must come increases in the volume of applications generated. At the moment poorer areas, like the coalfields, are continuing to put in fewer applications despite the soliciting that the Distributors are now permitted to carry out. The key to attracting more applications is to ease the burden on the applicant by transferring more responsibility onto the Distributors. A 'single point of entry' would go a long way towards simplifying the Lottery process by removing the burden of fitting a project into the criteria of individual Distributors. The applicant

should be able to use a single standardised application form and the project should be judged on its merits. Decisions about which Distributors pay, and in what proportion, should be a matter for the Distributors themselves to decide.

As part of the 'single point of entry' approach CCC strongly supports the setting up by the Distributors of a network of Lottery 'one stop shops' in major towns across the country. The nature of the shops might vary from area to area, but for coalfield and other deprived communities they need to offer a comprehensive 'hands on' service covering all strands of the Lottery and include, where necessary, free technical support (accountants, solicitors etc).

One stop shops need to be complemented by the provision of development workers, funded jointly by the Distributors, to provide sustained and focused support for applicants right through the Lottery process and beyond. There is sufficient evidence to support the view that the 'hand holding' which only development workers on the ground can provide is essential to build confidence and establish a base of local expertise. As well as help during the application process there is a need for pre-application support, in capacity building and encouraging applications.

The cost of providing one stop shops and development workers must fall on the Distributors. It may therefore be necessary to re-examine their financial framework to allow such costs to be regarded not as administrative overheads but as an integral part of the application process.

The review document mentions the potential role of local authorities. The experience of CCC authorities is that there is an increasing awareness of the importance of Lottery funding and a willingness to take an active role. Many of the larger local authorities have a dedicated Lottery or external funding officer, but for most smaller shire districts the costs are prohibitive. There will inevitably be limitations on local authority involvement and it would be unfair and unrealistic to expect local authorities to substitute for functions, particular support for applicants, which should be the responsibility of the Distributors.

Section 4 : Managing the distinctive challenges of Lottery funding.

The consultation paper states “that an important principle of Lottery funding is that individual projects are one-off interventions over a defined period of time which produce a specific result with lasting benefits”. However, in the poorer areas of the country this principle may not always be either realistic or practical.

It must be recognised that there are many projects in deprived areas that, whilst being of much value to the community, will never be self-supporting. Limiting revenue funding to three years (or a maximum of six years) not only diminishes the efficiency projects by diverting staff into ‘grant chasing’ but also runs the risk of condemning worthwhile projects to an early death.

Furthermore, the demands of many deprived areas tend to be modest and fairly conservative. The requirement that projects should always be new and innovative can be difficult to meet, particularly when applying for an extension to funding. There needs to be more flexibility and a recognition that ‘bread and butter’ projects can have as much value as those that are more original.

The issue of longer term revenue funding is a serious and persistent problem. CCC supports the view that the Distributors should be able to make more use of endowments for appropriate projects. However this does not preclude other solutions such as the suggestion that the “government and other funders provide continuation funding”. What matters is that the problem is resolved. The argument that the provision of longer term funding, such as endowments, reduces the money available for other projects is true but there is merit in supporting fewer but successful projects.

Conclusion

CCC welcomes the positive attitude that successive Secretaries of State have shown to the need for greater fairness in the distribution of Lottery grants. In the coalfields, there is evidence that the take-up of Lottery funding is improving.

However, the coalfields – and some other areas – still remain far adrift of the national average in terms of Lottery funding received. This is all the more worrying because the high levels of deprivation in many of these areas would actually justify above-average funding from several of the Lottery Distributors.

CCC therefore calls upon the government to be bold in reforming the Lottery grant distribution process. Without radical reform along the lines proposed by CCC there can be little assurance that areas like the coalfields will ever catch up with the rest of the country, let alone make up for the accumulated under-funding that has already occurred.