

Evaluation of HLF Catalyst: capacity building programmes

Baseline Report – Summary March 2015



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Key Findings – Umbrella Programmes

Overall, there are **clear aims and a strong rationale** for the HLF Catalyst: capacity building programmes in general, and for the Umbrella programmes in particular, and the aims of the programmes clearly fit with HLF's strategic framework 2013-18: 'A lasting difference for heritage and people: Our strategy 2013-18'.

Each **Umbrella programme** involves a lead partner and a mix of other delivery and strategic partners – although the mix of the partners, the scale of the partnership, and the roles of individual partners varies across the nine programmes.

Each of the Umbrella programmes has a different geographic and heritage focus, and this influences their specific approaches adopted to targeting and engaging with beneficiaries. The different approaches can be grouped under two general headings – the **'cohort approach' and the 'open' approach**.

In terms of the overall planned scale of delivery, there is **expected to be more than 15,000 learning opportunities delivered** through the nine Umbrella programmes by the end of the HLF Catalyst: capacity building programmes.

A range of different delivery models are being implemented to provide these training opportunities. This includes: **'in house' delivery** (lead organisation delivering training themselves); **'partner' delivery** (one of the named partners delivering training); and **'contracted' delivery** (delivery of training is contracted out).

Across all delivery models, **progress in terms of key outputs is good** and the **broad consensus** across all Umbrella programmes **is that key outputs will be achieved**.

Key Findings - Small Grants

For completed Small grant projects, **97% of respondents now have a fundraising plan or strategy** – a notable increase compared to pre-Catalyst where only 48% had a fundraising strategy. Furthermore, 92% of organisations that did not have a fundraising plan before receiving a Small grant have now developed one.

Completed Small grant projects already show **progress in terms of the proportion of total income from private sources**. Generally, the proportion of income from private sources is expected to be higher by the end of this financial year than it was pre-Catalyst.

Assessing the pre- and post-Catalyst scores of Small grantees for a range of fundraising and private income criteria confirms **there is already clear progress against key criteria for completed projects**, especially around **organisational capacity, staff capabilities and diversification of fundraising sources**.

An overwhelming 83% of Small grantees say that staff in the organisation have developed skills following the HLF Catalyst: Small grant. In addition a further 11% report that this has not happened yet, but they expect it to in the future.

60% of respondents feel their organisation is now more resilient following the Small grant, with an **additional 38% expecting this to happen in the future**.

A key outcome for HLF Catalyst relates to bringing in **additional private money to the heritage sector** and the survey results show a clear split – 44% of Small grantees think their organisation already brings in additional private money following the grant, whilst 52% feel that this has not happened yet, but that it will happen in the future.

The survey provides **evidence of an emerging culture shift in the approach of heritage organisations** to fundraising generally, and private sources in particular.

Comparing Small grant survey results with a wider heritage 'control group' indicates **Small grants have supported organisations in making progress against a range of aspects directly linking to HLF Catalyst core outcomes** – Small grantees report more positive responses compared to the control group, and to their own pre-Catalyst position.

Introduction

DC Research, in partnership with Emmie Kell Consulting, have been commissioned by Heritage Lottery Fund (HLF) to carry out an Evaluation of the HLF Catalyst: capacity building programmes. The evaluation started in mid-2014 and continues until March 2017.

This document is the Summary of the Baseline Report, produced in March 2015, which reported on the findings of the evaluation to date, based on the first tranche of evaluation work carried out between August 2014 and February 2015.

The evaluation will continue throughout the lifetime of the HLF: Catalyst capacity building programmes, with an Interim Evaluation Report being produced in 2016 and a Final Evaluation Report in 2017.

Aims of HLF Catalyst: Capacity Building Programmes

The Catalyst programme is part of a broader partnership initiative between HLF, the Department for Culture, Media & Sport (DCMS) and Arts Council England (ACE). It is a national programme **designed to encourage more private giving to culture and heritage**, and to **build the capacity and skills of organisations to diversify their income streams and access more funding from private sources**.

There are three HLF Catalyst strands: Catalyst: Endowments; Catalyst heritage: building fundraising capacity (Umbrella grants); Catalyst heritage: building fundraising capacity (Small grants). **This evaluation concerns the two Catalyst capacity building programmes** in which a total of £4.6 million has been invested: the Umbrella grants and the Small grants, and the evaluation is weighted towards assessing the impact of the Umbrella programmes as they have received the larger proportion of funding.

The Catalyst capacity building grants are expected to deliver the following four outcomes:

- Outcomes for heritage - With HLF investment, heritage will be: **better managed**.
- Outcomes for people - With HLF investment, people will have: **developed skills**.
- Outcomes for communities - With HLF investment: your organisation will be **more resilient**.
- In addition, the Catalyst programme will seek to achieve the following: **bring additional private money into the heritage sector**.

Aims of the Evaluation

HLF commissioned this evaluation in order to develop a greater understanding of the impact of Catalyst funding, as well as support HLF's discussions with policy makers and stakeholders and also to contribute to the wider body of knowledge relating to private giving to heritage.

The Baseline Report focused on specific elements of the evaluation, and is intended to set out the 'current' levels of organisational capacity in terms of diversifying income streams and accessing more funding from private sources. Given that the Report was produced part-way through the programmes, it naturally considers progress to date as well as the initial baseline position.

Overview of the Umbrella Programmes

The Catalyst Umbrella grants programme was open to organisations and partnerships working across the heritage sector or parts of the sector, and across the UK or a part of the UK. Grants from £100,000 to £500,000 were available for Umbrella bodies providing support services for heritage organisations.

