HOUSE OF LORDS

Select Committee on Charities

Corrected oral evidence: Charities

Tuesday 29 November 2016

4.35 pm

Watch the meeting

Members present: Baroness Pitkeathley (The Chairman); Baroness Barker; Lord Bichard; Baroness Gale; Lord Harries of Pentregarth; Baroness Jenkin of Kennington; Lord Lupton; Lord Rooker; Baroness Scott of Needham Market; Baroness Stedman-Scott.

Evidence Session No. 18 Heard in Public Questions 167 - 178

Witnesses

I: Dawn Austwick, Chief Executive Officer, Big Lottery Fund and Gemma Bull, Portfolio Development Director, Big Lottery Fund.

Examination of witnesses

Dawn Austwick and Gemma Bull.

Q167 **The Chairman:** Good afternoon, Ms Austwick and Ms Bull. Thank you very much indeed for coming to see us. As you know, there are some formal words I must put on the record. This session is open to the public and is being broadcast on the parliamentary website. A transcript will be taken of your evidence. You will be sent a copy of the transcript to check for accuracy and to advise us of any corrections. If, after the session, you want to clarify or amplify any of the points you have made during your evidence, or there is anything else that you would like to let us know that you have not had an opportunity to talk about, you are welcome to submit supplementary written evidence to us. We are not expecting any votes this afternoon, so we do not expect to be interrupted by a bell. My colleagues will take it in turns to put questions to you. You need not both feel that you have to answer the questions; I will leave that up to you. Perhaps you would like to introduce yourselves for the record, and we will start the questions.

Dawn Austwick: My name is Dawn Austwick. I am chief executive of the Big Lottery Fund.

Gemma Bull: I am Gemma Bull, development director at the Big Lottery Fund.

The Chairman: Thank you. I am going to start off with the first question. Tell us what the role of the Big Lottery Fund is in relation to the charity sector. How does it support charities in ways that other organisations do not?

Dawn Austwick: The Big Lottery Fund is a bit of a big beast in the funding world for charities. We make about 11,000 grants a year, upwards of about £600 million. That is about 40% of National Lottery good causes funding and gives us quite a unique place in that ecology and in our relationship with charities. We probably have a scale, scope and reach that few other funders of our kind have. We get into the nooks and crannies of every part of the United Kingdom. We made a tiny little grant to Everton Community Apple Picking Day for about 400 quid a couple of weeks ago as part of our Celebrate programme of very small grants initiated to celebrate Her Majesty’s 90th birthday. It goes right through to the setting up of an independent trust such as Power to Change, which is charged with helping to build community businesses and community enterprise. We have a massive range.

We are also an unusual beast in that we are a non-departmental public body. Obviously, we are part of the apparatus of government but our funding does not come from the Exchequer; it comes from lottery players. In some ways, that mandate of people buying lottery tickets has a strong influence on how we think about what we fund. The final bit that is unique about us is that we operate what we call a blended funding model. The vast majority of our grants, in terms of volume, are responsive. People come to us and say, "We would like to do A, B or C", like the Everton community apple pickers. We make a choice about whether to fund them. On top of that, on the basis of what we learn from those grants and from our general intelligence, we think about creating programmatic interventions. We make a number across all the five different portfolios that we run across the four countries of the UK plus the UK itself.

That gives us a unique position. It has led us to develop our particular philosophy, which I can encapsulate as putting people in the lead. That is what we call our strategic framework. We like to start with people in communities and what they would like to achieve. We want to be in a frame of mind that asks people, "What matters to you? What would you like to do? What would you like to build?" rather than, "What is the matter with you?" That is the classic way of thinking about things, which is all about what is wrong. As part of that philosophy, we like to think in terms of that rather wonderful but somewhat ubiquitous phrase, "nothing about us without us is for us". We are committed to the notion of the engagement of citizens, people, end-users, service users, beneficiaries or whatever you want to call them in the process of thinking about our grant making and in looking at the organisations that we might fund.

