

Organisational resilience guidance

This guidance will help you think about how The National Lottery Heritage Fund can support you to make your organisation more resilient or to take on the management of heritage.

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Introduction

You could be looking for funding to build capacity or achieve significant strategic change, through acquiring new skills or knowledge, exploring new models of governance, leadership, business and income – in order to improve management of heritage for the long term. Your project could be stand-alone or you could be incorporating activity within an application to strengthen your organisation's ability to carry out a wider project.

What do we mean by organisational resilience?

At The National Lottery Heritage Fund, we describe the difference we want projects to make through a set of nine outcomes. One of our outcomes is 'With our investment your organisation will be more resilient'.

When we assess whether or not your project is likely to achieve this outcome we look at how, as a result of our investment, *your organisation will have greater capacity to withstand threats, respond to opportunities and to adapt to changing circumstances to give you a more secure future*. We recognise that resilience will look different for individual organisations depending on their needs and the heritage they are managing. We consider these characteristics, along with a willingness to change, are key in defining a resilient organisation able to deal with more than one constraint at a time.

Examples of activities that we can support

Under The National Lottery Grants for Heritage programme £3,000-£10,000 and £10,000-£250,000, we can support individual organisations, partnerships or consortia to deliver a wide range of activities to increase their resilience or take on the management of heritage. It is up to you to make a strong case for the activity you want to carry out and what difference you expect this funding to make.

Making changes to your organisation and the way you work takes time you may not see its benefits immediately. When you plan and deliver your project, you should consider its longer term impact, how outcomes will be sustained, and how the work

you carry out will be adopted by your organisation. Following your project, you will be able to show that your organisation is in a better position for the future as a result of the changes you have made, and that your project has helped you towards the long-term goals of the organisation.

One of our aims in supporting organisations to increase their resilience is to ensure the benefits of projects we have previously invested in is secured for the future. If you are applying for a larger grant we will consider the extent to which your proposed project helps protect previous HLF investment when we assess your application's value for money.

Taking on the management of heritage

If you are thinking about creating a new organisation to look after or engage people with heritage or perhaps you are an existing group planning to take on new responsibilities for heritage then we can support the early stages of planning. Examples of the kind of activity you can include in your project are:

- conducting a viability appraisal or feasibility study looking at transforming the use of a historic building or other heritage asset
- working with a local authority on an asset transfer process
- paying for research into the use and management of other similar heritage sites to learn how they have been successful (for example, the costs of making visits to talk to other trustees or management committee members about their experiences)
- paying for advice to help choose and adopt an appropriate governance structure or appropriate partnership structures or set up a special purpose vehicle

Please note, we usually expect the owner of the heritage to fill in the application form and, if you are successful, receive the grant and report on progress. If the owner of the heritage is not making the application then we will ask them to sign up to the terms of grant.

Are you looking for funding to build your capacity or achieve significant strategic change?

If you are looking at improving the resilience of your organisation, you might choose to focus your project on building capacity to fundraise, reviewing your governance or exploring opportunities around social investment. You might also need to carry out a wider programme of organisational development. For example, your project could include:

- conducting research into how you engage with existing and potential audiences and customers, and identifying improvements that can be implemented
- investigating and trialling new approaches to fundraising, trading or other income generating activities
- paying for specialist support to undertake a review of governance and an audit of trustee skills, and implement changes
- getting advice and support from a professional to review your business and operating model, develop a new business plan for the organisation and carry out the key stages

- exploring alternative income streams and testing new approaches, which might include improving how your organisation demonstrates its social impact in order to attract a wider range of investors
- identifying opportunities to reduce negative environmental impacts and make efficiency savings
- providing short-term staff cover to release senior personnel from some of their duties, to increase their capacity to work on activities critical to organisational development
- identifying and paying for training for staff, volunteers and trustees to support the organisational changes you are aiming for
- providing support for networking and mentoring activity to enable the organisation to increase its reach and impact
- ensuring your organisation is prepared to take on a future capital project through undertaking specialist work such as condition surveys and initial planning to demonstrate long-term financial sustainability
- exploring options for winding down or merging with another organisation, including getting support in passing on responsibility for a heritage asset to ensure it is well managed in the long term

Working with or on behalf of a group of organisations

We can support applications from consortia to explore options for a group of organisations who have identified common challenges. This might involve setting up of more formal networks or partnerships or developing new strategic plans and approaches to looking after shared heritage.