HLF's original intention was for Umbrella projects to deliver a range of capacity building services, learning and networking opportunities to enable heritage organisations to increase the funding they receive from private sources, such as individual and corporate donations, and trusts and foundations.

According to HLF, the initiative was intended to:

- Increase the capacity of heritage organisations to access funding from private sources.
- Bring additional private money into the heritage sector.
- Improve the financial sustainability of heritage organisations.

Following a two-stage application process, a total of £3.46 million across nine grants was awarded to Umbrella organisations, Table 1 provides an overview of each of the nine Umbrella programmes. Overall it is estimated that more than 15,000 learning opportunities (including online resources) will be created across all nine Umbrellas.

The Baseline phase of the evaluation involved one-to-one consultations with representatives from the nine Umbrella Programmes, including programme managers, delivery partners, and strategic partners, and the evaluation team also observed some training events/meetings. 39 consultations took place and a total of five events/meetings were attended.

Aims and Rationale

Overall, there are **clear aims and a strong rationale** for the HLF Catalyst: capacity building programmes in general, and for the Umbrella programmes in particular, and the aims of the programmes clearly fit with HLF's strategic framework 2013-18: 'A lasting difference for heritage and people: Our strategy 2013-18'¹.

The rationale for the programme is supported by research carried out by HLF in 2012², and by the baseline evidence reports, capacity building needs reports, needs surveys and analysis carried out by the Umbrella programmes during their development stage.

The **rationale is further strengthened by the timing of the programme** – it being described variously as 'very apt', 'overdue' and potentially 'too late'. These perceptions reflect **three key issues** around the rationale for HLF Catalyst:

- The **general need for the heritage sector to develop its fundraising capacity**, especially around private sources – a need which has existed for some time.
- **Reductions in public sector funding** have increased the need for heritage to develop fundraising capacity, diversify income and increase income from private sources.
- Concerns around the timing of the programme being 'too late' reflect the issue that **increasing capacity for fundraising** and, in particular, income from private sources **can take time to develop and also to achieve results**.

Reflections from the Umbrella programmes on delivery so far also noted other issues that reinforce the underpinning rationale and also the general need for the programmes:

- Some beneficiaries are **starting at a very low base** (in terms of fundraising capacity and capability) and consultees note that this was even lower than they had anticipated.
- The **scale of some beneficiary organisations is an issue**, where they face challenges in having sufficient capacity to simply participate in the programmes.
- **Perceptions and attitudes** play a role – with potential beneficiaries lacking the knowledge, experience or understanding about general fundraising and raising income from private sources (including a '*mistrust*' of the '*corporate sector*'). As a result, some potential beneficiaries are failing to see the benefits of engaging with the programme.

¹ <http://www.hlf.org.uk/lasting-difference-heritage-and-people-our-strategy-2013-2018>

² http://closedprogrammes.hlf.org.uk/aboutus/howwework/Pages/Capacity_Building_Needs_Heritage_Organisations.aspx#.VORmIM-a33g

Delivery Arrangements

Each Umbrella programme involves a lead partner and a mix of other delivery and strategic partners – although the mix of the partners, the scale of the partnership, and the roles of individual partners varies across the nine programmes:

- Some partnerships were **'natural'** and came about through direct engagement between the lead organisation and other partners.
- Some partnerships were **'encouraged'** where HLF played a role in facilitating and helping to develop/encourage the partnerships – some required a small level of encouragement and support, others received stronger encouragement to collaborate.
- Some partnerships have **evolved and changed** as delivery has progressed, with some partners no longer involved, or having a different role to that originally envisaged.
- Some partners are involved in more than one Umbrella programme, but have **notably different roles within different programmes** – e.g. the Institute of Fundraising is a named partner in Giving to Heritage, but is involved as a contracted deliverer in other programmes to varying degrees.
- The **role of partners** can also **vary across programmes** with some being directly involved in delivery and other being involved in a more strategic or advisory role.

Table 1: Summary Overview of the HLF Catalyst: Umbrella Programmes

Umbrella Programme	Applicant Organisation (and Partners)	Delivery Timescale	Total Funding (HLF as % of total)
Resourcing Scotland's Heritage	Arts and Business Scotland (Built Environment Forum Scotland, Archaeology Scotland, Greenspace Scotland Museums Galleries Scotland)	Jan 2014 – Mar 2017	£543,500 (83%)
Cornwall Museum Partnership	Cornwall County Council (Institute of Fundraising, Directory of Social Change, National Arts Fundraising School)	Dec 2013 – Mar 2016	£436,889 (64%)
Inspiring a Culture of Philanthropy (ICofP)	Hampshire Cultural Trust (Working with Norfolk Museums & Archaeology service to deliver the two annual joint conferences)	Jan 2014 – Jun 2017	£394,500 (74%)
SHAREd Enterprise: developing business minded museums	Norfolk Museums and Archaeology Service (Working with Hampshire Cultural Trust to deliver the two annual joint conferences)	Jan 2014 – Jun 2016	£240,000 (95%)
Investing in Northern Ireland's Heritage	Northern Ireland Environment Link (Common Purpose; Supporting Communities NI; and The Business Institute, University of Ulster)	Jan 2014 – Dec 2015	£246,000 (88%)
Giving to Heritage	The Heritage Alliance (The Institute of Fundraising (IoF))	Jan 2014 – Jun 2016	£620,610 (79%)
Giving Value	The National Archives (Archives & Records Association, Institute of Fundraising, Scottish Council on Archives, Public Record Office of Northern Ireland, Welsh Government (CyMAL))	Mar 2014 – Dec 2017	£589,550 (81%)
Building Resources, Investment and Community Knowledge (BRICK)	The Princes Regeneration Trust (PRT) (Locality)	Jan 2014 – Dec 2016	£746,515 (56%)
Giving the past a future – sustainable heritage in Wales	Wales Council for Voluntary Action (CyMAL and The Funding Centre)	Jan 2014 – Dec 2016	£492,260 (94%)

Source: Summary of HLF documents and data, September 2014

In terms of the overall planned scale of delivery, there is **expected to be more than 15,000 learning opportunities delivered** through the nine Umbrella programmes by the end of the HLF Catalyst: capacity building programmes.