We want to be a champion of that sort of grant making. That puts us in a very particular place. Also, because of that scale, scope and reach, we have a role as a catalyst in the charitable sector. Because we are a big beast, we have to think about how we realise that. There is a lovely phrase that Amplify has used in Northern Ireland about how it works with the community: "We trod carefully and listened well". We want to play a catalytic role, because the people we fund have said that we can do that, but we want to do it in a way that enables, facilitates, nudges and listens. In some ways, what we often try to do is to stimulate a conversation, which is why we created *The Future of "Doing Good"* report and ongoing dialogue about what it means to be a charity and what charities can do in the future. How do all the big geopolitical, digital and demographic changes that you have just been talking about impact on the charitable sector, which of course in itself is not homogeneous? I am very happy to open up on any of those points.

The Chairman: Would you like to add anything, Ms Bull?

Gemma Bull: Not at this point.

Q168 **Baroness Gale:** What are your criteria for supporting charities, and how do you ensure that the money is well spent? Who do you see as your main beneficiary groups?

Dawn Austwick: Because we are such a broad-based funder, we see ourselves as having a direct line from people in communities and lottery tickets, in effect, to how we allocate our funds. We really start with people in communities. We do not necessarily start with particular segments of the charitable sector. Having said that, in a breakdown of the charitable sector, broadly 80% of charitable organisations have a turnover of less than £100,000. They account for less than 5%, or broadly 5%, of the income. We can correlate that to the majority of our grant holders. Something like 70% of our grant holders have a turnover of less than £1 million; 54% have a turnover of less than £100,000. We are very much in our heartland operating with very small organisations, where we see direct benefit going back to communities.

In some ways, we are more interested in the approach than necessarily the subject. We are very interested in how we can particularly support civil society at that end and think about what those organisations offer in broad distribution across the UK. We look at where particular areas of disadvantage are, to ensure that we cover them. We have a strategy for dealing with cold spots. We think about the impact and role of particular organisations. That is a broad summary, and Gemma might want to add to it.

Gemma Bull: I think you have covered most of it. We are a generalist funder. It is more about the philosophy of putting people in the lead. At the moment, our funding reaches every constituency and community across the land. It is much more about that approach, and working with organisations to understand their role in the funding ecology and how they support other organisations in their community to help create more social change. That is the perspective we come from.

Q169 **Lord Harries of Pentregarth:** How do your funding policies and priorities interact with those of the UK Government and the devolved Administrations?

Dawn Austwick: How we operate is framed within the legislative framework of the National Lottery, set up through the vision of Sir John Major. We operate with a set of policy directions across each of our countries, plus a set for the United Kingdom. In a sense, they set the high-level principles for how we operate. Some of those cross all the lottery distributors and are common to all of us—for example, the need to have an even distribution and the need to take account of disadvantage. Some are specific to us and are specific to the particular Administration that we might be operating in, be that Wales, Scotland, Northern Ireland or England and so on. Within that context, we clearly have areas of common interest. Probably the best examples of where we either co-fund or work alongside government are some of the programmes that we operate in England. Gemma would like to talk about those.

Gemma Bull: Last week, in the House of Commons, we jointly launched an initiative around youth social action called the #iwill Fund. That is a really good example of us collaborating with government when we have shared ambition. In that instance, we are supporting many more children and young people to be involved in volunteering to help make where they live even better. It is a match-funding opportunity, whereby we invest in that arrangement over several years with government, alongside a range of other funders and a national charity, Step Up To Serve, which has a fantastic model for youth social action. As Dawn said, there is a high-level policy direction, but there is also a range of opportunities where we can collaborate where we have similar strategic interests, to improve outcomes for young people in this instance.

Lord Harries of Pentregarth: In May 2016, the Government published new directions for you. They have been criticised by ACEVO, NCVO and other groups, because they think you will be working too closely with government. How do you respond to that criticism?

Dawn Austwick: The document that was published in the early summer was the consultation document, which actually invited people to respond to it, and that is the context in which NCVO and ACEVO were responding. Those policy directions are currently being reviewed, and those comments will be taken into consideration in discussion with the Office for Civil Society and DCMS. They are not actually fixed.