Umbrella organisations or partnerships between heritage organisations and service providers can also apply for funding for activities such as training and capacity building for organisations with responsibility for managing heritage.

Or perhaps you have another idea for your project?

The examples of activity covered in this section are not exhaustive and depending on the needs of your group or organisation you may have a different type of project in mind. You will need to tell us how the activity you are proposing will meet the needs of your organisation and why you think it will improve your organisational resilience.

Incorporating activity around organisational resilience into a wider project

If you are applying for a larger grant, we would encourage you to think about the capacity building needs of your organisation and to incorporate this activity into your project plans including at the development phase if you're applying for a grant of £250,000 or more.

For example, when planning your project, you should consider the following:

- **Is there a need to strengthen your governance to deliver the proposed project?** Do you need to review your current arrangements or conduct a skills audit and bring in new skills to ensure you are in the best position to deliver your proposed project?
We strongly recommend that if you are applying for over £250,000 and have

not undertaken a governance review in the last three years that you include this in your application for funding.

- **Your management, staff and volunteer skills.** Are you considering training and skills development to deliver your project? If you are bringing in new staff to deliver the project, how do you intend to ensure these new skills and expertise benefit your organisation once the project is finished?
- **Business and strategic planning.** Do you need to refresh your business plan or undertake some further strategic planning to undertake your project? Will you be seeking to bring in external, specialist advice? If you are applying for a grant of over £250,000, we will ask you to submit your current business plan with your first round application. If you are successful, you will be expected to update and develop this in line with our second-round requirements and longer-term sustainability of your project. You can allocate some budget from your development phase to help you do this.
- **Is there a need to strengthen your financial management systems?** Do you need to review or improve the way you track your financial information?
- **Do you need to include some activity to build your capacity to fundraise and attract new sources of income?** Do you need to develop fundraising skills, review strategies or look at options to diversify your income?

We want to see the impact of our investment continue to benefit people and communities in the long term. We recognise that carrying out a large project can bring considerable change and new demands to an organisation. Through our funding we want to support organisations to incorporate activity to address capacity building needs into plans for a wider project to help improve resilience and strengthen financial sustainability leaving organisations a better position once project activity is completed.

Support we can offer

Online diagnostic tool

If you are an established organisation that has been operating for more than two years, we strongly recommend that you include a diagnostic stage as part of your project-planning using the online Resilient Heritage strength checker. This will help you to analyse how your organisation currently works and areas of strength and weakness, to help identify what you need to address as part of your project. The tool will produce a report once you have answered the questions which you can add to your application as a supporting document.

The tool can be found at www.resilientheritagechecker.org.uk

More information and resources

Here are some useful resources to help you develop your ideas and strengthen your organisation:

Business planning:

DIY toolkit, Nesta: <http://diytoolkit.org/tools/>

A toolkit on how to invent, adopt or adapt ideas that can deliver better results.

Business planning guidance for arts and cultural organisations, Arts Council England: <https://www.artscouncil.org.uk/sites/default/files/download-file/Business%20Planning%20Guidance%20for%20arts%20and%20cultural%20organisations.pdf>

The Sustainable Sun tool, NCVO: http://www.ncvo.org.uk/images/documents/practical_support/funding/sustainable-funding/Sustainable%20Sun%20Tool.pdf

A tool designed to help you assess where you are in working towards financial sustainability.

A guide to benchmarking, The Audience Agency: <https://www.theaudienceagency.org/insight/an-introduction-to-benchmarking>

A guide to how you might go about starting to benchmark your organisation.

Various business planning resources, Scottish Council for Voluntary Organisations: <https://scvo.org.uk/running-your-organisation/business-planning>

How strong is your business tool, Creative & Cultural Skills: <https://ccskills.org.uk/careers/develop-your-career/article/how-strong-is-your-business>

Various resources to help you run your organisation, Wales Council for Voluntary Action: <https://www.wcva.org.uk/advice-guidance/running-your-organisation>

Business development support:

Business development resources, Culture Hive (hosted by the Arts Marketing Association): <http://www.culturehive.co.uk/prosper/>

A suite of resources covering a variety of topics from managing teams through change, measuring social impact and diversifying revenue streams.

Made Simple Guides, Sayer Vincent: <http://www.sayervincent.co.uk/resources/made-simple-guides/>

A suite of guides designed for charities covering various topics including Gift Aid, Mergers and collaborative working.