A range of different delivery models are being implemented to provide these training opportunities. This includes the following (and some Umbrella programmes are using a combination of these):

- **'in house' delivery** (where the lead organisation is delivering the training themselves – e.g. Giving the past a future – sustainable heritage in Wales, BRICK);
- **'partner' delivery** (where one of the named partners is delivering the training – e.g. the Institute of Fundraising in the Giving to Heritage programme); and
- **'contracted' delivery** (where the delivery of training is contracted out to specific trainers/training organisations – e.g. Resourcing Scotland's Heritage, Cornwall Museum Partnership, Investing in Northern Ireland's Heritage, SHAREd, Inspiring a Culture of Philanthropy).

A number of other issues around delivery emerged during the consultations, around particular aspects of funding/finance – most notably around the **level of charging for events/training** (and various considerations around this: raising income through charging, offering very competitive prices to encourage attendance, using prices to ensure attendees place a value on the event/training).

Each Umbrella has made decisions about the balance to be struck to ensure that charging does not discourage beneficiaries from attending, whilst ensuring that sufficient income is raised. Some have developed specific initiatives, e.g. offering bursaries, whilst others have revised their charging, introducing a tiered approach based on organisation size.

Other ongoing funding considerations for some Umbrellas include **ensuring that they will achieve the level of match funding** required (and the efforts required on this); the **treatment of 'in kind' contributions**; and dealing with issues around VAT.

Approaches to Targeting Beneficiaries

Each of the Umbrella programmes has a different geographic and heritage focus, and this influences their specific approaches adopted to targeting and engaging with beneficiaries. However, the different approaches can be grouped under two general headings – the **'cohort approach' and the 'open' approach**.

The cohort approach has been adopted by SHAREd Enterprise; Cornwall Museum Partnership; and Inspiring a Culture of Philanthropy – all of which have targeted and engaged (through various approaches) a specific group of individuals/organisations and are providing ongoing support and training to these specific organisations. All three programmes that have adopted a cohort approach are both geographically focused and also focused on a specific element of the heritage sector (museums). Given the focus on museums for these three cohorts, it is recognised that alignment with other provision in the target geographic area can be beneficial – e.g. Museums Development Networks.

The other Umbrella programmes (i.e. Resourcing Scotland's Heritage; Investing in Northern Ireland's Heritage; Giving to Heritage; Giving Value; BRICK; and Giving the past a future – sustainable heritage in Wales) have adopted a more 'open approach' where each training event, workshop, etc. is open to anyone within the specific target geographic area/heritage profile of that Umbrella programme.

However, within some of the 'open' programmes there are beneficiaries who are engaging in multiple learning and training opportunities – and they are therefore creating an implicit cohort of beneficiaries who are engaged on a journey of development and progression.

In general, one of the challenges that is faced - more by Umbrellas adopting the open approach than the cohort approach - is about the **scale of effort required by the Umbrella programmes to ensure sufficiently high levels of attendance** at each event, workshop, etc.. Some of the reasons for this relate back to the issues highlighted above at the end of the 'Aims and Rationale' section. The **amount of effort required**

to market and promote, and ensure that there is sufficient take up for each event is **higher than was originally anticipated**. This (perhaps not surprisingly) is more of an issue for the programmes that are delivering on a wider geographic scale, i.e. England-wide or UK-wide.

Different Umbrella programmes have already noted that there are particular '**hot spots**' and '**cold spots**' – i.e. specific areas where it is easier to engage beneficiaries (hot spots) and conversely, some areas where it is proving to be particularly challenging to engage beneficiaries (cold spots). These do not just relate to geographic areas, but to a range of characteristics of target beneficiaries: Geographic Location; Type of Heritage; Type of Individual Beneficiary (staff, trustee, volunteer); Level of Experience (of fundraising); Scale/Size of Beneficiary Organisation; and Course Focus/Content.

Looking forward, the evaluation will seek to assess these hot spots and cold spots across all Umbrella programmes collectively – and this is something that will be explored with HLF and the individual Umbrella programmes.

Planned Delivery & Outputs and Reflections on Delivery So Far

In general, across all delivery models, progress in terms of key outputs is good and the broad consensus across all Umbrella programmes³ is that key outputs will be achieved.

In terms of specific reflections on delivery so far, a range of issues were identified during the consultations with the Umbrella programmes:

- For some Umbrellas, **the scale of effort and resources required to attract beneficiaries to the various workshops and training events is greater than was originally anticipated**, and this is proving to be a challenge – especially for some of Umbrellas that have an 'open' approach and a wide geographic remit.
- Notwithstanding this issue, Umbrellas typically **report good levels of demand and interest for one-to-one support sessions** and delivery of peer support and peer mentoring activities.
- Many of the Umbrellas are **facing issues with the Action Learning Sets** – in terms of engendering sufficient interest in these activities, with one of the common reasons relating to the limited level of capacity of potential beneficiaries. There is a perception that involvement in Action Learning Sets requires a greater (time) commitment and beneficiaries are unwilling to, or do not have capacity to, engage in this type of training.
- Umbrella programmes report **mixed experiences around the uptake of planned mentor/mentee activity**. Some have experienced high levels of interest in this from beneficiaries whilst others have struggled to recruit. Notably, some of the issues seem to be in terms of recruiting mentors rather than mentees.
- Many of the Umbrella programmes include the provision of **online resources**, online forums, online training, etc. Thus far, feedback suggests that take up of such provision is relatively low, although it is anticipated that this will develop over time.