We feel that, as a funder in the space of wanting communities and people to thrive, we will inevitably operate across similar areas of policy to government. The issue that we have to think about very carefully—this is prescribed in the regulatory framework—is that our funding must not breach the additionality clause and must be complementary. That is what we are looking for in our funding. Where you probably see that most obviously is in our five big strategic programmes in England, each of which takes quite a knotty social issue. For example, A Better Start looks at the nought to threes who are born into the most disadvantaged circumstances. We have something for multiple and complex needs called Fulfilling Lives, which looks at how we can improve the chances for individuals turning their lives around. We have a programme called HeadStart for adolescent mental health, one for older people and one on youth unemployment.

All those are clearly key areas of interest for policymakers in all areas, be it Government, local authority or whatever. All of them have been constructed as multiagency, multi-location partnerships. In that funding equation, we are saying that we believe that the key to addressing some of these issues is to get some of the agencies to work together, but to start from the premise of what the voluntary and community sector brings to that. We look at how the VCS works, particularly being very people centred, perhaps, rather than process or systems centred. How can bringing those agencies together across a number of locations in England start to look at how one can create some systems change in that environment? What we also wrap around that—this again is about our distinct role in the funding ecology—is that the programmes are all of eight to 10 years' duration. Our funding does not need to be time limited; it can be much more flexible. We have also built right around all of them a very strong research and evaluation process, and a development process to support those organisations. We bring them together to swap notes, learn and so on.

What we are looking for in the interaction with government, where inevitably we are going to be in the same policy areas, is: how do we add value? What do we bring? Another instance might be around a notion we are talking about quite a lot at the moment called generous leadership.

We are very committed to the idea that to create change and move civil society forward, leaders probably have to look beyond their own organisations. They need to think about what the whole ecology looks like. It is a bit like thinking about biodiversity—"what I do impacts on what you do", and so on and so forth. We need to think more generously, beyond our own organisations, which may sometimes mean that we need to put mission in front of the particular needs of an organisation. The larger organisations need to help the smaller ones, and we need to think much more about how to work collaboratively and collectively. That is our thinking around leadership. We will have a conversation with the Office for Civil Society, which is clearly interested in civil society thriving. We will feed in our thinking and swap notes with it. It is on those different levels, if that is helpful.

Q170 **Lord Bichard:** In the spirit of exploring that relationship, you used the word "complementary". You could interpret that in different ways. You could say "complementary" in terms of funding organisations that are addressing issues of priority that the Government recognise. You could say "complementary" in identifying areas where the Government have withdrawn. Would you ever see yourself encouraging charities to pick up issues or groups that the Government have deserted?

Dawn Austwick: We would probably start from a slightly different place. If I go back to Awards for All, which is probably 9,000 or 10,000 of the 11,000 or 12,000 grants—the grants for £10,000 or less—most of those organisations have rarely received government funding. They are already doing something that the Government do not do. They are helping, contributing to and living in communities that they want to flourish. That is really our heartland. That is where we would start from in our thinking. We would say "How can we help this part of the world or this particular issue area to flourish"? Our brief is very much that 90%-plus of our funding goes to voluntary and community organisations. I think we have a target of 80% from our policy directions. We always start in the independent sector, and with what the sector brings—what is unique and precious about it. We probably do not start in quite the same place. Gemma, do you want to add anything?

Gemma Bull: I re-emphasise the point made earlier about collaborating on the youth social action fund—the #iwill Fund. It is very much the case that we are already funding hugely in the youth sector, as Dawn said, with Awards for All grants predominantly. Is it going to be something that will add value? What is our specific role? We have a specific role in this instance to enable peer-to-peer learning across mid-sized and medium-sized youth sector organisations. It is starting from the heartland of communities and whether we can add value in a very specific and distinct way.