Success Guides for museums, Association of independent museums: <https://www.aim-museums.co.uk/resources/success-guides/>

Guides covering various subjects including; cafes and retail, negotiating business rates and a quick guide to donation boxes.

Fundraising and good practice:

For general guidance on various fundraising topics, Institute of Fundraising:
<https://www.institute-of-fundraising.org.uk/guidance/>

The Code of fundraising practice, The Fundraising Regulator:
<https://www.fundraisingregulator.org.uk/code-of-fundraising-practice/code-of-fundraising-practice/>

Association of Fundraising professionals guidelines:
<http://www.afpnet.org/Ethics/content.cfm?ItemNumber=3093&navItemNumber=536>

Various resources to help with fundraising, Northern Ireland Council for Voluntary Action (NICVA): <http://www.nicva.org/services/fundraising>

Top tips and how to's for fundraising, SOFII: <http://sofii.org/the-fundraisers-toolbox/top-tips-how-tos>

Developing good governance:

Golden rules for Good Governance, Association of Independent Museums:
<https://www.aim-museums.co.uk/wp-content/uploads/2017/02/AIM-Golden-Rules-For-Good-Governance.pdf>

A one page guide to ten things Boards of Trustees should think about to achieve good governance.

Good Governance, a code for the third sector in Wales, Wales Council for Voluntary Action: <https://www.wcva.org.uk/advice-guidance/publications>

Governance in the Arts and Museum's: a practical guide, Clore Leadership programme:
https://www.cloreleadership.org/userfiles/documents/630_toolkit_final.pdf

The Charity Governance code, various partners:
<https://www.charitygovernancecode.org/en>

A practical tool to help charities and their trustees develop high standards of governance.

Various resources covering different issues relating to governance, Scotland's Third Sector Governance Forum:
<https://scotlandsgovernanceforumblog.wordpress.com/category/resources/toolkits-guides/>

Social investment:

A website designed to help charities better understand Social Investment, Good Finance: <https://www.goodfinance.org.uk/>

Investment readiness diagnostic tool, Social Investment Scotland:
<http://www.socialinvestmentscotland.com/investment-readiness/>

An essential guide to Social Investment Tax Relief, Big Society Capital:

<https://www.bigsocietycapital.com/sites/default/files/GET%20IT%20leaflet%20NEW%20May%202017.pdf>

Information about community shares, Community Shares Wales:
<http://communityshares.wales.coop/support>

Catalyst Umbrella resources:

The Catalyst Umbrella programme awarded grants to nine Umbrella organisations to deliver capacity building programme across the UK over four years between 2014-2018. Although the programme has now ended a wealth of resources around fundraising and business planning were created and remain available on the projects websites:

Arts and Business Scotland, *Resourcing Scotlands Heritage*:
<http://www.resourcingscotlandsheritage.org/resources/>

The Heritage Alliance, *Giving to Heritage*:
http://www.theheritagealliance.org.uk/gth/?page_id=1398

The National Archives, *Fundraising for Archives*:
<http://www.nationalarchives.gov.uk/archives-sector/projects-and-programmes/fundraising-for-archives/>

Wales Council for Voluntary Action (WCVA), *Giving the past a future – sustainable heritage in Wales (Catalyst Cymru)*:
<https://www.wcva.org.uk/funding/advice/information-sheets>

Northern Ireland Environment Link, *Investing in Northern Ireland's Heritage*:
<https://www.heritagefundraisingni.org/resource-library>

The Princes Regeneration Trust, *Building Resources, Investment and Community Knowledge (BRICK)*: <https://brick-work.org/resources/>

Norfolk Museums and Archaeology Service, *SHARED Enterprise: developing business minded museums*: <http://sharemuseumseast.org.uk/shared-enterprise-resources/>

Hampshire Cultural Trust, *Inspiring a Culture of Philanthropy*:
<http://www.fundraisingportal.org.uk/>

Cornwall Museum's partnership:
https://www.cornwallmuseumpartnership.org.uk/resource-results/?_sft_resource_cat=all

Case Studies:

In 2012 The National Lottery Heritage Fund, along with Historic England, published a report containing 15 case studies focusing on the work heritage organisations had undertaken to become more resilient:

<https://content.historicengland.org.uk/content/heritage-counts/pub/2012/bop-case-studies-f.pdf>