A common issue cutting across delivery for many of the Umbrella programmes relates to the issues around the level of **heritage specificity** of delivery – i.e. the extent to which the training offered needs to be bespoke to heritage (or even specific subsets of heritage).

Umbrella programmes offer very mixed perspectives on this. Some feel that the training offer does need to be heritage specific, and even specific to particular subsets – '*we might not get museums involved if the trainers were not from museums*'. However, the experience of others (still within the museums sector) is that heritage specificity is not an issue, and that most of the trainers have fundraising rather than museums backgrounds.

³ A review of Giving Value recently took place so the extent to which it will achieve key outputs is still to be confirmed.

These views extend to Umbrella programmes beyond the museum sector where the same divergent experiences exist – some feel there is an expectation for heritage specificity whilst others feel that a heritage element and/or heritage examples within training which focuses on broader (and potentially transferable) fundraising skills is sufficient.

Capturing Outcomes and Achievements

There are a range of outcomes that each of the programmes intends to achieve over their lifetime, as set out in their application forms. These typically relate directly to the HLF outcomes for the Catalyst: capacity building programmes (heritage, people and communities), and common themes include the following:

- **For heritage...** better management; increased resilience; increased capacity; better protected; more adaptable to change in funding; less reliant on public sector funding; long term stability.
- **For people...** skills development; qualifications; experience; understanding around fundraising; ability to fundraise; confidence; more/better networking; financial benefits; develop the philanthropic culture and atmosphere.
- **For communities...** manage their heritage; closer links to their heritage; increased quality of life; strengthening citizenship; increasing engagement of communities with heritage; maintaining access for the community; providing volunteering opportunities.

Building on these types of intended outcomes, there are a number of general issues that emerged from the consultations with Umbrella grantees:

- There is consensus across Umbrellas **that it will be into the 'long term' before key impacts will be realised**, achieving these outcomes will *'not be a quick fix'*.
- A key aspect relates to ensuring that the learning of individuals is **embedded within and across their organisations**, and in particular, that this **includes embedding the learning at the board/trustee level** in organisations.
- **One of the key dimensions is around various aspects of cultural change** within heritage organisations – this is regarded by consultees as both a key outcome and something that **will be a real challenge to achieve**.
- Within this, a common issue relates to the **importance of changing attitudes in heritage organisations towards considering the private sector as a source of funding** – and consultations identified that it is **attitude change** and **philosophy change** that will be key aspects to achieving this.
- In terms of the outcomes around 'people' it is very well recognised that **increasing confidence is key** – the confidence of people working in heritage organisations towards fundraising in general, and towards raising income from private sources, and this is recognised as a core area to develop across all of the Umbrella programmes and delivery has been designed to develop this in various ways.
- Also related to the outcomes around 'people' are issues about **building capacity, developing skills, increasing knowledge, developing better understanding, and improving ability** – all of which are core aspects to much of the training being delivered.

Lessons Learned

Reflecting on the consultations overall, there are some early lessons that have been learned by the Umbrella programmes so far:

- Alongside the well-recognised clear, strong rationale for the programme, the need/demand has become even more pronounced given recent changes to the public sector funding landscape.

- The scale of some beneficiary organisations is affecting their ability to engage (e.g. some small heritage organisations do not have sufficient time/capacity to engage at all).
- Some beneficiaries are starting at a 'lower base' in terms of current fundraising capacity than was originally anticipated and programme delivery needs to reflect this.
- Partnership arrangements around delivery and strategic oversight are working well for most Umbrellas (recognising when to evolve/change the partnership helps) – any tensions are more likely to exist in those partnerships that were 'pushed together'.
- A number of the programmes make use of 'volunteers' or 'collaborators' ('in kind' contributions to delivery) – which helps develop/support heritage specificity of delivery.
- It is important to achieve the correct balance around principles underpinning pricing/charging (generates income; encourages attendance; helps show value of training) to fully reflect the target beneficiaries for the programme.
- More time and effort is needed to engage with beneficiaries than originally anticipated, especially for Umbrella programmes adopting a more 'open approach', and/or with a wider geographic remit.
- Alignment with other relevant/related provision can be beneficial to the Umbrella programme delivery (e.g. Museum Development Networks).
- Some of the successful promotion/marketing/awareness raising routes include: e-flyers to existing databases of heritage organisations; promoting events via relevant e-mailing lists (e.g. JISC mail lists); social media; existing membership networks; ensuring a portfolio of different approaches and routes are used and that material is distributed in a variety of formats; engage with established organisations/groups that have relationships in the geographic or thematic area, etc.
- The mixed experiences around planned mentor/mentee activity may mean there are lessons to be shared amongst Umbrellas – especially about engaging mentors.
- There are common challenges around development of Action Learning Sets (engendering sufficient interest, addressing capacity/time commitment issues and concerns).
- The development by the Inspiring a Culture of Philanthropy programme of a Programme Advisory Group (comprising philanthropists and business leaders) is well recognised as a significant early achievement and good practice example.