Q171 **Baroness Stedman-Scott:** There is a huge amount in the public domain now, and in charities, about social investment. Charities have seen this as the goose that lays the golden egg for them. I am interested to know how the Big Lottery Fund approaches social investment. How do you ensure that the projects you support through social investment are viable and able to generate returns? I particularly note that for social investment to work a charity needs an asset base, trading revenues or intellectual property. That is not necessarily the case for all charities, so it would be good to get your response to that.

Dawn Austwick: You have just played back to me my own little mantra—I thought it was familiar. The first thing to say with regard to our role in social investment is that we have, over the last five, six or seven years, played a role in helping that market to develop. That role has largely been executed through grant finance. Gemma can talk about one or two of the programmes that we have specifically run to do that.

Our focus has very much been on market development, enabling social investment to establish itself. Across the whole of the UK, we have probably put in about £100 million, but that is over five, six or seven years if you put it in the context of the total. Having said that, moving forward, we want to recognise and articulate that social investment is a part of a world of funding that charities have to think about. It is absolutely horses for courses. Some organisations that have assets, intellectual property or trading revenues might want to look at social investment. We can make it a bit overcomplicated, but it could be something as simple as a loan, to help acquire another building or redevelop, on the back of a business case. That is fine. The more one can do that, the more one frees up grant finance for those for whom grant finance is the most appropriate way of operating.

Our interest in social investment is probably not in social investment in itself. It is to encourage organisations to understand what their best strategy is for realising as much financial sustainability as they can in order to achieve their mission. That is where we are coming from on social investment. The more we can help equip people with that knowledge, the better.

Baroness Stedman-Scott: Do you think charities have got their heads around this?

Dawn Austwick: If I were to go back to my 9,000 or 10,000 of the 11,000 or 12,000 awards for all grant holders, I hope they have not, because it is probably not appropriate for them. Gemma can talk about some of the things we have instituted to help those for whom it is appropriate to get their heads around it.

Gemma Bull: In some charities, there is the potential that it might be appropriate and they might want to explore it, but in some instances, such as our Big Potential programme, initial grant finance can help to give the headspace to the leadership and the senior team to work with specialist providers and to have a think about whether they have any intellectual property to sweat. Do they have a business model that could work in the space? One organisation that this particular programme supported was a disability resource centre in the West Midlands. It had the genesis of a model for help at home around independent living that could be commercialised to a certain extent to help it diversify its income stream and become more sustainable, but it needed expert help to develop the model further. We were able to provide a grant that connected it with the right provider. It has since gone on to get a rather substantial loan from another funder. You can see the sequence, but, as Dawn says, it is very much the case that it is a tool for some organisations. It is not a golden egg. We would not say that was the case for everybody.

Q172 **Lord Lupton:** We have had some indications in witness statements, in particular from smaller charities, that with continuing reductions in direct state funding the BLF is becoming what I might describe as the donor of last resort. Do you agree with that? Do you think that the BLF is replacing direct state funding of charities in some cases? If so, what do you think the implications are?

Dawn Austwick: It is interesting to look at our application rates. Like many other funders, who I am sure have come to talk to you, we have not seen a significant rise in applications. That has been the case for many independent funders since 2008, when one might have anticipated it.

We are probably seeing greater insecurity and instability in the charitable sector. Our desired state would be that charities are resilient and sustainable, and would have, for example, reasonably strong balance sheets based on developing financial strategies and so on and so forth. There is probably more risk now that charities become shorter term and have less stability. We have probably seen that.

The way we try to address that, particularly in our new England portfolio, is to think about how we can offer every organisation that we fund some potential to address some of the issues that might prevent them realise their potential. At the moment, we are operating that through our Reaching Communities programme. We have something called RCBC—Reaching Communities and Building Capabilities. Every grant holder can have £15,000 to help them. It could be a marketing plan or a governance review. It could be an income generation review. It is really up to them to specify what will be most useful.

