



National Audit Office

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## **Report**

by the Comptroller  
and Auditor General

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### **The Big Lottery Fund and the Cabinet Office**

# Follow-up: grants to the Big Society Network and the Society Network Foundation

# Summary

**1** In July 2014 we published a report on an investigation into two grants awarded by the Big Lottery Fund and one awarded by the Cabinet Office to three related organisations. These grants were:

- the Big Lottery Fund's grant of £830,000 in February 2011 to the Big Society Network for the *Your Square Mile* project;
- the Big Lottery Fund's grant of £997,960 in April 2013 to the Society Network Foundation for the *Britain's Personal Best* project; and
- the Cabinet Office's grant of £299,800 in April 2012 to the Society Network Foundation for the *Get In* project.

**2** The report found issues with how the Cabinet Office and the Big Lottery Fund awarded and managed those grants. As such, we have taken the decision to investigate whether these issues were isolated or there are wider systemic problems. Appendix Two contains more detail on the findings of our previous report.

**3** Part One of this report sets out findings on other grants made from central government and non-departmental public bodies to the Big Society Network, the Society Network Foundation and related parties. Part Two sets out findings on other grants given out by the Cabinet Office and by the Big Lottery Fund as part of the same programmes from which the grants examined in our initial report were made.

## Scope of the investigation

**4** This investigation focused on grant awards only. It sought to identify whether the Big Lottery Fund, the Cabinet Office and other government organisations followed their own procedures and guidance in soliciting and assessing the initial bid applications, monitoring project progress and making payments to grant recipients. We have not sought to assess the value for money of any grant awards.

**5** Appendix One to this report sets out our investigative approach.

## Key findings

**6 We did not find any evidence of systemic issues with programmes we examined from the Cabinet Office or the Big Lottery Fund.** The Cabinet Office and the Big Lottery Fund assessed, awarded and monitored other grants alongside those previously investigated in line with procedures. We saw evidence that the Big Lottery Fund had taken one applicant's previous poor performance into account in rejecting an application.

**7 The Big Society Network and Society Network Foundation were awarded £980,000 in government grants in addition to the £2,130,000 previously investigated.** In August 2010 and November 2010, the National Endowment for Science, Technology and the Arts (which was abolished in 2012 and its activities transferred to the charity Nesta) gave grants totalling £480,000 to Big Society Network for various projects. In May 2012 and May 2013 the Cabinet Office gave £350,000 and £150,000 respectively to the Big Society Network and the Society Network Foundation to run the Big Society Awards. It made these awards under Charities Act powers through which successive ministers have since been able to choose to award grants without a competitive process.

**8 The Minister for Civil Society sought advice from officials within the Cabinet Office and the Prime Minister's office and decided to continue funding the Society Network Foundation despite concerns.** The Cabinet Office withdrew funding from the Big Society Network for the *Get In* programme in December 2012, due to poor performance. In February 2013 the Minister for Civil Society judged the Big Society Network to have performed poorly in its work on supporting the government's objectives for the Big Society, and in April 2013 officials provided him advice about its financial sustainability. Prior to awarding the Society Network Foundation a further grant, the Minister for Civil Society also asked for advice from officials in the Prime Minister's Office, citing issues with the Society Network Foundation's performance and financial sustainability. Following discussions with the Policy Unit and having met representatives of the Society Network Foundation, the Prime Minister's Office asked the Minister for Civil Society to renew funding. From the £150,000, it also recommended advancing an immediate £12,500 bridging grant to cover the costs of delivering the Big Society Awards. The Minister for Civil Society awarded the grants, under Charities Act 2006 powers, and the Cabinet Office paid the amounts as advised. Given the concerns raised about financial sustainability and weak performance of the organisation, the Cabinet Office introduced increased controls over the grant from the first year, including regular progress meetings and more detailed objectives.

**9 Nesta has reported that its predecessor was asked by a government adviser to support the Big Society Network, but made its awards following standard procedures.** Nesta has published its own review into the grants by its predecessor. It states that the National Endowment for Science, Technology and the Arts was asked to consider providing support to the Big Society Network by Lord Wei, the government's adviser on the Big Society. Lord Wei was co-founder of Big Society Network and had resigned as its executive chair on taking his government role in May 2010. Nesta reported that the applications went through its standard approval processes. We have seen evidence that its predecessor produced proposals with reasoning for each of the grants. It subsequently found Big Society Network's performance to be disappointing.

**10 The Cabinet Office does not maintain a detailed database for grant programmes.** The only comprehensive record of grant payments held by the Cabinet Office is its finance system and it has not maintained a database of wider information such as the process through which grants were awarded. It was unable to identify within the report's timescale whether it had changed criteria partway through competition for any other grant programmes. From the information reviewed, it did not identify any further examples.