Small Grants – Review of Progress and Achievements So Far

The HLF Catalyst: Small grants initiative was open to heritage organisations or partnerships of heritage organisations across the UK, and intended to build fundraising capacity and encourage more private giving to heritage.

Grants of between £3,000 and £10,000 were available, and there were two rounds of applications, both of which took place in 2013.

According to HLF, the initiative was intended to achieve the following:

- Increase the capacity of heritage organisations to access funding from private sources.
- Bring additional private money into the heritage sector.
- Improve the financial sustainability of heritage organisations.

A total of £1.13 million across 125 grants was awarded through the two application rounds. The first round of Small grant awards was made in June 2013 (44 awards, total value of £410,400) and the second in October 2013 (81 awards, total value of £727,200).

The vast majority of Small grant projects are due to be completed by the end of April 2015, although a small number of the projects have been delayed beyond this timescale.

The key findings presented below are drawn from the results of the Small grant survey carried out in January 2015. A total of 125 Small grants were awarded, however, a small number of organisations have either returned the award, or delayed the project to the extent that it was not appropriate to survey them at that time. Therefore, 121 organisations were surveyed, and a total of 86 replies were received – equating to a 71% response rate, which is an excellent response rate for a survey of this type.

Overview of Small Grantees and their pre-Catalyst Fundraising Position

Survey results show that a diverse range of organisations received Small grants, with the number of paid staff ranging from no paid staff to 1,500; and annual income ranging from as little as £2,000 to almost £7 million. Similarly, the number of volunteers (another measure of organisational capacity) ranged from none to more than 1,000.

In terms of overall scale and capacity, these results show that almost three-quarters of Small grantee organisations have 20 or fewer paid staff (73%), and more than half (56%) have 10 or fewer staff. In terms of income, two-thirds of Small grantees that replied to the survey have an annual income of £1 million or less, with more than half (54%) reporting total annual income of £500,000 or less.

Therefore, whilst there is a notable range of organisations in terms of scale, most organisations that received Small grants (and replied to the survey) report total income of less than £500,000, and have 10 or fewer paid staff.

More than half of respondents (51%) did not have a fundraising plan prior to being awarded a Small grant. For those that did have a fundraising plan or strategy the vast majority of these organisations (39 out of 41 (95%)) stated that raising income from private sources was a part of this strategy.

Whilst more than half of the respondents did not have a fundraising plan/strategy, interestingly **two-thirds said that fundraising and income diversification was critical to their organisation**, with an additional 30% describing it as very important.

Taking the results together, this suggests that for some organisations fundraising and income diversification was regarded as critical or very important, and yet this did not result in the development of a specific fundraising plan, or result from the development of a plan.

More than half of the Small grantee organisations **stated that raising income from private sources was critical** with an **additional one-third describing it as very important**.

Therefore, raising income from private sources did not score as highly (in terms of importance) as fundraising and income diversification generally, but it is identified as a critical or very important issue for more than 85% of respondents – before they received the HLF Catalyst: Small grant.

The position of private sources of funding (pre-Catalyst) for the Small grantees shows that **for 52% of respondents income from private sources accounted for between 0% and 25% of total income**. Within this, the majority of respondents **(38%) reported income from private sources accounting for less than 10% of total income**.

In contrast, the **second most common category** was where income from **private sources accounted for between 76% and 100%** of total income – **26% of respondent organisations fall into this category**.

On average, respondents reported receiving 38% of total income from private sources pre-Catalyst.

If this average is calculated for two different sub-groups – depending on whether they replied Yes or No to the question about having a fundraising plan/strategy in place before being awarded a Catalyst Small grant, this shows a notable pattern. Those **organisations that did have a fundraising plan/strategy in place have an average income from private sources of 52%**, whilst **organisations that did not have a fundraising plan/strategy in place reported an average income from private sources of 23%**.

This finding may highlight the importance of developing a fundraising plan/strategy to underpin activity and effort around raising funding from private sources, or perhaps that the development of a fundraising strategy is a good proxy measure for the extent to which an organisation has acknowledged the importance of, and considered and dedicated capacity to, raising income from private sources.

The final aspect of assessing the pre-Catalyst position of the Small grant organisations was for each to score/rank⁴ their organisation against a range of aspects to identify the baseline position they were in (i.e. prior to receiving the Small grant). A number of points are worth highlighting:

- The three aspects where the most common response was “medium” rather than “low” were for “Success in fundraising from all sources”; “Success in raising income levels from private sources”; and (to a lesser extent) “Staff capability and skills on fundraising in general”.
- The other results, grouping the lower end scores/ranks, show that:
 - 91% of respondents ranked “Volunteer capability and skills on fundraising from private sources” as low, very low or zero and 88% ranked “Volunteer capability and skills on fundraising in general” as low, very low or zero. This shows the **very low ranking of the role of the capability of volunteers in terms of both general fundraising and private sources specifically**.
 - 76% of respondents ranked “Governing body (e.g. trustees, board) capability and skills on fundraising from private sources” as low, very low or zero and 69% ranked “Governing body (e.g. trustees, board) capability and skills on fundraising in general” as low, very low or zero. This shows the **low ranking of the role of the capability of trustees/board in terms of both general fundraising and private sources specifically**.
 - For staff there are some **positive responses**, with more than 50% ranking “**Staff capability and skills on fundraising in general**” as **medium or high**. However, “**Staff capability and skills on fundraising from private sources**” is ranked as low, very low or zero by two-thirds of respondents, **overall a low ranking**.
 - **Organisational capacity in general is also identified as an issue**, with more than three-quarters of respondents (77%) ranking “Organisational capacity dedicated to fundraising from private sources” as low, very low or zero; whilst “Organisational capacity dedicated to fundraising in general” only scores slightly better at 72%.
 - **Perspectives on success in fundraising exhibit better rankings generally** “Success in diversification of fundraising sources” is scored low, very low or zero by almost two-thirds of respondents, but “**Success in raising income levels from private sources**” is ranked **medium or high by 50% of respondents**, and “**Success in fundraising from all sources**” is ranked **medium, high or very high by almost two-thirds of respondents**.