As we move forward, there are two things. One is that we want to expand that programme. The other is that we are interested in moving some of our funding to look much more at how we can engage in early intervention and prevention. For example, we have a very small programme running at the moment with a small number of independent foundations called the Early Action Neighbourhood Fund, which we are running in Coventry, Hartlepool and Norwich. In each of those, we are trying to work with practitioners to address issues before they become exacerbated. In Coventry, we are working with a wonderful organisation called Ignite in the Coventry Law Centre. It is trying to problem-solve with some of its beneficiaries issues that might subsequently make them homeless or exacerbate a condition. In that sense, we want to move some of our support up stream.

The Chairman: Might that be people getting into debt?

Dawn Austwick: It could be, yes. A lot of issues that law centres get involved with are going to be about how to manage debt. It is a bit like citizens advice bureaux. It could be a whole range of things.

Gemma Bull: The example that Dawn mentioned of the Early Action Task Force and Early Action Neighbourhood Fund in Hartlepool is about multiagency working to improve the efficacy of children's services and to try to create a 10% reduction in spend. It could be early action for children in the early years, but equally it could be more upstream work on debt. It depends.

Q173 **Baroness Barker:** You have both used a very interesting phrase about organisations understanding their place in the funding ecology. As a very big and significant funder, one of a few, we are trying to understand your place. We are doing so in the context of significant change. Last week, we talked to small charities about the disappearance of the CVS network on which they depended for advice. This afternoon, we were talking to Google and Twitter about expanding digital skills. You have said lots of things, but I have not heard how much of your resources go on infrastructure and skills development. That would be interesting to know. As one of the bigger funders, what input do you have in the charitable sector to build resilience so that it can deliver the programmes that you decide, roll out and approve in discussion with government?

Dawn Austwick: I cannot give you a precise figure on how much funding there is of infrastructure bodies today, but we will certainly try to come back to you. We could give you some numbers on supporting capability development because we have some very particular programmes. Perhaps we could come back on that particularly.

I want to start by talking a bit about infrastructure and what infrastructure might mean in the future. We might be looking at different models. Some of you may be familiar with Exeter CVS's recent opening of something called the Exeter CoLab. That is a fascinating experiment, I suppose, where it has taken over more of a building in Exeter and is hosting up to 25 different agencies, both public and voluntary sector. Its philosophy is that all these agencies quite often operate in their own silos, and their beneficiaries, people, have to become cogs in their wheels. It is trying to say that it is the person who is the wheel, and we all need to be the cogs in their wheel to help and support them as they change their lives.

That is a very interesting development for an organisation that is an infrastructure body. We heard the tail end of the previous folk talking about the digital world. There is the notion of digital platforms as infrastructure—some of the stuff that Go ON UK, and Doteveryone, its successor body, has looked at—and I think that we will see new types of infrastructure develop. It may be that some infrastructure bodies are actually practitioner organisations. Citizens UK may be an infrastructure body for the future, because it is trying to train and enable folk to be community organisers.

The whole notion of an infrastructure body is changing. Our interest, mainly through our Accelerating Ideas programme, which is in our UK programme, is to try to support some of those ideas and provide them with funding. It is to live with potential failure, because, actually, things need to not always work. That is how we all learn. It will perhaps enable some civil society organisations to take risks where funders—I include us in that category—have not always been as encouraging as they might be around the nature of risk taking. I think that picture is changing quite considerably.

Gemma Bull: Among the changes that we are making to, for example, the England strategy is taking the learning from Reaching Communities and Building Capabilities and other organisational strength and development work that we have done in the past and making it part of a flexible offer that could be of interest to applicants in organisations, whether they are applying for a relatively small sum of money, or are part of some of the big multiagency partnerships such as A Better Start, which was mentioned previously. That is a different way of approaching it, rather than coming in through a funding programme with one opportunity to get some particular capability funding. We are becoming more flexible in that space, because we recognise, as Dawn says, that it is very much our role to try to support civil society and charity to be ready for anything and to be able to take the lead in their own organisational development. That is hugely important to us.

Q174 **The Chairman:** Do you see yourself as having an education role with the charities, so far as, for example, the new way of looking at what an infrastructure body or situation might be? Is that your role, and how do you carry it out?

Dawn Austwick: It is our role to help surface ideas and good practice, and to share that. To go back to where I started, I do not want to be heavy booted, but to be enabling and facilitative. How do we do that? We need to be much better digitally, so we need to use our digital resources and our website. We need to be very open in our grant making. For example, we are part of 360Giving, where all our grant making is openly available.

We can also do it in the human way of convening and bringing people together. A tiny example of that is a colleague in our south-west team who brought together a group of organisations that, I think, worked primarily among older people in Plymouth. They discovered in that meeting that they did not all know each other and that three of them were working on what was going to turn out to be a bid to us for pretty much the same thing. The joy of that was, of course, that that did not then happen and they worked together. They produced one bid and one project. We have to attack the thing from the 12,000 grants and 25,000-plus applications every year. What history does that give you? How do you enable people to interrogate all that? You must absolutely also take it back to human interaction and conversation.

Q175 **Lord Rooker:** To start with, I have a question arising out of my own ignorance and then I want to talk about impacts. Do you fund only charities or do you fund other bodies?

Dawn Austwick: No. We—

Lord Rooker: Is it just registered charities?

Dawn Austwick: No, we do not fund only charities. We fund some organisations that are too small to be charities, so they are below that threshold. We occasionally fund social enterprises. We might occasionally fund a private sector organisation if we felt the project was very much of a charitable and common-good nature. We have that flexibility, but the vast majority of our funding is to charities and always will be.

Lord Rooker: Do you see that you have a role in helping them assess what impacts they make? In some ways, it is too broad a question because you started off by giving us an example of the apple pickers and 400 quid. Presumably, you are not going to have red tape on a thing like that. On the other hand, you say you are a big beast and an average of £12 million a week is going to support. You gave a very good example in your evidence, which I remember reading, of the way the CAB presented its impact. Do you have a role in helping charities to assess their impact? Do they use that to go off to do other things and other bids? It may help them respond to the regulator sometimes as well.

Dawn Austwick: We absolutely do. We are interested in impact for improving as much as proving. There is a slight danger that impact has become the currency of the funder, and then that becomes something where civil society organisations find they have to jump through hurdles in order to keep people like us happy. Where we would like to get to is that people are looking at their impact, yes, to be able to demonstrate that they have been effective, and they might do that both with quantitative data and with qualitative data because stories matter, but actually looking at it for learning.

The other great example is SafeLives, which used to be called CAADA, an umbrella body for domestic violence charities. It basically takes aggregated data from caseworkers. The process it uses is that it is integrated into the paper that the caseworker is using with their client, so they do not have to do any extra work—it is very old technology. It is then scanned and goes through to SafeLives. It analyses it and, out of that, because it has a wide membership, it can create data and trends that give information about where they get most effective disclosure. Is it in the police station? Is it in the GP surgery? Is it in A&E and so on? How should domestic violence charities respond?

That is what I would call humble data. Practitioners use humble data all the time to get better at what they do. As funders, we need to encourage them to invest in that as much as in the slightly glossier data to satisfy people who are looking for money or want to be convinced of the case for the charity's effectiveness. I have a very nice quote that I like on this one as well. It is from a chap called Toby Lowe: "The paradox of outcomes—the more we measure, the less we understand". There might be a bit in that.

Q176 **Lord Rooker:** This has not been raised and it is purely my ignorance. It is your sheer size that causes me to ask the question. Do you have any relationship with local government or local authorities when you are dealing with these massive numbers of bodies?

Dawn Austwick: Yes. Almost all the strategic programmes in England are partnerships with a local authority. That would be very specific. Gemma can talk about our local teams and how they work.

Gemma Bull: We have local teams or outreach teams based across England. They work closely within the funding ecology and understand the local context and area. They also work closely with local government. We think very carefully about both our funding and their funding, if you like, and funding intelligently and smartly. An example would be in Leeds, where we are having a look at the data on what we are funding. In Awards for All, thematically and geographically, what does it look like when you overlay it? We make sure that there are no cold spots. We also invest appropriately in different types of organisation, so that the whole civil society in that area is able to thrive.