⁴ Rankings were: '0. None'; '1. Very Low'; '2. Low'; '3. Medium'; '4. High'; '5. Very High'.

Impact of HLF Catalyst: Current Fundraising Position of Small Grantees

More than two-thirds (69%) of the projects were complete at the time of the survey, although almost half the completed projects reported completion dates of late 2014, showing that many of the projects were relatively recently completed - a factor likely to influence the scale of impact and achievement reported.

Small grantees summarised the main activities carried out due to the HLF Catalyst Small grant, and the most common types of activity supported included: development of fundraising strategy/plans; employing a consultant/fundraiser; providing training, coaching or mentoring for staff (as well as trustees and volunteers), and generally using the grant to increase the capacity of the organisation.

Impact of HLF Catalyst: Small grants - Completed Projects

For completed projects, 97% of respondents now have a fundraising plan or strategy – a notable increase compared to the overall response pre-Catalyst where only 48% had a fundraising strategy.

25 of the Small grantees that are completed projects did not have a fundraising strategy pre-Catalyst, and 23 of them now do – i.e. **for completed projects, 92% of those organisations that did not have a fundraising plan before receiving a Small grant have now developed a fundraising plan.**

More than three-quarters of respondents (77%) currently describe fundraising and income diversification as critical, this compares to 65% pre-Catalyst. Also, no respondent described it as lower than very important – again showing a positive shift (an increase in the level of importance) compared to the pre-Catalyst position.

There is a similar pattern for the importance of raising income from private sources, with more than two-thirds (68%) now describing that as critical (compared to 55% pre-Catalyst), and no respondent described it as lower than moderately important.

Whilst it is an early stage to assess the actual levels of income from private sources (one of the key outcomes for HLF Catalyst: capacity building programmes), the survey did ask the completed projects to report on the value and proportion of income they think their organisation will receive from private sources by the end of this current financial year.

These results **already show progress in terms of the proportion of total income from private sources.** Pre-Catalyst the highest proportion of responses (52%) reported that income from private sources accounted for between 0% and 25%. This has reduced in the post-Catalyst results to 41%, with equivalent increases in the proportion of respondents reporting higher proportions of income from private sources categories – **showing that, in general, the proportion of income from private sources for completed projects is expected to be higher by the end of this financial year than it was pre-Catalyst.**

By directly comparing the pre- and post-Catalyst responses for the completed projects the results show an overall expected value increase of income from private sources of **more than £4 million.** It should be noted that the vast majority of this is accounted for by six of the 43 organisations, all of which report increases of £350,000 or more.

The specific change reported by each respondent and assessing their pre- and post-Catalyst private income shows some early signs of success, with two-thirds (66%) of organisations reporting a positive change in terms of the proportion of income they expect to receive from private sources. Most (51%) of these fall within the 0-25% category and, within this, in the less than 10% increase category. **However, given that many of the projects are only recently completed, these results do show early signs of progress in terms of increasing the proportion (and value) of income from private sources for the Small grantees.**

Small grantees who have completed their project were asked to rank/score their organisation against the same range of criteria around fundraising and income from

private sources as they had previously (pre-Catalyst). These results can be used to compare the ranks/scores before and after the Small grant projects.

In general, the results show progress against all criteria. Results showed that with three exceptions, the most common rank pre-Catalyst was 'low', whilst post-Catalyst results show that the **most common rank across all criteria is at least 'medium'** and **for some criteria (i.e. 'Staff capability and skills on fundraising in general' and 'Staff capability and skills on fundraising from private sources') it is 'high'**. These results suggest that the area of greatest focus for the Small grant projects has been around the development of staff skills and capability.

The second most common category⁵ for all of those where 'medium' is now the most common category, is now one score/rank above (i.e. 'high'), whereas pre-Catalyst, the second most common category was typically one rank below (i.e. low).

This suggests clear progression across all of these criteria around fundraising and private giving already – many of which are key aspects of the organisational capacity and individual skills that are needed to increase income from private sources.

To assess this progression more directly, the average scores for each criteria can be calculated for the current position (i.e. end of the Small grant project) and compared to the baseline position.

These **results show that there has been positive progress against every criteria:**

- The criteria with the **highest average scores**⁶ are: (1) "Staff capability and skills on fundraising in general" – 3.48; (2) "Success in fundraising from all sources" – 3.35; and (3) "Staff capability and skills on fundraising from private sources" – 3.31.
- The criteria that show the **greatest improvement between baseline and current positions** are: (1) "Organisational capacity dedicated to fundraising from private sources" +1.33; (2) "Staff capability and skills on fundraising from private sources" +1.26; and (3) "Organisational capacity dedicated to fundraising in general" +1.17.

Overall, these results confirm that **there is already clear progress against some key criteria for completed projects**, especially around **organisational capacity, staff capabilities and diversification of fundraising sources**.

Progress and Achievements of HLF Catalyst: Small grants – All Projects

Organisations were asked if they thought their organisation was better managed following the HLF Catalyst: Small grant, and **more than half (55%) of Small grantees said Yes**. Given that this includes ongoing projects, this is a positive finding. The second most common response (31%) was 'Not as yet (will be in the future)' showing that for almost one-third of respondents the outcome of being better managed has not yet been achieved, but it is expected to happen in the future.