In the long-term strategic programmes that Dawn was talking about, when it comes to impact, there is again a convening role. That brings together local authority, social sector, charities and civil society organisations. In the case of Blackpool and A Better Start, which is the early years programme, we are asking what kind of practice is working in the area and what practice is working from the other five partnerships across the UK. There is sharing of evidence with local government as well, in order to improve practice and change systems.

Lord Lupton: This is a question born of my own ignorance, I think. Do you have to report your own impact either to the lottery fund or to Ministers? How do you do it?

Dawn Austwick: Yes, we do. We have a classic non-departmental public body accountability framework, which means that we produce a corporate plan. We have some KPIs. It is all quite dull in some ways. We then obviously account for that. We produce annual reports on how we have managed our resources and achieved the objectives that we set out.

Lord Lupton: How do you track the 12,000 grants you give?

Dawn Austwick: Variously. We do not use the same approach for all of them. To go back to the apple picking, our Awards for All are very small grants, and we want to be sure that the money has been spent as said. It is pretty straightforward. In the long run, we would like to move more of our monitoring into the digital world and to be more self-monitoring, such that a community uploads pictures of its apple picking day on its website and we have the link. What more can you ask?

In our Reaching Communities grants, which are middle-sized grants for three to five years for organisations, we have much more of a classic funder relationship around annual reporting and so on. On our big strategics, we are much more data driven, because the numbers are much larger and we are tracking much more closely. We are working with academics to help us look at that, partly because those are also very much about learning. In some ways, it is the learning that is important, not the "Have you absolutely hit every single indicator"? If they did not hit the indicator, what is that telling us? There is greater richness in that.

Q177 **Baroness Stedman-Scott:** You referred to your relationship with local authorities and your local teams—I did not realise that you had local teams so that is interesting. If a charity comes to you, would you refer their bid to a local authority to get their take on it? Could they actually stop a charity?

Dawn Austwick: Possibly. They could not stop someone applying to us.

Baroness Stedman-Scott: No, but they could have a really good idea and the local authority could say, "We are doing this".

Dawn Austwick: Yes. We would have a view, though.

Baroness Stedman-Scott: It is in the interest of charities to have very good relationships.

Dawn Austwick: Awards for All is probably too small. It is much more likely that for middle-sized organisations in smaller cities, or even large cities, we would probably engage with the local authority to get its view.

Gemma Bull: That is what I was going to say. Within the local team, an effective working relationship would be that we would see something come through, and we would want to make sure that we were not inadvertently duplicating. It is more likely that we would pick up the phone, or go and have a conversation and say, "What is your view and what does this look like?"

The Chairman: Thank you. Lady Scott is going to ask a question that we are asking all our witnesses.

Q178 **Baroness Scott of Needham Market:** If I could give each of you one wish, what would you like to see in our report?

The Chairman: One recommendation.

Baroness Scott of Needham Market: One recommendation where you would say, "Yes, we wanted them to say that and they have".

Dawn Austwick: That the sector should be confident and lead, and in so doing we should all celebrate the many successes that there are in the charitable world. I fear there is lack of confidence and a slight sense of being battered. You cannot run the Big Lottery Fund without, every morning, being overwhelmed by what people in this country achieve in the charity sector. It is glorious and a wonder. I guess we would really want to encourage both ourselves and others to note that, mark it and celebrate it; hence for the sector to be more confident.

The Chairman: Would you like one as well?

Gemma Bull: Yes, just in relation to funders, to build on Dawn's point. You can still be an extremely responsible and effective funder but also be proportionate. On the apple picking point, sometimes it is about making it simpler and easier for good organisations to get funding quickly so that they can get on with creating change locally. Sometimes, it is best for us to get out of the way.

Lord Rooker: What was the variety, by the way?

Dawn Austwick: Now you are testing me. I am really sorry; we will assume it was Evertonian russet or something.

The Chairman: Thank you very much. We are most grateful for your time and for all the very good examples that you have given us.