Those who reported the organisation was better managed gave examples of the improved management – and respondents mentioned that they have **more diverse income streams**, have **increased capacity** in terms of both **staff and governance**, **developed better systems and resources**, and highlighted being **able to address capacity and capability gaps** due to the improved management as a result of the Small grant.

⁵ The only exceptions to this are the criteria around volunteers, which do show progress, but to a lesser extent than the other criteria.

⁶ The average scores are out of a potential total of 5 (i.e. 5 was the maximum score that a respondent could give to each question, and they scored each criteria between 0 ('none') and 5 ('very high')).

An overwhelming 83% of Small grantees say that staff in the organisation have developed skills following the HLF Catalyst: Small grant. In addition a further 11% report that this has not happened yet, but they expect it to in the future.

Respondents who feel staff in the organisation have developed skills following their HLF Catalyst Small grant highlighted **awareness of fundraising and fundraising opportunities**, improved **fundraising competencies**, the **ability to spot opportunities** and **better confidence as core areas of skills development**.

In a slight contrast to the results around skills development of staff, **less than half (41%) report that there has been skills development for trustees/board members following the grant.** However, more than one-third do expect this to happen in the future, so there is an anticipation of further development around this going forward.

Taking these two results together clearly shows that activity has focused on, and led to, skills development amongst staff to a far greater degree than it has amongst trustees/board so far.

The findings around increasing resilience show that **60% of respondents feel their organisation is now more resilient** following the Small grant, with an **additional 38% expecting this to happen in the future.** These results suggest that **more than 95% of organisations anticipate (or have already achieved) greater resilience** following the Small grant.

Respondents who stated their organisation is more resilient following their HLF Catalyst Small grant noted **greater confidence in approaching potential corporate funders**, and **improved and more diverse income streams.** In some cases it has **also improved the overall organisation**, and **helped to address wider challenges (e.g. governance).**

The final outcome for HLF Catalyst relates to bringing in **additional private money to the heritage sector** and the results show a clear split – 44% of Small grantees think their organisation already brings in additional private money following the grant, whilst 52% feel that this has not happened yet, but that it will happen in the future.

Overall, these results suggest that there has been good progress and achievements made around some of the key HLF Catalyst outcomes. In particular:

- **Skills development for staff** is the outcome where the greatest proportion of organisations already feel there has been an impact (83%).
- There has been achievements around **better management** and **improved resilience** with **more than half reporting this has already happened** and an **additional one-third of respondents for each expecting this to occur in the future.**
- Achievements around **increased private giving are split** – around **40% feel they already achieve this** whilst **more than half (52%) feel that this has not happened yet, but will do so in the future.**
- The **outcome showing least achievement so far** relates to **skills development for governing body representatives** (e.g. trustees, board members) where just over 40% feel they have achieved this so far, and an additional one-third expect this to progress in the future.

Finally, Small grantees were asked about their level of agreement/disagreement towards statements about a wide range of capacity building aspects that the HLF Catalyst: Small grant may have supported. These results show the top statements in terms of levels of agreement and in ranking order (highest levels of agreement first) these are:

- ...Our organisation is able to develop and try new approaches to fundraising (89%).
- ...Our staff are developing new fundraising skills (87%).

- ...The attitude of staff towards fundraising and diversifying income is improving (87%).
- ...The attitude of staff towards accessing funding from private sources is improving (87%).
- ...Our organisation is developing a (more effective) fundraising strategy (86%).
- ...Our organisation is developing a better understanding of funders/donors needs and expectations (86%).
- ...Our organisation is developing new/improved links with funders and donors (79%).
- ...The attitude of our governing body/board/trustees towards fundraising and diversifying income is improving (78%).
- ...Our organisation is developing a more diverse range of income streams (76%).
- ...The attitude of our governing body/board/trustees towards accessing funding from private sources is improving (75%).

These results show that **organisational capacity, staff skills and attitudes, increasing understanding and engagement with funders/donors, and governing body attitudes** are the areas of greatest achievement so far based on the proportion of organisations that agree with these statements.

Conversely, the **lowest ranked** responses (where around half or less of all respondents agreed/strongly agreed) were around **volunteer skills and attitudes around fundraising and private giving, and governing body skills around fundraising**.

In summary, the results from the survey of Small grant organisations provide **evidence that there has already been a culture shift in the approach of heritage organisations** to fundraising generally, and private sources in particular. This is **exemplified through the development of fundraising/income generation strategies, the enhanced skills and capability of staff** around fundraising and private giving, and the **changing attitudes of both staff and governing body/trustees towards fundraising generally, and also accessing funding from private sources**.

Comparison with the Heritage Sector - 'Control Group' Perspectives

In order to better understand the impact and added value of HLF Catalyst: capacity building programmes, comparisons were made between the changes in capacity and skills of beneficiaries and an appropriate sample of organisations from the wider heritage sector not directly benefitting from HLF Catalyst: capacity building – i.e. **a control group**.

An HLF Catalyst Sector (Control Group) Survey took place during January 2015, as an e-survey, **distributed to a sample of organisations from the wider heritage sector**. In total, contact details for around 550 organisations were provided to the evaluation study team by HLF to use for the 'control group' survey. A number of the emails sent out did 'bounce back' or were invalid, and this reduced the **number of valid survey invitation send-outs to 485 organisations**. In total **113 replies** were received which **equates to a 23% response rate**.

The survey results show that a diverse range of organisations are represented within the control group respondents, with the number of paid staff ranging from none (i.e. zero paid staff) to 1,600; and the annual income ranging from as little as zero to £80 million. Similarly, the number of volunteers (another measure of capacity of the organisations) ranged from none (i.e. zero) to more than 140,000.

In terms of scale and capacity of the control group organisations, these results show that more than three-quarters have 20 or fewer paid staff (80%), and three-quarters (75%) have 10 or fewer staff. In terms of income, 80% of control group organisations that

replied to the survey have an annual income of £1 million or less, with more than half (53%) reporting total annual income of £100,000 or less.

Therefore, whilst there is a notable range of organisations in terms of scale, most control group organisations that replied to the survey report total income of less than £100,000, and two-thirds have 5 or fewer paid staff (and more than 50% have 1 or fewer) – **making the control group generally comparable in these characteristics to the Small grantees.**

Fundraising Capacity of the Control Group Organisations

Almost three-quarters of the control group respondents (74%) have a fundraising plan/strategy. Comparing this to the responses from the organisations that have completed their Small grant projects shows that the proportion of Small grant recipients with a fundraising plan is notably higher than the control group – 97% compared to 74%.

For the vast majority (72 out of 79) of control group organisations raising income from private sources is part of the fundraising strategy. This equates to 91%, which is lower than the same percentage for Small grantees that have completed their projects (98%).

These results taken together suggest **that support from the HLF Catalyst: Small grants has led to a greater proportion of organisations developing a fundraising strategy, and including raising income from private sources as part of this strategy,** compared to the control group results.

For the control group organisations, 39% describe fundraising as critical to their organisation (compared to 77% for organisations that have completed their Small grant project), and 80% describe it as critical or very important (compared to 100% for Small grant organisations).

On the importance of raising income from private sources, 23% of the control group describe this as critical (compared to 68% of organisations that have completed their Small grant project), and 61% describe it as describe it as critical or very important (compared to 97% for Small grant organisations).

These findings suggest that those **organisations that have been in receipt of an HLF Catalyst: Small grant now place a greater level of importance on both fundraising and income diversification generally, and also on raising income from private sources** compared to the control group.

Comparing the control group and the completed Small grant projects on the proportion of income expected from private sources by the end of the current financial year shows a notable variation in responses. 46% of organisations that have completed their Small grant projects reported that they expect private sources of income to account for between half and all (i.e. between 51% and 100%) of total income by the end of the current financial year, compared to 23% of the control group organisations. Conversely, 63% of control group organisations report that they expect income from private sources to account for 25% or less by the end of the current financial year, compared to 41% of organisations that have completed their Small grant project.

These results show **organisations that have completed their Small grant projects anticipate notably higher proportions of their income to come from private sources by the end of this current financial year compared to the control group organisations.**

The findings from the questions on ranking/scoring the organisation for a range of criteria around fundraising, income diversification and private giving can be compared between the control group and the Small grantees.

For the control group, the most common response for the majority of criteria is a ranking/score of "medium" – with the three exceptions to this (where the common response is "low" or "very low") are: 'Governing body (e.g. trustees, board) capability

and skills on fundraising from private sources'; 'Volunteer capability and skills on fundraising in general'; and 'Volunteer capability and skills on fundraising from private sources'.

Whilst comparisons of the proportion of organisations that ranked each criteria as 'medium' suggests Small grantees have, in general, ranked their organisations higher than the control group, the results can be directly compared using the average ranks/scores for each criteria and comparing the results for the two groups.

For every criteria, the average score for Small grant organisations is higher than the equivalent average score for the control group.

The criteria where there is the largest difference are:

- Staff capability and skills on fundraising from private sources (+0.83).
- Organisational capacity dedicated to fundraising from private sources (+0.82).
- Success in diversification of fundraising sources (+0.77).
- Success in raising income levels from private sources (+0.71).
- Organisational capacity dedicated to fundraising in general (+0.66).

Conversely, the criteria where there is the smallest difference are:

- Volunteer capability and skills on fundraising in general (+0.04).
- Governing body capability and skills on fundraising in general (+0.05).

The greatest variances in scores/ranks between completed Small grant projects and the control group are on: organisational capacity, staff capability and skills, and success in diversification of fundraising and in raising income from private sources – **providing evidence that HLF Catalyst: Small grants organisations rank themselves higher than the control group on criteria that clearly link to the main Catalyst outcomes.**

Finally, control group respondents reported their level of agreement/disagreement towards statements about a range of capacity building aspects, and these results can be directly compared to the equivalent responses from the Small grant organisations.

The proportion of each group that agreed or strongly agreed with each statement can be compared, and these findings highlight a number of key points:

- There are four statements where the proportion of Small grant organisations agreeing/strongly agreeing is 30% or more higher than the control group:
 - ...The **attitude of staff towards accessing funding from private sources** is improving (+41%).
 - ...The **attitude of staff towards fundraising and diversifying income** is improving (+33%).
 - ...Our **organisation is developing a (more effective) fundraising strategy** (+33%).
 - ...Our **staff are developing new fundraising skills** (+30%).
- There are two statements where the proportion of control group organisations agreeing/strongly agreeing is higher than the Small grant organisations:
 - ...Our organisation is engaging more with our local community.
 - ...Our organisation is extending its reach into our local community.

These findings indicate that the **Small grants have supported organisations to make progress against a range of aspects that link directly to the core aims and outcomes of the HLF Catalyst programmes** – to the extent that **Small grant organisations are now reporting more positive responses** across a wide range of factors, criteria and characteristics **compared to the control group organisations, and compared to the position of their own organisation pre-Catalyst.**